



EXOR S.p.A.

(incorporated in the Republic of Italy as a joint stock company)

U.S.\$170,000,000 4.398 per cent. Notes due 20 May 2026

Issue price: 100 per cent.

The U.S.\$170,000,000 4.398 per cent. Notes due 20 May 2026 (the **Notes**) are issued by EXOR S.p.A. (the **Issuer** or **EXOR**). Interest on the Notes is payable semi-annually in arrears on 20 May and 20 November in each year at the rate of 4.398 per cent. per annum, as described in Condition 4. Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Notes at their principal amount on 20 May 2026 (the **Maturity Date**). The Notes are subject to redemption in whole, but not in part, at their principal amount, together with accrued interest, at the option of the Issuer at any time in the event of certain changes affecting taxes of the Republic of Italy (**Italy**). Noteholders may require the Issuer to redeem their Notes upon the occurrence of a Change of Control as described in Condition 6(3). If 85 per cent. or more in aggregate principal amount of Notes is redeemed as a result of the occurrence of such events, then the Issuer may redeem all the remaining Notes (see Condition 6(4)). The Issuer may also, at its option, from (and including) 20 February 2026 to (but excluding) the Maturity Date, redeem all (but not some only) of the outstanding Notes at their principal amount, together with interest accrued and unpaid thereon (see Condition 6(5)).

Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005, as amended (the **Luxembourg Act**) on prospectuses for securities to approve this document as a prospectus and to the Luxembourg Stock Exchange for the listing of the Notes on the Official List of the Luxembourg Stock Exchange and admission to trading on the Luxembourg Stock Exchange's regulated market. By approving this Prospectus, the CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Luxembourg Act.

References in this Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

The Notes are rated "BBB+" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies Inc. (**S&P**). S&P is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Notes will be issued in new global note (**NGN**) form and are intended to constitute eligible collateral for Eurosystem monetary policy, provided the other eligibility criteria are met.

The Notes will be in bearer form and will initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on or prior to 20 May 2016 (the **Closing Date** and the **Issue Date**) with a common safekeeper for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the

Temporary Global Note, the **Global Notes**), without interest coupons, on or after a date which is expected to be 29 June 2016 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances (see “*Overview of Provisions relating to the Notes while represented by the Global Notes*”).

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading “*Risk Factors*” on page 4.

Sole Lead Manager

Citigroup

The date of this Prospectus is 18 May 2016.

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RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes

Risks relating to the business, operations and profitability of the Issuer

The Issuer is an investment company, and the composition of its investment portfolio may vary substantially from time to time. Maintaining long-term ownership in holdings and a flow of investments and divestments in new investment activities involves commercial risk, such as having a high exposure to a certain industry or an individual holding, changed market conditions for finding attractive investment candidates, or barriers that arise and prevent exit from a holding at the chosen time.

The Issuer is an investment company without any significant operating business of its own and, accordingly, the Issuer's financial condition depends upon the results of its investment activities, including the receipt of funds by other members of the Group (as defined in Condition 10(2)). The ability of the subsidiaries to make such payments (in the form of dividends and intercompany payments) depends on their economic performance and financial condition and may also be limited by contractual or regulatory constraints. No assurance can be given that the Issuer will receive adequate funding to maintain its financial condition. These factors could materially and adversely affect the Issuer's ability to make payments on the Notes.

Risks relating to significant corporate transactions

The Issuer and its Subsidiaries have engaged in the past, and may engage in the future, in significant corporate transactions such as mergers, de-mergers, acquisitions and joint ventures, the success of which is difficult to predict. There can be no assurance that any such transaction, including the PartnerRe Transaction (as defined below), will function as intended and will not encounter administrative, legal, technical, industrial, operational, regulatory, political, financial or other difficulties and thus fail to produce the results, outcomes or benefits expected of it. Any delay in completing, or failure to complete, any significant merger, de-merger, acquisition, joint venture or other similar transaction may prevent the full realisation, or result in the delayed realisation, of the expected results or benefits to the Issuer, and/or to the Group taken as a whole, and could have an adverse effect on the business, prospects, earnings and/or financial position of the Issuer, and/or of the Group, taken as a whole.

Furthermore, in contemplating its investments, the Issuer has been focused over time on keeping its leverage compatible with the ratings assigned to it. There is no assurance, however, that any current or future investment, if made, will not adversely impact on the Issuer's financial position in the short and/or medium term and on its corporate credit rating.

Risks relating to recent investments

On 18 March 2016, EXOR announced the completion of the acquisition of PartnerRe Ltd. (**PartnerRe** and the acquisition thereof, the **PartnerRe Transaction**). Under the terms of the merger agreement entered on 2 August 2015, EXOR, indirectly through its subsidiaries EXOR S.A. and EXOR N.V., acquired all the outstanding common shares of PartnerRe for a total consideration of \$6.1 billion.

Further to the completion of the PartnerRe Transaction, the Issuer is indirectly exposed to the risks of PartnerRe and the reinsurance sector. There can be no assurance that PartnerRe will perform in the future in line with the Issuer's expectations; PartnerRe's results could have an adverse effect on the Issuer's earnings and financial position. For details on the risks relating to PartnerRe and the reinsurance sector, see the risk factor "*Risks relating to the sectors and markets in which the companies in which the Issuer owns shares have holdings*" below.

Risks relating to the Issuer's investment portfolio

The investment portfolio of the Issuer is continuously monitored and analysed by the Issuer, including through rights of corporate governance (e.g. board representation) and through constant dialogue with the companies' management. However, regardless of the size of its investment, the Issuer does not directly intervene in the management of the companies and seeks to preserve their operational independence.

No assurance can be given in relation to the future performance of the Issuer's investment portfolio nor that the Issuer's investment portfolio will not vary substantially from time to time nor that the Issuer, given its nature as an investment company, will not increase its holdings in current investments or may not dispose in whole or in part of any of its investments, including any of its current investment holdings, despite the classification of the investments contained in any corporate communication of the Issuer.

Risks relating to the indebtedness of the Issuer and its debt obligations

As at 31 December 2015, the Issuer had, in aggregate, €2,698 million of consolidated gross indebtedness.

The total funds needed to complete the PartnerRe Transaction were approximately \$6.1 billion. This amount was funded by a combination of cash available on hand and a "certain funds" investment grade loan facilities agreement dated 11 May 2015 and entered into between the Issuer, EXOR N.V. (a wholly owned indirect subsidiary of the Issuer acting as borrower), Citigroup Global Markets Limited and Morgan Stanley Bank International Limited, for an aggregate principal amount of up to \$4.750 billion (the **Facilities Agreement**). Before completion of the PartnerRe Transaction, EXOR Group (being EXOR and its Consolidated Subsidiaries (as defined in the Conditions of the Notes), hereinafter the EXOR Group) reduced commitments under the Facilities Agreement to approximately \$1.8 billion. Following completion of the PartnerRe Transaction, the Issuer repaid the Facility B Loan of \$1.250 billion in full.

The extent of the Issuer's indebtedness could have important consequences on its operations and financial results, including that the Issuer may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions.

Furthermore, if due to market conditions or other circumstances the EXOR Group does not generate the financial resources necessary to repay the outstanding indebtedness in time, the EXOR Group could find itself in the position of having to seek additional financing and/or having to refinance or renegotiate the existing debt, on more burdensome terms and conditions including in unfavourable market conditions with limited availability of funding and a general increase in funding costs. Any difficulty in obtaining financing could have a material adverse effect on the Issuer's and or the EXOR Group's business, prospects, earnings and/or financial position.

Risks relating to the structure of the Group

Generally, any claims in respect of indebtedness incurred, and guarantees issued, by a subsidiary, and claims of preference shareholders (if any) of such subsidiary, will rank prior to any claims of the creditors of its parent company (the Issuer) with respect to the assets and earnings of such subsidiary. The subsidiaries have no obligations, contingent or otherwise, to pay any amounts due under the Notes or to make funds available to the Issuer to pay any amounts due under the Notes. The Notes, therefore, will be effectively subordinated to creditors (including trade creditors) and preference shareholders (if any) of the Issuer's direct and indirect subsidiaries.

Risks relating to concentration of the Issuer's shareholdings portfolio

As at 31 December 2015, the principal investment holdings of the Issuer in Fiat Chrysler Automobiles N.V. (**FCA**) and CNH Industrial N.V. (**CNH Industrial**) represented 53.8 per cent. of the gross asset value of the Issuer at that date. In particular, FCA represented 38.4 per cent. and CNH Industrial represented 15.4 per cent., in each case of the gross asset value of the Issuer as at 31 December 2015. Other investments (including PartnerRe Ltd., The Economist Newspaper Limited, Almacantar S.A. (**Almacantar**), Juventus Football Club S.p.A., Banca Leonardo S.p.A. and Banijay Holding S.A.S, in addition to minor sundry investments) represented 13 per cent. of the gross asset value. The remaining 33.2 per cent. was represented by financial investments, cash and cash equivalents and treasury stock.

On 3 January 2016, the separation of the Ferrari business from the FCA Group (as defined below) was completed. As a consequence, EXOR now holds directly 22.91 per cent. of issued share capital and 32.75 per cent. of voting rights on issued share capital, as well as another 6,854,893 common shares as the holder of FCA mandatory convertible securities.

On 23 February 2016, EXOR S.A. finalised the sale of its entire investment in Banijay Holding S.A.S. (17.1 per cent. of capital) in the context of a merger with Zodiak Media, a De Agostini Group TV production company. EXOR received proceeds on the sale of €60.1 million and realised a net gain of €24.8 million.

On 18 March 2016, EXOR announced the completion of the acquisition of PartnerRe, as more fully described in the risk factor "*Risks relating to certain investments*", above.

On 24 March 2016, EXOR S.A. reached an agreement to sell its investment in Almacantar (approximately 36 per cent. of share capital) to Partner Reinsurance Company Ltd., a 100 per cent. owned subsidiary of PartnerRe. The transaction was closed on 8 April 2016 upon receipt of £382.7 million.

In April 2016, EXOR S.A. also sold a number of its financial investments to the PartnerRe Group, mainly third party funds, for approximately \$190 million. For more details on this transaction and other transaction carried out in 2016, see the paragraph "*Recent Developments*" on page 45 in the section entitled "*Description of the Issuer*".

The above mentioned transactions bring changes to the composition of the Issuer shareholding portfolio.

The results reported by the above-mentioned principal investment holdings will continue to significantly influence the Issuer's results and any failure to achieve the objectives, or a review of these objectives by those holdings as a consequence, *inter alia*, of the deterioration of the financial and economic condition and of global market conditions, may have a prejudicial effect on the results of operations, balance sheet and financial results, the activity, strategies and prospects of the Group as well as the performance of the shares of the Issuer on the market.

Risks associated with the general economic conditions

The Issuer's earnings and financial position and those of its investment holdings (or the companies in which they invested) are particularly influenced by the general state of the economy in the countries in which they operate and by the variables which affect performance, including increases or decreases in gross national product, access to credit, the level of consumer and business confidence, the cost of raw materials and the rate of unemployment. The principal sectors of business are also subject to highly cyclical demand and tend to reflect the overall performance of the economy, in certain cases even amplifying the effects of economic trends.

In terms of severity, duration and scope, the recent financial crisis has caused the most severe economic recession of these last decades, both in the Eurozone and in a large part of the advanced economies. At present, economic growth and international trade are occurring at a moderate pace and irregularly across geographical areas.

Moreover, the evolution of world monetary and financial market conditions and the associated uncertainties, especially in emerging markets, could adversely affect present economic conditions.

The principal risks associated with a slowdown in the markets in which the Issuer's investment holdings operate comprise increases in energy prices and fluctuations in raw materials or possible contractions in infrastructure spending. In addition, in the euro area, unemployment, although tending to stabilise, remains significant, and a slow or inefficient implementation of structural reforms and budget adjustments in the public and private sector will continue to hamper the pace of the recovery.

It is therefore not possible to provide an accurate indication of the future trends of the above factors and variables which could nevertheless adversely affect the demand for products and services, earnings, business prospects or the financial position of the Issuer and its investment holdings.

Risks relating to market conditions

The Issuer holds equity interest in both listed and unlisted companies. The value of investments in listed companies is based on the market prices of the listed companies. One of the methods used to value shares in unlisted companies is based on multiples for comparable listed entities. Accordingly, the changing market prices and conditions may adversely influence the value of the Issuer's assets. A sustained further fall in equity and/or bond markets or changes in interest or exchange rates may reduce the Issuer's revenue significantly for a significant period. The Issuer's expenses may not be reduced at the same rate as investment markets could fall, and if the Issuer was not able to manage its expenses effectively the EXOR Group could experience significant and sustained losses as a consequence.

Risks relating to the Issuer's credit rating

The Issuer's corporate credit rating is currently "BBB+" for long-term debt and "A-2" for short-term debt with a negative outlook from S&P. Its ability to access capital markets, and the cost of borrowing in those markets, is highly dependent on its credit ratings. The rating agencies may review their ratings for possible downgrades, and any downgrades would increase the Issuer's cost of capital, potentially limiting its access to sources of financing, and could negatively affect its businesses.

Risks relating to legal proceedings

Except as described in the risk factor “*Risks relating to tax audits by the Italian Tax Authority*” below, as at the date of this Prospectus the Issuer is not involved in pending legal proceedings nor it has received written notification threatening any legal proceeding. Notwithstanding the above, there can be no assurance that in the future the Issuer will not be a party to claims, lawsuits, governmental investigations and other legal proceedings including those that arise in the ordinary course of its business.

Risks relating to tax audits by the Italian Tax Authority

The Issuer is subject to income taxes in Italy and, in the ordinary course of business, can be subject to audits by the Italian tax authorities. Although the Issuer believes its tax estimates are reasonable, any final determination of tax audits and any related litigation could have a material adverse effect on its net income in the relevant period or periods.

Risks relating to CFC rules

The Issuer is subject to Italian legislation on controlled foreign companies (**CFC rules**), disciplined by Article 167 of the Presidential Decree No. 917 of 22 December 1986 (*Testo Unico delle Imposte sui Redditi hereinafter TUIR*), as last amended by Article 1, paragraph 142 et seq. of Law, no. 208 of 28 December 2015. The group consisting of PartnerRe and its direct and indirect subsidiaries (**PartnerRe Group**) operates worldwide in different markets and is subject to the tax legislation in force in the countries in which it operates through its subsidiaries. PartnerRe (as the holding company of PartnerRe Group) has its registered office in Bermuda which is a territory with a preferential tax regime pursuant Article 167, paragraph 4 of TUIR. The application of CFC rules may result in the taxation, in whole or in part, of the revenues accruing to EXOR from PartnerRe (regardless of the period in which EXOR owned its shareholding in PartnerRe and the actual payment of revenues). Therefore, the application of the CFC rules and the requirement to fulfil the obligation thereto may have significant impacts on the economic and financial position of the Issuer.

CFC rules provide that, under certain circumstances, the revenues accrued by the controlling company (i.e. EXOR) from the controlled foreign company (i.e. PartnerRe) are not subject to taxation.

EXOR is carrying out the necessary analysis and shall take the necessary measures, in compliance with CFC rules, to avoid any possible negative fiscal impact.

The legislation on controlled foreign companies is constantly evolving and there can be no assurance that future amendments to the CFC rules may have a negative impact on the economic and financial position of the Issuer.

Risks relating to the sectors and markets in which the companies in which the Issuer owns shares have holdings

Through its principal investment holdings, the Issuer currently operates mainly in the sectors of agricultural and construction equipment, automobiles, trucks, commercial vehicles, buses, tractors, reinsurance, media, publishing and editorial businesses and real estate. Consequently, the Issuer is exposed to the typical risks of the markets and sectors where its principal investment holdings operate.

In respect of the reinsurance industry, the sector is exposed to significant volatility and is also exposed to the risk of potential large loss events which include, without limitation, natural catastrophes (such as hurricane, windstorm, flood, tornado, earthquake, etc.) and other large property and casualty losses, man-made disasters (such as terrorism, acts of war, nuclear accidents and political instability),

declines in the equity and credit markets, systemic increases in the frequency or severity of casualty losses and new mass tort actions or re-emergence of old mass torts such as cases related to asbestosis. Other significant risks to which reinsurance companies operating in the reinsurance market are exposed to are longevity risk, agricultural risk, pandemic risk, mortgage reinsurance risk, market and interest rate risk, default and credit spread risk, trade credit underwriting risk and long tail reinsurance risk. Reinsurance companies manage large loss events through evaluation processes, which are designed to enable proper pricing of these risks over time, but which do little to moderate short-term earnings volatility. Given the inherent uncertainty of modelling techniques, these models may not accurately address a variety of matters which might impact certain of its coverages and normally the only effective tool to dampen earnings volatility of reinsurance companies is through diversification by building a portfolio of uncorrelated risks. But there is no assurance that these measures bring sufficient retrocessional coverage or that reinsurance operators are able to use adequately capital markets hedges or trading strategies in the pursuit of stability of earnings, nor that they have adequate reserves to face the potential large losses to which they are exposed.

The group consisting of FCA and its direct and indirect subsidiaries (**FCA Group**) and the group consisting of CNH Industrial and its direct and indirect subsidiaries (**CNH Industrial Group**) principally operate in sectors which are historically subject to high criticality and are highly cyclical, such as the manufacturing and distribution of automobiles, agricultural and construction equipment, trucks and commercial vehicles, as well as components relating to such productions. The extent and duration of the diverse economic cycles are not easily foreseeable. Cyclicity in these sectors tends to reflect and in certain circumstances amplify the general economic trend. Therefore, any macro-economic event, such as a significant downturn in the main markets, financial market volatility, and the consequent deterioration of the capital markets, increases in the energy prices, fluctuations in commodity prices and other raw materials prices, unfavourable fluctuations in interest rates, inflation or exchange rates or changes in government policies (including environmental regulations) or infrastructure expenditures, which may have a negative impact on the operating sectors of the FCA Group and the CNH Industrial Group, may have a significant negative effect on the prospects and activity of the FCA Group and the CNH Industrial Group, as well as their results and financial position.

In respect of the editorial and publishing industry, companies operating in such sector derive substantial revenues from the sale of advertising on newspapers, inserts and websites. Expenditures by advertisers tend to be cyclical, reflecting overall economic conditions and buying patterns. A decline in the economic prospects of advertisers or the economy in general could alter current or prospective advertisers' spending priorities. In addition, newer technologies and free-press are increasing the number of media available to audiences and may cause changes in consumer behaviour that could affect the attractiveness of the publishing industry's offerings, both to advertisers and to the public generally, which could have an adverse effect on the relevant business. The publishing industry is also largely exposed to the threat of content piracy and infringement of intellectual property rights. Further, in general such industry is highly regulated by laws and regulations issued and administered by various authorities; such authorities regulate, among other things, the ownership of media and various authorities have under consideration, and may in the future adopt, new laws, regulations and policies regarding a wide variety of matters, including technological changes, which could, directly or indirectly, adversely affect the editorial and publishing industry business.

Risks relating to the competitive environment

Through its holdings, the Issuer operates in businesses which are intensely competitive. The Issuer and its holding companies compete on the basis of a number of factors, including brand recognition, fund performance, transaction execution, its products and services, innovation, reputation and price. Many of the competitors have significant financial resources, experience and marketing strength, and

may have the ability to offer a wide range of products and services and introduce innovative products or services, which may enhance their competitive position.

The Issuer's historical consolidated financial and operating results may not be indicative of future performance

The Issuer's historical consolidated financial and operational performance may not be indicative of the Issuer's future operating and financial performance. There can be no assurance of the Issuer's continued profitability in future periods.

Exposure to financial counterparty risk

The Issuer is exposed to financial institution counterparty risk and will continue to be exposed to the risk of loss if counterparty financial institutions fail or are otherwise unable to meet their obligations. Financial services institutions are inter-related as a result of trading, counterparty and other relationships. The Issuer has exposure to many different industries and counterparties and routinely executes transactions with counterparties in the financial industry, including clients, financial intermediaries, brokers and dealers, commercial banks and investment banks for its own account. Defaults by, or even the perceived creditworthiness or questioning of, one or more financial services institutions or the financial services industry generally, has led and may continue to lead to market-wide liquidity problems and could also lead to losses or defaults. The exact nature of the risks faced by the Issuer is difficult to predict and guard against in view of the severity of the global financial crisis and the fact that many of the related risks to the business are totally, or in part, outside of the control of the Issuer.

Risk relating to currency fluctuation and interest rate risks

Certain subsidiaries and certain companies in the Issuer's portfolio are based in non-Eurozone countries, such as the U.S. As the Group's consolidated financial statements are presented in euro, the income statements of these subsidiaries are translated into euros using average exchange rates, and exchange rate fluctuations may affect the euro balance of the statements.

Furthermore, the increase of EXOR's Group investments in companies based in non-Eurozone countries (particularly in connection with the acquisition of PartnerRe) exposes the EXOR Group to higher risks determined by currency exchange rate fluctuations and the value of such investments converted into euro within the calculation of EXOR's Net Asset Value (NAV) may suffer significant decreases due to changes in currency exchange rates.

With respect to interest rate risk, as at 31 December 2015, approximately 100 per cent. of the EXOR Group's debt was fixed rate. Following completion of the acquisition of PartnerRe, the repayment commitments of EXOR under the Facilities Agreement have switched to a floating rate.

Changes in interest rates can adversely affect the EXOR Group's financial results due to higher interest expense.

Factors which are material for the purpose of assessing the market risks associated with the Notes

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency (see also "*Risks relating to the market generally –If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes*");
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes contain an optional redemption feature, which is likely to limit their market value. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Risks relating to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

The Conditions of the Notes contain provisions which may permit their modification without the consent of all investors

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes

Withholding under the Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the **Savings Directive**), EU Member States are required to provide to the tax authorities of

other EU Member States details of certain payments of interest or similar income paid or secured by a person established in an EU Member State to or for the benefit of an individual resident in another EU Member State or certain limited types of entities established in another EU Member State.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 10 November 2015, the Council of the European Union adopted Council Directive (EU) 2015/2060 of 10 November 2015 repealing the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The new regime under Council Directive 2011/16/EU (as amended) is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it does not impose withholding taxes.

If a payment were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in an EU Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

The value of the Notes could be adversely affected by a change in English law or administrative practice

The Conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Because the Global Notes are held on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by the Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in

a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

The Notes do not restrict the amount of debt which the Issuer may incur

The Conditions of the Notes do not contain any restriction on the amount of indebtedness which the Issuer and its Subsidiaries may from time to time incur. In the event of any insolvency or winding-up of the Issuer, the Notes will rank equally with the Issuer's other unsecured senior indebtedness and, accordingly, any increase in the amount of the Issuer's unsecured senior indebtedness in the future may reduce the amount recoverable by Noteholders. In addition, the Notes are unsecured and, save as provided in Condition 3, do not contain any restriction on the giving of security by the Issuer and its Consolidated Subsidiaries over present and future indebtedness. Where security has been granted over assets of the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, such indebtedness will rank in priority over the Notes and other unsecured indebtedness of the Issuer in respect of such assets. In relation to the assets and indebtedness of the Issuer's subsidiaries, see also "*Risks relating to the structure of the Group*" above.

Early redemption of the Notes

The Conditions of the Notes provide that the Issuer may, at its option, redeem all, but not some only, of the Notes at any time in the event of certain tax changes as described under Condition 6(2). In addition, the Issuer may also redeem all, but not some only, of the Notes under Condition 6(4) and Condition 6(5) in the circumstances specified therein. In the event of exercise of the above options by the Issuer, Noteholders may deem the repayment of the principal amount and the payment of any accrued interest thereon pursuant to Conditions 6(2), 6(4) and 6(5) unsatisfactory. If the Issuer calls and redeems the Notes in the circumstances mentioned above, the Noteholders may not be able to reinvest the redemption proceeds in securities offering a comparable yield.

Investors who hold less than the minimum specified denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

The Notes have denominations consisting of a minimum specified denomination plus one or more higher integral multiples of another smaller amount and as such it is possible that such Notes may be traded in amounts in excess of the minimum specified denomination that are not integral multiples of such minimum specified denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum specified denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum specified denomination such that its holding amounts to a specified denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum specified denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum specified denomination such that its holding amounts to a specified denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

Risks relating to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange, there is no assurance that an active trading market will develop, and if a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer will pay principal and interest on the Notes in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the U.S. dollar would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency-equivalent value of the principal payable on the Notes and (c) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Notes, which bear a fixed rate of interest, involves the risk that if market interest rates subsequently increase above the rate paid on the Notes, this will adversely affect the value of the Notes. While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, market interest rates typically change on a daily basis. As market interest rates change, the price of such security changes in the opposite direction. If market interest rates increase, the price of such security typically falls, until the yield of such security is approximately equal to the prevailing market interest rate. Conversely, if market interest rates fall, the price of a security with a fixed interest rate typically increases, until the yield of such security is approximately equal to the prevailing market interest rate. Investors should be aware that the market price of the Notes may fall as a result of movements in market interest rates.

Credit ratings assigned to the Notes may not reflect all the risks associated with an investment in those Notes

The Notes are rated “BBB+” by S&P. The ratings may not reflect the potential impact of all risks relating to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Notes are legal investments for it, (b) the Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

IMPORTANT INFORMATION

This prospectus (the **Prospectus**) constitutes a prospectus for the purposes of Article 5.3 of the Prospectus Directive and for the purposes of the Luxembourg Act. When used in this prospectus, **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

In addition, the Issuer, having made all reasonable enquiries, confirms that this Prospectus contains or incorporates all material information with respect to the Issuer and the Notes (including all information which, according to the particular nature of the Issuer and of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes), that the information contained or incorporated by reference in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Prospectus shall be read and construed on the basis that such documents are incorporated by reference in, and form part of, this Prospectus.

No person is or has been authorised by the Issuer or the Sole Lead Manager (as defined in "*Subscription and Sale*" below) to give any information or to make any representation not contained in or not consistent with this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Sole Lead Manager expressly does not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to its attention.

This document does not constitute an offer of, or an invitation by, or on behalf of, the Issuer or the Sole Lead Manager to subscribe for, or purchase, any of the Notes. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer to sell, and may not be used for the purpose of an offer to sell or a solicitation of an offer to buy, the Notes by anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

In particular, no action has been taken by the Issuer or the Sole Lead Manager which would permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in

any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States and the European Economic Area (including the United Kingdom and Italy) (see “*Subscription and Sale*”).

Save for the Issuer, no other party has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Sole Lead Manager as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes or their distribution. The Sole Lead Manager accepts no liability in relation to the information contained or incorporated by reference in this Prospectus or any other information by the Issuer.

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Sole Lead Manager that any recipient of this Prospectus or any other information supplied in connection with the offering of the Notes should purchase the Notes. Each investor contemplating purchasing the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Notes and on the distribution of this document, see “*Subscription and Sale*” below.

In this Prospectus:

- all references to **U.S. dollars**, **U.S.\$** and **\$** refer to United States dollars;
- all references to **euro**, **Euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- all references to **Sterling** and **£** refer to pounds sterling;
- certain figures have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them;
- certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Forward-Looking Statements

This Prospectus may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “may”, “plans”, “projects”, “will”, “would” or similar words. These statements are based on the Issuer’s current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Issuer’s strategy, goals, plans, future financial position, projected revenues and costs or prospects are

forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statements.

Stabilisation

In connection with the issue of the Notes, Citigroup Global Markets Limited, acting as stabilisation manager (the *Stabilisation Manager*) (or persons acting on behalf of the Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the CSSF, shall be incorporated by reference in, and form part of, this Prospectus.

The information incorporated by reference that is not included in the cross-reference list below is considered to be additional information and is not required by the relevant schedules of Commission Regulation (EC) 809/2004.

<u>Document</u>	<u>Information incorporated by reference</u>	<u>Page numbers</u>
EXOR S.p.A. audited consolidated financial statements as at and for the financial year ended 31 December 2015 ¹	Consolidated Statement of Financial Position	p. 128
	Consolidated Income Statement	p. 126
	Consolidated Statement of Comprehensive Income	p. 127
	Consolidated Statement of cash flows	p. 129
	Consolidated Statement of Changes in Equity	pp. 130
	Explanatory notes	pp. 134-228
	Independent Auditors' report	pp. 252-253
EXOR S.p.A. audited consolidated financial statements as at and for the financial year ended 31 December 2014	Consolidated Statement of Financial Position	p. 132
	Consolidated Income Statement	p. 130
	Consolidated Statement of Comprehensive Income	p. 131
	Consolidated Statement of cash flows	p. 133
	Consolidated Statement of Changes in Equity	p. 134
	Explanatory notes	pp. 138-246
	Independent Auditors' report	pp. 279-280
EXOR S.p.A. unaudited interim consolidated report as at and for the three months ended 31 March 2016	Shortened Consolidated Income Statement	p. 11
	Shortened Consolidated Statement of Financial Position	p. 11

¹ The EXOR S.p.A. audited consolidated financial statements as at and for the financial year ended 31 December 2015 are due to be presented to the shareholders' meeting of EXOR S.p.A. on 25 May 2016.

<u>Document</u>	<u>Information incorporated by reference</u>	<u>Page numbers</u>
	Explanatory Notes	pp. 12-18
	Review of performance of the operating subsidiaries and associates	pp. 20-32
EXOR S.p.A. unaudited interim consolidated report as at and for the three months ended 31 March 2015	Shortened Consolidated Income Statement	p. 10
	Shortened Consolidated Statement of Financial Position	p. 10
	Explanatory Notes	pp. 11-16
	Review of performance of the operating subsidiaries and associates	pp. 19-32

The Articles of Association of EXOR S.p.A. are incorporated by reference for information purposes only.

Following the publication of this Prospectus, a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of the documents incorporated by reference in this Prospectus can be obtained free of charge from the registered office of the Issuer, from the specified office of the Paying Agent for the time being in Luxembourg, from the specified office in Luxembourg of Deutsche Bank Luxembourg S.A. (the **Luxembourg Listing Agent**) and from the website of the Issuer, <http://www.exor.com> and from the website of the Luxembourg Stock Exchange, www.bourse.lu.

CONDITIONS OF THE NOTES

The following (except for the paragraphs in italics) is the text of the Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):

The U.S.\$170,000,000 4.398 per cent. Notes due 20 May 2026 (the **Notes**, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 14 and forming a single series with the Notes) of EXOR S.p.A. (the **Issuer**) are issued subject to and with the benefit of an Agency Agreement dated 20 May 2016 (the **Agency Agreement**) made between the Issuer, Deutsche Bank AG, London Branch as fiscal agent and principal paying agent (the **Fiscal Agent**, which expression shall include its successor(s)) and any other paying agents appointed under the Agency Agreement (together with the Fiscal Agent, the **Paying Agents**, which expression shall include any successor or additional paying agent appointed from time to time in connection with the Notes).

The statements in these Conditions include overviews of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the holders of the Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons**, respectively) at the specified office of the Fiscal Agent. The Noteholders and Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

1. FORM, DENOMINATION AND TITLE

(1) Form and Denomination

The Notes are in bearer form, serially numbered, in the denomination of at least U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof up to and including U.S.\$399,000, with Coupons attached on issue.

(2) Title

Title to the Notes and to the Coupons will pass by delivery.

Notes shall not be physically delivered in Belgium except to a clearing system, a depository or other institution for the purposes of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.

(3) Holder Absolute Owner

The Issuer and any Paying Agent will (except as otherwise required by law) deem and treat the holder of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

2. STATUS OF THE NOTES

The Notes and the Coupons are direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding

unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3. **NEGATIVE PLEDGE**

(1) **Negative Pledge**

So long as any of the Notes remain outstanding, the Issuer shall not create or permit to subsist, and shall procure that none of its Consolidated Subsidiaries (as defined below) will create or permit to subsist, any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) in respect of any Relevant Indebtedness (as defined below) upon, or with respect to, any of its present or future business, undertakings, assets or revenues (including any uncalled capital) of the Issuer or any of its Consolidated Subsidiaries, unless the Issuer shall, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, take any and all action necessary to ensure that:

- (a) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as shall be approved by an Resolution (as defined in the Agency Agreement) of the Noteholders.

(2) **Interpretation**

For the purposes of these Conditions:

Consolidated Subsidiary means, in relation to the Issuer, a Person which, for as long as any of the Notes remains outstanding, is consolidated line-by-line in the Shortened Consolidated Financial Statements. Satisfaction of this condition will be determined by reference to the latest consolidated financial statements of the Issuer.

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

Relevant Indebtedness means (a) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities (but, for the avoidance of doubt, this shall not include *prestito titoli*) which are for the time being quoted, listed ordinarily, dealt in on any stock exchange, over-the-counter or other securities market, and (b) any guarantee or indemnity in respect of any such indebtedness.

Shortened Consolidated Financial Statements means the statement of financial position and income statement prepared by the Issuer (i) along with the annual consolidated financial statements and the half-year condensed consolidated financial statements of each year or (ii) comprising the quarterly consolidated data, in each case in which the financial holding companies have been consolidated line-by-line and the investments in the operating subsidiaries and associates have been accounted for using the equity method.

Subsidiary means, in respect of any Person (the **first Person**) at any particular time, any other Person (the **second Person**):

- (a) whose majority of votes in ordinary shareholders' meetings of the second Person is held by the first Person; or
- (b) in which the first Person holds a sufficient number of votes giving the first Person a dominant influence in ordinary shareholders' meetings of the second Person; or
- (c) which is under the dominant influence of the first Person by virtue of certain contractual relationships between the first Person and the second Person,

pursuant to the provisions of paragraphs 1 and 2 of Article 2359 of the Italian Civil Code.

4. INTEREST

(1) Interest Payment Dates

The Notes bear interest from and including 20 May 2016 at the rate of 4.398 per cent. per annum, payable semi-annually in arrears on 20 May and 20 November in each year (each an **Interest Payment Date**). The first payment (representing a full six months' interest) shall be made on 20 November 2016.

(2) Interest Accrual

Each Note will cease to bear interest from and including the due date for redemption unless payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of the payment. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 12.

(3) Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full six months, it shall be calculated by applying the rate of 4.398 per cent. per annum to each U.S.\$1,000 principle amount of Notes (the **Calculation Amount**) and on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days. The resultant figure shall be rounded to the nearest cent, half a cent being rounded upwards. The interest payable in respect of a Note shall be the product of such rounded figure and the amount by which the Calculation Amount is multiplied to reach the denomination of the relevant Note, without any further rounding.

5. PAYMENTS

(1) Payments in respect of Notes

Payments of principal, interest and premium (if any) in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States and its possessions of any of the Paying Agents.

(2) Method of Payment

Payments will be made by credit or transfer to an account in U.S. dollars maintained by the payee with or, at the option of the payee, by cheque in U.S. dollars drawn on, a bank in London.

(3) Missing Unmatured Coupons

Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 7) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 9) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

(4) U.S. Paying Agents

Notwithstanding the foregoing, payments will be made at the specified office in the United States of any Paying Agent and (if no such appointment is then in effect) the Issuer shall appoint and maintain a Paying Agent with a specified office in New York City at which payments will be made if (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that the Paying Agents would be able to make payment at the specified offices outside the United States of the full amount payable with respect to the Notes in the manner provided above when due, (ii) payment of the full amount due in U.S. dollars at all specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) the payment is then permitted under United States law.

(5) Payments subject to Applicable Laws

Payments in respect of principal, interest and premium (if any) on Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 7.

(6) Payment only on a Presentation Date

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 4, be entitled to any further interest or other payment if a Presentation Date is after the due date.

Presentation Date means a day which (subject to Condition 9):

- (a) is or falls after the relevant due date;
- (b) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (c) is a Business Day.

In this Condition, **Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and New York, and on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

(7) Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that:

- (a) there will at all times be a Fiscal Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be at least one Paying Agent (which may be the Fiscal Agent) having a specified office in the place required by the rules and regulations of the relevant Stock Exchange or any other relevant authority;
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent (which may be the Fiscal Agent) in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (d) there will at all times be a Paying Agent (which may be the Fiscal Agent) in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

Notice of any variation, termination, appointment and/or any change in specified offices will be given to the Noteholders in accordance with Condition 12.

6. REDEMPTION AND PURCHASE

(1) Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 20 May 2026 (the **Maturity Date**).

(2) Redemption for Taxation Reasons

If:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 18 May 2016, on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 7; and
- (b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may, at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no notice of redemption shall be given earlier than 90 days before the earliest date on which the Issuer would be required to pay the additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent to make available at its specified offices to the Noteholders (i) a certificate signed by two directors of the Issuer stating the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment.

(3) Redemption at the Option of the Noteholders

- (a) If a Change of Control occurs, then each Noteholder may, within 30 days of notice being given to the Noteholders in accordance with Condition 12 of the occurrence of a Change of Control, give to the Issuer through a Paying Agent not less than 15 nor more than 30 Business Days' (as defined in Condition 5(6)) notice (a **Put Notice**) requiring the Issuer to redeem Notes held by such Noteholder. The Issuer will, upon the expiry of such Put Notice, redeem in whole (but not in part) the Notes which are the subject of the Put Notice on the relevant date. The Notes will be redeemed at a redemption price equal to 101 per cent. of their principal amount, together with interest accrued and unpaid to but excluding the date of redemption. The Issuer shall promptly notify the Noteholders in accordance with Condition 12 of a Change of Control.
- (b) To exercise the right to require redemption of any Notes, a holder of the Notes must deliver at the specified office of the Paying Agent on any Business Day (as defined in Condition 5(6)), a duly signed and completed Put Notice in or substantially in the form set out in Schedule 4 of the Agency Agreement (and which may, if this Note is held in a clearing system, be any form acceptable to the clearing system delivered in any manner acceptable to the clearing system) obtainable from any specified office of any Paying Agent and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by such Notes or evidence satisfactory to the Paying Agent concerned that such Notes will, following the delivery of the Put Notice, be held to its order or under its control. A Put Notice given by a holder of any Note shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Notice and instead to give notice that the Note is immediately due and repayable under Condition 10.

For the purposes of these Conditions:

a **Change of Control** is deemed to occur where any Person or Persons acting in concert (other than a Related Party or Related Parties) acquire(s) Control.

Control means acquiring (a) more than 50 per cent. of the issued ordinary share capital of the Issuer or (b) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at an ordinary general meeting of the Issuer.

Related Party means (i) Giovanni Agnelli e C. S.a.p.az. or (ii) any Person directly or indirectly under the Control of Giovanni Agnelli e C. S.a.p.az.

(4) Redemption at the Option of the Issuer

If 85 per cent. or more in aggregate principal amount of the Notes have been redeemed under Condition 6(3)(a) above, the Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12; and
- (b) notice to the Fiscal Agent not less than 15 days before the giving of the notice referred to in (a) above,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the remaining Notes on the following Interest Payment Date at their principal amount.

(5) Pre-Maturity Call Option of the Issuer

The Issuer may, at its option, from (and including) 20 February 2026 to (but excluding) the Maturity Date, subject to having given not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the outstanding Notes, at their principal amount, together with interest accrued and unpaid thereon to but excluding the date of redemption.

(6) Issuer Obligated to Redeem

Upon the expiry of any such notice as is referred to in Condition 6(2) or 6(4)(b), the Issuer shall be bound to redeem the Notes to which such notice applies at the relevant redemption amount specified in such Condition, together with interest accrued to the date fixed for redemption, in accordance with the terms of such paragraph.

(7) Purchases

The Issuer or any of its Subsidiaries (as defined above) may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price. If purchases are made by tender, tenders must be available to all Noteholders alike. The Issuer and its Subsidiaries shall have no obligation to cancel the Notes so purchased.

(8) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons attached to the Notes or surrendered with the Notes at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6(7) above or surrendered therewith (together with all unmatured Coupons purchased therewith) shall be forwarded to the Fiscal Agent and cannot be reissued or resold.

7. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties,

assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of any of the Relevant Jurisdictions, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment in the Republic of Italy; or
- (b) the holder of which is liable for Taxes in respect of such Note or Coupon by reason of having some connection with the Relevant Jurisdiction other than a mere holding of such Note or Coupon; or
- (c) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by making a declaration or any other statement, including but not limited to a declaration of residence or non-residence or other similar claim for exemption; or
- (d) where such withholding or deduction is imposed on a payment to an individual or to certain limited types of entities and required to be made pursuant to Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note and/or Coupon to another Paying Agent in a Member State of the European Union; or
- (f) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Presentation Date (as defined in Condition 5(6)); or
- (g) in relation to any payment or deduction of any interest, principal or other proceeds of any Note and/or Coupon on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996 and any related implementing regulations (as the same may be amended or supplemented from time to time).

As used herein:

- (i) **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Condition 12; and
- (ii) **Relevant Jurisdiction** means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction.

8. FINANCIAL INFORMATION

(1) Contents of Accounts

The Issuer shall procure that the financial statements of the Issuer are prepared in accordance with the requirements of law and with accounting principles generally accepted in its jurisdiction of incorporation consistently applied and that they present fairly the financial condition of the Issuer and its Consolidated Subsidiaries as at the dates on which they are prepared and the results of the operations of the Issuer and its Consolidated Subsidiaries in respect of the periods for which they are prepared.

(2) Notification of Change of Control

The Issuer shall, within five days of the occurrence of a Change of Control, notify Noteholders of such Change of Control in accordance with Condition 12.

9. PRESCRIPTION

Notes and Coupons will become void unless claims in respect of principal and/or interest are made within periods of ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 5.

10. EVENTS OF DEFAULT

(1) Events of Default

The holder of any Note may give notice to the Issuer that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its principal amount, together with interest accrued to the date of repayment, if any of the following events (**Events of Default**) shall have occurred and be continuing:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of ten days; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions and (except in any case where the failure is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by any Noteholder on the Issuer of notice requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any Consolidated Subsidiary becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any Consolidated Subsidiary fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (as extended by any originally applicable grace and/or remedy period); (iii) any security given by the Issuer or any Consolidated Subsidiary for any Indebtedness for Borrowed Money becomes enforceable; (iv) default is made by the Issuer or any Consolidated Subsidiary in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person (as extended by any originally applicable grace and/or remedy period), provided that no such event shall constitute an Event of Default where the Issuer or such Consolidated Subsidiary is contesting in good faith by, in the reasonable opinion of the Issuer, appropriate means its liability to make payment

thereunder or unless the aggregate Indebtedness for Borrowed Money relating to all such events which shall have occurred and be continuing shall amount to at least €30,000,000 (or its equivalent in any other currency); or

- (d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Consolidated Subsidiaries, save (i) on terms approved by an Resolution (as defined in the Agency Agreement) of Noteholders or (ii) for the purpose of and followed by a Permitted Reorganisation (as defined below); or
- (e) (A) if the Issuer or any of its Consolidated Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business activities, save for (i) the purposes of reorganisation on terms approved by an Resolution (as defined in the Agency Agreement) of Noteholders or (ii) the purposes of a Permitted Reorganisation, as defined below, or (iii) any transaction under which all of the assets of the Issuer or any Consolidated Subsidiary are transferred, sold, assigned or contributed to a third party or parties (whether associated or not) for full consideration received by the Issuer or the Consolidated Subsidiary on an arm's length basis or (iv) the payment of dividends (including extraordinary dividends) by the Issuer or any of its Consolidated Subsidiaries, or (B) if the Issuer or any of its Consolidated Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent (for the purposes of this paragraph (e), **substantial part of its business activities** means a part of the relevant entity's business which accounts for 20 per cent. or more of the assets of the Group on a consolidated basis; or
- (f) if (i) proceedings are initiated against the Issuer or any of its Consolidated Subsidiaries under any applicable bankruptcy, liquidation (other than a solvent liquidation), insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Consolidated Subsidiaries, or an encumbrancer takes possession in relation to the Issuer or any Consolidated Subsidiaries, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the Issuer or any of its Consolidated Subsidiaries; and (ii) in any such case (other than the appointment of an administrator) is not discharged, stayed or otherwise removed within 30 days (such period commencing, in the case of the Issuer or any Consolidated Subsidiary incorporated under Italian law, on the date of the first hearing of the relevant position or application); or
- (g) if the Issuer or any of its Consolidated Subsidiaries (i) initiates or consents to judicial proceedings relating to itself under any applicable bankruptcy, liquidation (other than a solvent liquidation), insolvency, composition, reorganisation or other similar laws or (ii) other than in the ordinary course of its business, makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors) in respect of all or a material part of its debt; or

- (h) if the Issuer repudiates its obligations in respect of the Notes or does or causes to be done any act or thing which evidences an intention to repudiate such obligations; or
- (i) if at any time any act, condition or thing which is required to be done, fulfilled or performed in order (i) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Notes; (ii) to ensure that those obligations are legal, valid, binding and enforceable; or (iii) to make the Notes and the Coupons admissible in evidence in the Republic of Italy is not done, fulfilled or performed; or
- (j) if at any time it is or becomes unlawful for the Issuer to perform or comply with any or all of its obligations under or in respect of the Notes or any of the obligations of the Issuer thereunder are not or cease to be legal, valid and binding; or
- (k) if any agency of any state shall seize, compulsorily acquire, expropriate or nationalise all or a material part of the assets or shares of the Issuer or any Consolidated Subsidiary and, in the case of a Consolidated Subsidiary, adequate compensation is not received by the owner of such assets or shares.

(2) **Interpretation**

For the purposes of this Condition:

- (a) **Group** means the Issuer and its Subsidiaries.
- (b) **Indebtedness for Borrowed Money** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed; (ii) liabilities under or in respect of any acceptance or acceptance credit; or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash.
- (c) **Permitted Reorganisation** means: (i) in respect of any Consolidated Subsidiary, an amalgamation, merger, reconstruction, reorganisation, transfer or contribution of assets or other similar transaction whilst solvent and whereby, to the extent that the relevant Consolidated Subsidiary is not a surviving entity, the whole or substantially the whole of the undertaking, property and assets of the relevant Consolidated Subsidiary are transferred to or otherwise vested in the Issuer or another of its Consolidated Subsidiaries; and (ii) in respect of the Issuer, an amalgamation, merger, reconstruction, reorganisation, transfer or contribution of assets or other similar transaction whilst solvent and whereby, to the extent that the Issuer is not a surviving entity, the resulting company is a Successor in Business of the Issuer.
- (d) **Successor in Business** means, in relation to the Issuer, any company which, as the result of any amalgamation, merger, reconstruction, reorganisation, transfer or contribution of assets or other similar transaction: (i) beneficially owns the whole or substantially the whole of the undertaking, property and assets owned by the Issuer immediately prior thereto; and (ii) carries on, as a successor to the Issuer, the whole or substantially the whole of the business as a holding company carried on by the Issuer immediately prior thereto; and (iii) assumes by operation of law all then existing obligations of the Issuer (including, without limitation, all obligations under the Notes).

11. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

12. NOTICES

(1) Notices to the Noteholders

All notices to the Noteholders will be deemed to be validly given if published in a leading English language daily newspaper published in London and, for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, published in one daily newspaper in Luxembourg or on the website of the Luxembourg Stock Exchange: *www.bourse.lu*. It is expected that such publication in a newspaper will be made in the *Financial Times* in London, *Luxemburger Wort* or *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

(2) Notices from the Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Fiscal Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its operational procedures approved for this purpose and otherwise in such manner as the Paying Agent and the applicable clearing system may approve for this purpose.

13. MEETINGS OF NOTEHOLDERS AND MODIFICATION

(1) Provisions for Meetings

In accordance with the rules of the Italian Civil Code, the Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including, *inter alia*, the modification or abrogation by Resolution (as defined in the Agency Agreement) of any of these Conditions or the provisions of the Agency Agreement. The constitution of meetings and the validity of resolutions thereof shall be governed pursuant to the relevant provisions of the Italian Civil Code and, as long as the Issuer has its shares

listed on a regulated market in Italy or another EU member country, also pursuant to Legislative Decree no. 58 of 24 February 1998 (as amended from time to time). Any such meeting may be convened by the Directors of the Issuer or the Noteholders' Representative (as defined below) at their discretion and, in any event, upon the request of Noteholders holding not less than one-twentieth of the aggregate principal amount of the outstanding Notes. If the Directors of the Issuer or the Noteholders' Representative default in convening such a meeting following such request or requisition by the Noteholders representing not less than one-twentieth in aggregate principal amount of the Notes outstanding, the same may be convened by decision of the competent Court upon request by such Noteholders. Every such meeting shall be held at such time and place as provided pursuant to Article 2363 of the Italian Civil Code. The quorum required at any such meeting for the valid constitution of the meeting will be (subject to compliance with mandatory laws, legislation, rules and regulations of Italy in force from time to time): (a) in the case of a first meeting, there are one or more persons present being or representing Noteholders holding at least one half of the aggregate principal amount of the outstanding Notes; (b) in the case of any adjourned meeting, there are one or more persons present being or representing Noteholders holding more than one third of the aggregate principal amount of the outstanding Notes; or (c) in the case of any adjourned meeting in third call or in case the meeting is called in single call, there are one or more persons present being or representing Noteholders holding at least one fifth of the aggregate principal amount of the outstanding Notes. The majority required to pass a resolution at any meeting (including any adjourned meeting or meeting called in single call) convened to vote on any Resolution (as defined in the Agency Agreement) will be (subject to compliance with mandatory laws, legislation, rules and regulations of Italy in force from time to time) one or more persons holding or representing at least two thirds of the aggregate principal amount of the Notes represented at the meeting; provided, however, that certain proposals, as set out in Article 2415 of the Italian Civil Code concerning amendments to the terms and conditions of the Notes (including, *inter alia*, any proposal to modify the maturity of the Notes or the dates on which interest is payable on them; to reduce or cancel the principal amount of, or interest on, the Notes; or to change the currency of payment of the Notes) may only be sanctioned by a resolution passed at a meeting of Noteholders (including any adjourned meeting) by one or more persons holding or representing the higher of (a) at least two thirds of the aggregate principal amount of the Notes represented at the meeting and (b) not less than one half of the aggregate principal amount of the outstanding Notes. Any resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In accordance with the Italian Civil Code, a *rappresentante comune*, being a joint representative of Noteholders (the **Noteholders' Representative**), subject to applicable provisions of Italian law, may be appointed in certain circumstances pursuant to Article 2417 of the Italian Civil Code in order to represent the Noteholders' interest hereunder and to give effect to the resolutions passed at a meeting of the Noteholders. If the Noteholders' Representative is not appointed by a meeting of such Noteholders, it shall be appointed by decree of the competent Court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the Directors of the Issuer. The Noteholders' Representative shall remain appointed for a maximum period of three years but may be reappointed again thereafter.

A Resolution (as defined in the Agency Agreement) passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

(2) Modification

The Fiscal Agent may agree, without the consent of the Noteholders or Couponholders, to any modification of any of these Conditions or any of the provisions of the Agency Agreement either (a) for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein or therein or (b) in any manner which is not materially prejudicial to the interests of the Noteholders. Any modification shall be binding on the Noteholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 12.

14. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders or Couponholders, create and issue further notes, having terms and conditions the same as those of the Notes, or the same in all respects except for the amount and date of the first payment of interest and the date from which interest starts to accrue, which may be consolidated and form a single series with the outstanding Notes.

15. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

16. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(1) Governing Law

The Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes and the Coupons are governed by, and will be construed in accordance with, English law.

(2) Jurisdiction of English Courts

- (a) Subject to Condition 16(2)(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 16(2), the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

(3) Appointment of Process Agent

The Issuer hereby irrevocably and unconditionally appoints Fiat Chrysler Finance U.K. Branch at its registered office for the time being as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of such agent being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

The Issuer shall give notice of such appointment to the Noteholders as soon as practicable thereafter in accordance with Condition 12.

(4) Waiver of trial by jury

WITHOUT PREJUDICE TO CONDITION 16(2), THE ISSUER WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH THE NOTES AND THE COUPONS. THESE CONDITIONS MAY BE FILED AS A WRITTEN CONSENT TO A BENCH TRIAL.

(5) Other Documents

The Issuer has in the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

The following is an overview of the provisions to be contained in the Temporary Global Note and the Permanent Global Note which will apply to, and in some cases modify, the Conditions of the Notes while the Notes are represented by the Global Notes.

1. Accountholders

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 10 and Condition 6(3) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be for its share of each payment made to the bearer of the relevant Global Note.

2. Payments

On and after 29 June 2016, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal, premium and interest in respect of Notes represented by a Global Note will, subject as set out below, be made to the bearer of such Global Note and, if no further payment falls to be made in respect of the Notes, against surrender of such Global Note to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. The Issuer shall procure that the amount so paid shall be entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg and the nominal amount of the Notes recorded in the records of Euroclear and Clearstream, Luxembourg and represented by such Global Note shall be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of Euroclear and Clearstream, Luxembourg shall not affect such discharge. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

3. Notices

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders shall be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant Accountholders rather than by publication as required by Condition 12, provided that, so long as the Notes are listed on the Luxembourg Stock Exchange, all requirements of the Luxembourg Stock Exchange, notices shall also be published in accordance with the rules of such exchange. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day

on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through the applicable clearing system's operational procedures approved for this purpose and otherwise in such manner as the Paying Agent and the applicable clearing system may approve for this purpose.

4. Interest Calculation

For so long as Notes are represented by one or both of the Global Notes, interest payable to the bearer of a Global Note will be calculated by applying the 4.398 per cent. per annum to a sum equal to the nominal amount of Notes for the time being represented by the Global Note and on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days. The resultant figure shall be rounded to the nearest cent, half a cent being rounded upwards.

5. Exchanges and benefits

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only if (each of the following being an **Exchange Event**):

- (a) an event of default (as set out in Condition 10) has occurred and is continuing; or
- (b) the Issuer has been notified that both Euroclear Bank SA/NV. (**Euroclear**) and or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

The Issuer will promptly give notice to Noteholders if an Exchange Event occurs. Thereupon in the case of (a) or (b) above, the holder of the Permanent Global Note, acting on the instructions of one or more of the Accountholders (as defined above), may give notice to the Issuer and the Fiscal Agent and, in the case of (c) above, the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Note for definitive Notes. Any exchange shall occur no later than 45 days after the date of receipt of the first relevant notice by the Fiscal Agent. Exchanges will be made upon presentation of the Permanent Global Note at the office of the Fiscal Agent on any day on which banks are open for general business in London. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

6. Prescription

Claims against the Issuer in respect of principal or premium and interest on the Notes represented by a Global Note will be prescribed after ten years (in the case of principal and

premium) and five years (in the case of interest) from the Relevant Date (as defined in Condition 7).

7. Cancellation

On cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase will be effected by instruction to Euroclear and Clearstream, Luxembourg to make appropriate entries in their records in respect of all Notes which are cancelled.

8. Put Option

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, the option of the Noteholders provided for in Condition 6(3) may be exercised by the Accountholders giving notice to the Fiscal Agent in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg (which may include notice being given on the instruction by Euroclear or Clearstream, Luxembourg or any common depository for them to the Fiscal Agent by electronic means) of the principal amount of the Notes in respect of which such option is exercised and the Issuer shall procure that the portion of the principal amount of the relevant Global Note so redeemed shall be entered in the records of Euroclear and/or Clearstream, Luxembourg.

9. Euroclear and Clearstream, Luxembourg

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg as appropriate. References in the Global Notes and this overview to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system through which interests in the Notes are held.

USE OF PROCEEDS

The net proceeds of the issue of the Notes, after deduction of €5,550.00 relating to the application for admission to trading, will be applied by the Issuer for its general corporate purposes.

DESCRIPTION OF THE ISSUER

INTRODUCTION

EXOR was incorporated on 27 July 1927, under the name of I.F.I. – Istituto Finanziario Industriale (**IFI**), as a joint stock company (*società per azioni*) under the laws of the Republic of Italy. On 1 March 2009 the subsidiary IFIL Investments S.p.A. (**IFIL**) was merged by incorporation into IFI and, on the same date, IFI assumed the new name of EXOR (EXOR, together with its Consolidated Subsidiaries (as defined in the Conditions of the Notes), is hereafter referred to as the **EXOR Group** or **Holdings System**).

EXOR is one of Europe's largest investment holding companies, with a Net Asset Value (**NAV**) of over €12 billion as at 31 December 2015. It is listed on the *Mercato Telematico Azionario* managed by Borsa Italiana S.p.A. (**MTA**) and headquartered in Turin, Italy.

EXOR is registered in the companies' register of the Turin Chamber of Commerce under registration number 00470400011. Under its current by-laws (*Statuto*), EXOR's corporate life expires on 31 December 2050.

The registered office of the Issuer is Via Nizza n. 250, 10126, Turin, Italy, telephone number +39 011 5090 266.

EXOR is majority owned and controlled by Giovanni Agnelli e C. S.a.p.az., the company grouping the descendants of Senator Giovanni Agnelli, the founder of FIAT.

HISTORY AND DEVELOPMENT

EXOR sums up almost a century of entrepreneurial activity carried out through various companies controlled by the Agnelli family. The origins of EXOR date back to 1927 when Senator Giovanni Agnelli founded IFI to manage his shareholdings in the automotive company FIAT S.p.A. (**FIAT** and, together with its direct and indirect subsidiaries, the **FIAT Group**; in this Prospectus, **FIAT Group** refers to FIAT and its direct and indirect subsidiaries up to 12 October 2014, i.e. the date of effectiveness of the merger of FIAT with and into FCA) as well as various other investments (including Juventus Football Club S.p.A. (**Juventus**)).

Over the years IFI, and its subsidiaries IFIL (a company originally established in 1919 by a group of Piedmontese industrialists and subsequently acquired by IFI) and IFINT S.A. (established in 1964) made several investments in diversified sectors both in Italy and abroad, encouraging the development of the companies in which they invested.

Over the years, IFI (now EXOR) and its subsidiaries have managed the composition of their investment portfolio consistent with the strategy to monitor and analyse it continuously. The investments indicated below are the main ones made over the years, and unless they are indicated as being still present in the current portfolio of investments (see "*Description of the Issuer – The investment portfolio*", below), they have subsequently been sold.

Up to the creation of the current EXOR in March 2009, and in addition to the investment in FIAT, IFI (now EXOR) and its subsidiaries invested directly and indirectly in firms operating in various sectors, including the following:

- industrial sector, namely RIV, Cementerie di Augusta, Vetrocoke, Unicem, Ferrania-3M, Arjo Wiggins Appleton and Antalis (owned by Sequana S.A.), SIP (today Telecom Italia

S.p.A.), and U.S. companies such as Moog Automotive, River Cement Company, Hercules Cement, Signal Cement and American Engineering (Western Industries);

- inspection, verification, testing and certification services sector, namely the investment EXOR Group had in Société Générale de Surveillance S.A. (**SGS**);
- banking, financial services, including insurance, such as Banca Subalpina, SAVA, Primegest, Toro Assicurazioni, Fireman's Fund Co., Constitution Reinsurance Co., Worms & C.ie (then Sequana Capital S.A.), Istituto Bancario SanPaolo di Torino (now Intesa SanPaolo), Banca Leonardo S.p.A. (**Banca Leonardo**), Vision Investment Management;
- real estate properties, such as investments made in Sestriere, in the Rockefeller Center and in several properties in central Paris and real estate services, with C&W;
- food industry and agricultural sector, with investments made in the French group Danone, thereby supporting the company's acquisition activity on the Italian market (Sangemini group, Birra Peroni, Star and Saint Louis), in Galbani and Chateaux Margaux;
- retail sector, such as the investment in La Rinascente, subsequently merged with the Italian operations of the French group Auchan;
- tourism and leisure sector, such as the investments made in Juventus, in the leading Italian tour operator Alpitour, in Sifalberghi (a 50-50 joint venture with Accor group), in Club Méditerranée, and in Banijay Holding S.A.S. (**Banijay**, a company which operates in European TV production – together with its direct and indirect Subsidiaries, **Banijay Group**); and
- publishing sector, such as the investments made in Gruppo Editoriale Fabbri.

As mentioned above, in March 2009, IFIL was merged into IFI, which changed its corporate name to EXOR. The main facts that characterised the activity of EXOR in its first six years (2009-2015) are described below and fall within its strategy of continual portfolio evaluation and optimisation.

In April 2010, EXOR Group signed a commitment agreement to invest €100 million in Almacantar, a new property company investing in large-scale properties in central London.

In December 2010, EXOR Group purchased a minority stake in The Economist Newspaper Limited (**The Economist Group**) from RIT Capital Partners at a total price of approximately £25 million (approximately €30 million).

During 2010, EXOR supported the strategic project of the FIAT Group aimed at separating the Agricultural and Construction Equipment (CNH sector) and Trucks and Commercial Vehicles (Iveco) activities, as well as the "Industrial & Marine" business line of FPT Powertrain Technologies (FPT Industrial sector) from the Automobile and Automobile-related Components and Production Systems business lines, which include the sectors FIAT Group Automobiles, Maserati, Ferrari, Magneti Marelli, Teksid, Comau and the Passenger & Commercial Vehicles business line of FPT Powertrain Technologies. The separation of those businesses resulted in the creation of the new FIAT Industrial Group (consisting of CNH Industrial, Iveco and FPT Industrial) on 1 January 2011.

In April 2012, EXOR sold Alpitour to Seagull S.p.A., a subsidiary controlled by two closed-end private equity funds owned by Wise SGR S.p.A. and J. Hirsch & Co., in addition to other financial investors. Under the terms of the disposal agreement, in October 2012 EXOR purchased the Arenella hotel for a total amount of €26 million.

In June 2012, EXOR Group finalised a €300 million investment in an Irish-registered fund managed solely for EXOR Group by The Black Ant Group LLP.

In 2012, EXOR Group reduced its ownership in Sequana Capital S.A. (**Sequana**) from 28.4 per cent. to 18.74 per cent.

In October and December 2012, EXOR issued, respectively, a non-convertible bond for €150 million maturing in October 2019 and a non-convertible bond for €100 million maturing January 2025 through two private placements to institutional investors.

In June 2013, EXOR Group concluded the sale of its entire investment in SGS (15 per cent. of share capital), the world leader in verification, testing, control and certification (source: company data on revenue and market share, Vontobel Credit Research – Initiation of coverage, July 2013), to Groupe Bruxelles Lambert (GBL) at a price per share of CHF2,128, for a total equivalent amount of more than €2 billion. EXOR Group realised a net gain on the sale at consolidated level of €1,534 million.

Also in June 2013, EXOR completed the conversion of preferred and savings shares into ordinary shares, which has been a milestone move to streamline its capital structure and simplify its governance structure.

In 2013, EXOR Group paid up the capital increase of Almacantar that was fully subscribed in 2011 and, in order to ensure additional financial resources for new investments, it subscribed to a new capital increase for an equivalent amount of £50 million (€57.9 million).

In September 2013, the deed for the merger of Fiat Industrial S.p.A. with and into CNH Industrial and the deed for the merger of CNH Global N.V. with and into CNH Industrial were executed. The integration of these two companies was completed on 30 September 2013 when the CNH Industrial common shares began trading both on the New York Stock Exchange (**NYSE**) and on the MTA.

In November 2013, EXOR issued non-convertible bonds for €200 million maturing November 2020 through a private placement to institutional investors.

In January 2014, the board of directors of FIAT approved a corporate reorganisation and the formation of FIAT Chrysler Automobiles N.V. (i.e. FCA) as a fully-integrated global automaker.

In June 2014, an agreement was signed between EXOR and Alpitour in which both companies agreed to settle pending disputes and every other potential future controversy by way of a novatory agreement. According to the terms of the agreement, EXOR waived the deferred price (residual amount of €7.5 million, net of accruals set aside) and any performance-related earn-out payment and sold its remaining stake held in Alpitour (7.17 per cent.) for a consideration of €5 million, recording a loss for the same amount.

In July 2014, the capital increase by Sequana (announced on 10 April 2014 as part of a major operational and financial restructuring plan) was concluded successfully. EXOR S.A. subscribed only its share of the increase for a total equivalent amount of €11.1 million. After this transaction, EXOR S.A. held 17.03 per cent. of Sequana's capital and 16.21 per cent. of the voting rights. Subsequently, during the period September to December 2014, EXOR S.A. sold 3,158,313 Sequana shares (6.19 per cent. of capital) on the market for a total amount of €9.1 million.

In October and November 2014, EXOR bought back, through a tender offer and subsequent purchases on the market, and cancelled an aggregate nominal amount of €250 million of its EXOR 2007-2017 bonds (€690 million outstanding at the tender offer announcement date).

In October and December 2014, EXOR also concluded the issue of bonds for a nominal aggregate amount of €650 million.

In October 2014, the merger of FIAT with and into Fiat Investments N.V. became effective. At the same time Fiat Investments N.V. was renamed Fiat Chrysler Automobiles N.V. (i.e. FCA) and became the holding company for the Fiat Chrysler Group. In connection with the merger, FCA issued 1,167,181,255 common shares for allotment to Fiat shareholders on the basis of the merger exchange ratio of one FCA common share for each FIAT ordinary share. The next day, the FCA common shares were admitted for listing on the NYSE and on the MTA. Lastly, FCA issued 408,941,767 special voting shares (not admitted for trading) to eligible FIAT shareholders who elected to participate in FCA's loyalty voting program. EXOR, with its 375,803,870 FIAT ordinary shares, received 375,803,870 FCA common shares (31.26 per cent. of the class of stock) and the same number of FCA special voting shares which, together with the above common shares, at that time brought EXOR's holding to 46.65 per cent. of the voting rights.

Furthermore, in October 2014, the FCA board of directors, in connection with a capital plan appropriate to support the FCA Group's long-term success, authorised the separation of Ferrari S.p.A. from FCA and its subsequent listing on the stock market. Further to the public offering of FCA's interest in Ferrari equal to a part of Ferrari's outstanding shares held by FCA and the listing of Ferrari shares on NYSE, the separation will be effected through a distribution of FCA's remaining Ferrari shares to FCA shareholders.

In the fourth quarter of 2014, the CEO of FCA and certain managers of the FCA Group exercised their stock options, with consequent effects on FCA share capital. In addition, 100,000,000 FCA common shares, including 65,000,000 new shares and 35,000,000 common shares held in treasury were placed with qualified investors, at a price of \$11 per share. EXOR did not take part in the offering and thus its diluted ownership interest in FCA was at that time 29.25 per cent. of common shares and 44.37 per cent. of the voting rights.

In December 2014, EXOR purchased a nominal \$886 million of mandatory convertible securities issued by FCA for an investment of €711.2 million. The mandatory convertible securities pay a coupon of 7.875 per cent. per annum and will be mandatorily converted in FCA common shares on 15 December 2016, unless converted earlier at the option of the holder or FCA or upon the occurrence of certain specified events in accordance with their terms.

In the course of 2014, EXOR S.A. paid the remaining amount due to Almacantar for the capital increase subscribed in July 2013, disbursing in the months of June, September and December 2014, respectively, £4.8 million (€5.9 million), £9.5 million (€12.2 million) and £9.5 million (€12 million).

During 2015, the EXOR Group manifested its intention to acquire the entire issued share capital of PartnerRe, a Bermudian company operating in the reinsurance business, and submitted a specific proposal (and subsequent amendments) to the board of directors of the company. In this context, the EXOR Group acquired 9.9 per cent. of outstanding common shares on the market for an equivalent amount of approximately €553 million, becoming the largest shareholder of the company.

The acquisition proposal, which provided for the merger of Pillar Ltd (a wholly-owned subsidiary of EXOR S.p.A. through EXOR N.V., specifically incorporated under the laws of Bermuda) with and into PartnerRe, recognised a special dividend of \$3 per share for all PartnerRe common shares, plus cash consideration of \$137.50 per share to common shareholders other than EXOR. The same proposal recognised enhanced terms to PartnerRe preferred shareholders: the choice to exchange the existing shares with shares that are non-callable before January 2021 and with a higher dividend rate (an increase of 100 basis points until January 2021) or the immediate equivalent economic value.

The merger agreement was signed by Pillar, EXOR S.p.A., EXOR N.V. and the board of directors of PartnerRe on 2 August 2015, amended on 31 August 2015, and definitively ratified by the special general shareholders' meeting held on 19 November 2015.

The transaction was closed in the first quarter of 2016, as described under “*Recent Developments*” below.

During the first half of 2015 EXOR S.A. sold the entire investment held in Allied World Assurance Company Holdings (4.1 per cent. of capital) for a total equivalent amount of €153.7 million, realising a net gain of €60.4 million.

In the same period, EXOR S.A. sold the remaining investment in Sequana on the market for a total equivalent amount of €18.7 million, realising a net gain of €4.1 million.

On 5 June 2015, Almacantar increased its share capital for a total of £40 million in order to raise additional financial resources earmarked for new investments. EXOR S.A. subscribed to its share of the capital increase for a total equivalent amount of £15.3 million (€21 million). On 17 July 2015 Almacantar carried out a further share capital increase of £159.6 million. EXOR S.A. subscribed to its share for a total equivalent amount of £61.2 million (€87.6 million) paying in £32.1 million (€46 million). After these transactions EXOR S.A. holds 38.30 per cent. of Almacantar's capital and has a remaining liability for the subscribed shares not yet paid of £29.1 million (€39.6 million).

On 1 September 2015, EXOR S.A. finalised the sale of its entire shareholding in Cushman & Wakefield Inc. (**C&W** and, together with its direct and indirect subsidiaries, the **C&W Group**) to DTZ Holdings plc, a company owned by an investor group composed of TPG Capital, L.P, PAG Asia Capital and Ontario Teachers' Pension Plan. As announced on 11 May 2015, the transaction establishes a total enterprise value for C&W of \$2,042 million and generated proceeds for EXOR S.A. of \$1,277.6 million (€1,137 million) and a net gain of approximately \$718 million equal to €639 million (€521.3 million at the consolidated level).

On 16 October 2015, as previously announced on 12 August 2015, EXOR S.A. closed the acquisition of 6.3 million (or 27.8 per cent.) ordinary shares and 1.26 million (or 100 per cent.) B special shares in The Economist Group from Pearson Group plc for total consideration of £291.2 million (€398.2 million), of which £4.2 million (€5.7 million) represents the deferred price.

Further to such transaction, EXOR S.A. became the single largest shareholder of The Economist Group and after completion of the separate share buyback announced by The Economist Group of Pearson Group plc's remaining ordinary shares that was concluded on 23 March 2016, EXOR S.A.'s investment in The Economist Group increased to 43.4 per cent. of outstanding share capital.

On 11 November 2015, EXOR successfully completed the placement, through an accelerated book building offering to institutional investors, of 12 million treasury shares corresponding to 4.87 per cent. of its share capital, for a total gross amount of €511.2 million.

The transaction was settled by the delivery of the shares and the payment of the consideration on 16 November 2015.

In the context of the placement, EXOR's controlling shareholder Giovanni Agnelli e C. S.a.p.az. and two other private investors purchased treasury shares for an amount of €50 million each, at the placement price. Following the settlement of the placement, Giovanni Agnelli e C. S.a.p.az. owns 51.87 per cent. of the share capital of EXOR.

The placement of the shares, which were acquired by EXOR at an average per share price of €14.41, was closed at the price of €42.60 per share, equal to a discount of 4.99 per cent. on the closing market price on the transaction date.

Following this sale EXOR holds approximately 4.83 per cent. of its own share capital.

In 2016, EXOR intends to cancel the remaining treasury shares except for those treasury shares required to service EXOR's stock options plans.

On 3 December 2015, EXOR finalised the issue of bonds for a nominal amount of €750 million maturing on 2 December 2022, with an issue price of 99.499 per cent. and a fixed annual coupon of 2.125 per cent.

On 22 December 2015, EXOR finalised, through a private placement with qualified investors, the issue of bonds of €250 million maturing on 22 December 2025, with an issue price of 98.934 per cent. and a fixed annual coupon of 2.875 per cent.

The bonds, listed on the Luxembourg Stock Exchange, have been assigned a credit rating of BBB+ by S&P.

The purpose of the two issues was to provide EXOR with new financial resources as part of the company's strategy to refinance of the acquisition of PartnerRe.

On 23 December 2015, EXOR and Piero Ferrari signed a shareholders' agreement relating to the shares arising from the separation of Ferrari N.V. from FCA. These shares equal, respectively, approximately 23 per cent. and 10 per cent. of Ferrari's post-separation share capital (corresponding, respectively, to approximately 33 per cent. and 15 per cent. of voting rights).

The shareholders' agreement, which became effective on 4 January 2016, includes a consultation commitment with the aim of forming and exercising a common view on the items on the agenda of any general meetings of Ferrari shareholders, and certain obligations in case of transfers of the shares in Ferrari to third parties, including a pre-emption right in favour of EXOR and a right of first offer of Piero Ferrari. The shareholders' agreement will have an initial duration of five years from the effective date of the separation, provided that if neither of the parties terminates the shareholders' agreement, then the shareholders' agreement shall be renewed automatically for another five-year period.

Recent developments relating to EXOR are described further in the following paragraphs.

RECENT DEVELOPMENTS

Completion of the separation of Ferrari shares from FCA and subsequent listing on the stock exchange

The separation of the Ferrari business from the FCA Group was completed on 3 January 2016. FCA shareholders received one common share of Ferrari for every ten FCA common shares held. In addition, holders of FCA Mandatory Convertible Securities (MCS) received 0.77369 common shares of Ferrari for each MCS unit of \$100 in notional amount. The number of Ferrari common shares issued is 193,923,499. In addition, FCA shareholders participating in the company's loyalty voting program received one special voting share of Ferrari for every 10 special voting shares of FCA held. EXOR, holding its 375,803,870 FCA common shares, received 37,580,387 Ferrari N.V. common shares and the same number of special voting shares. Following the closing of the transaction, EXOR held 22.91 per cent. of issued directly capital and 32.75 per cent. of voting rights over issued capital,

as well as another 6,854,893 common shares as the holder of FCA mandatory convertible securities. Ferrari common shares are traded on the NYSE and, starting 4 January 2016, also on the MTA.

Investment in Welltec A/S

On 10 February 2016, EXOR invested €103.3 million to acquire a 13 per cent. stake in Welltec A/S (**Welltec**), a global leader in the field of robotics technology for the oil and gas industry. The investment was acquired through the purchase of a part of the investment in Welltec held by 7-Industries Lux S.à.r.l., a company indirectly held by EXOR board member, Ruth Wertheimer. Since this is a related party transaction prior approval was sought from EXOR's Related Parties Committee which expressed a favourable opinion. After the acquisition EXOR and the 7-Industries Lux group each hold 13 per cent. of Welltec share capital as long-term shareholders.

Sale of Banijay to Zodiak Media

On 23 February 2016, EXOR S.A. finalised the sale of its entire investment in Banijay (17.1 per cent. of capital) within the context of a merger with Zodiak Media, a De Agostini Group TV production company. EXOR received proceeds on the sale of €60.1 million and realised a net gain €24.8 million.

Payment against Almacantar capital increase

On 1 March 2016, EXOR S.A. paid Almacantar £29.1 million (€37.4 million) representing the remaining amount due on the Almacantar capital increase subscribed to in July 2015 that had not yet been paid in full.

EXOR's commitment in the transaction announced by FCA relating to its publishing interests

With reference to the transaction announced on 2 March 2016 by FCA, on the same date EXOR announced its intention to actively contribute over the long-term to the development of the new publishing company that will result from the merger of ITEDI S.p.A. (**ITEDI**) with Gruppo Editoriale l'Espresso. The objective of the transaction is to create the leading Italian daily and periodical news and media company that will also be the one of the principal European publishing groups.

In support of the development of this new entrepreneurial project in the publishing business, EXOR communicated its intention to reach an agreement with Compagnie Industriali Riunite (CIR), the holding company controlled by the De Benedetti family and the majority shareholder of Gruppo Editoriale l'Espresso, concerning their holdings, approximately 5 per cent. and approximately 43 per cent. in the share capital of the new company that will result from the merger and the announced distribution transactions. The signing of this agreement is subject to the closing of these transactions.

Within the context of the ITEDI-Gruppo Editoriale l'Espresso merger, and following the transactions announced by FCA, the demerger of RCS to FCA shareholders became effective on 1 May 2016; EXOR thus received 25,459,208 RCS shares, equal to an exchange ratio of 0.067746 for each FCA share held.

The sale of this investment is in progress according to market best practice for such transactions, in a timely and appropriate manner and in accordance with the applicable regulations, and will be completed by the end of the first quarter of 2017, when the merger of ITEDI and Gruppo Editoriale l'Espresso is expected.

Completion of the transaction for the acquisition of PartnerRe and recent developments relating to PartnerRe

The acquisition of PartnerRe was completed on 18 March 2016 after having received all necessary approvals. The total payment made by EXOR at the closing was \$6,108 million (€5,415 million) of which \$6,065 million (€5,377 million) was paid to common shareholders and \$43 million (€38 million) to preferred shareholders, as immediate economic value in lieu of the higher dividend rate. On the closing date, EXOR indirectly became, through EXOR N.V., owner of 100 per cent. of the common shares of PartnerRe. The common shares were delisted from the NYSE as at the same date. The acquisition did not include the preferred shares issued by PartnerRe, which will continue to be traded on the NYSE. On 24 March 2016, the board of directors of PartnerRe announced the appointment of John Elkann as Chairman of the board and Emmanuel Clarke as President and Chief Executive Officer. At that date the board of directors of PartnerRe, besides the Chairman and Chief Executive Officer, is composed of Enrico Vellano, Brian Dowd and Patrick Thiele.

On 2 May 2016, PartnerRe published a press release announcing the financial results of the first quarter 2016. The headlines of the press release are set out below:

- “• First Quarter Operating Earnings of \$44.2 million (\$104.2 million excluding transaction costs), resulting in an Annualized Operating ROE of 2.9 per cent. (6.9 per cent. excluding transaction costs)
- Net Income of \$201.4 million (\$261.4 million excluding transaction costs), resulting in an Annualized Net Income ROE of 13.3 per cent. (17.3 per cent. excluding transaction costs)
- Total Capital of \$7.7 billion, Book Value of \$6.1 billion, and Tangible Book Value of \$5.5 billion.”

On 5 May 2016, PartnerRe announced that its board of directors declared a dividend for the period 1 March 2016 – 31 May 2016 of \$0.40625 per share on the company’s 6.50 per cent. series D and G cumulative redeemable preferred shares, \$0.453125 per share on the company’s 7.25 per cent. series E and H cumulative redeemable preferred shares, and \$0.3671875 on the company’s 5.875 per cent. series F and I non-cumulative redeemable preferred shares. The dividends are payable on 1 June 2016, to shareholders of record on 20 May 2016.

Sale of Almacantar and investment funds to PartnerRe

On 24 March 2016, EXOR S.A. reached an agreement to sell its investment in Almacantar (approximately 36 per cent. of share capital) to Partner Reinsurance Company Ltd., a 100 per cent.-owned subsidiary of PartnerRe. The transaction was closed on 8 April 2016 upon receipt of £382.7 million.

In April 2016, EXOR S.A. also sold a number of its financial investments to the PartnerRe Group, mainly third party funds, for approximately \$190 million.

The transactions aim to improve the diversification of the investments held by PartnerRe by introducing real estate as a new asset class, without changing the overall risk profile of its portfolio. EXOR will apply the entire proceeds from these transactions to reduce its debt.

Reopening of the 10-year Notes due December 2025 for Euro 200 million

On 10 May 2016, EXOR announced the reopening of its Euro 250 million notes issued on 22 December 2015 and due December 2025, increasing the amount by Euro 200 million. As for the notes

issued on 22 December 2015, the new notes will carry an annual fixed coupon of 2.875 per cent. and will be due in December 2025. The new notes issued through a private placement to institutional investors yield 2.51 per cent. and will be listed on the Luxembourg Stock Exchange.

Consolidated financial results as at and for the three months ended 31 March 2016

On 13 May 2016, EXOR issued a press release announcing the approval of the consolidated financial results as at and for the three months ended 31 March 2016. Extracts of the text of the press release are set out below:

“The EXOR Group closed the first quarter of 2016 with a consolidated profit of €201.1 million; the first three months of 2015 ended with a consolidated profit of €40.6 million. The positive change of €160.5 million is largely due to the increase in the share of the profit (loss) of investments of €157.9 million (of which €47.1 million relates to the first-time consolidation of PartnerRe), dividends received from PartnerRe before the acquisition of €16.1 million, gains on the disposal of investments of €25 million, partially compensated by the increase in net financial expenses on debt of €14.7 million and non-recurring expenses in connection with the acquisition of PartnerRe of €33.5 million.

At 31 March 2016 consolidated net equity attributable to owners of the parent amounts to €9,744.6 million and shows a decrease of €393.8 million compared to year-end 2015 of €10,138.4 million.

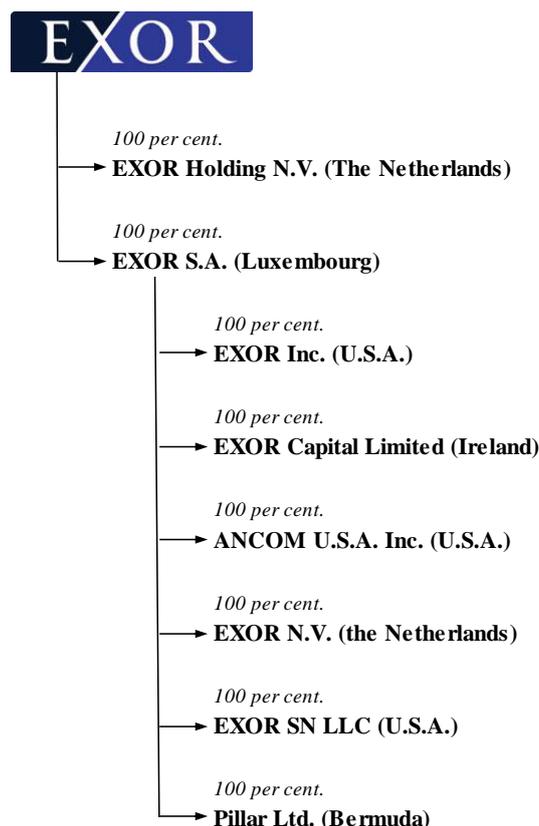
The decrease is due to the exchange difference on translation (-€466.6 million), net fair value adjustments (-€49.4 million) and other net changes (-€78.9 million), partially compensated by the consolidated profit reported for the quarter (+€ 201.1 million).

The consolidated net financial position of the Holdings System at 31 March 2016 is negative for €4,218.2 million. This is a negative change of €5,555 million compared to the positive €1,336.8 million at year-end 2015 and primarily the result of disbursements made in connection with the acquisition of PartnerRe (€5,415.5 million).”

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP – SHORTENED

EXOR holds its investments and manages its financial resources directly or through certain subsidiaries. These companies, together with the holding company, EXOR, constitute the so-called **Holdings System**.

The following chart illustrates its structure as at 31 December 2015:



On 18 March 2016, the acquisition of PartnerRe was completed and EXOR’s wholly-owned indirect subsidiary Pillar Ltd. was merged with and into PartnerRe, with PartnerRe continuing as the surviving entity. During the first quarter of 2016, EXOR Investments Ltd. (United Kingdom) was incorporated as a new wholly-owned subsidiary of EXOR.

EXOR presents interim consolidated financial statements at 31 March and 30 September of each year (statement of financial position and income statement) in shortened form, prepared by applying the “shortened” consolidation criteria. In accordance with this criteria, the financial statements or accounting data drawn up in accordance with International Financial Reporting Standards (**IFRS**) by EXOR and by the subsidiaries in the Holdings System are consolidated line by-line; the investments in the operating subsidiaries and associates (FCA, CNH Industrial, Almacantar, The Economist Group, Juventus and Arenella Immobiliare S.r.l. (**Arenella Immobiliare**)) are accounted for using the equity method on the basis of their financial statements or accounting data drawn up in accordance with IFRS.

The financial statements drawn up using the “shortened” criteria, in order to facilitate the analysis of financial condition and cash flows, as well as the results of operations of the Group, are also presented along with the annual consolidated financial statements and the half-year condensed consolidated financial statements of each year.

Consolidation of The Economist Group

As a result of the acquisition of an additional interest in the share capital of The Economist Group in the third quarter of 2015, EXOR, through the subsidiary EXOR S.A., increased its investment in The Economist Group from 4.72 per cent. to 34.72 per cent., becoming the largest shareholder.

Accordingly and consistently with the provisions of IAS 28, from 31 December 2015, EXOR recorded The Economist Group in investments accounted for using the equity method.

The 4.72 per cent. stake previously held in The Economist Group was recorded in investments available-for-sale and measured at fair value, with recognition in equity; following the change in the measurement method the investment was aligned to the purchase price agreed for the acquisition of the additional interest in share capital of The Economist Group while the accumulated fair value was subsequently reclassified to a specific item of the income statement.

The alignment of The Economist Group to equity was carried out on the basis of the accounting data at 30 September 2015 (the most recent available data of the company). At 31 December 2015, there were no significant variations compared to the period taken into consideration. The carrying amount of the investment includes goodwill represented by the difference between the fair value of the investment and the price paid.

In view of the above, the use of the equity method did not have any effect on the income statement.

The following table shows the consolidation and valuation methods of the investment holdings:

	% of consolidation	
	31 December 2015	31 December 2014
Holding Company – EXOR S.p.A. (Italy)	100	100
Companies in the Holdings System consolidated line-by-line		
- EXOR S.A. (Luxembourg)	100	100
- Exor Capital Limited (Ireland)	100	100
- Ancom USA Inc. (USA)	100	100
- Exor N.V. (Netherlands)	100	100
- Exor SN LLC (USA)	100	100
- Pillar Ltd. (Bermuda) (a)	100	-
- Exor Holding N.V. (Netherlands) (b)	100	-
- Exor Inc. (USA) (c)	-	100
Investments in operating subsidiaries and associates, accounted for using the equity method		
- FCA	29.16	29.25
- CNH Industrial	27.28	27.42
- Almacantar	38.30	38.29
- The Economist Group (d)	34.72	-
- Juventus Football Club S.p.A.	63.77	63.77
- Arenella Immobiliare S.r.l.	100	100
- C&W Group (e)	-	83.06

(a) Company incorporated on 13 April 2015 as part of the transaction for the acquisition of PartnerRe.

(b) Company incorporated on 30 September 2015.

(c) Company in a wind-up.

(d) Measured in accordance with IAS 39 up to 30 September 2015.

(e) Company sold on 1 September 2015.

The EXOR Group closed the 2015 financial year with a consolidated profit of €744.5 million; the year 2014 ended with a consolidated profit of €323.1 million. The increase of €421.4 million can principally be ascribed to the increase in net gains of €632.1 million (of which €521.3 million relates to the sale of C&W Group shown in profit from discontinued operations), partially offset by the decrease in the share of the profit (loss) of investments of €177.6 million.

As at 31 December 2015, the consolidated equity attributable to owners of the parent amounts to €10,138.4 million and was a net increase of €2,143.4 million compared to €7,995 million at year-end 2014.

The consolidated net financial position of the Holdings System at 31 December 2015 was a positive €1,336.8 million and reflects an increase of €774.3 million compared to the positive balance of €562.5 million at year-end 2014.

EXOR Group consolidated income statement – shortened

€ million	2015	2014	Change
Share of the profit (loss) of investments accounted for using the equity method	204.7	382.3	(177.6)
Dividends from investments	13.8	4.9	8.9
Gains (losses) on disposals and impairments on investments, net	73.9	(36.9)	110.8
Net financial income (expenses)	(10.5)	(42.0)	31.5
Net general expenses	(20.6)	(21.3)	0.7
Non-recurring other income (expenses) and general expenses	(27.0)	(6.8)	(20.2)
Income taxes and other taxes and duties	(11.9) (a)	0.0	(11.9)
Profit	222.4	280.2	(57.8)
Profit from discontinued operations:			
- Share of profit	0.8	42.9	(42.1)
- Gain on sale	521.3	-	521.3
Profit from discontinued operations	522.1	42.9	479.2
Profit attributable to owners of the parent	744.5	323.1	421.4

(a) Includes mainly EXOR income taxes and other taxes and duties for an expense of €7.7 million net of consolidation adjustments.

Share of the profit (loss) of investments accounted for using the equity method

In 2015, the share of the profit (loss) of investments accounted for using the equity method was a profit of €204.7 million, a reduction compared to 2014 (€382.3 million). The decrease of €177.6 million mainly reflects the decrease in the share of the profit of CNH Industrial (€253.5 million) and FCA (€52 million), partially offset by the increase in the share of the profit of Juventus (€36.6 million) and Almacantar (€91.4 million).

	Profit (Loss) (million)			EXOR's share (€ million)		
	2015	2014	Change	2015	2014	Change
FCA (a)	€ 334.0	€ 568.0	(234.0)	112.8	164.8	(52.0)
CNH Industrial (a)	\$ 236.0	\$ 917.0	(681.0)	(64.1)	189.4	(253.5)
Almacantar	£ 248.1	£ 83.1	165.0	130.9	39.5	91.4
Juventus Football Club (c)	€ 39.3	€ (18.2)	57.5	25.0	(11.6)	36.6
Arenella Immobiliare	€ 0.1	€ 0.2	(0.1)	0.1	0.2	(0.1)
Total				204.7	382.3	(177.6)

(a) Includes consolidation adjustments.

(b) The share of the result of CNH Industrial includes EXOR's share of the €450 million charge that CNH Industrial will make in 2016 in relation to an investigation conducted by the European Commission. The result of CNH Industrial without this charge is a profit of \$236 million (EXOR's share is a profit of €58.7 million).

(c) The profit relates to the accounting data prepared for the company's consolidation in EXOR and refers to the period 1 January – 31 December 2015.

EXOR GROUP – Consolidated Statement of Financial Position – Shortened

€ million	31 December 2015	31 December 2014	Change
Non-current assets			
Investments accounted for using the equity method	7,464.8	6,596.8	868.0
Other financial assets:			
- Investments measured at fair value	706.0	350.2	355.8
- Other investments	634.9	558.4	76.5
- Other financial assets	0.0	4.1	(4.1)
Property, plant and equipment, intangible assets and other assets	21.7	1.2	20.5
Total Non-current assets	8,827.4	7,510.7	1,316.7
Current assets			
Financial assets and cash and cash equivalents	3,958.6	2,156.7	1,801.9
Tax receivables and other receivables	9.4 (a)	7.7	1.7
Total Current assets	3,968.0	2,164.4	1,803.6
Non-current assets held for sale	60.1	-	60.1
Total Assets	12,855.5	9,675.1	3,180.4
Capital issued and reserves attributable to owners of the parent	10,138.4	7,995.0	2,143.4
Non-current liabilities			
Bonds	2,598.8	1,600.0	998.8
Provisions for employee benefits	2.5	2.9	(0.4)
Deferred tax liabilities and other liabilities	0.5	0.9	(0.4)
Total Non-current liabilities	2,601.8	1,603.8	998.0
Current liabilities			
Bonds and other financial payables and liabilities	99.2	70.5	28.7
Other payables and provisions	16.1 (b)	5.8	10.3
Total Current liabilities	115.3	76.3	39.0
Total Equity and Liabilities	12,855.5	9,675.1	3,180.4

(a) Includes mainly prepaid auxiliary expenses (€3.9 million) incurred on the remaining credit line of \$1.9 billion not yet utilised and intended for the acquisition of the entire investment in PartnerRe (originally for \$4.8 million), as well as receivables from the tax authorities for €4.8 million (€6.3 million at 31 December 2014) referring primarily to EXOR.

(b) Includes mainly IRES taxes payable by EXOR (€4.5 million) and payables due to advisors on the acquisition of PartnerRe (€1.3 million).

Consolidated net financial position of the Holdings System

The consolidated net financial position of the Holdings System as at 31 December 2015 was a positive €1,336.8 million and an increase of €774.3 million compared to the balance at year-end 2014 (€562.5 million). The increase is primarily due to the disposals of C&W Group for net proceeds of €1,134.2 million and EXOR treasury stock of €508.5 million, partially offset by the acquisitions of PartnerRe and The Economist Group for outlays of €553.2 million and €398.2 million, respectively.

The composition of the balance is as follows:

€ million	31 December 2015			31 December 2014			Change		
	Current	Non current	Total	Current	Non current	Total	Current	Non current	Total
Financial assets	32.5	76.2	108.7	937.5	76.3	1,013.8	(905.0)	(0.1)	(905.1) (a)
Financial receivables	3.4	0.0	3.4	1.9	0.0	1.9	1.5	0.0	1.5
Cash and cash equivalents	3,922.7	0.0	3,922.7	1,217.3	0.0	1,217.3	2,705.4	0.0	2,705.4
Total financial assets	3,958.6	76.2	4,034.8	2,156.7	76.3	2,233.0	1,801.9	(0.1)	1,801.8
EXOR bonds	(26.4)	(2,598.8)	(2,625.2)	(24.9)	(1,600.0)	(1,624.9)	(1.5)	(998.8)	(1,000.3)
Financial payables	(39.6)	0.0	(39.6)	0.0	0.0	0.0	(39.6)	0.0	(39.6)
Other financial liabilities	(33.2)	0.0	(33.2)	(45.6)	0.0	(45.6)	12.4	0.0	12.4

Total financial liabilities	(99.2)	(2,598.8)	(2,698.0)	(70.5)	(1,600.0)	(1,670.5)	0.0	(28.7)	(998.8)	(1,027.5)
Consolidated net financial position of the Holdings System	3,859.4	(2,522.6)	1,336.8	2,086.2	(1,523.7)	562.5	1,773.2	(998.9)	774.3	

(a) The net change reflects the Group's strategy regarding the management of the securities portfolio and the investment of financial resources.

Current financial assets include bonds issued by leading issuers, listed on active and open markets, and mutual funds. Such financial assets, if held for trading, are measured at fair value on the basis of the trading price at year end or using the value determined by an independent third party in the case of mutual funds, translated, where appropriate, at the year-end exchange rates, with recognition of the fair value in the income statement. They also include the current portion of bonds held to maturity.

Non-current financial assets include bonds issued by leading counterparties and listed on active and open markets which the Group intends, and has the ability, to hold until their natural repayment date as an investment for a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.

These financial instruments are free of whatsoever restriction and, therefore, can be monetised whenever the Group should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the interim financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

Current financial receivables primarily include the financial income of €2.8 million on the FCA N.V. mandatory convertible securities maturing on 15 December 2016.

Cash and cash equivalents include demand deposits or short-term deposits, and readily negotiable money market instruments and bonds. Investments are spread over an appropriate number of counterparties chosen according to their creditworthiness and reliability since the primary objective is having investments which can readily be converted into cash.

At 31 December 2015, Bonds issued by EXOR can be analysed as follows:

Issue date	Maturity date	Issue price	Coupon	Rate (%)	Currency	Nominal amount (million)	Balance at (a) 31	
							31 December 2015 (€ million)	December 2014
6/12/2007	6/12/2017	99.554	Annual	fixed 5.375	€	440.0	(452.6)	(452.1)
10/16/2012	10/16/2019	98.136	Annual	fixed 4.750	€	150.0	(149.8)	(149.4)
11/12/2013	11/12/2020	99.053	Annual	fixed 3.375	€	200.0	(199.4)	(199.2)
12/3/2015	12/2/2022	99.499	Annual	fixed 2.125	€	750.0	(744.7)	-
10/8/2014	10/8/2024	100.090	Annual	fixed 2.50	€	650.0	(652.2)	(652.1)
12/7/2012	1/31/2025	97.844	Annual	fixed 5.250	€	100.0	(102.9)	(102.8)
12/22/2015	12/22/2025	98.934	Annual	fixed 2.875	€	250.0	(246.8)	-
			Semiannua					
5/9/2011	5/9/2031	100.000	1	fixed 2.80	(b) Yen	10,000.0	(76.8)	(69.3)
							(2,625.2)	(1,624.9)

(a) Includes the current portion.

(b) To protect against currency fluctuations, a hedging transaction was put in place using a cross currency swap. The cost in Euro is fixed at 6.012% per year.

Financial payables of €39.6 million refer to the amount due to Almacantar for the capital subscribed by EXOR S.A. in July 2015 but not yet fully paid in.

Other financial liabilities principally consist of the measurement of cash flow hedge derivative instruments.

The net change in the year 2015 was a positive €774.3 million. Details are as follows:

€ million	
Consolidated net financial position of the Holdings System at 31 December 2014	562.5
Dividends from investments	93.6
- CNH Industrial	73.4
- The Economist Group	8.1
- PartnerRe	7.7
- NoCo A	3.2
- Other	1.2
Reimbursements of reserves	6.4
- Banca Leonardo	5.5
- Other	0.9
Sales/Redemptions	1,877.4
- C&W Group (a)	1,134.2
- EXOR treasury stock (a)	508.5
- Allied World Assurance Company Holdings	153.7
- The Black Ant Value Fund	19.6
- Sequana	18.7
- Other non-current financial assets	42.7
Investments	(1,142.0)
- PartnerRe	(553.2)
- The Economist Group	(398.2)
- Almacantar	(108.6) (b)
- Other	
. Specialized funds	(62.6)
. Other non-current investments	(19.4)
Financial income from Fiat Chrysler Automobiles N.V. – mandatory convertible securities maturing 15 December 2016	63.5
Dividends paid by EXOR	(77.8)
Other changes	
- Net general expenses	(17.4)
- Non-recurring other income (expenses) and general expenses	(24.3)
- Net financial expenses	(49.9)
- Income taxes and other taxes and duties	(12.5)
- Other net changes	57.3 (c)
Net change during the year	774.3
Consolidated net financial position of the Holdings System at 31 December 2015	1,336.8

(a) Net of auxiliary expenses.

(b) Of which \$47.4 million has already been paid (€67 million).

(c) Primarily includes the positive effects of the hedge on the U.S. dollar loan (€43.9 million) for the acquisition of PartnerRe, as well as the measurement of the cross currency swap on the 2011-2031 Japanese yen bonds for a positive €6.5 million.

As at 31 December 2015, EXOR had unused irrevocable credit lines in Euro of €345 million (including €305 million due by 31 December 2016), in addition to unused revocable credit lines of over €558 million.

EXOR also has an irrevocable credit line in foreign currency for a residual amount of \$1.9 billion (€1.7 billion), unused as at 31 December 2015 and earmarked for the acquisition of PartnerRe. This credit line, which is due after 30 June 2016, was partially cancelled upon receipt of the proceeds from the sale of C&W Group, the placement of EXOR treasury stock and the issue of two EXOR bonds in the month of December.

EXOR's long-term and short-term debt rating from S&P is "BBB+" and "A-2", respectively, with a "negative" outlook. On 2 November 2015, the rating agency published a specific analysis on EXOR.

Principal activities

EXOR is one of Europe's leading investment companies, with a NAV of over €12 billion as at 31 December 2015. EXOR is controlled by Giovanni Agnelli e C. S.a.p.az., which as at the date of this Prospectus holds 51.87 per cent. of EXOR's ordinary share capital. Article 3 of EXOR's by-laws allows it to, *inter alia*, acquire investments in other companies or institutions, finance or direct the technical and financial coordination of the companies or institutions where the company holds an investment, and purchase and sell, hold, manage and place public and private securities.

Objective and Strategy

EXOR's objective is to increase its NAV and outperform the MSCI World Index in euro over time. EXOR invests in global companies in various sectors, mainly in Europe and in the United States with a long-term timeframe.

EXOR is an active shareholder, combining its entrepreneurial approach with sound financial discipline. It brings in finance for the development of its companies, to improve their competitive position and profitability, and maintains a constant dialogue with the top management of the companies in which it invests, while fully respecting their operating autonomy: that is why EXOR's managers are members of the boards of directors of these companies.

EXOR is an active owner and a long-term oriented investor. The criteria that direct EXOR's investment choices are the following:

- (a) People: talented and professional managers with successful track records who take part in the creation of value "thinking and acting as owners".
- (b) Economic and financial results: companies who have demonstrated a consistent cash flow and earnings generation, with a sound balance sheet.
- (c) Competitive position: companies with a long-term sustainable competitive advantage who are "best in class" or who are able to become the best.
- (d) Governance: participation on boards of directors in order to monitor and contribute to the development of the company.

EXOR invests in global companies in various sectors, mainly in Europe and in the United States with a long-term time frame.

The Investment Portfolio

The EXOR Group's investments, as described in the Issuer's annual report for the financial year ended 31 December 2015, are the following:



Percentages updated on the basis of the latest available information.

- (a) Calculated on common stock.
- (b) EXOR holds 44.27 per cent. of voting rights on issued capital.
- (c) EXOR holds 39.96 per cent. of voting rights on issued capital. In addition, FCA holds a 1.17 per cent. stake in CNH Industrial and 1.74 per cent. of voting rights on issued capital.
- (d) EXOR holds 32.75 per cent. of voting rights on issued capital.
- (e) After completion of the buyback, voting rights are limited to 20 per cent.

PartnerRe (100 per cent. of common stock) is a leading global reinsurer with headquarters in Pembroke (Bermuda). PartnerRe commenced operations in 1993 and provides reinsurance and certain specialty insurance lines on a worldwide basis through its subsidiaries and branches serving more than 2,000 customers in its Non-Life and Life and Health segments. PartnerRe has a global platform of 21 offices in more than 150 countries. The company's principal offices are located in Hamilton (Bermuda), Dublin, Greenwich (Connecticut, USA), Paris, Singapore and Zurich. Risks reinsured include, but are not limited to, property, casualty, motor, agriculture, aviation/space, catastrophe, credit/surety, engineering, energy, marine, mortality, longevity and accident and health, and alternative risk products.

Fiat Chrysler Automobiles (FCA) (29.16 per cent. stake) is listed on the NYSE and the MTA and is included in the FTSE MIB Index. FCA, the seventh-largest automaker in the world, designs, engineers, manufactures, distributes and sells passenger cars, light commercial vehicles, components and production systems worldwide. The FCA Group's automotive brands are: Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia, Ram and Maserati in addition to the SRT (Street and Racing Technology) performance vehicle designation. FCA's businesses also include Comau (production systems), Magneti Marelli (components), Teksid (iron and castings) and Mopar, the after-sales services and parts brand. FCA is engaged in industrial activities in the automotive sector through companies located in 40 countries and has commercial relationships with customers in approximately 150 countries. FCA Group's operations relating to mass market brands (passenger cars, light commercial vehicles and related parts and services) are run on a regional basis and attributed to four regions representing four geographical areas: NAFTA (U.S., Canada and Mexico), LATAM (South and Central America, excluding Mexico), APAC (Asia and Pacific countries) and EMEA (Europe, Russia, Middle East and Africa).

As at 31 December 2015, FCA Group had 164 manufacturing facilities and 238,162 employees throughout the world.

CNH Industrial (26.94 per cent. stake; 1.17 per cent. stake also held by FCA) is listed on the NYSE and the MTA and is included in the FTSE MIB Index. CNH Industrial’s goal is the strategic development of its business. The large industrial base, a wide range of products and its worldwide geographical presence make CNH Industrial Group a global leader in the capital goods segment. Through its brands, the company designs, produces and sells trucks, commercial vehicles, buses and specialty vehicles (Iveco), agricultural and construction equipment (the families of Case and New Holland brands), as well as engines and transmissions for those vehicles and engines for marine applications (FPT Industrial). Each of the CNH Industrial Group’s brands is a prominent international player in the respective industrial segment.

As at 31 December 2015, CNH Industrial Group was present in approximately 180 countries giving it a unique competitive position via its 64 manufacturing plants, 50 research and development centres and more than 64,000 employees.

Ferrari N.V. (22.91 per cent. stake) began operations on 3 January 2016 following the completion of a series of transactions to separate Ferrari from the FCA Group. Ferrari is listed on the NYSE and the MTA and is included in the FTSE MIB Index. The Ferrari brand is a symbol of excellence and exclusivity and the cars that carry this brand name are uniquely renowned for performance, innovation, technology, driving pleasure and design, a car that is the most authoritative example of “made in Italy” the world over.

Ferrari is present in more than 60 markets worldwide through a network of 180 authorised dealers with 7,644 cars sold at 31 December 2015.

The Economist Group (43.40 per cent. after completion of the buyback) is a company headquartered in London and head of the editorial group that publishes The Economist, a weekly magazine that, with a global circulation of more than one million copies, represents one of the most important sources of analysis in the international business world.



Juventus Football Club (63.77 per cent. of share capital) is listed on the MTA. Founded in 1897, it is one of the most prominent professional football teams in the world.

Welltec (13 per cent. of share capital) is a company headquartered in Denmark. It is a leader in robotics technologies for the oil and gas industry, offering reliable and efficient well maintenance, cleaning and repair solutions.

Banca Leonardo (16.51 per cent. of share capital) is a privately held and independent international investment bank offering wealth management services and products and other activities connected with financial markets.

See “Recent Developments” for on-going transactions which bring changes to the investments portfolio.

NET ASSET VALUE

As at 31 December 2015, EXOR's NAV was €12,318 million, an increase of €2,154 million (an increase of 21.2 per cent.) compared to €10,164 million as at 31 December 2014. The composition and change in NAV are shown below:

€ millions	1 March	31	31	Change vs 31 December 2014	
	2009 (a)	December 2014	December 2015	Amount	%
Investments	2,921	8,347	10,139	1,792	+21.5%
Financial investments	274	663	579	(84)	-12.7%
Cash and cash Equivalents	1,121	2,233	4,035	1,802	+80.7%
Treasury stock	19	762	433	(329)	-43.2%
Gross Asset Value	4,335	12,005	15,186	3,181	+26.5%
Gross Debt	(1,157)	(1,671)	(2,698)	(1,027)	+61.5%
Ordinary holding costs over ten years	(210)	(170)	(170)	-	-
Net Asset Value (NAV)	2,968	10,164	12,318	2,154	+21.2%

(a) Effective date of the merger of IFIL in IFI and the name change of the latter to EXOR.

The gross asset value at 31 December 2015 has been calculated by valuing listed investments and other equity shares at trading prices, other private equity investments at fair value determined annually by independent experts and other private investment holdings (funds and similar instruments) at the most recently available fair value. Bonds held to maturity are measured at amortized cost. EXOR treasury stock is measured at share trading prices, except those used to service stock option plans (measured at their option exercise price, if below the share trading price) and those awarded to beneficiaries of the stock grant plan. The latter are deducted from the total number of treasury shares.

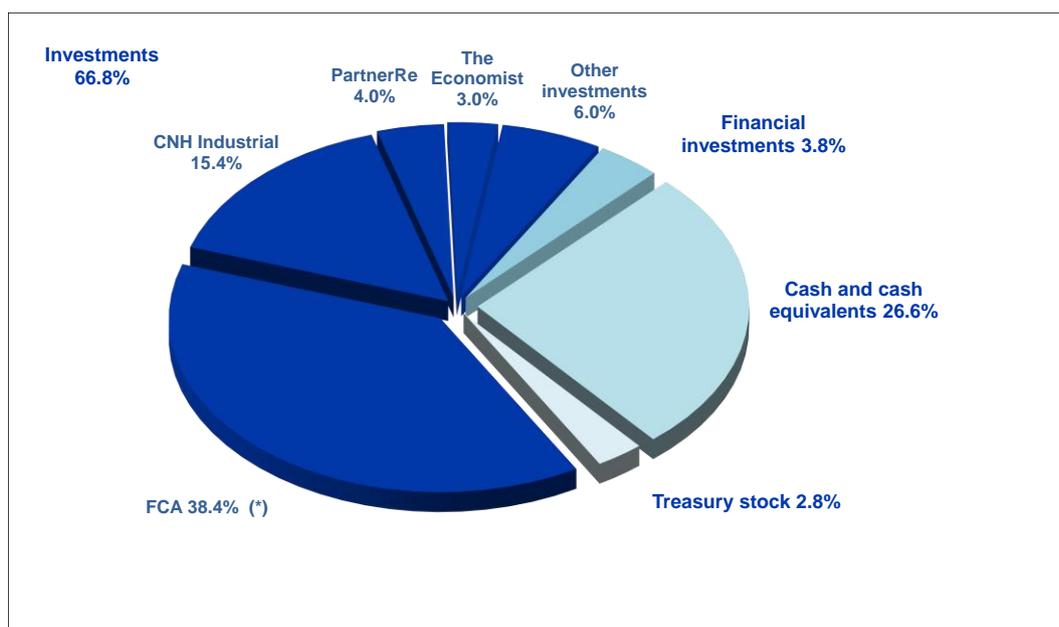
NAV is presented with the aim of aiding financial analysts and investors in forming their own assessments.

The following pie chart shows the composition of gross asset value as at 31 December 2015 (€15,186 million).

“Other investments” include the investments in Almacantar, Juventus, Banca Leonardo and Banijay, in addition to minor sundry investments.

See the paragraph “*Recent Developments*” below for detail of on-going transactions which may impact the structure of the investments portfolio.

Investments denominated in U.S. dollars and Sterling are translated to Euro at the official exchange rates as at 31 December 2015, respectively, of €/\$1.0887 and €/£0.7340.



(*) Including the mandatory convertible securities issued by FCA on 15 December 2014.

Description of ordinary cash flows

The EXOR Group's ordinary cash flows may substantially vary on the basis of dividends received by portfolio companies.

Set out below are the ordinary cash flows registered since 2010 (€ millions), according to EXOR's management calculation.

€ million	2010	2011	2012	2013	2014	2015
Dividends and other proceeds from investments	157.5	140.7	182.5	167.1	107.1	183.1
<i>Dividends from investments</i>	<i>148.8</i>	<i>128.1</i>	<i>156.1</i>	<i>146.3</i>	<i>80.5</i>	<i>93.6</i>
PartnerRe						7.7
FIAT	66.9 ⁽¹⁾	40.3 ⁽¹⁾	10.8	-	-	-
CNH Industrial ⁽²⁾	-	-	71.3	82.6	73.4	73.4
SGS	49.1	59.4	63.2	55.7	-	-
C&W	-	-	2.0	2.0	2.2	-
Sequana	4.6	5.6	-	-	-	-
Banca Leonardo	27.3	19.1	4.6	2.3	0.7	-
The Economist Group	-	2.1	2.4	2.3	2.5	8.1
Others	0.9	1.6	1.8	1.4	1.7	4.4
<i>Other Proceeds from investments</i>	<i>8.7</i>	<i>12.6</i>	<i>26.4</i>	<i>20.8⁽⁴⁾</i>	<i>26.6⁽⁴⁾</i>	<i>89.5^(4,5)</i>
Dividends paid by EXOR	-67.9	-75.9	-80.1	-78.5	-74.5	-77.8
Net Dividend	89.6	64.8	102.4	88.6	32.6	105.3
Net Financial Income (expenses) generated by the financial position	25.8	-23.3	-44.7	-30.8⁽⁶⁾	-28.2⁽⁷⁾	-49.9
Recurrent Net General Expenses ⁽³⁾	-26.6	-26.8	-22.7	-22.9	-19.9	-19.2
Net Ordinary Cash-in (Cash-Out)	88.8	14.7	35.0	34.9	-15.5	36.2

- (1) Pre spin-off of FIAT Industrial
(2) After September 2013, before FIAT Industrial
(3) Including indirect taxes and duties, as estimated by management
(4) Includes The Black Ant Value Fund's proceeds
(5) Includes proceeds deriving from FCA mandatory convertible
(6) Not including non-recurring net financial expenses
(7) Not including non-recurring €32.5 million that refers to expenses relating to the cancellation of EXOR bonds 2007-2017

Description of certain investments of the investment portfolio

This section contains a description of the operating subsidiaries and associates of the Issuer (FCA, CNH Industrial, Almacantar, Juventus and The Economist Group) that are accounted for using the equity method in the consolidated financial statements as at and for the financial year ended 31 December 2015.

Each of these investments, and their results for the financial year ended 31 December 2015, is described further in the following paragraphs (percentages of ownership are reported as at 31 December 2015).

FCA



(29.16 per cent. stake, 44.27 per cent. of voting rights on issued capital)

The key consolidated figures of FCA reported in 2015, including the data of Ferrari, unless otherwise indicated, are the following:

€ million	Year		Change
	2015	2014	
Net revenues	113,191	96,090	17,101
EBIT (1)	2,625	2,834	(209)
Adjusted EBIT (2)	5,267	3,766	1,501
Profit before taxes (1)	259	783	(524)
Profit from discontinued operations (3)	284	273	11
Profit for the year	377	632	(255)
Net profit attributable to owners of the parent	334	568	(234)

- (1) Excluding Ferrari, classified as a discontinued operation for the year ended 31 December 2015.
(2) Adjusted EBIT is a non-GAAP financial measure used to measure performance. It is calculated as EBIT excluding gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and other unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature.
(3) Profit attributable to Ferrari.

€ million	31 December	31 December	Change
	2015	2014	
Total assets	105,040	100,510	4,530
Net debt	(8,583)	(10,849)	2,266
- of which: Net industrial debt	(6,012)	(7,654)	1,642
Equity attributable to owners of the parent	16,092	13,425	2,667

Net revenues

Net revenues for the 2015 financial year were €113.2 billion, an increase of €17.1 billion, or 18 per cent. (an increase of 6 per cent. at constant exchange rates) from €96.1 billion in the prior year. As for the segments, the improvement is mainly attributable to the €17.5 billion increase in NAFTA (up 33 per cent.; an increase of 13 per cent. at constant exchange rates) thanks to higher volumes, positive net pricing and favourable foreign currency translation effects, the increases in EMEA of €2.3 billion (up 13 per cent.; an increase of 11 per cent. at constant exchange rates) due to higher volumes, positive net pricing and favourable product mix and in Components of €1.2 billion (up 13 per cent.; an increase of 11 per cent. at constant exchange rates), partially offset by the decreases recorded by LATAM (down 25 per cent.; a decrease of 18 per cent. at constant exchange rates) driven by reduced shipments, by APAC (down 22 per cent.; a decrease of 31 per cent. at constant exchange rates) caused by lower shipments and increased incentives in China and by Maserati (down 13 per cent.; a decrease of 22 per cent. at constant exchange rates) owing to a reduction in volumes that resulted from weaker segment demand in the reference markets.

€ million	Year		Change	
	2015	2014	amount	%
NAFTA	69,992	52,452	17,540	33.4
LATAM	6,431	8,629	(2,198)	-25.5
APAC	4,885	6,259	(1,374)	-22.0
EMEA	20,350	18,020	2,330	12.9
Ferrari	2,596	2,450	146	6.0
Maserati	2,411	2,767	(356)	-12.9
Components (Magneti Marelli, Teksid, Comau)	9,770	8,619	1,151	13.4
Other	844	831	13	1.6
Unallocated items and adjustments	(4,088)	(3,937)	(151)	n.s.
Net revenues	113,191	96,090	17,101	17.8

Adjusted EBIT

Adjusted EBIT in 2015 was €5,267 million, an increase of €1,501 million (up 40 per cent.; an increase of 19 per cent. at constant exchange rates) from the prior year. The increase in Adjusted EBIT was primarily due to strong gains recorded in NAFTA attributable to higher volumes, positive net pricing, positive foreign currency translation effects and purchasing efficiencies, partially offset by increased warranty costs due to recall campaigns and vehicle content enhancement. EMEA recorded continual improvements thanks to a favourable product mix reflecting the continued success of the Fiat 500X and Jeep Renegade, positive net pricing and purchasing and industrial efficiencies, partially offset by the increase in industrial costs, reflecting higher costs for U.S. imported vehicles due to a stronger U.S. dollar and marketing spending.

Adjusted EBIT of LATAM was a negative €87 million, a reduction of €376 million due to lower shipments owing to market conditions, start-up costs for the Pernambuco factory and costs for the commercial launch of the Jeep Renegade, which was partially offset by favourable net pricing and favourable product mix driven by sales of the Jeep Renegade.

The decrease in APAC Adjusted EBIT of €489 million was due to lower volumes, unfavourable net pricing and negative foreign currency translation effects, partially offset by reduced advertising expenses.

Maserati reported lower Adjusted EBIT due to lower volumes, unfavourable mix and higher industrial costs related to the start-up costs for the all-new Levante model, which is expected to launch in 2016.

The improved performance of Components (an increase of 52.3 per cent.) is related to higher volumes, cost containment actions and efficiencies.

€ million	Year		Change
	2015	2014	
NAFTA	4,450	2,179	2,271
LATAM	(87)	289	(376)
APAC	52	541	(489)
EMEA	213	(41)	254
Ferrari	473	404	69
Maserati	105	275	(170)
Components (Magneti Marelli, Teksid, Comau)	395	285	110
Other	(150)	(116)	(34)
Unallocated items and adjustments	(184)	(50)	(134)
Adjusted EBIT	5,267	3,766	1,501

EBIT

EBIT in 2015 included net unusual expenses totalling €2,169 million principally referring to the change in estimate for future recall campaign costs for vehicles sold in NAFTA in prior periods (€761 million), the estimate of expenses to realign a portion of manufacturing capacity in NAFTA (€834 million), the writedown of inventory and incremental incentives for the vehicles affected by the explosions at the Port of Tianjin (€142 million), the devaluations of the Argentinian Peso (€83 million) resulting from changes in monetary policy and the Venezuelan bolivar (€80 million) following the adoption of the SIMADI exchange rate and the agreement, and subsequent amendments, with the National Highway Traffic Safety Administration in the United States (€144 million).

EBIT in 2014 was adjusted to arrive at Adjusted EBIT mainly by the €495 million charge in connection with the UAW Memorandum of Understanding entered into by FCA US in January 2014, the €92 million writedown of the Venezuelan bolivar, net of the €223 million non-cash and non-taxable unusual income resulting from the fair value of the options previously exercised in relation to the purchase of FCA US.

Profit for the year

Net financial expenses totalled €2,377 million, €330 million higher than in 2014, primarily reflecting the prepayment of certain FCA US notes, unfavourable foreign currency translation, an increase in debt levels in Brazil, partially offset by interest cost savings resulting from the refinancing transactions and reduction in overall gross debt in 2015.

Tax expenses amounted to €310 million, a decrease of €234 million compared to 2014. The reduction is primarily related to lower profit before taxes.

Net Industrial debt

Net industrial debt at 31 December 2015 was €6 billion, a decrease from €7.7 billion as at 31 December 2014. The improvement of €1.7 billion reflects positive cash flow of €9.7 billion from industrial operating activities and €0.7 billion of positive foreign exchange translation effects primarily related to the devaluation of the Brazilian real, which are partially offset by capital expenditures of €9.2 billion. The decrease also reflects the net cash proceeds from the IPO of 10 per cent. of Ferrari on the NYSE.

€ million	31 December 2015	31 December 2014	Change
Third parties debt (principal)	(29,716)	(32,892)	3,176
- Bank debt	(14,507)	(13,120)	(1,387)
- Capital market instruments ⁽¹⁾	(13,646)	(17,729)	4,083
- Other debt ⁽²⁾	(1,563)	(2,043)	480
Asset-backed financing ⁽³⁾	(206)	(469)	263
Accruals and other adjustments	(104)	(305)	201
Gross debt	(30,026)	(33,666)	3,640
Cash and cash equivalents and current securities	21,326	23,050	(1,724)
Derivative assets/(liabilities)	117	(233)	350
Net debt	(8,583)	(10,849)	2,266
	Industrial Activities	(7,654)	1,642
	Financial Services	(3,195)	624

(1) Includes bonds and other securities issued on financial markets.

(2) Includes: HCT Notes (Canadian Health Care Trust Notes), arrangements accounted for as a lease under IFRIC 4 – Determining whether an arrangement contains a lease, and other non-bank financing.

(3) Advances on sale of receivables and securitizations on book.

Significant events in 2015 and subsequent events

In April 2015, FCA issued \$1.5 billion (€1.4 billion) total principal amount of 4.50 per cent. unsecured senior debt securities due in 2020 and \$1.5 billion total principal amount of 5.25 per cent. unsecured senior debt securities due 2023 both at the issue price of 100 per cent. of their principal amount.

Also in April 2015, FCA's new compensation arrangement was presented at a meeting with the trade unions. The arrangement incentivises all employees within the automobiles business toward achievement of the productivity, quality and profitability targets established in the 2015-2018 business plan and is expected to cost FCA approximately €600 million over such four-year period.

On 14 May 2015, FCA US prepaid its 8 per cent. secured senior notes due in 2019 with a redemption payment of \$3.1 billion.

Giulia, a new model of Alfa Romeo, was unveiled to the international press in the Quadrifoglio Verde version at the newly renovated Alfa Romeo Historic Museum on 24 June 2015, the 105th anniversary of the founding of Alfa Romeo.

On 4 July 2015, the new Fiat 500 was revealed, exactly eight years after the iconic Fiat 500 was first launched and the Fiat Toro, a new sport compact pick-up truck designed specifically for South America and to be built in Pernambuco, was previewed in September 2015.

21 October 2015 was the first day of trading on the NYSE for the 17,171,500 shares in Ferrari's initial public offering, at the initial offering price of \$52 per share. The closing of the transaction was announced on 26 October 2015 with the confirmation that the underwriters exercised in full their option to purchase 1,717,150 shares. The gross proceeds for FCA of the total 18,892,150 Ferrari shares sold total \$982.4 million.

On 22 October 2015, FCA US and UAW (United Auto Workers Union) signed a new four-year national collective bargaining agreement effective from 2016. The provisions of the new agreement include incentives upon meeting certain quality, productivity and profitability performance metrics and closes the pay gap between *traditional* older and *in-progression* younger employees over an eight-year period.

In November 2015, the all-new Fiat 124 Spider model was introduced at the 2015 Los Angeles Auto Show and is expected to be available in EMEA and NAFTA in the second quarter of 2016.

The all-new Fiat Tipo model was launched in Italy in December 2015 and is being sold in over 40 countries across EMEA. The new Fiat Tipo won the prestigious AUTOBEST award and was voted *The Best Buy Car of Europe in 2016*.

On 3 January 2016, the transactions for the separation of FCA's remaining ownership interest in Ferrari N.V. and the distribution of that ownership interest to holders of FCA shares and mandatory convertible securities were completed. FCA common shareholders and holders of special voting shares received one common share and one special voting share of Ferrari for every ten common shares and special voting shares of FCA, whereas the holders of FCA mandatory convertible securities received 0.77369 Ferrari common shares for every \$100 notional amount held.

Starting 4 January 2016, Ferrari common shares are also traded on the MTA.

The spin-off of Ferrari allowed FCA to start 2016 operations with net industrial debt of €5 billion.

On 2 March 2016, FCA announced its intention to consummate a transaction that will result in the creation of the leading player in the Italian media and publishing business and to distribute all of its media and publishing sector interest to shareholders, consistent with its desire to increase focus on its core business.

The transaction, covered by a Memorandum of Understanding (the **Memorandum**) provides for the merger between FCA's media and publishing subsidiary ITEDI S.p.A. and the Italian media group, Gruppo Editoriale L'Espresso S.p.A.

Based on the preliminary valuation range agreed between the parties, following consummation of the merger, FCA would hold approximately 16 per cent. of the share capital of the combined entity, while FCA's minority partner in the publishing business Ital Press Holding S.p.A. (controlled by the Perrone family), would hold approximately 5 per cent. of the combined entity.

The Memorandum is binding on the parties and, subject to the conditions set out in the Memorandum, requires that they enter into definitive agreements no later than 30 June 2016. The merger is expected to be consummated in the first quarter of 2017, following receipt of the necessary regulatory approvals and satisfaction of the conditions precedent customary for this type of transaction (such as completing satisfactory due diligence and obtaining corporate approvals).

As soon as practicable following completion of the merger, FCA will distribute its entire interest in the enlarged group to the holders of its common shares.

Consistent with its stated intent to increase focus on its core business and prior to proceeding with the above mentioned merger and distribution, FCA will distribute its entire ownership interest in RCS MediaGroup S.p.A. to holders of its common shares.

In March 2016, FCA US LLC (**FCA US**), which is controlled by FCA, made a \$2 billion voluntary prepayment, applied to the term loans due in 2017 and 2018, in proportion to their respective principal balances, bringing the remaining debt to approximately \$2.8 billion. This prepayment, together with the amendments to the two term loans, eliminates covenants restricting the provision of guarantees and payment of dividends by FCA US for the benefit of the rest of the FCA Group and enables access to the second €2.5 billion tranche of FCA's €5 billion syndicated revolving credit facility.

On 26 April 2016, FCA published a press release announcing the approval by its board of directors of the financial results of the first quarter 2016. The headlines of the press release are set out below:

- Worldwide shipments of 1,086 thousand units, in line with the first quarter of 2015; Jeep worldwide shipments up 15 per cent. from the first quarter of 2015 to 326 thousand units.
- Net revenues of €26.6 billion, 3 per cent. higher than the first quarter of 2015 (an increase of 4 per cent. at constant exchange rates).
- Adjusted EBIT margins up in NAFTA, doubling to 7.2 per cent., and up nearly four-fold to 1.9 per cent. in EMEA.
- Adjusted net profit of €528 million, €497 million higher than the first quarter of 2015.
- Net industrial debt of €6.6 billion, an increase of €1.5 billion from December 2015 due to seasonality and foreign exchange impacts; Available liquidity of €24.3 billion, consistent with December 2015.
- Long-term debt rating raised to “BB” from “BB-” by Standard & Poor's with “Stable” outlook confirmed.
- Market share in U.S. increased to 13.2 per cent., up 70 bps, and in Europe to 6.7 per cent., up 50 bps. Maintained market leadership in Brazil with 180 bps gap to nearest competitor. Increased Jeep sales in APAC by 17 per cent. as production localization proceeds.
- In the quarter, started production of the all-new Chrysler Pacifica, Maserati Levante and Fiat Mobi; in China, Jeep Renegade production started in April.”

On 10 May 2016, Moody’s Investors Service communicated that it raised the Corporate Family Rating of FCA from “B1” to “Ba3”, and the rating on bonds issued or guaranteed by FCA from “B2” to “B1”. The outlook is stable.

CNH Industrial



(26.94 per cent. stake, 39.96 per cent. of voting rights on issued capital.
FCA also holds a 1.17 per cent. stake, 1.74 per cent. of voting rights)

The key consolidated figures of CNH Industrial for the 2015 financial year (drawn up in accordance with IFRS) were as follows:

\$ million	Year		Change
	2015	2014	
Net revenues	26,378	32,957	(6,579)
Trading profit	1,543	2,399	(856)
Operating profit	1,416	2,167	(751)
Profit before taxes	659	1,482	(823)
Profit for the year	234	916	(682)
Profit attributable to owners of the parent	236	917	(681)

\$ million	31 December	31 December	Change
	2015	2014	
Total assets	49,117	54,441	(5,324)
Net debt	(19,951)	(23,590)	3,639
- of which: Net industrial debt	(1,570)	(2,874)	1,304
Equity attributable to owners of the parent	7,170	7,534	(364)

Net revenues

Net revenues of the CNH Industrial Group for the 2015 financial year amounted to \$26,378 million, a decrease of 20 per cent. compared to 2014 (a decrease of 8.9 per cent. on a constant currency basis). Net revenues of Industrial Activities were \$24,903 million, a decrease of 20.7 per cent. (a decrease of 9.4 per cent. on a constant currency basis).

The decrease in the net revenues of the agricultural equipment segment (a decrease of 16.9 per cent. on a constant currency basis) was primarily driven by declining volumes in all regions; the decrease in the construction equipment segment (a decrease of 18.3 per cent. on a constant currency basis) was mainly attributable to decreased industry volumes particularly in LATAM and APAC, while the decrease in the powertrain segment (a decrease of 5.1 per cent. on a constant currency basis) was due mainly to lower captive demand. Excluding the impact of currency translation, the commercial vehicles segment showed an increase in net revenues of approximately 4.9 per cent., owing primarily to higher volumes in EMEA, while in LATAM revenues were down due to declining volume in the Brazilian market.

Net revenues of the financial services segment increased by 3.1 per cent. on a constant currency basis due to a higher average outstanding portfolio and increased sales of equipment formerly on operating leases, partially offset by a reduction in interest yield.

\$ million	Year		Change	
	2015	2014	amount	%
Agricultural Equipment	11,025	15,204	(4,179)	-27.5
Construction Equipment	2,542	3,346	(804)	-24.0
Commercial Vehicles	9,759	11,087	(1,328)	-12.0
Powertrain	3,569	4,475	(906)	-20.2
Eliminations and other	(1,992)	(2,704)	712	n.s.
Total Industrial Activities	24,903	31,408	(6,505)	-20.7
Financial Services	1,932	2,086	(154)	-7.4
Eliminations and other	(457)	(537)	80	n.s.
Net revenues	26,378	32,957	(6,579)	-20.0

Trading profit/(loss)

Trading profit for the 2015 financial year was \$1,543 million, a decrease of \$856 million (a decrease of 35.7 per cent.) compared to 2014. The trading margin was 5.8 per cent. compared to 7.3 per cent. in 2014.

Trading profit of industrial activities totalled \$1,036 million, a decrease of \$831 million from 2014, with a trading margin of 4.2 per cent., a decrease of 1.7 percentage points compared to the prior year.

The decrease in trading profit of the agricultural equipment's segment was principally due to declining industry volumes in NAFTA and LATAM and negative foreign exchange translation, partially offset by positive net pricing, lower raw material cost and structural cost reductions.

The construction equipment segment closed the 2015 financial year with a decrease in trading profit compared to 2014 due to the negative impact of lower volumes in LATAM and APAC and higher research and development costs, only partially offset by structural cost containment actions and net price realisation.

The commercial vehicles segment trading profit improved due to increased volumes mainly in EMEA, positive pricing, and a reduction in selling, general and administrative expenses. In LATAM, positive pricing and manufacturing cost containment actions offset a large portion of the lower volumes in Brazil.

The reduction in trading profit of the financial services segment in 2015 compared to the prior year is due to the negative impact of currency translation, partially offset by lower provisions for credit loss and selling, general and administrative costs.

\$ million	Year		Change
	2015	2014	
Agricultural Equipment	702	1,689	(987)
Construction Equipment	25	66	(41)
Commercial Vehicles	211	2	209
Powertrain	178	220	(42)
Eliminations and other	(80)	(110)	30
Total Industrial Activities	1,036	1,867	(831)
Financial Services	507	532	(25)
Trading profit	1,543	2,399	(856)

Operating profit

In 2015, restructuring costs were equal to \$79 million and related to actions in the efficiency program launched in 2014 in the agricultural equipment and commercial vehicles segments.

Restructuring costs in 2014 totalled \$192 million and referred mainly to the same programme.

Profit for the year

Net financial expenses in 2015 were equal to \$805 million including a pre-tax charge of \$150 million related to the remeasurement of the net monetary assets of the Venezuelan operations denominated in Venezuelan bolivars following the adoption of the SIMADI exchange rate, and a pre-tax charge of \$40 million due to the devaluation of the net monetary assets of the Argentinian subsidiaries. In 2014, net financial expenses came to \$776 million and included a pre-tax charge of \$71 million related to the remeasurement of Venezuelan monetary assets denominated in bolivars.

Excluding these pre-tax charges in both years, net financial expenses decreased by \$132 million in 2015 compared to 2014 due to reduced average indebtedness and lower funding costs.

In 2015, income taxes totalled \$425 million (\$566 million in 2014). Excluding the impact of the pre-tax charge relating to the remeasurement of the net monetary assets of the Venezuelan operations, for which no corresponding tax benefit has been booked, and the impact of the inability to record deferred tax assets on losses in certain jurisdictions, primarily in Brazil, the effective tax rate for 2015 would have been 40 per cent.

Net debt

Net industrial debt as at 31 December 2015 was \$1,570 million, a decrease of \$1,304 million compared to \$2,874 million at 31 December 2014. Cash flows from operations before changes in

working capital were \$1,537 million, while working capital generated another \$504 million, mainly due to a decrease in inventories. Net capital expenditures were equal to \$1,113 million and the currency translation differences produced a positive effect on net industrial debt of \$550 million.

\$ million	31 December 2015	31 December 2014	Change
Debt	(26,458)	(29,701)	3,243
Asset-backed financing	(12,999)	(13,587)	588
- Other debt	(13,459)	(16,114)	2,655
Other financial assets (liabilities) ⁽¹⁾	142	(30)	172
Liquidity	6,365	6,141	224
Net debt	(19,951)	(23,590)	3,639
	Industrial Activities	(1,570)	(2,874)
	Financial Services	(18,381)	(20,716)

(1) Includes the positive and negative fair value of derivative financial instruments.

Significant events in 2015 and subsequent events

In April 2015, CNH Industrial announced that in line with the on-going global efficiency program launched in 2014, certain changes in the geographical location of the operations of its Iveco commercial vehicles will involve the manufacturing facilities in Madrid, Valladolid and Piacenza.

In September 2015, the Dow Jones Sustainability Indices (**DJSI**), World and Europe, again confirmed CNH Industrial as "Industry Leader" for 2015.

The DJSI also named CNH Industrial as "Leader Capital" in the Capital Goods Industry Group. The 2015 assessment resulted in a score of 91/100 for CNH Industrial compared to an average of 52/100 for the participating companies in the machinery and electrical equipment industry. All the companies chosen for consideration in the indices were judged in terms of economic, environmental and social performance by RobecoSAM, specialists exclusively focused on sustainable investment.

In January 2016, CNH Industrial, following due authorisation by the annual general meeting of its shareholders on 15 April 2015, announced a buyback program to repurchase up to \$300 million in common shares, subject to market and business conditions. The buyback program will be financed from the CNH Industrial Group's liquidity.

In February 2016, the Venezuelan government devalued its currency and changed its official and most preferential exchange rate to the CENCOEX rate, which will continue to be used for purchases of certain essential goods, from 6.3 Bs. to 10 Bs. per U.S. dollar. Venezuela reduced its three-tier system of exchange rates by eliminating the SICAD rate which last sold U.S. dollars for 13.5 Bs. The SIMADI exchange rate, initially fixed at 198.7 Bs., was allowed to float freely beginning at a rate of 202.9 Bs. to the U.S. dollar. CNH Industrial is currently in the process of assessing the potential impact, if any, that this change to the Venezuelan exchange rate mechanism may have on its business, financial position, cash flows and/or results of operations in future periods.

On 24 March 2016, CNH Industrial communicated that, subsequent to the publication of the 2015 consolidated financial statements on 4 March 2016, developments arose relating to an investigation since 2011 conducted by the European Commission on the subsidiary Iveco S.p.A. and on some of its competitors in relation to certain alleged anticompetitive practices in the European Union.

Based on this, CNH Industrial decided to record a charge related to the matters under investigation of approximately \$500 million (€450 million) in the first quarter of 2016. This charge will be taken into account as an exceptional item and is expected not to be tax deductible.

On 29 April 2016, CNH Industrial published a press release announcing its first quarter results (under US GAAP). The headlines of the press release are set out below:

- “• First quarter revenues of \$5.4 billion and operating profit of industrial activities of \$178 million; improved profitability in three out of four industrial segments.
- Continued demand strength in Commercial Vehicles segment (an increase of 18 per cent. in Europe) buffered impact from challenging trading conditions in Agricultural Equipment business.
- Industrial Activities operating margin of 3.5 per cent., with year-over-year operating profit and margin improvements achieved in Commercial Vehicles, Construction Equipment and Powertrain businesses.
- Agricultural Equipment operating margin at 4.2 per cent. despite significant underproduction in NAFTA row crop sector.
- Net industrial debt of \$2.5 billion, with industrial operations cash flow improved by \$375 million as compared to the first quarter of 2015.
- Full year guidance reaffirmed.”

On 11 May 2016 following the previous announcement dated 10 May 2016 by CNH of the launch of a benchmark note issuance denominated in Euro, CNH confirmed that the offering will be of Euro 500,000,000 in principal amount of 2.875 per cent. notes due May 2023 with an issue price of 99.221 per cent. of the principal amount. The closing of the offering is currently expected on 17 May 2016. The notes will be issued by CNH Industrial Finance Europe S.A., a wholly-owned subsidiary of CNH, under the Global Medium Term Note Programme guaranteed by CNH.

ALMACANTAR

almacantar

(38.30 per cent. of share capital through EXOR S.A.)

The key consolidated income statement figures of the Almacantar Group in 2015 are as follows:

£ million	2015	2014	Change
Net property income	16.6	17.1	(0.5)
Profit attributable to owners of the parent	248.1	83.1	165.0

Net property income has decreased by £0.5 million, or 3 per cent., to £16.6 million compared to £17.1 million in the prior year. Commercial rental income at Centre Point has ceased following the start of refurbishment in January 2015. As Marble Arch Tower moves towards a possible future start on site, rental income for this property has reduced as commercial tenants are retained on shorter term leases at reduced rates.

Profit attributable to owners of the parent has increased by £165.0 million to £248.1 million from £83.1 million in 2014. This is predominantly driven by investment property revaluation gains pursuant to IAS 40 of £248.6 million (£86.1 million in 2014) following the annual external valuation of the group's portfolio.

Key consolidated statement of financial position figures of the Almacantar Group at 31 December 2015 were as follows:

£ million	31 December 2015	31 December 2014	Change
Portfolio carrying value (a)	1,488.8	741.6	747.2
Net debt	(340.3)	(146.5)	(193.8)

(a) Excluding headlease asset.

The portfolio carrying value, besides the properties measured at fair value, includes the value of the residential elements of Centre Point, classified in 2015 in accordance with IFRS, as property inventory and valued at cost, which is representative of the market value when the reclassification was made to property inventory. However, based on the most recent external valuations, the estimated market value of Centre Point is £51.1 million higher than cost, so that the total of the portfolio carrying value, calculated according to EPRA (European Public Real Estate Association) amounts to £1,540 million as compared to the carrying amount of £1,488.8 million.

The increase in the carrying value of Almacantar's property portfolio, besides the fair value changes, reflects Almacantar's forward purchase, during July 2015, of two significant office developments at One and Two Southbank Place, from Braeburn Estates, a joint venture between Canary Wharf and Qatari Diar. One and Two Southbank Place will provide 572,616 square feet of Grade A office space in the two buildings when completed in 2018.

Additional capital expenditure was also incurred in relation to the refurbishment of Centre Point, pre-development activities for Marble Arch Tower, and an initial feasibility study for 125 Shaftesbury Avenue.

Shareholders' equity increased in July following the issue of additional shares at a nominal amount of £151.8 million plus premium of £7.8 million. The amount of share capital not yet called for payment is £75.9 million.

Net debt at 31 December 2015 increased by £193.8 million to £340.3 million compared to 31 December 2014, which mainly reflects new borrowings of £144.5 million used to finance the acquisition of One and Two Southbank Place, as well as £41.3 million drawn from the construction facility used to finance the refurbishment of Centre Point.

JUVENTUS



(63.77 per cent. of share capital)

The results for the first half of the financial year 2015/2016 (corresponding to the period 1 July – 31 December 2015) of Juventus Football Club S.p.A. were as follows:

€ million	Half I 2015/2016	Half I 2014/2015	Change
Revenues	204.5	156.2	48.3
Operating costs	140.4	119.4	21.0
Operating income	38.1	2.4	35.7
Profit (loss) for the period	30.3	(6.7)	37.0

€ million	At		Change
	31 December 2015	30 June 2015	
Shareholders' equity	75.0	44.6	30.4
Net financial debt	(197.3)	(188.9)	(8.4)

The interim data cannot be construed as representing the basis for a full-year projection.

For a correct interpretation of the data it should be noted that the financial year of Juventus does not coincide with the calendar year but covers the period 1 July – 30 June, which corresponds to the football season.

Economic performance is characterised by the highly seasonal nature typical of the sector, determined mainly by European competitions, particularly the UEFA Champions League, the calendar of football events and the two phases of the players' transfer campaign.

The financial position and cash flows of the company are also affected by the seasonal nature of the income components; in addition, some revenue items are collected in a different period than the period to which they refer.

The first half of the 2015/2016 financial year closed with a profit of €30.3 million, showing an increase of €37 million compared to the loss of €6.7 million recorded in the same period of 2014.

This change mainly arises from an increase in revenues from players' registration rights of €30.2 million, and a general increase in recurring revenues of €18.1 million (€6.8 million of which comes from the sale of products and licences), in addition to net non-recurring revenues of €10.6 million. These positive changes were partially offset by the increase in players' wages and technical staff costs of €13.7 million, the increase in costs for external services of €3.6 million, higher amortization of players' registration rights of €2.7 million, the purchase of products intended for sale of €2.1 million, as well as a net increase of €0.2 million. The latter mainly include lower provisions (an increase of €0.7 million) and lower net financial expenses (an increase of €1 million) partially offset by higher costs for other personnel (a decrease of €1.5 million).

Revenues for the first half of the 2015/2016 financial year, totalling €204.5 million, show an increase of 30.9 per cent. compared to €156.2 million in the first half of 2014/2015 financial year.

Operating costs in the first half of the 2015/2016 financial year amount to €140.4 million. This is an increase of 17.6 per cent. compared to €119.4 million in the corresponding period of the prior financial year.

Shareholders' equity at 31 December 2015 was €75 million, up from €44.6 million at 30 June 2015 due primarily to the profit reported in the first half (an increase of €30.3 million).

Net financial debt at 31 December 2015 totalled €197.3 million (€188.9 million at 30 June 2015). The increase of €8.4 million is attributable to outlays for the transfer campaigns (a decrease of €22.1 million, net), investments in other fixed assets (a decrease of €8.1 million), investments in equity investments (a decrease of €0.2 million) and flows used for financial assets (a decrease of €2.6 million), partially offset by cash flows from operating activities (an increase of €21.9 million) and the first repayment on the advances paid in prior years on the Continassa Project (as defined below) (an increase of € 2.7 million).

In order to improve the composition of its sources of funding and in accordance with industry regulations, in September 2015, Juventus began a programme to convert a significant portion of its short-term debt into medium to long-term loans. At 31 December 2015, an amount of €105 million has already been converted under the programme.

SIGNIFICANT EVENTS IN THE FIRST HALF OF THE 2015/2016 FINANCIAL YEAR

Football season

On 10 July 2015, FIGC officers, after reviewing the documentation filed by Juventus and materials sent by the *Lega Nazionale Professionisti Serie A*, issued the National Licence for the current football season.

On 8 August 2015, the team won the seventh Italian Super Cup (*Supercoppa italiana*) in its history.

In December 2015, the team qualified for the round of sixteen of the UEFA Champions League 2015/2016, placing second in its group, as well as the quarter finals of the Italian Cup (*Coppa Italia*).

2015/2016 transfer campaign – first phase

Purchases and disposals of players' registration rights

The transactions finalised in the first phase of the 2015/2016 transfer campaign, held from 1 July to 31 August 2015, led to a total increase in invested capital of €118.5 million resulting from acquisitions and increases of €138.7 million and disposals of €20.2 million (carrying amount of disposed rights).

The net capital gains generated by the disposals amounted to €33.8 million.

The total net financial commitment of €88.1 million is spread over four years, and includes auxiliary expenses as well as financial income and expenses implicit in deferred receipts and payments. To secure the deferred payments, guarantees were issued for a total of €75.8 million.

Renewal of players' contracts

During the first months of the 2015/2016 financial year, the contracts for players' registration rights were renewed for the following players: Leonardo Bonucci, Gianluigi Buffon, Claudio Marchisio, Alvaro Morata, Simone Padoin, Roberto Maximiliano Pereyra and Daniele Rugani.

Player's contract resolution

In July 2015, the contract with Andrea Pirlo expiring 30 June 2016 was terminated by mutual consent; there are no economic or financial effects.

2015/2016 season ticket campaign

The season ticket campaign for the 2015/2016 football season closed with the subscription of all 28,000 available season passes, for net proceeds of €21.6 million (€20.8 million in the previous season), including premium seats and additional services.

Direct management of licensing, merchandising and soccer school

On 1 July 2015, following Juventus' decision to directly manage licensing and merchandising activities, the stores on Via Garibaldi in Turin and the Megastore at the Area 12 Shopping Center, next to the Juventus stadium, were reopened, following a complete renovation in cooperation with the new sponsor Adidas.

On 30 June 2015, the operations, existing contracts and personnel of Juventus Merchandising (a company in the Nike Group) were transferred to Juventus, in conjunction with the acquisition of the

relative business unit. The internal structure charged with licensing, retail and soccer school activities includes, to date, 36 resources.

Continassa project: start-up of the J Village Real Estate Fund

During the month of July 2015, Accademia SGR S.p.A., the asset management company controlled by Banca del Sempione S.A., started up operation of the “J Village” Real Estate Fund for the redevelopment and upgrading project of most of the Continassa area adjacent to the Juventus stadium, promoted by Juventus (the **Continassa Project**).

Specifically, Accademia SGR S.p.A. obtained investment commitments from various subscribers for a total of €53.8 million and finalised a loan agreement in the first part of August with the lending institutions of the J Village Fund, UBI Banca S.p.A. and Unicredit S.p.A., for a maximum of €64.5 million.

Following these events, Juventus transferred the title on the long-term lease to the J Village Fund for an area of approximately 148,700 square meters and the relative building permits for 34,830 square meters of Gross Floor Area (**GFA**) for a total equivalent of €24.1 million, determined based on an estimate report drawn up by an independent expert as per Ministerial Decree No. 30 of 5 March 2015. For this transfer, which generated a net income of approximately €10.3 million in the 2015/2016 financial year, Juventus received shares of the J Village Fund equal to €24.1 million in value.

The municipality of Turin has already issued the building permits for the infrastructure works, international school, hotel, new training and media centre of Juventus and the new Juventus headquarters, which will be located on the old *Cascina Continassa*.

Completing the project is a building that will be built for commercial and innovative hospitality activities (**Concept Store**), for which the building permit is in the process of being issued).

Accademia SGR S.p.A. has hired Pessina Costruzioni S.p.A. for the construction of the new headquarters, the hotel, the international school, the Concept Store and the infrastructure works; Costruzioni Generali Gilardi S.p.A. has been awarded the contract for the new training and media centre.

The job schedule calls for all the works to be delivered by the beginning of summer 2017.

Juventus retained ownership of the surface rights to a remaining area of about 15,662 square metres on which building permits for 3,170 square metres of GFA exist.

J Medical S.r.l.

In the first half of the 2015/2016 financial year work began on the renovation of the premises of the Eastern section of the Juventus stadium, approximately 3,500 square metres, that will house the activities of J Medical S.r.l., an outpatient care, diagnostic, rehabilitation and sports medicine clinic. Work was completed in February with an investment of €4.9 million; the centre was inaugurated on 23 March 2016. J Medical S.r.l. and is a joint venture of Juventus and Santa Clara S.r.l.

J Museum extension

During the first half ended 31 December 2015 the extension work on the J Museum was completed with the construction of two new exhibition areas for permanent exhibitions of mementos and memorabilia of champions of other sports, Juventus fans and the team, which opened to the public on 4 October 2015 and 16 December 2015 respectively.

Resolutions by the ordinary shareholders' meeting of 23 October 2015

The ordinary shareholders' meeting of Juventus approved the financial statements at 30 June 2015 which closed with a net income of €2.3 million entirely allocated to reserves. As a result, no dividends were declared.

The shareholders' meeting established the number of members of the board of directors at 12 for the financial years 2015/2016, 2016/2017 and 2017/2018, and appointed the following directors: Andrea Agnelli, Maurizio Arrivabene, Giulia Bongiorno, Paolo Garimberti, Assia Grazioli Venier, Caitlin Mary Hughes, Daniela Marilungo, Giuseppe Marotta, Aldo Mazzia, Pavel Nedved, Francesco Roncaglio and Enrico Vellano.

The board of statutory auditors was also appointed and is composed of Paolo Piccatti (Chairman), Silvia Lirici and Roberto Longo. The deputy auditors appointed were Nicoletta Paracchini and Roberto Petrigiani.

Finally, the shareholders' meeting approved the remuneration report pursuant to article 123-ter of Legislative Decree No. 58 of 24 February 1998.

At the end of the shareholders' meeting, Juventus held a meeting of the board of directors which confirmed Andrea Agnelli as Chairman, and Giuseppe Marotta and Aldo Mazzia as Chief Executive Officers and, finally, appointed Pavel Nedved Vice as President and confirmed Paolo Garimberti as President of J Museum.

After having verified the satisfaction of the requisite of independence of the directors Giulia Bongiorno, Paolo Garimberti, Assia Grazioli Venier, Caitlin Mary Hughes and Daniela Marilungo, the board appointed the following committees:

- Remuneration and Appointments Committee composed by Paolo Garimberti (Chairman), Assia Grazioli Venier and Caitlin Mary Hughes;
- Control and Risk Committee composed by Daniela Marilungo (Chairman), Paolo Garimberti and Assia Grazioli Venier.

The members of the supervisory board pursuant to Legislative Decree No. 231 of 8 June 2001 were also appointed and are Alessandra Borelli, Guglielmo Giordanengo and Patrizia Polliotto.

EVENTS SUBSEQUENT TO 31 DECEMBER 2015

Football season

In March 2016, the team qualified for the finals of the Italian Cup and was eliminated in the round of sixteen of the UEFA Champions League.

On 25 April 2016, the team mathematically won the Italian league Championship.

2015/2016 transfer campaign – second phase

Purchases and disposals of players' registration rights

The purchases finalised in the second phase of the 2015/2016 transfer campaign, held from 4 January to 1 February 2016, led to an increase in invested capital of €6.4 million, in addition to the capitalisation of €1.4 million of bonuses accrued in favour of the previous clubs of some players purchased in past transfer campaigns.

The total net financial commitment (including auxiliary expenses as well as financial income and expenses implicit in deferred receipts and payments) was a negative €6.8 million, distributed as follows: a negative €1.2 million in the second half of the 2015/2016 financial year, a negative €2.8 million in the 2016/2017 financial year, and a negative €2.8 million in the 2017/2018 financial year.

Approval of interim management statements

On 12 May 2016, the board of directors of Juventus chaired by Andrea Agnelli approved the interim management statements at 31 March 2016 which showed that the first nine months of the 2015/2016 financial year closed with a profit of €36.1 million, posting a positive change of €41.9 million compared to the loss of €5.8 million registered in the same period a year earlier. The variation mainly derived from an increase in revenues from players' registration rights of €25.5 million, and a general increase in recurring revenues (€41.9 million), € 9.7 million of which comes from the sale of products and licenses, in addition to net non-recurring revenues of € 8.9 million. These positive changes were partially offset by the increase in players' wages and technical staff costs for €18.4 million, higher amortisation on players' registration rights for € 6.8 million, the increase in costs for external services for €3.6 million, the purchase of products for sale for €3.1 million, as well as other net negative changes for €2.5 million. These mainly include higher player management charges (a decrease of €1.7 million) and higher costs for other personnel (a decrease of €1.8 million), partially offset by lower provisions (an increase of €1.1 million) and lower net financial expenses (an increase of €1 million).

Shareholders' equity at 31 March 2016 was equal to €81.2 million, registering an increase compared to the balance of €44.6 million at 30 June 2015 due to the profit for the period (an increase of €36.1 million), changes in the cash flow hedge reserve (an increase of €0.2 million) and the financial asset fair value reserve (an increase of €0.4 million), net of other minor variations.

Net financial debt at 31 March 2016 totalled €184 million (€188.9 million at 30 June 2015). The decrease of €4.9 million was the result of positive cash flow operations (an increase of €47.2 million) and from the first repayment received following advances paid in previous years for the Continassa Project (an increase of €2.7 million). These positive changes were partially offset by Transfer Campaigns payments (a decrease of €30.7 million, net), investments in other fixed assets (a decrease of €9.5 million), investments in shareholdings (a decrease of €0.3 million), advances paid to various suppliers in relation to the Continassa Project (a decrease of €0.1 million) and flows from financing activities (a decrease of €4.4 million).

THE ECONOMIST



(34.72 per cent. of issued capital, 20 per cent. of voting rights)

The key consolidated figures of The Economist Group reported for the first half of the financial year 2015/2016 (corresponding to the period 1 March – 30 September 2015), based on the most recent data available, are as follows:

£ million	Half I		Changes
	2015/2016	2014/2015	
Net revenues	160.0	148.7	11.3
Operating costs	(132.4)	(122.9)	(9.5)
Operating profit	27.6	25.8	1.8
Profit for the period	19.4	17.7	1.7

£ million	At		Change
	30 September 2015	30 September 2014	
Equity attributable to owners of the parent	(22.1)	(21.4)	(0.7)
Net debt	(47.7)	(37.9)	(9.8)

For a correct interpretation of the data, it should be noted that the financial year of The Economist Group does not coincide with the calendar year but covers the period 1 April – 31 March.

The Economist Group's net revenues in the first half of 2015 increased by 8 per cent. (£11.3 million) from the same period in the previous year. The dollar was stronger against the pound which boosted revenues by £8.1 million, and the results were also helped by the timing of EuroFinance's flagship conference. In 2015, the conference was held in September, whereas in 2014, it was held in October, so the swing in revenues for the half-year comparison was more than £4 million. Excluding both these favourable factors, revenues fell slightly.

Operating profit increased by 7 per cent. (£1.8 million) in the first half but would have been lower if not for the benefit of the stronger dollar and the earlier timing of the EuroFinance's flagship conference. Profit for the period was up 9 per cent. (£1.7 million) boosted by a lower effective tax rate.

Net debt increased in the period by £9.8 million as there were higher investments in new acquisitions and digital developments, a lower operating cash inflow and higher dividend payments.

Net revenues by sector are as follows:

£ million	2015/2016	2014/2015	Change
The Economist Businesses	109.7	102.6	7.1
The Economist Intelligence Unit	24.5	22.9	1.6
CQ Roll Call	23.8	21.3	2.5
Other businesses	2.0	1.9	0.1
Net revenues	160.0	148.7	11.3

On the plus side, and starting with the The Economist Businesses sector, revenues from circulation grew by 4 per cent., from digital advertising by 10 per cent. and from content solutions by 17 per cent. There was a decline in print advertising, by an underlying 18 per cent. The only unexpected negative came from TVC, the integrated communications agency, down 29 per cent. in the first half after large clients cut spending.

The other two divisions of the Group also did well: the The Economist Intelligence Unit sector's constant-currency revenues were up by 2 per cent. and the CQ Roll Call sector's also increased by 2 per cent.

Operating profit by sector is as follows:

£ million	Half I		Change
	2015/2016	2014/2015	
The Economist Businesses	12.1	12.9	(0.8)
The Economist Intelligence Unit	6.7	5.6	1.1
CQ Roll Call	6.4	5.2	1.2
Other businesses	2.4	2.1	0.3
Operating profit	27.6	25.8	1.8

Operating profit by business was also helped by the stronger dollar and in the case of the The Economist Businesses sector, the timing of the EuroFinance’s flagship conference.

The on-going decline in high margin print advertising revenues has continued to affect profitability and while partly offset by strong growth in digital advertising this comes with a cost because of complex delivery and support. There has also been increased investment in digital capabilities and editorial teams.

Significant events in the first half of 2015

There was a lot of activity in the first half: some of it was innovation, but The Economist Group also spent to improve the efficiency of its day-to-day operations. Visits to Economist.com were up almost 15 per cent. from the same period as the previous year; Global Business Review (the foreign-language app) was downloaded 328,000 times beginning from its launch in April 2015; Espresso was downloaded almost 1 million times. The circulation of The Economist was steady at 1.6 million; four out of ten subscribers currently purchase the bundle of print and digital, which is sold at a premium price. The Economist continued to increase the number of full-price subscriptions and also to reduce the number of discounted copies, so revenue per copy rose by 8 per cent. in absolute terms. Just as significant, the cost of acquiring new subscribers was reduced by 11 per cent. The Economist Intelligence Unit completed the acquisition of Canback & Company LLC in July 2015, a predictive analytics and consultancy business helping firms that seek to target consumers.

Events subsequent to the first half of 2015

The transaction for the buyback of the remaining 2,550,000 treasury shares of The Economist Group was concluded on 23 March 2016; the preceding 2,490,000 treasury shares were bought back in October 2015. The company financed the transaction in part with new 5-year term loan agreements entered into on 16 October 2015 and in part with cash raised from the sale of The Economist Complex in central London under the agreement signed on 12 February 2016.

ARENELLA IMMOBILIARE S.R.L.

ARENELLA IMMOBILIARE S.r.l.

(100 per cent. of capital)

The key figures taken from the financial statements for the first year ended 31 December 2015 of Arenella Immobiliare are as follows:

€ million	31 December 2015	31 December 2014	Change
Profit for the year	0.1	0.2	(0.1)
Equity	26.3	26.1	0.2
Lido Arenella hotel property	25.9	26.3	(0.4)
Net financial position	0.2	(0.3)	0.5

The year 2015 showed a profit of €0.1 million. The €0.1 million decrease from 2014 was mainly due to the effect of the tax benefit from the allowance for corporate equity (*Aiuto alla Crescita Economica*) transferred to EXOR in the course of participating in the national tax consolidation with EXOR.

The net reduction in the carrying amount of the Lido Arenella hotel property of €0.4 million was due to the depreciation charge for the year of €0.6 million, partially offset by extraordinary maintenance work of €0.2 million.

Beginning in 30 September 2016, Arenella Immobiliare will be able to exercise an option to acquire, as set out in the 12 March 2012 agreement signed between the parties, the hotel concession and the beach area adjacent to the hotel complex.

EXOR S.A.

EXOR S.A.

(100 per cent. of capital)

The key figures of the financial statements for the year ended 31 December 2015 of EXOR S.A., prepared under the laws of Luxembourg, are as follows:

€ million	31 December 2015	31 December 2014	Change
Profit for the year	796.2	87.7	708.5
Equity	1,409.2	3,100.5	(1,691.3)
Investments and non-current other financial assets	2,331.9	3,609.9	(1,278.0)
Net financial position	(930.2)	(509.1)	(421.1)

EXOR S.A. closed the 2015 financial year with a profit of €796.2 million compared to a profit of €87.7 million in 2014. The increase of €708.5 million is due mainly to the gains realised on the sales of C&W Group of €641.9 million and Allied World Assurance Company Holdings for €60.4 million.

Investments and non-current other financial assets at 31 December 2015 comprised the following:

	Number of shares	31 December 2015		31 December 2014	Change
		% of capital	Carrying amount		
The Economist Group Ltd	8,750,000	34.72	428.6	30.3	398.3
Exor Capital Ltd	4,000,000	100	424.0	1,889.0	(1,465.0)
EXOR N.V.	450	100	300.0	300.0	0.0
Almacantar S.A.	220,480,355	38.30	280.5	171.9	108.6
PartnerRe Ltd	2,201,062	4.61	256.6	-	256.6
Banca Leonardo S.p.A.	45,459,968	16.51	54.5	60.0	(5.5)
Banijay Holding S.A.S.	351,590	17.17	35.3	35.3	0.0
C&W Group Inc.	-	-	0.0	495.3	(495.3)
Other	-	-	40.9	156.4	(115.5)
Total investments			1,820.4	3,138.2	(1,317.8)
Non-current other financial assets			511.5	471.7	39.8
Total investments and non-current other financial assets			2,331.9	3,609.9	(1,278.0)

The principal changes in investments and non-current other financial assets held by EXOR S.A. are described under “*Description of the Issuer – History and Development*” and “*Description of the Issuer – Recent Developments*”.

SHARE CAPITAL AND SHAREHOLDERS

Share Capital

EXOR's fully subscribed and paid-up share capital, as at the date of this Prospectus, amounts to €246,229,850 divided into 246,229,850 ordinary shares of par value €1.00 each. The shares are issued in electronic form.

Pursuant to Article 26 of EXOR's by-laws, the profit of each year will be apportioned as follows:

- 5 per cent. to the legal reserve, until it reaches one-fifth of the company's share capital;
- the remaining profit to the shares, as dividend, unless otherwise resolved upon by the shareholders' meeting.

During the year, to the extent that the board of directors of EXOR (the **Board of Directors**) deems it expedient and feasible in consideration of the year's results and if permitted under applicable law, the Board of Directors can resolve to pay interim dividends for the year.

EXOR's shares are listed on the MTA and EXOR has approximately 18,700 shareholders as at the date of its 2015 annual general meeting.

Shareholders

As at the date of the Prospectus:

- the controlling shareholder, Giovanni Agnelli e C. S.a.p.az. holds 51.87 per cent. of the ordinary share capital. EXOR holds as treasury stock: 4.83 per cent. of the ordinary share capital (source: EXOR Annual Report 2015).
- another relevant shareholder holding more than 5 per cent. of voting rights is Harris Associates L.P., which holds 5.018 per cent. of the ordinary share capital (source: CONSOB official website www.consob.it).

There are no arrangements known to the Issuer the operation of which may result in a change of control of the Issuer.

The Issuer is not subject to direction and coordination activities pursuant to article 2497 of the Italian Civil Code by the parent company Giovanni Agnelli e C. S.a.p.az., since Giovanni Agnelli e C. S.a.p.az. does not participate in the management of the Issuer's business and by its nature limits its role to that of shareholder, holding and managing its controlling interest in the Issuer, as required by its corporate purpose; in fact, there are no indications of any direction or coordination activities (since, among other things, the Issuer has full and autonomous powers for negotiating with third parties, and no centralised treasury relationship exists).

LITIGATION

Except as described in the following paragraphs, as at the date of this Prospectus, the Issuer is not involved in pending legal or tax proceedings nor has it received written notification threatening any legal or tax proceeding.

Tax audit

In the ordinary course of business, the Issuer is undergoing an audit by the Italian tax authorities. No final decision has been notified as at the date of this Prospectus to the Issuer in respect of such audit and the Issuer cannot, therefore, predict the outcome thereof.

As at the date of this Prospectus, the Issuer is not involved in any other material legal proceedings.

OTHER INFORMATION

Direction and coordination

EXOR is not subject to the direction and coordination of any other company or entity and is fully independent in making decisions regarding its general strategic and operating guidelines.

DIRECTORS, MANAGEMENT, STATUTORY AUDITORS AND EMPLOYEES

Board of Directors of EXOR

The Board of Directors is responsible for the administration of its affairs. Under its by-laws, the Board of Directors is composed of a number of directors varying from seven to 19, depending on the number established by the shareholders' meeting. Directors remain in office for up a maximum period of three fiscal years; these directors can be reappointed. The Board of Directors, unless an appointment has already been made by the shareholders' meeting, appoints the Chairman and may appoint one or more Vice Chairmen, including a vice chairman (*vicario*) and one or more managing directors.

Board meetings take place at the registered office of the Issuer or elsewhere (anywhere in an/any EU country) and are called by the Chairman or the person acting in his place, who decides on the agenda. The Board of Directors can require an ordinary or extraordinary meeting to be called, indicating the items on the agenda. The Board of Directors normally meets quarterly.

The Board of Directors is vested with all the powers for ordinary and extraordinary administration and may carry out all acts necessary and appropriate in order to achieve the Issuer's objectives, except for those which, by law or under the Issuer's by-laws, can only be approved by a shareholders' meeting.

The members of the Board of Directors are listed below.

Outside activities			
Position held	Name	Company	Position held
Chairman and Chief Executive Officer	John Elkann	Giovanni Agnelli e C. S.a.p.az.	Managing Partner and Chairman
		PartnerRe Ltd.	Chairman
		Ferrari S.p.A.	Vice Chairman
		Ferrari N.V.	Vice Chairman
		FCA N.V.	Chairman

		CNH Industrial N.V.	Director
		The Economist Group	Non-executive Director
		Italiana Editrice S.p.A.	Chairman
		NEWS Corporation	Director
		Fondazione Giovanni Agnelli	Vice Chairman
		Pinacoteca Giovanni e Marella Agnelli	Director
		Aspen Institute Italia	Vice Chairman
Vice Chairman	Sergio Marchionne	FCA N.V	Chief Executive Officer
		Ferrari S.p.A	Chairman
		Ferrari N.V.	Chairman
		CNH Industrial N.V.	Chairman
		FCA US LLC	Chairman and Chief Executive Officer
		Iveco S.p.A	Chairman
		SGS S.A.	Chairman
		Philip Morris International Inc.	Director
		FCA Italy S.p.A.	Chairman and Chief Executive Officer
		Turk Otomobil Fabrikasi A.S.	Vice Chairman
Vice Chairman	Alessandro Nasi	Giovanni Agnelli e C. S.a.p.az.	General Partner
		CNH Industrial N.V.	President Specialty Vehicles and GEC Member
<i>Non-independent Directors</i>			
	Andrea Agnelli	Giovanni Agnelli e C.	General Partner

		S.a.p.az.	
		FCA N.V.	Director
		Juventus Football Club S.p.A.	Chairman
Vittorio Avogadro di Collobiano		N/A	N/A
Ginevra Elkann		Pinacoteca Giovanni e Marella Agnelli	Chairman
		Good Films	Chairman
Lupo Rattazzi		Neos S.p.A.	Chairman
		Italian Hospital Group S.p.A.	Chairman
		Banca Finnat Euramerica S.p.A.	Director
		CoeClerici S.p.A.	Director
		GL Investimenti S.r.l.	Co-Chief Executive Officer
<i>Independent Directors</i>			
<i>Lead Independent Director</i>	Michelangelo Volpi	Big Switch Networks	Director
		Elasticsearch	Director
		Hortonworks	Director
		NumberFour AG	Director
		Path	Director
		Sonos Inc.	Director
		Soundcloud	Director
		Wealthfront Inc.	Director
		Zuora	Director
		Index Ventures	General Partner
		Confluent Inc.	Director
		Interana	Director

	Fuze	Director
	Pure Storage	Director
	Lookout	Director
Giovanni Chiura	Sorgenia S.p.A.	Chief Financial Officer
Annemiek Fentener van Vlissingen	Group Lhoist	Supervisory Board
	University Medical Center Utrecht	Supervisory Board
	Stadsherstel Amsterdam	Vice Chairman, Supervisory Board
	Heineken N.V.	Supervisory Board
	SHV Holdings N.V.	Chairman
Mina Gerowin	Flint Holding N.V.	Supervisory Board
	Lafarge	Director
	Samsung Asset Management	Global Advisory Committee
António Horta Osório	CNH Industrial N.V.	Director
	Wallace Collection	Chairman
	Stichting Inpar Foundation	Non-Executive Director
	Sociedade Francisco Manuel Dos Santos BV	Non-Executive Director
	Fundação Champalimaud	Non-Executive Director
Jae Yong Lee	Lloyds Banking Group	Group Chief Executive
	Samsung Foundation of Culture	Chairman
	Samsung Life Public Welfare Foundation	Chairman
	Samsung Electronics Co., Ltd	Vice Chairman

	Robert Speyer	Tishman Speyer	President and Chief Executive Officer
		Real Estate Board Of New York	Chairman
		Fudan University School Of Management In Shanghai	International Advisory Board
		Peking University in Beijing Municipality	International Advisory Board
	Ruth Wertheimer	7-Main	Owner and Chairman
		Wertheimer Company Ltd.	Director
Secretary to the Board	Gianluca Ferrero	Giovanni Agnelli e C. S.a.p.az.	General Partner and Secretary of the Board
		Banca del Piemonte S.p.A.	Vice Chairman
		SEI – Società Editrice Internazionale S.p.A.	Director
		ACB Group S.p.A.	Director
		LOL S.r.l.	Director

The business address of the above directors is Via Nizza n. 250, 10126 Turin, Italy.

Internal Control and Risks Committee of EXOR

The Internal Control and Risks Committee is currently formed of the following directors: Giovanni Chiura (Chairperson), Mina Gerowin and Lupo Rattazzi.

Compensation and Nominating Committee of EXOR

EXOR's Compensation and Nominating Committee is currently formed by the following directors: Michelangelo Volpi (Chairperson), Mina Gerowin and Robert Speyer.

Board of statutory auditors of EXOR

Under Italian law, the Issuer's shareholders are also responsible for electing a board of statutory auditors (*Collegio Sindacale*), composed of three standing statutory auditors who are independent experts in accounting matters. Under the Issuer's by-laws, the shareholders must also elect two alternative statutory auditors, who will automatically replace statutory auditors who resign or are otherwise unable to serve office. Statutory auditors and alternate statutory auditors hold office for a three-year period and may be re-elected.

The following list sets forth the names of EXOR's current statutory auditors.

Chairman
Regular auditors

Enrico Maria Bignami
Ruggero Tabone
Nicoletta Paracchini

Alternate auditors

Anna Maria Fellegara

The business address of the above statutory auditors is Via Nizza n. 250, 10126 Turin, Italy.

Management

At the date of this Prospectus, EXOR's management is as follows:

Chairman and Chief Executive Officer: John Elkann;

Chief Financial Officer: Enrico Vellano;

Investment Team: Suzanne Heywood (Managing Director); Matteo Scolari (Managing Director);
Andrea Casarotti (Principal);

Corporate Governance and Corporate Affairs – General Counsel: Simona Mariani;

Investors and Financial Analysts Relations – Corporate Finance Principal: Fabiola Portoso; and

Head of Communication and Media Relations: Andrea Griva.

The business address of the above executive management group is Via Nizza n. 250, 10126 Turin Italy.

The Issuer is not aware of any potential conflicts between the duties of the Issuer of the persons listed under "*Management*" above and their private interests or other duties.

The Issuer is not aware of any other persons with administrative or management responsibilities in addition to the persons listed under "*Management*" above.

To the best of its knowledge and belief the Issuer complies with the laws and regulations of Italy regarding corporate governance.

Employees

As at 31 December 2015, EXOR had a total of 32 employees, compared to 34 employees as at 31 December 2014. At the date of this Prospectus, EXOR has a total of 30 employees.

MATERIAL CONTRACTS

There are no material contracts entered into outside the ordinary course of EXOR's business that have been or may reasonably be expected to be material to its ability to meet its obligations to the Noteholders.

TAXATION

REPUBLIC OF ITALY

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all of the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

TAXATION IN THE REPUBLIC OF ITALY

Tax treatment of Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), issued, *inter alia*, by Italian companies listed on an Italian regulated market. For this purpose, bonds and debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value and which do not grant the holder any direct or indirect right of participation in (or control of) the management of the Issuer.

Italian resident Noteholders

Where an Italian resident Noteholder is: (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito* regime – see under “*Capital gains tax*” section below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, are subject to a final withholding tax, referred to as “*imposta sostitutiva*”, levied at the rate of 26 per cent. In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a non-Italian resident company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes are not subject to *imposta sostitutiva*, but must be included in the relevant Noteholder’s income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the “status” of the Noteholder, also to the regional tax on productive activities (**IRAP**)).

Payments of interest, premiums or other proceeds in respect of the Notes deposited with an authorized intermediary made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 or pursuant to Article 14-bis of Law No. 86 of 25 January 1994 to which the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 as subsequently amended (**Decree 351**) applies (**Real Estate Funds**) or Italian real estate SICAFs subject to the same Decree 351 regime according to Article 9 of Legislative Decree No. 44 of 4 March 2014 (**Real Estate**

SICAFs), are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a real estate investment fund or the Real Estate SICAF.

If the investor is an Italian resident open-ended or closed-ended investment fund, a SICAF (an investment company with fixed capital) or a SICAV (an investment company with variable capital) established in Italy (the **Fund**) and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority, and the relevant Notes are deposited with an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will neither be subject to *imposta sostitutiva* nor to any other income tax in the hands of the Fund. A withholding tax at a rate of 26 per cent. will apply, in certain circumstances, to distributions made by the Fund in favour of unitholders or shareholders (the **Collective Investment Fund Tax**).

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 20 per cent. substitute tax. As of 1 January 2015, according to the provisions of Law No. 190 of 23 December 2014 (the **Italian Finance Act 2015**) as implemented by Ministerial Decree of 19 June 2015, a tax credit equal to 9 per cent. of the result of the relevant portfolio accrued at the end of the tax period is recognized to Italian pension funds which invest in certain medium – long term financial assets identified by the above-mentioned decree.

Social security entities incorporated under Law No. 509 of 30 June 1994 or Law No. 103 of 10 February 1996 are entitled to a tax credit equal to the positive difference between withholding taxes and substitute taxes levied at a rate of 26 per cent. on financial proceeds deriving from their investments (including the Notes), as certified by the relevant withholding agent, and a notional 20 per cent. taxation, provided that they invest in certain medium – long term financial assets identified by the Ministerial Decree of 19 June 2015.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Finance (each an **Intermediary**).

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the intermediary paying interest to a Noteholder (or by the Issuer should the interest be paid directly by this latter).

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended from time to time (the **White List**) or in a decree to be issued according to the new provisions of Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No. 147 of 14 September 2015) or in any other decree or regulation that will be issued in the future to provide the

list of such countries (the **New White List**), including any country that will be deemed listed therein for the purpose of any interim rule; or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor incorporated in a country included in the White List (or New White List, once effective), even if it does not possess the status of taxpayer in its own country.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy or who do not comply with the above mentioned provisions.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the “status” of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Noteholders may set off losses with gains.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Law Decree No. 66 of 24 April 2014, as converted into law with amendments by Law No. 89 of 23

June 2014 (**Decree 66**), capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of non-Italian resident intermediaries) and (b) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return. Pursuant to Decree 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called “*risparmio gestito*” regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return. Pursuant to Decree 66, decreases in value of the management assets may be carried forward to be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 48.08 per cent. of the relevant decreases in value registered before 1 January 2012; (ii) 76.92 per cent. of the decreases in value registered from 1 January 2012 to 30 June 2014.

Any capital gains realised by a Noteholder who is an Italian Real Estate Fund or a Real Estate SICAF to which the provisions of Decree 351, as amended, apply will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the Real Estate Fund or the Real Estate SICAF.

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders of shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax. As of 1 January 2015, according to the provisions of the Italian Finance Act 2015, as implemented by Ministerial Decree of 19 June 2015, a tax credit equal to 9 per cent. of the result of

the relevant portfolio accrued at the end of the tax period is recognized to Italian pension funds which invest in certain medium – long term financial assets identified by the above-mentioned decree.

Social security entities incorporated under Law No. 509 of 30 June 1994 or Law No. 103 of 10 February 1996 are entitled to a tax credit equal to the positive difference between withholding taxes and substitute taxes levied at a rate of 26 per cent. on financial proceeds deriving from their investments (including the Notes), as certified by the relevant withholding agent, and a notional 20 per cent. taxation, provided that they invest in certain medium – long term financial assets identified by the Ministerial Decree of 19 June 2015.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country included in the White List (or the New White List, once effective); or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is incorporated in a country included in the White List (or the New White List, once effective), even if it does not possess the status of taxpayer in its own country, and a proper documentation is filed.

If the conditions above are not met, capital gains realised by said non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. unless a reduced rate is provided for by an applicable double tax treaty, if any.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted with amendments into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;
- (ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and

- (iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (i), (ii) and (iii) on the value exceeding, for each beneficiary, €1,500,000.

Transfer tax

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €200; (ii) private deeds are subject to registration tax at the same rate of €200 only in the case of use or voluntary registration.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (**Decree 201**), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by an Italian based financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary. The stamp duty applies at a rate of 0.2 per cent. (and cannot exceed €14,000, for taxpayers other than individuals) on the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012 of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay a wealth tax which applies at a rate of 0.2 per cent. on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes, if any, paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Implementation in Italy of the Savings Directive

Italy has implemented Council Directive 2003/48/EC on the taxation of savings income through Legislative Decree No. 84 of 18 April 2005 (**Decree 84**). Under Decree 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent tax authorities of the State of residence of the beneficial owner. On 10 November 2015, the Council of the European Union adopted Council Directive (EU) 2015/2060 of 10 November 2015 repealing the Savings Directive in order to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation, as amended by Council Directive 2014/107/EU. With Law No. 114 of 9 July 2015, the Italian Parliament delegated the Government to implement Council Directive 2014/107/EU into domestic legislation (Council Directive 2011/16/EU has already been implemented in Italy through Legislative Decree No. 29 of 9 March 2014). The Minister of Economy and Finance issued the Decree of 28 December 2015 (published in the Official Gazette No. 303 of 31 December 2015) to implement Directive

2014/107/EU. However, the obligations of Member States, economic operators and paying agents under the EU Savings Directive shall continue to apply until 5 October 2016 (31 December 2016, with respect to the obligations under Article 13(2) of the EU Savings Directive) or until those obligations have been fulfilled. Prospective purchasers of the Notes are however advised to consult their own tax advisers in order to better evaluate Italian tax consequences connected to the application of the Savings Directive.

LUXEMBOURG

Luxembourg Taxation

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to nonresident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

(ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), as amended) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Fiscal Agent. Payments of interest under the Notes coming within the scope of the Law will be subject to a withholding tax at a rate of 10 per cent.

Withholding under the Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, in the form of interest payments (the **Savings Directive**), EU Member States are required to provide to the tax authorities of other EU Member States details of certain payments of interest or similar income paid or secured by a person established in an EU Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another EU Member State.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 10 November 2015, the Council of the European Union adopted Council Directive (EU) 2015/2060 of 10 November 2015 repealing the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The new regime under Council Directive 2011/16/EU (as amended) is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it does not impose withholding taxes.

The proposed European financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Citigroup Global Markets Limited (the **Sole Lead Manager**) has, pursuant to a Subscription Agreement (the **Subscription Agreement**) dated 18 May 2016 and subject to the conditions contained therein, agreed to subscribe or procure subscribers for the Notes. The Issuer will also reimburse the Sole Lead Manager in respect of certain of its expenses, and has agreed to indemnify the Sole Lead Manager against certain liabilities incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

The Sole Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), the Sole Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Sole Lead Manager nominated by the Issuer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or the Sole Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- (i) the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and
- (ii) the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

The Sole Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed, in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter b) of Consob Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Consob Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of

Italy may request information on the issue or the offer of securities in the Republic of Italy;
and

- (c) in compliance with any other applicable laws and regulations or requirement imposed by Consob or other Italian authority.

General

No action has been taken by the Issuer or the Sole Lead Manager that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, the Sole Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information will be distributed or published in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

GENERAL INFORMATION

Authorisation

The issue of the Notes was duly authorised by a resolution of the Board of Directors of the Issuer dated 14 April 2016.

Approval, Listing and Admission to Trading

Application has been made to the CSSF to approve this document as a prospectus. Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC). The total expenses relating to the admission to trading are expected to be approximately €5,550.00.

Eurosystem Eligibility

The Notes are issued in NGN form and intended to be held in a manner which would allow Eurosystem eligibility. This simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue of the Notes or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for this issue is XS1417003081 and the Common Code is 141700308. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Significant or Material Change

Save as disclosed in this Prospectus under "*Description of the Issuer – Recent Developments*", above, there has been no significant change in the financial or trading position of the Issuer and the Consolidated Subsidiaries of the Issuer since 31 March 2016 and there has been no material adverse change in the financial position or prospects of the Issuer and the Consolidated Subsidiaries since 31 December 2015.

Litigation

Save as disclosed in this Prospectus under "*Description of the Issuer – Litigation*", above, neither the Issuer nor any Consolidated Subsidiary are or have been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer and/or the Consolidated Subsidiaries taken as a whole.

Independent Auditors

Reconta Ernst & Young S.p.A. audited, in accordance with auditing standards in Italy recommended by Consob, the Issuer's consolidated financial statements, without qualification, for the financial years

ended on 31 December 2015 and 31 December 2014. The consolidated financial statements as at 31 December 2015 and 31 December 2014 and for the years then ended were prepared in accordance with IFRS as adopted in the European Union Regulation No. 1606/2002 and the requirements of Italian regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/2005. The annual consolidated financial statements referred to above, together with the relevant independent auditors' reports, are incorporated by reference in this Prospectus.

At the shareholders' meeting of EXOR on 28 April 2011 appointed Reconta Ernst & Young S.p.A. as independent auditors for the nine-year period 2012 – 2020.

Reconta Ernst & Young S.p.A. is a member of ASSIREVI, the Italian association of auditing firms.

Reconta Ernst & Young S.p.A. is authorised and regulated by The Italian Ministry of Economy and Finance (MEF) and registered on the special register of auditing firms held by the MEF. The registered office of Reconta Ernst & Young S.p.A. is at Via Po, 32, 00198 Rome, Italy.

U.S. Tax

The Permanent Global Note, definitive Notes and the Coupons will contain the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

Documents Available

As long as the Notes are outstanding, copies of the following documents will be available free of charge from the registered office of the Issuer and from the specified offices of the Paying Agent for the time being in Luxembourg:

- (a) the by-laws (*statuto*) of the Issuer;
- (b) the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2015 and 2014, in each case together with the audit reports prepared in connection therewith (with an English translation thereof) (the Issuer currently prepares audited consolidated and unconsolidated accounts on an annual basis) and the unaudited consolidated interim report in respect of the three months ended 31 March 2016 and 2015;
- (c) the most recently published audited annual consolidated financial statements of the Issuer and the most recently published unaudited quarterly and semi-annual consolidated financial statements of the Issuer (in each case with an English translation thereof) (the Issuer currently prepares unaudited consolidated interim accounts on a semi-annual basis, and shortened unaudited consolidated interim accounts on a quarterly basis);
- (d) the Agency Agreement and the forms of the Global Notes, the Notes in definitive form and the Coupons;
- (e) a copy of this Prospectus; and
- (f) a copy of any supplement to this Prospectus and any other documents incorporated herein or therein by reference.

Sole Lead Manager transacting with the Issuer

The Sole Lead Manager and its affiliates (including their parent companies) has engaged, and may in future engage, in investment banking and/or commercial banking (including derivatives contracts, the provision of loan facilities and consultancy services) and other related transactions with, and may perform services for the Issuer and its affiliates (including other members of the Group) in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Sole Lead Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates or any entity related to the Notes. The Sole Lead Manager or its affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk-management policies. Typically, the Sole Lead Manager and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes. The Sole Lead Manager and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purposes of this paragraph, the term "affiliates" includes also parent companies.

Furthermore, the Sole Lead Manager under the Notes (and/or its affiliates) has a significant lending relationship with the Issuer and certain subsidiary companies within the Group and has provided the Issuer with investment banking services in the last twelve months.

As further described in the section "*Subscription and Sale*", the Sole Lead Manager under the Notes will receive a commission.

Yield

The yield on the Notes will be 4.398 per cent. calculated on an annual basis.

ISSUER

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SOLE LEAD MANAGER

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London E14 5LB
United Kingdom

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England

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To the Issuer as to Italian law

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10125 Torino
Italy

To the Sole Lead Manager as to Italian and English law

Allen & Overy – Studio Legale Associato

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20121 Milan
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AUDITORS

To the Issuer

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Italy

LUXEMBOURG LISTING AGENT

Deutsche Bank Luxembourg S.A.

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