2019 Half-year Financial Report

2019 HALF-YEAR FINANCIAL REPORT

Half-year Report on Operations

This Report, and in particular the section "Review of Performance of the Operating Subsidiaries", contains forward-looking statements. These statements are not guarantees of future performance. Rather, they are based on the Group's Subsidiaries current state of knowledge, future expectations and projections about future events and are, by their nature, subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: change in the global financial market and/or in the general economic environment, changes in local economic and political conditions, changes in trade policy, the enactment of tax reforms or other changes in tax laws and regulations, volatility and deterioration of capital and financial markets including the possible effect of Brexit, terror attacks in Europe, weather, floods, earthquakes or other natural disasters, changes in government regulation, production difficulties, including capacity and supply constraints and many other risks and uncertainties, most of which are outside of the control of the Group's subsidiaries.

The 2019 Half-Year Financial Report is available on the corporate website at: www.exor.com

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Board of Directors

Chairman and Chief Executive Officer	John Elkann
Vice Chairman	Alessandro Nasi
Non-independent Directors	Andrea Agnelli
	Ginevra Elkann
Independent	
Senior non-executive Director	Marc Bolland
Non-executive Directors	Joseph Bae
	Melissa Bethell
	Laurence Debroux
	António Horta-Osório

Audit Committee

Melissa Bethell (*Chair*), Laurence Debroux and Ginevra Elkann

Compensation and Nominating Committee

António Horta-Osório (*Chair*), Joseph Bae and Alessandro Nasi

Independent Auditors

Ernst & Young Accountants LLP

Expiry of term of office

The Board of Directors was appointed on 30 May 2017 and Mr. Joseph Bae on 29 May 2018. The Board's appointment term will expire concurrently with the shareholders' meeting that will approve the 2019 annual financial statements, hence in 2020.

KEY DATA

EXOR Group – Consolidated Data € million	I Half 2019	I Half 2018[a]
Net Revenues	**68,920**	69,050
Profit before tax	**3,809**	3,656
Net profit from continuing operations	**2,923**	2,690
Net profit[b]	**6,893**	2,820
of which attributable to owners of the parent	**2,427**	741

(a) Data restated following the presentation of Magneti Marelli as a discontinued operation. For further detail see Note 3 in the consolidated financial statements.
(b) Of which €3,970 million from discontinued operation, including the gain on the disposal of Magneti Marelli for €3,809 million, net of tax (€130 million in the first half of 2018).

EXOR Group – Consolidated Data – Shortened[a] € million	I Half 2019	I Half 2018
Profit attributable to owners of the parent	**2,427**	741
Share of earnings of investments and dividends	**2,418**	772
Investments in subsidiaries and associates	**16,802**	15,393
Issued capital and reserves attributable to owners of the parent	**14,387**	12,210
Consolidated net financial position of EXOR's Holdings System	**(2,521)**	(3,255)

(a) The basis of preparation is presented in the section “Review of the Consolidated Results of the EXOR Group - Shortened”.

Earnings per share (€)[a]	I Half 2019	I Half 2018[b]
Profit attributable to owners of the parent – basic	**10.45**	3.15
Profit attributable to owners of the parent – diluted	**10.40**	3.09

(a) Additional details on the calculation of basic and diluted earnings per share are provided in Note 10 to the consolidated financial statements.
(b) Data restated following the presentation of Magneti Marelli as a discontinued operation. For further detail, see Note 3 in the consolidated financial statements.

Other information	30/06/2019	31/12/2018
Net Asset Value - Total € million[a] [b]	**20,985**	17,238
Per share[c]	***88.80***	*71.89*
Market Capitalization - Total € million	**14,822**	11,341
Per share[d]	***61.50***	*47.06*
Dividend paid - Total € million	**99.7**	82.3
Per share	***0.43***	*0.35*
Issued capital and reserves attributable to owners of the parent - Total € million	**14,387**	12,210
Per share	***62.08***	*52.11*

(a) Alternative Performance Measure as defined on page 12.
(b) Equal to $23,882 million at 30 June 2019, $19,740 million at 31 December 2018.
(c) NAV per share at 30 June 2019 and at 31 December 2018 are based on 236,307,604 and 239,768,490 shares, respectively. Shares bought back in the context of the buyback program launched on 14 November 2018 are deducted from total issued shares.
(d) Based on 241,000,000 total issued shares.

EXOR GROUP PROFILE

EXOR GROUP PROFILE

EXOR N.V. ("EXOR" or the "Company") is one of Europe's largest diversified holding companies, with a Net Asset Value (NAV)[(1)] of almost $24 billion (equal to €21 billion) at 30 June 2019. It is listed on the *Mercato Telematico Azionario* managed by Borsa Italiana S.p.A. (MTA) and headquartered in Amsterdam, the Netherlands. EXOR is registered in the Dutch companies' register of the Chamber of Commerce (*Kamer van Koophandel*) under registration number 64236277. The registered office is Gustav Mahlerplein 25, 1082 MS, Amsterdam, the Netherlands, telephone number +31 (0) 202402220.

EXOR is majority owned and controlled by Giovanni Agnelli B.V., the company grouping the descendants of Senator Giovanni Agnelli, the founder of FIAT, which holds 52.99% of its share capital.

EXOR aims at increasing its NAV per share to outperform the MSCI World Index in dollars in the long-term, generating free cash flows above its dividend outflows and preserving an investment grade rating.

EXOR invests with a long-term view, among others in significant controlling equity investments, without a defined investment and divestment policy and is not bound by any specific targets or criteria regarding the geographical and industrial features of its investments, holding periods and achievements of targets. EXOR generates returns which may be retained, reinvested or distributed to shareholders at the absolute discretion of the company (subject only to shareholder vote on dividend distribution).

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.

(1) An Alternative Performance Measure as defined on page 12.

The principal EXOR Group investments are the following:

Percentages updated on the basis of the latest available information.
(a) EXOR holds 99.57% of voting rights on issued common stock.
(b) EXOR holds 34.54% of voting rights on issued capital
(c) EXOR holds 41.76% of voting rights on issued capital.
(d) EXOR holds 41.68% of voting rights on issued capital.

PartnerRe (100% of common stock) is a leading global pure-play reinsurer, with a broadly diversified and balanced portfolio of traditional reinsurance risks and capital markets risks. PartnerRe commenced operations in 1993 and provides Non-life (Property & Casualty (P&C) and Specialty) and Life and Health reinsurance on a worldwide basis. Risks reinsured include, but are not limited to, agriculture, aviation/space, casualty, catastrophe, energy, engineering, financial risks, marine, motor, multiline and property as well as mortality, longevity, accident and health, and alternative risk products.
PartnerRe has offices in 20 cities worldwide and is present in approximately 190 countries. The company's principal offices are located in Hamilton (Bermuda), Dublin, Stamford (Connecticut, USA), Toronto, Paris, Singapore and Zurich.

Ferrari (22.91% stake) Ferrari is among the world's leading luxury brands focused on the design, engineering, production and sale of the world's most recognizable luxury performance sports cars. Ferrari is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. The Ferrari brand symbolizes exclusivity, innovation, state-of-the-art sporting performance and Italian design and engineering heritage. Ferrari's name, history and the image enjoyed by its cars are closely associated with its Formula 1 racing team, Scuderia Ferrari, the most successful team in Formula 1 history. Ferrari designs, engineers and produces its cars in Maranello, Italy, and sells them in over 60 markets worldwide through a network of 167 authorized dealers operating 190 points of sale as of the end of 2018.

Fiat Chrysler Automobiles (FCA) (28.67% stake) is a global automotive group engaged in designing, engineering, manufacturing, distributing and selling vehicles, components and production systems worldwide. FCA is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index.
FCA designs, engineers, manufactures, distributes and sells vehicles for the mass-market under the Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia and Ram brands and the SRT performance vehicle designation. FCA supports its vehicle shipments with the sale of related service parts and accessories, as well as service contracts, worldwide under the Mopar brand name for mass-market vehicles. In addition, FCA designs, engineers, manufactures, distributes and sells luxury vehicles under the Maserati brand. FCA makes available retail and dealer financing, leasing and rental services through its subsidiaries, joint ventures and commercial arrangements with third party financial institutions. In addition, FCA operates in the components and production systems sectors under the Teksid and Comau brands.
FCA has operations in more than 40 countries and sells vehicles directly or through distributors and dealers in more than 135 countries. At 31 December 2018 FCA has 102 manufacturing facilities and 46 research and development centers.

CNH Industrial (26.89% stake) is a leading global capital goods company that implements design, manufacturing, distribution, commercial and financial activities in international markets. It is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. CNH Industrial has five operating segments: Agricultural equipment, Construction equipment, Commercial Vehicles, Powertrain and Financial Services. It engages in the design, production, marketing, sale and financing of agricultural and construction equipment (through the families of Case and New Holland brands), trucks, commercial vehicles, buses and specialty vehicles for firefighting, defense and other uses (through the Iveco brand), as well as engines, axles and transmissions solutions for on-road, off-road, marine and power generation applications (FPT Industrial). At 31 December 2018 CNH Industrial has industrial and financial services companies located in 44 countries and a commercial presence in approximately 180 countries.

Juventus Football Club (63.77% of share capital) is listed on the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. Founded in 1897, it is one of the most prominent professional football teams in the world. Its main sources of income come from the economic exploitation of sports events, the Juventus brand and the first team image, the most significant of these include licensing of television and media rights, sponsorship, selling of advertising space, licensing and merchandising.

SIGNIFICANT EVENTS IN THE FIRST HALF OF 2019

SIGNIFICANT EVENTS IN THE FIRST HALF OF 2019

Significant events below refer to EXOR N.V. and the Holdings System(1).

Approved resolutions at the Annual General Meeting of Shareholders held on 29 May 2019

The EXOR Annual General Meeting of 29 May 2019 adopted the 2018 Annual Accounts and approved the payment of a dividend of €0.43 on each outstanding ordinary share, for a maximum distribution of approximately €100 million.
The Annual General Meeting also approved the extension of the authorization for the purchase of EXOR's ordinary shares on the market for 18 months from the date of the Shareholder's resolution, up to a maximum number of shares not to exceed the limit set by law, with a maximum disbursement of €500 million.

EXOR share buyback program

In the first half of 2019 EXOR, under the share buyback program launched on 14 November 2018, purchased on the Italian Stock Exchange 3,460,886 ordinary shares for a total invested amount of €196 million.
As at 30 June 2019 EXOR held in total 9,234,279 ordinary shares in treasury (3.83% of total issued share capital).

(1) An Alternative Performance Measure as defined on page 12.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP

This section highlights the most significant economic and financial data from the consolidated financial statements.

Data received from subsidiaries are prepared for EXOR consolidation purposes in order to ensure uniform accounting criteria and therefore may differ with data published in their financial reports.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP

Significant economic data[(a)]

€ million	FCA	CNH INDUSTRIAL	PARTNERRE	FERRARI	JUVENTUS	MINOR AND ADJUSTMENTS[(b)]	CONSOLIDATED
I Half 2019							
Revenues	51,222	12,401	3,531	1,924	291	(449)	**68,920**
Net profit (loss)	5,271	579	690	364	(47)	36	**6,893**
Share of profit (loss) attributable to owners of the parent (EXOR share)	1,509	153	690	86	(30)	19	**2,427**
I Half 2018							
Revenues	53,344	12,214	2,136	1,737	214	(595)	69,050
Net profit (loss)	1,775	801	20	309	(62)	(23)	2,820
Share of profit (loss) attributable to owners of the parent (EXOR share)	511	213	6	73	(40)	(22)	741

(a) Data presented in the table are prepared by each subsidiary for the EXOR consolidation purposes and may differ from data published by each subsidiary in its financial report.
(b) Includes the net result of EXOR, subsidiaries and associates of the Holdings System excluding the share of the profit of the operating companies presented in their respective columns. Further details are provided in the section Alternative Performance Measures on page 12.

Net revenues

Net revenues of FCA for the first half of 2019 were €51,222 million with a decrease of €2,122 million compared to the first half of 2018 primarily due to lower volumes in EMEA and Maserati.

Revenues of CNH Industrial for the first half of 2019 translated in Euro were substantially in line with the first half of 2018. The difference was the combined result of foreign currency translation and lower sales volume of industrial activities.

Net revenues of PartnerRe for the first half of 2019 were €3,531 million, an increase of €1,395 million compared to the first half of 2018 (€2,136 million), principally due to a net increase in realized and unrealized investment gains (€854 million) and an increase in net premiums earned (€541 million).
The increase in net premiums was driven by a 27% increase in the Property and Casualty (P&C) segment and an 8% increase in the Specialty segment. Life & Health segment net premiums were up 23% compared to the same period of 2018.

Net revenues of Ferrari for the first half of 2019 were €1,924 million (€1,737 million in the first half of 2018). The increase of €187 million (+10.8%) was mainly attributable to the combination of a €219 million increase in cars and spare parts, partially offset by a €46 million decrease in engines.

Net Profit (loss)

In the first half of 2019 FCA net profit was €5,271 million, of which €3,970 million from discontinued operations (including the net gain on the disposal of Magneti Marelli for €3,809 million) and €1,301 million from continuing operations (€ 1,645 million in the first half of 2018). The decrease in the net profit from continuing operations (€344 million) was primarily due to lower operating performance in EMEA and Maserati, partially offset by lower financial expenses and tax expense.

Net profit of CNH Industrial in the first half of 2019 amounted to €579 million compared to €801 million in the first half of 2018, which included the after tax gain of €330 million related to the benefit of modification of a healthcare plan in the U.S.

Net profit of PartnerRe was driven by strong performance in the Non-Life P&C segment and by significant investments results, more than offsetting loss activity in the Specialty and Life segments. The well-diversified book of business and the positive impact of actions that PartnerRe took in 2018 improved performance of P&C and of the investment portfolio.

Significant financial data[a]

€ million	FCA	CNH INDUSTRIAL	PARTNERRE	FERRARI	JUVENTUS	MINOR AND ADJUSTMENTS[b]	CONSOLIDATED
30 June 2019							
Cash and cash equivalents	15,406	3,819	1,928	881	10	496	22,540
Total assets	99,895	43,425	23,414	5,278	936	445	173,396
Gross debt[c]	15,313	21,985	2,582	2,061	473	3,425	45,839
Total equity	27,257	6,927	7,035	1,383	32	(1,966)	40,668
Issued capital and reserves attributable to owners of the parent (EXOR share)	7,771	1,832	6,390	350	20	(1,976)	14,387
31 December 2018							
Cash and cash equivalents	12,450	5,068	766	794	36	22	19,136
Total assets	96,873	42,489	20,566	4,852	925	580	166,275
Gross debt[c]	14,735	21,529	1,328	1,939	424	3,621	43,576
Total equity	24,903	6,525	6.355	1,354	80	(2,772)	36,445
Issued capital and reserves attributable to owners of the parent (EXOR share)	7,154	1,722	5,719	342	51	(2,778)	12,210

(a) Data presented in the table are prepared by each subsidiary for the EXOR consolidation purposes and may differ from data published by each subsidiary in its financial report.
(b) Includes the data of EXOR and subsidiaries of the Holdings System excluding the share of the profit of the operating companies presented in their respective columns. Further details are provided in the section Alternative Performance Measures on page 12.
(c) Gross debt referred to CNH Industrial includes industrial activities and financial services debt.

Gross debt

€ million	30/06/2019	31/12/2018	31/12/2017
Bonds	**21,249**	20,470	22,103
Borrowings from banks	**8,039**	9,143	11,239
Asset-backed financing	**11,012**	10,981	10,943
Payables represented by securities	**2,097**	1,551	826
Lease liabilities[a]	**2,090**	264	-
Other financial debt and liabilities	**1,352**	1,167	1,585
Gross debt	**45,839**	43,576	46,696

(a) Of which €1,615 million recognized after the adoption of the IFRS 16 - Leases on 1 January 2019.

Financial debt is constituted mainly of bond issues and bank borrowings. As per usual practice, the major part of such debt agreements contain covenants which *inter alia* limit the capacity of Group companies to contract further debt, make certain types of investment, put into effect certain types of transaction with Group companies, dispose of certain assets or merge with or into other companies and use assets as security for other transactions. Further, certain bond issues and bank borrowings require the issuer to remain in compliance with financial ratio covenants.

Cash flow

€ million	I Half 2019	I Half 2018[1]	I Half 2017
Cash and cash equivalents at the beginning of the period	**19,136**	20,028	25,162
Cash and cash equivalents at the beginning of the period included in Assets held for sale	719	-	-
Cash flow from (used in) operating activities:	4,555	6,088	5,281
- continuing operations	*4,863*	*5,726*	*5,281*
- discontinuing operations	*(308)*	*362*	-
Cash flow from (used in) investing activities	1,438	(4,812)	(4,859)
- continuing operations	*1,593*	*(4,567)*	*(4,859)*
- discontinuing operations	*(155)*	*(245)*	-
Cash flow from (used in) financing activities	(3,422)	(2,036)	(5,899)
- continuing operations	*(3,747)*	*(1,961)*	*(5,899)*
- discontinuing operations	*325*	*(75)*	-
Translation exchange differences	114	5	(1,176)
Net change in cash and cash equivalents	2,685	(755)	(6,653)
Cash and cash equivalents at the end of the period	**22,540**	19,273	18,509

(1) Data restated following the presentation of Magneti Marelli as a discontinued operation.

In the first half of 2019 the Group companies generated positive cash flows from the operating activities for €4,555 million and from investing activities for €1,438 million. Cash flow from investing activities mainly related to the net cash deriving from the disposal of Magneti Marelli for €5,348 million, partially offset by the investments in property, plant and equipment and intangible assets for €3,988 million.

In the first half of 2019 net cash used in financing activities was €3,422 million, primarily related to dividends paid for €2,600 million, net change in financial debt for €1,441 million, partially offset by issuance of new notes, net of repayment for €664 million.

In the first half of 2018 the Group companies generated positive cash flows from operating activities for €6,088 million, while cash flows used in investing activities were €4,812 million and mainly related to the investments in property, plant and equipment and intangible assets for €3,046 million.

Net cash used in financing activities was €2,036 million, primarily related to the repayment of notes for €2,598 million, partially offset by issuance of new notes for €687 million.

ALTERNATIVE PERFORMANCE MEASURES (APM)

This section presents the Alternative Performance Measures (APM) identified by EXOR management to facilitate the understanding of the economic and financial performance of EXOR and the Group:

- Net Asset Value (NAV)
- Net Financial Position (NFP)
- Share of the profit (loss) of investments accounted for using the equity method

ALTERNATIVE PERFORMANCE MEASURES (APM)

To facilitate understanding of the economic and financial performance of EXOR and of the Group, the Management of EXOR has identified a number of Alternative Performance Measures (APM), which are used to identify operational trends and to make investment and resource allocation decisions. To ensure that the APM are correctly interpreted it is emphasized that these measures are not indicative of the future performance of the Group. The APM are not part of international reporting standards (IFRS) and are unaudited. They should not be taken as replacements of the measures required under the reference financial reporting standards.
The APM should be read together with the consolidated financial information prepared using the shortened consolidation criterion. APM used by EXOR, since they are not based on the reference financial reporting standards, may not be consistent with those used by other companies or groups and therefore may not be comparable. The APM used by EXOR have been computed consistently in terms of definition and presentation in all the reporting periods for which financial information is presented in this Report.

It should also be noted that the principal subsidiaries and associates make use of non-GAAP financial measures to illustrate their performance to the market. Such indicators are commonly used by analysts and investors in the sectors to which the subsidiaries belong to evaluate business performance. A description of how such indicators are computed is provided by the individual subsidiary companies and these are included in the section Review of performance of the Operating Subsidiaries in the Board Report, as extracted from their respective published documents. Such information is prepared autonomously by the companies and is not homogeneous.

Set out below are the main APM’s identified by EXOR:

- Net Asset Value
- Net Financial position
- Share of the profit (loss) of investments accounted for using the equity method.

Net Asset Value (NAV)

Net Asset Value (NAV) corresponds to the total value of assets net of the Gross Debt of the Holdings System as defined below. In determining the total value of assets at 30 June 2019, listed equity investments and other securities are valued at official market trading prices, unlisted equity investments are valued at fair value, determined annually by independent experts at the end of the year and unlisted other investments (funds and similar instruments) are valued by reference to the most recent available fair value. Bonds held to maturity are valued at amortized cost.
Treasury stock relates to the shares held in treasury before the Share Buyback Program launched on 14 November 2018. Treasury shares are valued at the official stock exchange price, except for the part designated to service stock option plans (measured at the option exercise price under the plan if this is less than the stock exchange price).

The sum of the aforesaid values constitutes the total value of assets (Gross Asset Value). Gross Debt corresponds to the total amount of the financial debt of the Holdings System.

Items included in the calculation of Gross Asset Value and Gross Debt which are denominated in foreign currencies are converted at the official exchange rates at the corresponding reporting date.

At 30 June 2019 EXOR’s NAV is $23,882 million (€20,985 million) compared to $19,740 million (€17,238 million) at 31 December 2018.

At 30 June 2019 EXOR’s NAV per share amounts to $101.06 or €88.80 compared to $82.33 (€71.89 at 31 December 2018), an increase of $18.73/share or +22.8%.
NAV per share at 30 June 2019 and at 31 December 2018 are based on 236,307,604 and 239,768,490 shares respectively. This is calculated assuming 241,000,000 issued shares net of the shares bought back in the context of the share buyback program launched on 14 November 2018.

Breakdown of Net Asset Value

US$ million	Ownership %	Valuation methodology	30/06/2019	31/12/2018	Change vs 31/12/2018 Amount	%
Investments			**26,568**	23,276	3,292	+14.1%
PartnerRe	100.00%	Fair value by independent experts	**7,650**	7,650	0	+0.0%
Ferrari	22.91%	Official market price	**7,192**	4,404	2,788	+63.3%
Fiat Chrysler Automobiles	28.67%	Official market price	**6,247**	6,538	(291)	-4.5%
CNH Industrial	26.89%	Official market price	**3,761**	3,296	465	+14.1%
Juventus Football Club	63.77%	Official market price	**1,070**	797	273	+34.3%
Other investments[a]		Listed: official market prices Unlisted: last available fair value	**648**	591	57	+9.6%
Other Assets			**1,084**	497	587	+118.1%
Cash and cash equivalents and Financial assets			**901**	306	595	+194.4%
Treasury stock[b]			**183**	191	(8)	-4.2%
Gross Asset Value			**27,652**	23,773	3,879	+16.3%
Gross Debt			**(3,770)**	(4,033)	263	-6.5%
Net Asset Value (NAV)			**23,882**	19,740	4,142	+21.0%
NAV per Share in US$[c]			**101.06**	82.33	18.73	+22.8%

(a) Other investments at 30 June 2019 include the stake in The Economist Group ($395 million), Welltec ($105 million), Exor Seeds ($28 million), Perella Weinberg (previously NocoA - $21 million), GEDI ($10 million) and financial investments ($3 million) among others. Other investments at 31 December 2018 included the stake in The Economist Group ($400 million), Welltec ($106 million), Exor Seeds ($25 million), Perella Weinberg ($24 million), GEDI ($12 million) and financial investments ($4 million) among others. Financial investments previously classified under Other Assets have been reclassified under Other investments for presentation purposes. Exor Seeds refers only to the quota held directly by Exor S.A.
(b) Treasury stock includes shares held in treasury before the buyback program launched on 14 November 2018.
(c) NAV per share at 30 June 2019 and at 31 December 2018 are based on 236,307,604 and 239,768,490 shares, respectively. Shares bought back in the context of the buyback program launched on 14 November 2018 are deducted from total issued shares.

The value of the NAV in the Euro currency, converted at the official exchange rates at the respective dates, is presented below:

€ million	Ownership %	Valuation methodology	30/06/2019	31/12/2018	Change vs 31/12/2018 Amount	%
Investments			**23,345**	20,326	3,019	+14.9%
PartnerRe	100.00%	Fair value by independent experts	**6,722**	6,681	41	+0.6%
Ferrari	22.91%	Official market price	**6,320**	3,846	2,474	+64.3%
Fiat Chrysler Automobiles	28.67%	Official market price	**5,489**	5,710	(221)	-3.9%
CNH Industrial	26.89%	Official market price	**3,305**	2,878	427	+14.8%
Juventus Football Club	63.77%	Official market price	**940**	696	244	+35.1%
Other investments[a]		Listed: official market prices Unlisted: last available fair value	**569**	515	54	+10.5%
Other Assets			**953**	434	519	+119.6%
Cash and cash equivalents and Financial assets			**792**	267	525	+196.6%
Treasury stock[b]			**161**	167	(6)	-3.6%
Gross Asset Value			**24,298**	20,760	3,538	+17.0%
Gross Debt			**(3,313)**	(3,522)	209	-5.9%
Net Asset Value (NAV)			**20,985**	17,238	3,747	+21.7%
NAV per Share in Euro[c]			**88.80**	71.89	16.91	+23.5%

(a) Other investments at 30 June 2019 include the stake in The Economist Group (€347 million), Welltec (€92 million), Exor Seeds (€25 million), Perella Weinberg (previously NocoA - €18 million), GEDI (€9 million) and financial investments (€3 million) among others. Other investments at 31 December 2018 included the stake in The Economist Group (€348 million), Welltec (€92 million), Exor Seeds (€22 million), Perella Weinberg (€21 million), GEDI (€10 million) and financial investments (€3 million) among others. Financial investments previously classified under Other Assets have been reclassified under Other investments for presentation purposes. Exor Seeds refers only to the quota held directly by Exor S.A.
(b) Treasury stock includes shares held in treasury before the share buyback program launched on 14 November 2018.
(c) NAV per share at 30 June 2019 and at 31 December 2018 are based on 236,307,604 and 239,768,490 shares, respectively. Shares bought back in the context of the buyback program launched on 14 November 2018 are deducted from total issued shares.

Reconciliation with the IFRS financial statements

The following table shows the reconciliation between the Net Asset Value (NAV) and the issued capital and reserves attributable to owners of the parent.

€ million	30/06/2019	31/12/2018
Issued capital and reserves attributable to owners of the parent	**14,387**	12,210
Difference between the market value and the book value of the investments	**6,438**	4,861
Treasury stock and other	**160**	167
Net Asset Value (NAV)	**20,985**	17,238

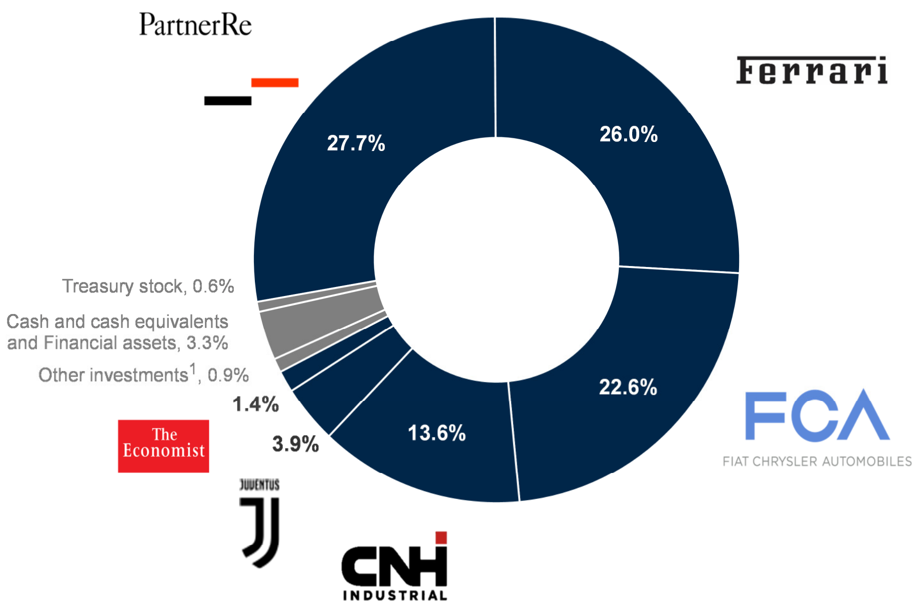
The following table shows the difference between the market value and the book value of Investments:

	30/06/2019		31/12/2018	
€ million	**Book value**	**Market value**	Book value	Market value
PartnerRe	**6,390**	**6,722**	5,719	6,681
Ferrari	**350**	**6,320**	342	3,846
FCA	**7,771**	**5,489**	7,154	5,710
CNH Industrial	**1,832**	**3,305**	1,722	2,878
Juventus Football Club	**20**	**940**	51	696
The Economist Group	**314**	**347**	318	348
Others	**230**	**222**	159	167
Total	**16,907**	**23,345**	15,465	20,326
Difference		*6,438*		*4,861*

Gross Asset Value composition

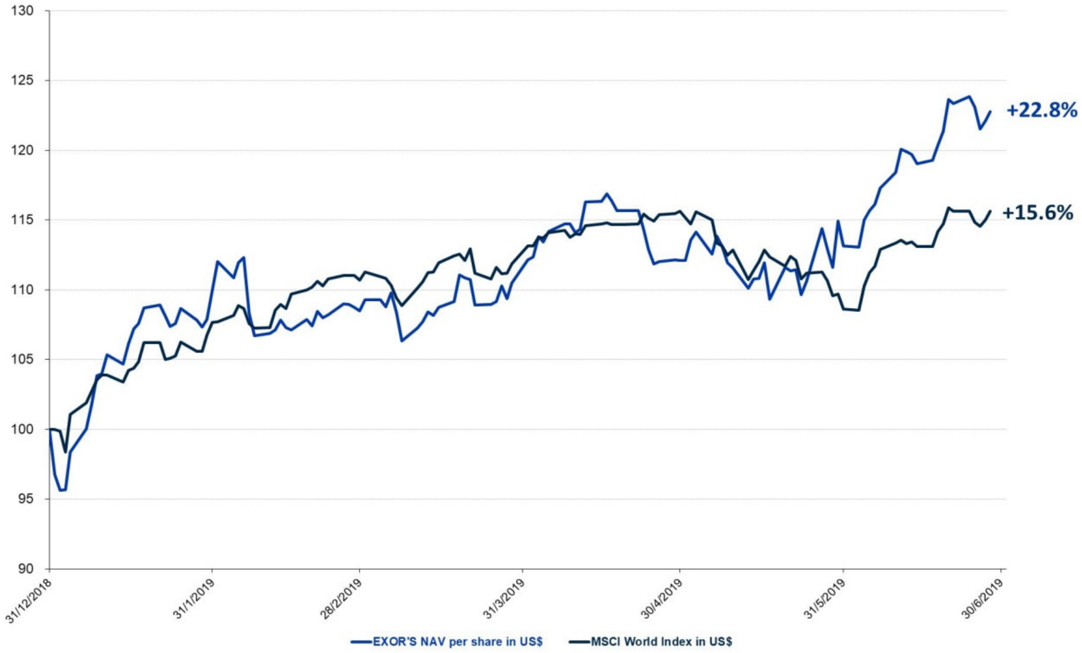
The following pie chart illustrates the Gross Asset Value composition at 30 June 2019 ($27,652 million or €24,298 million).

GROSS ASSET VALUE BREAKDOWN



[1] - Excluding The Economist

Change in NAV per share compared to the MSCI World Index in U.S. Dollar



Net financial position of the Holdings System

The net financial position of the Holdings System, determined by applying the shortened consolidation criterion, is a representative measure of the financial resources and commitments directly attributable to and managed by EXOR.

Using the shortened consolidation criterion adopted by EXOR, rather than the line-by-line method of consolidation required by law and under IFRS, the data derived from the financial statements or accounting data prepared in accordance with IFRS by EXOR and by the subsidiaries constituting the Holdings System - Exor Nederland N.V. (the Netherlands), EXOR S.A. (Luxembourg), Exor Investments Limited (United Kingdom), Exor Investment (UK) LLP (United Kingdom), Ancom USA Inc. (USA), Exor SN LLC (USA) - are consolidated in the financial statements of the parent company EXOR using the line-by-line method, while the data derived from the financial statements or accounting data prepared in accordance with IFRS of the operating subsidiaries and associates (PartnerRe, Ferrari, CNH Industrial, Juventus Football Club, Exor Seeds, The Economist Group and Welltec) are included in the consolidated financial statements of the parent company EXOR using the equity method.

The presentation of financial data under the shortened consolidation method facilitates the analysis of the financial position and results of EXOR and it is generally recognized by the financial community, including financial counterparties and rating agencies.

Nevertheless, such data do not fully represent, nor should be treated as the consolidated financial position of the EXOR Group prepared in accordance with International Financial Reporting Standards (IFRS). In fact, the shortened consolidation method is not contemplated in the reference accounting standards on the presentation of consolidated financial statements and may not be consistent with the method adopted by other groups and, therefore, such data may not be comparable with the data reported by such groups. The consolidated data prepared in shortened form are not audited by the independent auditors.

Set out below are the data relating to the net financial position prepared in shortened consolidation form:

€ million	30/06/2019	31/12/2018	31/12/2017
Financial assets and financial receivables	**299**	246	82
Cash and cash equivalents	**493**	21	24
Cash, cash equivalents and financial assets	**792**	267	106
EXOR bonds	**(3,260)**	(3,236)	(2,521)
Bank debt	**0**	(30)	(715)
Commercial paper	**(15)**	(230)	0
Other financial payables	**(38)**	(26)	(34)
Gross debt	**(3,313)**	(3,522)	(3,270)

The reconciliation of the consolidated cash and cash equivalents of EXOR Group with the consolidated cash and cash equivalents of the Holdings System is as follows:

€ million	30/06/2019	31/12/2018	31/12/2017
Cash and cash equivalents(1)	**22,540**	19,136	20,028
(Less) Cash and cash equivalents of the operating subsidiaries accounted for using the equity method in the Holdings System	**(22,047)**	(19,115)	(20,004)
Financial assets and financial receivables	**299**	246	82
Cash, and cash equivalents and financial assets of the Holdings System	**792**	267	106

(1) GAAP measure.

The reconciliation of the consolidated gross debt of EXOR Group with the consolidated gross debt of the Holdings System is as follows:

€ million	30/06/2019	31/12/2018	31/12/2017
Gross debt(1)	**(45,839)**	(43,576)	(46,696)
(Less) Gross debt of the operating subsidiaries accounted for using the equity method in the Holdings System	**42,526**	40,054	43,426
Gross debt of the Holdings System	**(3,313)**	(3,522)	(3,270)

(1) GAAP measure.

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

The composition of the share of the profit (loss) of investments accounted for using the equity method is as follows:

€ million	I Half 2019	I Half 2018	Change
PartnerRe	**690**	6	684
Ferrari	**86**	73	13
FCA	**1,509** (1)	511	998
CNH Industrial	**153**	213	(60)
Juventus Football Club	**(30)**	(40)	10
The Economist Group	**8**	12	(4)
Other	**2**	(2)	4
	2,418	773	1,645
Adjustments	**-**	(1)	1
Share of the profit of investments accounted for using the equity method	**2,418**	772	1,646

(1) Including the net gain relating to the disposal of Magneti Marelli of €3.8 billion (EXOR's share €1.1 billion).

The reconciliation of the share of the profit of investments accounted for using the equity method with the profit attributable to owners of the parent is as follows:

	I Half		
€ million	**2019**	2018	Change
Profit attributable to owners of the parent[1]	**2,427**	741	1,686
Less:			
- Loss from investments in subsidiaries and associates	**0**	2	(2)
- Net financial income/expenses	**(17)**	21	(38)
- Net recurring general expenses	**8**	8	0
Share of the profit of investments accounted for using the equity method	**2,418**	772	1,646

(1) GAAP measure.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP – SHORTENED

This section presents EXOR Group results using the “shortened” criterion of consolidation.

The Holdings System companies are consolidated line-by-line and the operating subsidiaries and associates are consolidated using the equity method.

While the presentation of such data is not contemplated in the reference accounting standards, EXOR believes that this information facilitates the analysis of the results and the financial position of EXOR.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP - SHORTENED

As described above in the APM section, EXOR applies a shortened consolidation criterion to facilitate the analysis of the financial position and results of EXOR.
Using the shortened consolidation criterion, rather than the line-by-line method of consolidation required by law and under IFRS, the data derived from the financial statements or accounting data prepared in accordance with IFRS by EXOR and by the subsidiaries constituting the Holdings System are consolidated in the financial statements of the parent company EXOR using the line-by-line method, while the data derived from the financial statements or accounting data prepared in accordance with IFRS of the operating subsidiaries (PartnerRe, Ferrari, FCA, CNH Industrial, Juventus Football Club and Exor Seeds) and associates (The Economist Group and Welltec) are included in the consolidated financial statements of the parent company EXOR using the equity method.

The consolidated data prepared in shortened form are not audited by the independent auditors.

The following table shows the shortened consolidation area:

	Reporting currency	% of consolidation		
		30/06/2019	31/12/2018	30/06/2018
Holding Company				
- EXOR N.V. (The Netherlands)	€	100	100	100
Companies in the Holdings System consolidated line-by-line				
- Exor Nederland N.V. (The Netherlands)	$	**100**	100	100
- Exor S.A. (Luxembourg)	€	**100**	100	100
- Ancom USA Inc. (USA)	$	**100**	100	100
- Exor SN LLC (USA)	$	**100**	100	100
- Exor Investments Limited (United Kingdom)	£	**100**	100	100
- Exor Investments (UK) LLP (United Kingdom)	£	**99.67**	99.67	99.67
- Exor Capital DAC (Ireland)[(a)]	€	**-**	-	100
Investments in operating subsidiaries and associates, accounted for using the equity method				
- PartnerRe	$	**100**	100	100
- Ferrari	€	**23.77**	23.65	23.55
- FCA	€	**28.67**	28.98	28.98
- CNH Industrial	$	**27.16**	27.10	27.07
- Juventus Football Club	€	**63.77**	63.77	63.77
- Exor Seeds[(b)]	$	**74.25**	-	-
- The Economist Group	£	**43.40**	43.40	43.40
- Welltec	$	**22.12**	22.12	22.12

(a) The process of liquidation terminated on 7 June 2019.
(b) At 30 June 2019, including the quotas held directly by Exor S.A. and indirectly through PartnerRe. At 31 December 2018 accounted at fair value through other comprehensive income.

The exchange rates used to translate foreign currencies into Euro are as follows:

	I Half 2019		I Half 2018	
	Average	30/06	Average	30/06
U.S. dollar	**1.130**	**1.138**	1.210	1.166
British pound	**0.874**	**0.897**	0.880	0.886

EXOR closed the first half of 2019 with a consolidated profit of €2,427 million; the first half of 2018 ended with a consolidated profit of €741 million. The increase of €1,686 million is mainly attributable to the improvements of the overall performances of the subsidiaries for €1,646 million and includes EXOR's share of the net gain realized on the disposal of Magneti Marelli for €1,092 million (total €3.8 billion). Additional details are provided in Note 1.

At 30 June 2019 the consolidated equity attributable to owners of the parent amounts to €14,387 million with a net increase of €2,177 million, compared to €12,210 million at 31 December 2018. Additional details are provided in Note 6.

The consolidated net financial position of the Holdings System at 30 June 2019 is a negative €2,521 million and reflects a positive change of €734 million compared to the negative financial position of €3,255 million at 31 December 2018, mainly due to dividends received from the subsidiaries. Additional details are provided in Note 7.

EXOR completed the process of evaluating the effects of adoption of IFRS 16 – Leases on 1 January 2019 and applied the simplified transition approach without restating comparative shortened consolidation data for the period prior to adoption.
EXOR elected to use the exemptions permitted on transition for short-term leases and lease contracts for which the underlying asset is of low value. Following adoption EXOR and the companies of the Holdings System recognized right-of-use assets and related financial lease liabilities for €3 million.

The shortened consolidated income statement and statement of financial position and notes on the most relevant line items are presented below.

EXOR GROUP – Half-year Consolidated Income Statement – Shortened

€ million	Note	I Half 2019	I Half 2018	Change
Profit (loss) from investments in subsidiaries and associates:				
Share of the profit (loss)		**2,418**	772	1,646
Dividends received		**1,059**	122	937
Dividends eliminated[(a)]		**(1,059)**	(122)	(937)
Profit (loss) from investments in subsidiaries and associates	1	**2,418**	772	1,646
Profit (loss) from investments at FVTOCI		**0**	(2)	2
Net financial income (expenses):				
Profit (loss) from cash, cash equivalents and financial assets		**63**	17	46
Cost of debt		**(48)**	(47)	(1)
Exchange gains (losses), net		**2**	9	(7)
Net financial income (expenses)	2	**17**	(21)	38
Net recurring general expenses	3	**(8)**	(8)	0
Profit (loss) attributable to owners of the parent		**2,427**	741	1,686

a) Dividends from investments in subsidiaries and associates which are included in the share of the profit (loss) from investments in subsidiaries and associates, eliminated in the consolidation process.

EXOR GROUP – Half-year Consolidated Statement of Financial Position – Shortened

€ million	Note	30/06/2019	31/12/2018	Change
Investments in subsidiaries and associates	4	**16,802**	15,393	1,409
Investments at FVTOCI	5	**88**	55	33
Other asset (liabilities), net		**18**	17	1
Invested capital		**16,908**	15,465	1,443
Issued capital and reserves attributable to owners of the parent	6	**14,387**	12,210	2,177
Cash, cash equivalents and financial assets	7	**(792)**	(267)	(525)
Gross debt	7	**3,313**	3,522	(209)
Equity and net financial position		**16,908**	15,465	1,443

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - SHORTENED

1. Profit (loss) from investments in subsidiaries and associates

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

The share of the profit of investments accounted for using the equity method in the first half of 2019 amounts to €2,418 million, with an increase of €1,646 million compared to the first half of 2018 (€772 million). The positive change reflects in particular the increase in the share of the profit of FCA (€ 998 million), of PartnerRe (€684 million), of Ferrari (€13 million) and an improvement in the negative result of Juventus (€10 million), partially offset by the decrease of CNH Industrial (€60 million).

In particular the increase of FCA is principally due to a net gain realized on the disposal of Magneti Marelli of €3.8 billion (EXOR's share €1.1 billion), while the increase of PartnerRe is driven by strong performance in the Non-Life P&C segment and by strong investments results, more than offsetting losses in the Specialty and Life segments.

	Profit (Loss)[(a)]		EXOR's share		
	I Half		I Half		
€ million	**2019**	2018	**2019**	2018	Change
PartnerRe	690	6	**690**	6	684
Ferrari	360	308	**86**	73	13
FCA	5,265	1,764	**1,509**	511	998
CNH Industrial[(b)]	562	786	**153**	213	(60)
Juventus Football Club[(c)]	(47)	(62)	**(30)**	(40)	10
The Economist Group[(d)]	20	28	**8**	12	(4)
Other	-	-	**2**	(2)	4
			2,418	773	1,645
Adjustments			**-**	(1)	1
Total			**2,418**	772	1,646

(a) Results attributable to owners of the parents. Results reported in foreign currencies have been converted into Euro at the average exchange rate of the period.
(b) The first half of 2018 included a net gain related to the modification of healthcare plan in United States for €330 million (EXOR's share €89 million).
(c) The profit refers to the accounting data prepared for consolidation in EXOR for the period 1 January – 30 June.
(d) The profit refers to the period 1 October – 31 March.

For comments on the performance of the principal operating subsidiaries, please refer to the section "Review of performance of the operating subsidiaries".

Dividends

€ million	**I Half 2019**	I Half 2018	Change
Dividends from investments accounted for using the equity method:			
- FCA	**876**	0	876
- PartnerRe	**71**	40	31
- Ferrari	**46**	31	15
- CNH Industrial	**66**	51	15
Dividends included in the net financial position	**1,059**	122	937
Less: Dividends included in the share of the profit (loss) of investments accounted for using the equity method	**(1,059)**	(122)	(937)
Dividends included in the income statement	**0**	0	0

2. Net financial income (expenses)

In the first half of 2019 net financial income amounts to €17 million (net financial expenses of €21 million in the first half of 2018).

€ million	I Half 2019		I Half 2018	Change
Profit (loss) from cash, cash equivalents and financial assets:				
Realized gains (losses)	**10**	(a)	0	10
Unrealized gains (losses)	**51**	(b)	14	37
Interest income on:				
- bank current accounts and deposits	**0**		0	0
- bonds	**2**		1	1
- financial receivables	**0**		2	(2)
Profit (loss) from cash, cash equivalents and financial assets	**63**		17	46
Cost of debt:				
EXOR bonds[c]	**(47)**		(45)	(2)
Bank debt	**(1)**		(2)	1
Cost of debt	**(48)**		(47)	(1)
Exchange gains (losses)	**2**		9	(7)
Net financial income (expense)	**17**		(21)	38

(a) Related to disposals of financial instruments.
(b) Fair value related to cash invested in financial assets managed through a Luxembourg SICAV Fund.
(c) Includes the credit risk adjustment component recorded in the income statement relating to the fair value measurement of the cross currency swap in accordance with IFRS 13.

3. Net recurring general expenses

Net recurring general expenses in the first half of 2019 amount to €8 million, in line with the first half of 2018. The main items are detailed below:

€ million	I Half 2019	I Half 2018	Change
Personnel costs	**(3)**	(3)	0
Compensation and other costs relating to directors	**(1)**	(1)	0
Service costs, net	**(1)**	(1)	0
Net recurring general expenses included in the net financial position	**(5)**	(5)	0
Share based compensation plan costs	**(3)**	(3)	0
Net recurring general expenses recorded in the income statement	**(8)**	(8)	0

4. Investments in subsidiaries and associates

€ million	30/06/2019	31/12/2018	Change
PartnerRe	**6,390**	5,719	671
Ferrari	**350**	342	8
FCA	**7,771**	7,154	617
CNH Industrial	**1,832**	1,722	110
Juventus Football Club	**20**	51	(31)
The Economist Group	**314**	318	(4)
Other	**125**	87	38
Total	**16,802**	15,393	1,409

The positive change in EXOR's investment in PartnerRe (€671 million) is mainly attributable to EXOR's shares of the profit (€690 million), the positive translation exchange differences (€63 million), partially offset by the payment of dividends (€71 million).

The positive change in EXOR's investment in Ferrari (€8 million) is primarily due to EXOR's shares of the profit (€86 million), partially offset by the payment of dividends (€46 million) and the buy-back of treasury stock (€36 million).

The positive change in EXOR's investment in FCA (€617 million) is mainly attributable to EXOR's shares of the profit (€1,509 million), the positive translation exchange differences (€60 million), partially offset by the payment of dividends (€876 million) and the negative cash flow hedge reserve (€37 million).

The positive change in EXOR's investment in CNH Industrial (€110 million) can be ascribed primarily to EXOR's shares of the profit (€153 million) and the positive translation exchange differences (€21 million), partially offset by the payment of dividends (€66 million).

5. Investments measured at fair value to other comprehensive income

The investments measured at fair value to other comprehensive income amount to €88 million (€55 million at 31 December 2018) and include principally investments in equity instruments. The positive change (€33 million) is due to new investments (€50 million) and the positive fair value adjustment (€5 million), partially offset by the reclassification of Exor Seeds to "Investments in subsidiaries and associates" (€22 million).

6. Issued capital and reserves attributable to owners of the parent

€ million	30/06/2019	31/12/2018	Change
Share capital	**2**	2	0
Reserves	**14,643**	12,270	2,373
Treasury stock	**(258)**	(62)	(196)
Total	**14,387**	12,210	2,177

Details of changes during the period are as follows:

€ million	
Balance at 31 December 2018	**12,210**
Buyback EXOR treasury stock	(196)
Dividend paid by EXOR	(100)
Exercise of stock options	19
Fair value adjustment to investments and other financial assets	5
Measurement of EXOR derivative financial instruments	(4)
Attributable other net changes recorded in equity, shown by EXOR Holdings System and operating companies accounted for using the equity method:	
- Exchange differences on translation	142
- Cash flow hedge	(42)
- Buyback treasury stock	(47)
- Other	(27)
Consolidated profit attributable to owners of the parent	2,427
Net change during the period	**2,177**
Balance at 30 June 2019	**14,387**

7. Net financial position of the Holdings System

The net financial position of the Holdings System at 30 June 2019 is a negative €2,521 million and shows a positive change of €734 million compared to the balance at 31 December 2018 (a negative €3,255 million).

€ million	30/06/2019	31/12/2018	Change
Financial assets	**291**	238	53
Financial receivables	**8**	8	0
Cash and cash equivalents	**493**	21	472
Cash, cash equivalents and financial assets	**792**	267	525
EXOR bonds	**(3,260)**	(3,236)	(24)
Bank debt	**0**	(30)	30
Commercial paper	**(15)**	(230)	215
Other financial liabilities	**(38)**	(26)	(12)
Gross debt	**(3,313)**	(3,522)	209
Net financial position of the Holdings System	**(2,521)**	(3,255)	734

Financial assets include principally financial instrument accounted for at FVTPL and debt securities listed on an active market measured at amortized cost.

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

Bonds issued by EXOR and outstanding at 30 June 2019 are as follows:

Issue date	Maturity date	Issue price	Fixed Rate (%)	Nominal amount (million)	Balance at 30/06/2019 (€ million)	Balance at 31/12/2018 (€ million)	Change
16-Oct-12	16-Oct-19	98.136	4.750	150	**(155)**	(151)	(4)
12-Nov-13	12-Nov-20	99.053	3.375	200	**(204)**	(200)	(4)
03-Dec-15	02-Dec-22	99.499	2.125	750	**(756)**	(747)	(9)
08-Oct-14	08-Oct-24	100.090	2.500	650	**(661)**	(653)	(8)
07-Dec-12	31-Jan-25	97.844	5.250	100	**(101)**	(103)	2
22-Dec-15	22-Dec-25	100.779 (a)	2.875	450 (a)	**(458)**	(452)	(6)
20-May-16	20-May-26	99.650	4.398	170 (b)	**(149)**	(149)	0
18-Jan-18	18-Jan-28	98.520	1.750	500	**(496)**	(500)	4
09-May-11	09-May-31	100.000	2.800 (c)	10,000 (d)	**(82)**	(80)	(2)
15-Feb-18	15-Feb-38	98.183	3.125	200	**(198)**	(201)	3
					(3,260)	(3,236)	(24)
- Current portion					**(196)**	(178)	(18)
- Non-current portion					**(3,064)**	(3,058)	(6)

(a) Originally €250 million; the amount was increased by another €200 million on 10 May 2016. The issue price corresponds to the weighted average of the prices calculated on the entire amount of €450 million.
(b) Nominal value in $, original currency of issuance.
(c) 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.
(d) Nominal value in Yen.

EXOR intends to repay the bonds in cash at maturity using available liquid resources and undrawn credit lines.

EXOR may, from time to time, buy back bonds on the market for cancellation purposes. The decision to buy back bonds would depend on market conditions and EXOR's financial situation among other factors.

The bank debt decrease of €30 million is mainly attributable to the repayment of credit lines.

At 30 June 2019 the amount of commercial paper outstanding is €15 million compared to a maximum amount of €500 million established by the EXOR Euro-Commercial Paper Program on 15 May 2018.

Other financial liabilities (€38 million) mainly consist of the measurement of cash flow hedge derivative instruments.

The net change in the first half of 2019, a positive €734 million, can be analyzed as follows:

€ million		I Half 2019	I Half 2018		31/12/2018
Net financial position of the Holdings System - Initial amount	Note	**(3,255)**	(3,164)		(3,164)
Impact resulting from the adoption of IFRS 16 – Leases[a]		(3)	-		-
Dividends received from investments	1	1,059	122		138
Investments		(50)	(11)		(22)
Asset disposals		0	27	(b)	32
Dividends paid by EXOR		(100)	(82)		(82)
Buyback EXOR treasury stock		(196)	-		(62)
Other changes	2	24	(31)		(95)
Net change during the period		**734**	25		(91)
Net financial position of the Holdings System - Final amount		**(2,521)**	(3,139)		(3,255)

(a) Following the retrospective adoption on 1 January 2019 of IFRS 16 – Leases, EXOR recognized lease financial liabilities for €3 million.
(b) Related to the sale of the investment in Banca Leonardo.
(c) Related to the sales of the investment in Banca Leonardo and other.

€ million	1/1-30/06/2019		1/1-30/06/2018	1/1-31/12/2018
1. Dividends received from investments	**1,059**		122	138
FCA	876	(a)	-	-
PartnerRe	71		40	41
Ferrari	46		31	31
CNH Industrial	66		51	51
The Economist Group	0		0	15

2. Other changes	**24**	(31)	(95)
Net recurring general expenses	(5)	(5)	(16)
Non-recurring other expenses	0	0	(3)
Net financial income (expenses)	17	(21)	(64)
Translation exchange differences	(3)	(7)	(13)
Other net changes	15	2	1

(a) Of which €292 million as ordinary annual dividend and €584 million as extraordinary cash distribution.

At 30 June 2019 EXOR has irrevocable credit lines in Euro of €350 million expiring after 30 June 2020, as well as revocable credit lines of €587 million.

At the same date, EXOR also has credit lines in foreign currency for a total of $90 million (€79 million).

EXOR's long-term and short-term debt ratings from Standard & Poor's are "BBB+" and "A-2", respectively, with a "stable outlook".

REVIEW OF THE PERFORMANCE OF THE OPERATING SUBSIDIARIES AND ASSOCIATES

(The percentages indicated for the stakes, voting rights and share capital are calculated on the basis of data as at 30 June 2019)

Set out below is a summary of the comments included in the Management discussion and analysis sections of the interim reports of the operating subsidiaries.

In order to facilitate readers' use and cross reference to the underlying interim reports of the operating subsidiaries, the financial figures presented are extracted from the financial statements of each subsidiary, as published in their respective reporting currency and with their accounting principles.

Data presented in this section may differ from those prepared for EXOR consolidation purposes.

Further information and details of significant events of subsidiaries are shown in the respective companies' reports.

PartnerRe

(99.57% of voting rights; 100% interest in common shareholder's equity through EXOR Nederland N.V.)

Data presented and commented below are derived from PartnerRe's consolidated financial information for the six months ended 30 June 2019 prepared in accordance with US GAAP.

	First-Half	
$ million	2019	2018
Net premiums written	3,783	3,143
Non-life combined ratio[(a) (e)]	95.0%	94.9%
Life and Health allocated underwriting result[(b) (e)]	44	52
Net investment return	5.3%	0.42%
Other expenses	175	164
Net (loss) income attributable to PartnerRe common shareholders[(c)]	782	5
Net Income ROE[(d)]	25.3%	0.2%

(a) The Company uses a combined ratio to measure results for the Non-life P&C and Specialty segments. The combined ratio is the sum of the technical and other expense ratios.
(b) The Company uses allocated underwriting result as a measure of underwriting performance for its Life and Health segment. This metric is defined as net premiums earned, other income or loss and allocated net investment income less life policy benefits, acquisition costs and other expenses.
(c) Net income/loss attributable to PartnerRe common shareholders is defined as net income/loss attributable to PartnerRe less preferred dividends.
(d) Net income ROE is calculated as net income return on average common shareholders' equity.
(e) Effective 1 July 2018 the executive management responsibility and reporting for U.S. Health business was reallocated from the Life and Health segment to the P&C segment as part of an internal organizational change, comparatives have been updated accordingly.

Net premiums written of $3.8 billion were up 23% for the first half of 2019 compared to $3.1 billion in the same period of 2018. The increase was driven by a 27% increase in the P&C segment and 8% increase in the Specialty segment. Life & Health segment net premiums were up 23% compared to the same periods of 2018.

The Non-life combined ratio was 95.0% for the half year 2019 compared to 94.9% for the same period of 2018. The Non-life combined ratio was adversely affected by net unfavorable prior year development of $15 million (0.6 points) for the half year 2019, compared to net favorable development of $56 million (2.7 points) in the prior year period.

Allocated underwriting result in the Life and Health segment was a profit of $44 million for the half year 2019 compared to $52 million for the same period of 2018, with the decline primarily driven by an increase in other expenses and in mortality experience.

Net investment return for the half year 2019 was $917 million, or 5.3%, which included net investment income of $231 million, net realized and unrealized investment gains of $651 million and interest in earnings of equity method investments of $35 million. This compares to a negative net investment return of $60 million, or (0.4%), for the half year 2018, which included net investment income of $208 million, net realized and unrealized investment losses of $296 million, and interest in earnings of equity method investments of $28 million.
Net investment income was up $23 million, or 11% for the half year 2019, compared to the same period of 2018, driven primarily by actions undertaken in the fourth quarter of 2018 and the first quarter of 2019 to increase the yield within the investment grade fixed income portfolio.
Net realized and unrealized investment gains ($651 million) were driven by $443 million of net realized and unrealized investment gains on fixed maturities and short-term investments, due to decreases in worldwide risk free rates and credit spreads, and $208 million of net realized and unrealized investment gains on equities, investments in real estate and other invested assets.
This compared to net realized and unrealized investment losses of $296 million in the second half of 2018, which included $334 million of net realized and unrealized investment losses on fixed maturities and short-term investments and $38 million of net realized and unrealized investment gains on equities, investments in real estate, other invested assets and funds held-directly managed.

Other Income Statement items

The expense ratio of 5.7% for the half year 2019 (Other expenses of $175 million) was down 0.5 percentage points compared to the expense ratio of 6.2% (Other expenses of $164 million) for the same period of 2018.

Net foreign exchange losses were $47 million for the half year 2019, compared to gains of $70 million for the same periods of 2018. Losses in the first half of 2019 were mainly driven by the depreciation of the U.S. dollar against certain major currencies and by hedging costs, while gains in the first half of 2018 were driven by the appreciation of the U.S. dollar against certain foreign currencies, partially offset by hedging costs.

Interest expense was $22 million for the half year 2019 while preferred dividends were $23 million and were comparable to the same period of 2018.

Income tax expense was $75 million on pre-tax income of $880 million for the half year 2019 compared to a benefit of $6 million on pre-tax income of $22 million for the half year 2018. These amounts were primarily driven by the geographical distribution of pre-tax profits and losses.

Balance sheet and capitalization

$ million	30.06.2019	31.12.2018
Debt	1,904	1,412
Preferred shares, aggregate liquidation value	704	704
Common shareholders' equity	6,550	5,812
Total Capital	**9,158**	**7,928**

At 30 June 2019 total capital was $9.2 billion, up 15.5% compared to 31 December 2018, primarily due to net income for the half year 2019 and the issuance of the $500 million Senior Notes due 2029 during the second quarter of 2019, partially offset by dividends on preferred and common shares.

Common shareholder's equity (or book value) of $6.6 billion and tangible book value of $6.0 billion at 30 June 2019 increased by 12.7% and 14.2% respectively compared to 31 December 2018, primarily due to the net income available to common shareholders for the half year 2019 and the foreign currency translation adjustment, partially offset by dividends on common shares. Book value, excluding dividends on common shares for half year 2019, was up 14.1% compared to 31 December 2018.

Total investments and cash and cash equivalents were $18.5 billion at 30 June 2019, up 13.6% compared to 31 December 2018. The increase was primarily driven by the $917 million net investment return 2019, the increase in payables for securities purchased to $916 million as at 30 June 2019 from $80 million as at 31 December 2018, and the issuance of $500 million Senior Notes due 2029.

Cash and cash equivalents, fixed maturities, and short-term investments, which are government issued or investment grade fixed income securities, were $14.2 billion at 30 June 2019, representing 77% of total investments and cash and cash equivalents.

The average credit rating of the fixed income portfolio at 30 June 2019 was AA, an increase compared to the A-rated average credit rating at 31 December 2018. The improvement in the average credit quality of the fixed income portfolio was due to a $2.5 billion reduction in the investment grade corporate bond portfolio (primarily in BBB-rated credit) and a $2.1 billion increased allocation to AAA-rated fixed income securities undertaken during the second quarter of 2019. The expected average duration of the fixed income portfolio at 30 June 2019 was 3.3 years, while the average duration of the Company's liabilities was 4.7 years.

Reconciliation of reported US GAAP financial information to IFRS financial information used for line-by-line consolidation purposes

The differences between the US GAAP net income ($782 million) and the IFRS net income ($779 million) are immaterial and related only to the economic effects of the application of the acquisition method by EXOR to account for the acquisition.

2019 Outlook

Excluding the impacts of any significant catastrophe and other large losses and/or increases in interest rates or credit spreads, PartnerRe expects to continue to generate positive underwriting and investing returns. PartnerRe, and its peers within the reinsurance industry, do not provide earnings guidance given its reinsurance results are largely exposed to low frequency and high severity risk events. Some of these risk events are seasonal, such that results for certain periods may include unusually low loss experience, while results for other periods may include modest or significant catastrophe losses. In addition, PartnerRe's investment results are exposed to changes in interest rates, credit spreads, and capital markets in general, which result from fluctuations in general economic and financial market conditions. As a result, PartnerRe's profitability in any one period or year is not necessarily predictive or indicative of future profitability or performance.

Ferrari

(22.91% stake and 34.54% of voting rights on issued capital)

Key consolidated data of Ferrari reported in the first half of 2019 are as follows:

	I Half		
€ million	**2019**	2018	Change
Shipments (in units)	**5,281**	4,591	690
Net revenues	**1,924**	1,737	187
EBIT	**471**	428	43
Net profit	**364**	309	55
Net Industrial debt(1)	**(353)**	(370)	17

(1) Redefined as net debt less net debt of financial services activities.

Shipments

Shipments totaled 5,281 units in the first half of 2019 with an increase of 690 units (or 15%) compared to the prior period of 2018. This achievement was driven by an increase in sales of the 8-cylinder models (V8), while the 12-cylinder models (V12) decreased by a few units. The performance was mainly led by robust deliveries of the Ferrari Portofino as well as the 812 Superfast.

	I Half		Change	
Units(1)	**2019**	2018	number	%
EMEA	**2,404**	2,176	228	10
Americas	**1,523**	1,419	104	7
Mainland China, Hong Kong and Taiwan	**617**	360	257	71
Rest of APAC	**737**	636	101	16
Shipments	**5,281**	4,591	690	15

(1) Excluding the XX Programme, racing cars, Fuori Serie, one-off and pre-owned cars.

Net revenues

Net revenues in the first half of 2019 were €1,924 million, an increase of €187 million, or 10.8% (an increase of 8.9% on a constant currency basis) from €1,737 million for the first half of 2018. The increase was attributable to the combination of a €219 million increase in cars and spare parts, a €7 million increase in sponsorship, commercial and brand and a €7 million increase in other, partially offset by a €46 million decrease in engines.

The increase of €219 million in cars and spare parts revenues was primarily attributable to positive volume impact, as well as greater contribution from the personalization programs and deliveries of the FXX K EVO. In particular, total shipments increased by 690 cars compared to the prior year (or 15.0%), primarily attributable to a 20.5% increase in V8 models, while V12 models were substantially in line with the prior year. The increase in shipments was mainly driven by the Ferrari Portofino and the 812 Superfast, as well as the ramp up of the 488 Pista and the first deliveries of the 488 Pista Spider, partially offset by the phase-out of the 488 GTB and 488 Spider, as well as the LaFerrari Aperta, which finished its limited series run in 2018.
Shipments during the period were impacted by a shift in geographical mix in favor of Mainland China as a result of the decision to accelerate client deliveries in advance of the early introduction of new emissions regulations and with lower shipment to U.S. market reflecting the phase out within the 488 family.
Engines revenues were €111 million, a decrease of €46 million (29.3%) from €157 million for the first half of 2018. The decrease was mainly attributable to a decrease in net revenues generated from the sale of engines to Maserati.

Sponsorship, commercial and brand revenues were €259 million for the first half of 2019, an increase of €7 million, or 2.8%, from €252 million for the first half of 2018. The increase was primarily attributable to positive foreign currency exchange impact, as well as higher revenues from Formula 1 racing activities.

€ million	I Half 2019	2018	Change amount
Car and spare parts	**1,501**	1,282	219
Engines	**111**	157	(46)
Sponsorship, commercial and brand	**259**	252	7
Other	**53**	46	7
Net revenues	**1,924**	1,737	187

EBIT

EBIT for the first half of 2019 was €471 million, an increase of €43 million (+10%) from €428 million for the first half of 2018. The increase was primarily attributable to a positive volume impact (€87 million), partially offset by a negative product mix and price impact of €17 million, an increase in research and development costs of €16 million, an increase in selling, general and administrative costs of €6 million, a negative contribution from other supporting activities of €31 million. To be noted also the positive foreign currency exchange impact of €26 million, primarily driven by the strengthening of the U.S. Dollar compared to the Euro.

The positive volume impact of €87 million was attributable to an increase in shipments, driven by the Ferrari Portofino and the 812 Superfast, as well as the ramp up of the 488 Pista and the first deliveries of the 488 Pista Spider, partially offset by the phase-out of the 488 GTB and the 488 Spider. The negative range models product mix was partially offset by the combined positive impact from our personalization programs and deliveries of the FXX K EVO.

Net industrial debt

Net industrial debt at 30 June 2019 was €353 million, with a decrease of €17 million from €370 million at 31 December 2018. The decrease reflects the positive free cash flow partially offset by the distribution of the annual dividend, the purchase of Ferrari's shares under the Company buy-back program and the impact of adoption of IFRS 16 -Leases on 1 January 2019.

€ million	30/06/2019	31/12/2018	Change
Debt	**(2,048)**	(1,927)	(121)
of which: Lease liabilities as per IFRS 16 (simplified approach)	***63***	-	*63*
Cash and cash equivalents	**881**	794	87
Net debt	**(1,167)**	(1,133)	(34)
Net debt of Financial Services Activities	**(814)**	(763)	(51)
Net Industrial Debt	**(353)**	(370)	17

(1) Net industrial debt is defined as net debt excluding the funded portion of the self-liquidating financial receivables portfolio.

2019 Outlook

Confirming Guidance approaching the high end of the range on all metrics and increasing industrial free cash flow target at prevailing exchange rates:

- Net revenues: more than €3.5 billion;
- Adjusted EBITDA: €1.2 billion - €1.25 billion;
- Adjusted EBIT: €0.85 billion - €0.9 billion;
- Adjusted diluted EPS: €3.50 - €3.70 per share;
- Industrial free cash flow: more than €0.55 billion (from approximately €0.45 billion).

(28.67% stake, 41.76% of voting rights on issued capital)

The key consolidated data of FCA for the first half 2019 are presented below:

	Half I		Change	
€ million	**2019**	2018	Amount	%
Net revenues	**51,222**	53,344	(2,122)	-4
Adjusted EBIT[(1)]	**2,594**	3,035	(441)	-14
Net profit from continuing operations	**1,301**	1,645	(344)	-21
Net profit (including discontinued operations)	**5,271**	1,775	3,496	n.s.

(1) Adjusted EBIT is a non-GAAP financial measure used to measure performance. Adjusted EBIT excludes certain adjustments from Net profit from continuing operations, including: gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature, and also excludes Net financial expenses and Tax expense/(benefit).

Net revenues and Adjusted EBIT

Net revenues			Adjusted EBIT	
Six months ended 30 June			Six months ended 30 June	
2019	2018	€ million	**2019**	2018
33,696	33,952	North America	**2,609**	2,613
3,982	3,996	LATAM	**215**	175
1,354	1,271	APAC	**(21)**	(88)
10,634	11,970	EMEA	**3**	370
814	1,322	Maserati	**(108)**	88
742	833	Other activities, unallocated items and adjustments	**(104)**	(123)
51,222	**53,344**	**Total continuing operations, excluding Magneti Marelli**	**2,594**	3,035

NORTH AMERICA

North America Net revenues in the six months ended 30 June 2019 were slightly down compared to the same period in 2018, with €3.5 billion from lower volumes partially offset by €2.1 billion favorable foreign exchange translation effects and €1.1 billion of favorable mix. Adjusted EBIT was in line compared to the same period in 2018, primarily due to lower volumes, offset by favorable mix, manufacturing and purchasing efficiencies, as well as benefit due to the CAFE fine rate reduction in the U.S. on Model Year 2019 vehicles sold in prior periods, lower SG&A expense, primarily from a reduction in advertising costs and favorable foreign currency translation effects.

LATAM

The LATAM Net revenues in the six months ended 30 June 2019 were in line compared to the same period in 2018 primarily related to lower volumes and negative foreign exchange effects, offset by positive net pricing.
The increase in LATAM Adjusted EBIT in the six months ended 30 June 2019 compared to the same period in 2018 was primarily due to positive net pricing, largely driven by one-off recognition of credits relating to indirect taxes, partially offset by decreased volumes, higher industrial costs, mainly from lower export tax benefits in Brazil and Argentina; and negative foreign exchange effects.

APAC

The increase in APAC Net revenues in the six months ended 30 June 2019 compared to the same period in 2018 was primarily due to favorable model mix, positive net pricing, mainly due to reduced incentives, and foreign exchange effects.
The increase in APAC Adjusted EBIT was primarily due to favorable model mix, positive net pricing from reduced incentives, lower industrial costs, partially offset by lower results from the GAC FCA JV.

EMEA

The decrease in EMEA Net revenues in the six months ended 30 June 2019 compared to the same period in 2018, was primarily due to lower volumes.
The decrease in EMEA Adjusted EBIT was primarily due to lower volumes, negative net pricing, increased compliance and product costs and negative foreign exchange transaction impacts. These were partially offset by reduced advertising costs, warranty and inventory cost adjustments and labor efficiencies from restructuring actions.

Maserati

The decrease in Maserati Net revenues in the six months ended 30 June 2019 compared to the same period in 2018 was primarily due to lower volumes. The decrease in Maserati Adjusted EBIT was primarily due to lower revenues and adjustments of residual values in the U.S.

The following table is the reconciliation of Net profit from continuing operations to Adjusted EBIT (non-GAAP measure).

	I Half	
€ million	2019	2018
Net profit from continuing operations	**1,301**	1,645
Tax expense	**529**	591
Net financial expenses	**504**	552
Adjustments:		
Restructuring costs, net of reversals	**196**	2
Impairment expense and supplier obligations	**155**	164
U.S. special bonus payment	**-**	111
Employee benefits settlement losses	**-**	78
Recovery of costs for recall	**-**	(106)
Brazilian indirect tax - reversal of liability/recognition of credits	**(164)**	-
Other	**73**	(2)
Total adjustments	**260**	247
Adjusted EBIT	**2,594**	3,035

Available liquidity

€ million	30/06/2019	31/12/2018
Cash, cash equivalents and current debt securities[1]	**15,774**	12,669
Undrawn committed credit lines[2]	**7,725**	7,728
Cash, cash equivalents and current debt securities – included within Assets held for sale	**-**	728
Available liquidity[3]	**23,499**	**21,125**

(1) Current debt securities are comprised of short term or marketable securities which represent temporary investments that do not satisfy all the requirements to be classified as cash equivalents as they may not be readily convertible to cash or are subject to significant risk of change in value (even if they are short-term in nature or marketable).
(2) Excludes the undrawn €0.1 billion long-term dedicated credit lines available to fund scheduled investments at 30 June 2019 (€0.1 billion was undrawn at 31 December 2018).
(3) The majority of our liquidity is available to our treasury operations in Europe and the U.S.; however, liquidity is also available to certain subsidiaries which operate in other areas. Cash held in such countries may be subject to restrictions on transfer depending on the foreign jurisdictions in which these subsidiaries operate. Based on our review of such transfer restrictions in the countries in which we operate and maintain material cash balances, we do not believe such transfer restrictions had an adverse effect on the Group's ability to meet its liquidity requirements at the dates above.

Available liquidity at 30 June 2019 increased by €2.4 billion from 31 December 2018 primarily as a result of receipt of the proceeds from the sale of Magneti Marelli of €5.8 billion, net of €0.4 billion cash held by Magneti Marelli at the time of the disposal, partially offset by €3.1 billion of dividend payments.

2019 Outlook

Guidance for 2019 confirmed:

- Adjusted EBIT >€6.7 billion with adjusted EBIT margin >6.1%,
- Adjusted diluted EPS >€2.70 per share,
- Industrial free cash flow >€1.5 billion,

(26.89% stake, 41.68% of voting rights on issued capital)

Key consolidated figures of CNH Industrial for the first half 2019 are as follows:

	I Half		Change
$ million	**2019**	2018	
Revenues	**14,011**	14,783	(772)
Revenues in €	***12,401***	*12,214*	*187*
Adjusted EBIT[(1)]	**1,041**	1,072	(31)
Net income	**654**	969	(315)
of which attributable to owners of the parent	***635***	*951*	*(316)*
Net Industrial Debt[(2)]	**(2,013)**	(640)	(1,373)

(1) Adjusted EBIT is a non-GAAP financial measure used to measure performance. Adjusted EBIT is defined as profit/(loss) before taxes, financial income (expense) of industrial activities, restructuring costs, and certain non- recurring items.
(2) Net Industrial debt is defined as net debt excluding the funded portion of the sell-liquidating financial receivables portfolio.

Revenues

Revenues for the first half of 2019 were $14,011 million, a decrease of 5.2% (up 1.8% on a constant currency basis) compared to the first half of 2018. Net revenues of Industrial Activities were $13,095 million in the first half of 2019, a decrease of 5.7% (up 1.5% on a constant currency basis) compared to the first half of 2018 as result of an unfavorable foreign currency translation impact and lower sales volume.

Net revenues of Agriculture were $5.595 million, a decrease of 5.0% (up 1.3% on a constant currency basis) compared to the first half of 2018 as a result of lower sales volume in Europe and Rest of World and the negative impact of foreign currency translation, partially offset by positive price realization performance across all geographies.
In the first half of 2019 worldwide industry unit sales for tractors were down 9% compared to the first half of 2018, while worldwide industry sales for combines were down 1%. In the North America, industry volumes in the over 140 hp tractor market sector were down 4% and combines were down 2%. Industry volumes for under 140 hp tractors in North America were up 1%. European markets were up 11% and down 19% for tractors and combines, respectively. In South America, the tractor market decreased 9% and the combine market increased 12%. Rest of World markets decreased 13% for tractors and increased 4% for combines.

Net revenues of Construction decreased 5.7% in the first half of 2019 compared to the first half of 2018 (down 2.6% on a constant currency basis), primarily due to a selective inventory destocking actions in the North American dealer network, and weaker markets in Rest of World more than offsetting positive price realization across all geographies. In the first half of 2019, Construction's worldwide compact equipment industry sales were up 5% compared to the first half of 2018, while worldwide general equipment industry sales were flat compared to the same period of the 2018 and worldwide road building and site equipment industry sales were down 7%.

Commercial and Specialty Vehicles net revenues decreased by 4.9% in the first half of 2019 compared to the first half of 2018 (up 4.1% on a constant currency basis). Higher industry volume and favorable product mix, mainly in Europe, were more than offset by the negative impact of foreign currency translation.

Powertrain net revenues decreased by 9.6% in the first half of 2019 compared to the first half of 2018 (down 0.5% on a constant currency basis) due to lower sales volume. Sales to external customers accounted for 48% of total net revenues (49% in the first half of 2018).

Financial Services totaled net revenues of $990 million for the first half of 2019, a decrease of 1.0% compared to the first half of 2018 (up 5.2% on a constant currency basis), primarily due to pricing and the negative impact of foreign currency translation, partially offset by higher used equipment sales in North America and higher average portfolios in South America and Rest of World.

$ million	I Half 2019	2018	% change
Agriculture	**5,595**	5,891	-5.0
Construction	**1,397**	1,481	-5.7
Commercial and Specialty Vehicles	**5,118**	5,384	-4.9
Powertrain	**2,173**	2,405	-9.6
Elimination and other	**(1,188)**	(1,281)	-
Total Industrial Activities	**13,095**	13,880	-5.7
Financial Services	**990**	1,000	-1.0
Eliminations and other	**(74)**	(97)	-
Revenues	**14,011**	14,783	-5.2

Adjusted EBIT

Adjusted EBIT of Industrial Activities was $791 million in the first half of 2019, compared to $785 million in the first half of 2018, with an adjusted EBIT margin of 6.0%, up 30 bps compared to the first half of 2018.

Adjusted EBIT of Agriculture was $490 million in the first half of 2019 ($555 million in the first half of 2018, with an Adjusted EBIT margin at 8.8%. Positive net price realization was more than offset by unfavorable volume and mix, raw material headwinds and higher production costs and tariffs, as well as higher product development expenses compared to the first half of 2018.

Adjusted EBIT of Construction was $31 million for the first half of 2019 (up $11 million compared to the first half of 2018), with an Adjusted EBIT margin of 2.2%. The increase in profit was primarily due to the result of positive net price realization, mainly in North America, more than offsetting higher production costs and tariffs.

Adjusted EBIT of Commercial and Specialty Vehicles was $184 million for the first half of 2019, up $41 million compared to the first half of 2018. The increase was the result of positive volume, favorable product mix and lower selling, general and administrative costs, partially offset by higher product content cost and unfavorable foreign exchange impacts. The Adjusted EBIT margin increased 90 bps to 3.6% compared to the first half of 2018.

Adjusted EBIT of Powertrain was $184 million for the first half of 2019 ($198 million in the first half of 2018). Favorable product mix and manufacturing efficiencies were more than offset by higher product development expenses and negative foreign exchange impacts. The Adjusted EBIT margin increased 30 bps to 8.5% in the first half of 2019.

$ million	I Half 2019	2018	Change amount	*2019 adjusted EBIT margin*(1)	*2018 adjusted EBIT margin*
Agriculture	**490**	555	(65)	**8.8%**	9.4%
Construction	**31**	20	11	**2.2%**	1.4%
Commercial and Specialty Vehicles	**184**	143	41	**3.6%**	2.7%
Powertrain	**184**	198	(14)	**8.5%**	8.2%
Unallocated items, elimination and other	**(98)**	(131)	33	**-**	-
Total Industrial Activities	**791**	785	6	**6.0%**	5.7%
Financial Services	**250**	287	(37)	**25.3%**	28.7%
Eliminations and other	**-**	-	-	**-**	-
Adjusted EBIT	**1,041**	1,072	(31)	**7.4%**	7.3%

(1) On 1 January 2019, CNH Industrial adopted the updated accounting standard on leases (IFRS 16) using the modified retrospective approach, without recasting prior periods. Adoption of the standard had an immaterial impact on adjusted EBIT in the first half of 2019.

The following table is the reconciliation of Net income to Adjusted EBIT (non-GAAP measure).

	I Half	
$ million	2019	2018
Net income	**654**	969
Add back:		
Financial expenses	**135**	306
Income tax expenses	**216**	314
Adjustments:		
Restructuring costs	**36**	10
Pre-tax gain related to the modification of a healthcare plan in the U.S.	**0**	(527)
Adjusted EBIT	**1,041**	1,072

Net Industrial debt

The increase in Net Debt at 30 June 2019 compared to 31 December 2018 mainly reflects the seasonal cash absorption related to operating activities, the distribution of the annual dividend to CNH Industrial N.V.'s shareholders for $275 million, the purchase of CNH Industrial N.V. shares for $45 million under the Company buy-back program and the impact of adoption of IFRS 16 - Leases on 1 January 2019.

$ million		30/06/209	31/12/2018	Change
Third party debt [(1)]		**(24,897)**	(24,543)	(354)
Cash and cash equivalents		**4,346**	5,803	(1,457)
Other/financial asset/(liabilities)[(2)]		**(15)**	(10)	(5)
(Net debt)/Cash[(3)]		**(20,566)**	(18,750)	(1,816)
	Industrial Activities	**(2,013)**	(640)	(1,373)
	Financial Services	**(18,553)**	(18,110)	(2,456)

(1) As a result of the role played by the central treasury, debt for Industrial Activities also includes funding raised by the central treasury on behalf of Financial Services.
(2) Including fair value of derivative financial instruments.
(3) The net intersegment receivable/payable balance owed by Financial Services to Industrial Activities was $326 million and $71 million as of 30 June 2019 and 31 December 2018, respectively.

2019 Outlook (US GAAP)[(1)]

While uncertainties in the agricultural end-markets related to the trade tensions remain unresolved, and negative impacts from recent weather events (in North America, Australia and Northern Europe) are persisting, which has impacted planting and harvesting patterns and market sentiment, cyclical replacement demand remains stable, with used equipment inventories at low levels supporting new equipment sales in North America.
End-user demand in the construction industry remains healthy, supported by spending for public and infrastructure investments. Despite this strength, conditions in the construction industry are still challenged in the residential sub-segment.
European demand in the truck and bus industries continues to hold at a high level, supported by a low interest rate environment, and by the transition to lower emission vehicles including full electric and hybrid buses, and LNG and CNG powered trucks.

As a result of the updated end-markets outlook, CNH Industrial is revising its full year net sales guidance reflecting the impact on net sales of the euro/dollar exchange rate performance of the first six months of the year, while confirming all the other 2019 targets as follows:

- Net sales of Industrial Activities between $27 billion and $27.5 billion, with sales up year-over-year 1% to 2% at constant currency;
- Adjusted diluted EPS[(2)] up year-over- year between 5% and 10% at a range of $0.84 to $0.88 per share;
- Net debt of Industrial Activities at the end of 2019 between $0.4 billion and $0.2 billion.

(1) 2019 guidance does not include any impacts deriving from the gain resulting from the modification of the healthcare plan in the U.S. previously mentioned, as this gain has been considered non-recurring and therefore treated as an adjusting item for the purpose of the adjusted diluted EPS calculation. In addition, 2019 guidance does not include any impacts deriving from possible further repurchases of CNH Industrial's shares under the plan authorized by the Shareholders on 12 April 2019.

(2) Outlook is not provided on diluted EPS, the most comparable GAAP financial measure of this non-GAAP financial measure, as the income or expense excluded from the calculation of adjusted diluted EPS and instead included in the calculation of diluted EPS are, by definition, not predictable and uncertain.

JUVENTUS

(63.77% of share capital)

The following information refers to the accounting data for the period 1 January – 30 June 2019 drawn up by Juventus F.C. for the purposes of the preparation of the half-year condensed consolidated financial statements of EXOR Group at 30 June 2019.

	I Half ended		
€ million	30/06/2019	30/06/2018	Change
Revenues	**291**	214	77
Operating costs	**(232)**	(205)	(27)
Operating income (loss)	**(32)**	(52)	20
Loss for the period	**(47)**	(62)	15

€ million	30/06/2019	31/12/2018	Change
Shareholders' equity	**32**	80	(48)
Net financial debt	**(464)**	(384)	(80)

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. The accounting data under examination thus represents the second half of operations for the financial year 2018/2019.
Interim data are prepared only for EXOR consolidated reporting purpose and cannot be construed as representing the basis for a Juventus full-year projection.
Profit performance is characterized by the highly seasonal nature typical of the sector, determined mainly by 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 period different from the period to which they refer.

In preparing the accounting data, Juventus Football Club included, whenever significant, the valuations of the negative effects deriving from transactions relating to the 2018/2019 Transfer Campaign-first phase, completed or in progress at the date of 31 July 2019.
However, it cannot be excluded that, as this campaign continues, additional transactions will be entered into and their effects, if negative and significant, may require Juventus Football Club to record further impairment and/or accruals, in accordance with generally accepted accounting principles, for the purposes of the preparation of the annual financial statements at 30 June 2019.

The result for the period (1 January – 30 June 2019) is a loss of €47 million, with a positive change of €15 million compared with the loss for the same period of 2018, amounting to €62 million). This trend is mainly the result of an increase in revenues of €77 million and lower taxes (€3 million), partially offset by an increase in operating costs (€27 million), amortization (€17 million), net provisions (€14 million) and other net negative changes of €2 million.

2019 Outlook

In the second half of 2019 the first phase of the 2018/2019 Transfer Campaign will be concluded and the season will open in particular with the Group Stage of the UEFA Champions League; the outcome of which could significantly influence the economic performance for the financial year 2019/2020, which at present is expected to close with a loss.

RISK FACTORS
SUBSEQUENT EVENTS AND
2019 OUTLOOK

EXOR RISK FACTORS

The management of EXOR Group believes that the risk factors identified for the six months ended 30 June 2019 are in line with the main risks to which EXOR is exposed. Those risks were identified and discussed in the 2018 Annual Report, in the Risk factors section.
The organization structure and management of accounting and financial information for the preparation of the 2019 Half-year Financial Report are in line with the process applied for the 2018 annual closing, as disclosed in the Risk management, risk and control system section of the 2018 Annual Report.

RISK FACTORS FROM SUBSIDIARIES

The risks and uncertainties identified for the six months ended 30 June 2019 by the subsidiaries are in line with the main risks and uncertainties to which the same are exposed which were identified and discussed in the 2018 Annual Report, in the Risk factors section under each subsidiary's own section.

SUBSEQUENT EVENTS AND 2019 OUTLOOK

Subsequent events

EXOR share buyback Program

In July and August, under the share buyback program launched on 14 November 2018, EXOR purchased on the Italian Stock Exchange 185,936 ordinary shares for a total invested amount of €11.7 million.
As of 27 August 2019 EXOR held in total 9,420,215 ordinary shares in treasury (3.91% of total issued share capital).

Spin-off of commercial vehicles and powertrain segments from CNH Industrial

On 3 September 2019 EXOR announced its strong support to the new CNH "Transform 2 Win" plan establishing clearly defined and strongly positive profitable growth objectives and including the spin-off by early 2021 of CNH Industrial's 'On-Highway' assets (commercial vehicles and powertrain segments), to be listed alongside the Group's 'Off-Highway' assets (agriculture, construction and specialty segments), resulting in two distinct world leading businesses, each focused on creating value in their respective areas of activity. EXOR will continue to be the shareholder of reference in both entities following completion of the spin-off process.

2019 Outlook

EXOR N.V. does not prepare budgets or business plans, nor does it publish forecast data or data on the basis of which it is possible to calculate forecast data.

Certain EXOR operating subsidiaries (FCA, Ferrari and CNH Industrial) publish forecast data on their performance. Other operating subsidiaries (PartnerRe and Juventus Football Club) publish information on the foreseeable outlook. Additional information is provided under "Review of performance of the Operating Subsidiaries" in the Half-year Report on Operations.
The forecast data and information of the abovementioned operating companies are drawn up autonomously and communicated by the respective companies and are not homogeneous. Quantitative forecast disclosures prepared by these operating companies and the type of information provided, as well as the underlying assumptions and calculation methods vary according to the accounting principles applicable to each subsidiary and the conventional application practices in the respective sector of reference.
EXOR N.V. in fact, is a holding company without a specific business of reference, head of a diversified and non-integrated group that operates in different segments and does not exercise direction and coordination activities over its subsidiaries, which operate in a completely independent manner.

EXOR N.V. deems that the forecast data and information of the subsidiaries are not significant or suitable for the purposes of providing indications about the prospective economic trend of EXOR N.V.'s operations, nor represent a forecast or estimate of the company's results. Therefore, in assessing EXOR N.V.'s future prospects it is not possible to rely on the data and prospective information published by the aforesaid operating subsidiaries.

Half-year Condensed Consolidated Financial Statements at 30 June 2019

HALF-YEAR CONDENSED CONSOLIDATED INCOME STATEMENT (unaudited)

		Half years ended 30 June	
(€ million)	Note	2019	2018
Net revenues	6	68,920	69,050
Cost of revenues		(57,616)	(58,250)
Selling, general and administrative expenses		(4,586)	(4,751)
Research and development costs		(2,301)	(2,317)
Other income (expenses), net	7	(79)	512
Result from investments		151	210
Net financial expenses	8	(679)	(798)
Profit before taxes		**3,809**	**3,656**
Tax expense	9	(887)	(966)
Net profit from continuing operations		**2,923**	**2,690**
Profit from discontinued operations, net of tax		3,970	130
Net profit		**6,893**	**2,820**
Net Profit attributable to:			
Owners of the parent		*2,427*	*741*
Non-controlling interests		*4,466*	*2,079*
Net Profit from continuing operations attributable to:			
Owners of the parent		*1,289*	*706*
Non-controlling interests		*1,634*	*1,984*
Earnings per share (in €)	10		
Basic earnings per share		10.45	3.15
Diluted earnings per share		10.40	3.09
Earnings per share from continuing operations (in €)	10		
Basic earnings per share		5.55	3.00
Diluted earnings per share		5.51	2.97

HALF-YEAR CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(unaudited)

		Half years ended 30 June	
(€ million)	**Note 18**	**2019**	**2018**
Profit for the year (A)		**6,893**	**2,820**
Items that will not be reclassified to the Consolidated Income Statement in subsequent periods:		-	-
Gains (losses) on remeasurement of defined benefit plans			41
Share of gains (losses) on remeasurement of defined benefit plans for equity method investees		-	-
Gains (losses) on financial assets at fair value through other comprehensive income		(1)	(12)
Related tax effect			(11)
Items relating to discontinued operations, net of tax		(9)	2
Total items that will not be reclassified to the Consolidated Income Statement in subsequent periods, net of tax (B1)		**(10)**	**18**
Items that may be reclassified to the Consolidated Income Statements in subsequent periods:		-	-
Gains (losses) on financial assets at fair value through other comprehensive income		-	4
Gains (losses) on cash flow hedging instruments		(197)	36
Foreign exchange gains (losses)		361	(179)
Share of other comprehensive income (loss) of equity method investees		(25)	(95)
Related tax effect		55	(15)
Items relating to discontinued operations, net of tax		9	(60)
Total items that may be reclassified to the Consolidated Income Statement in subsequent periods, net of tax (B2)		**203**	**(313)**
Total Other Comprehensive Income (Loss), net of tax (B)=(B1)+(B2)		**193**	**(289)**
Total Comprehensive Income (A)+(B)		**7,086**	**2,531**
Total Comprehensive Income (Loss) attributable to:			
Owners of the parent		2,520	773
Non-controlling interests		4,566	1,758
Total Comprehensive Income (Loss) attributable to owners of the parent:			
Continuing operations		1,381	754
Discontinued operations		1,139	19

HALF-YEAR CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited)

(€ million)	Note	At 30 June 2019	At 31 December 2018
Assets			
Intangible assets	11	34,411	33,768
Property, plant and equipment	12	35,843	34,079
Investments and other financial assets		5,052	4,869
Deferred tax assets		2,659	2,697
Inventories	13	21,430	18,652
Trade and other receivables	14	28,670	27,178
Investments of reinsurance companies	15	14,581	13,742
Other assets		8,140	7,351
Assets held for sale		69	4,803
Cash and cash equivalents	17	22,540	19,136
Total Assets		**173,396**	**166,275**
Equity and Liabilities			
Equity attributable to owners of the parent	18	14,387	12,210
Non-controlling interests		26,281	24,235
Total Equity		**40,668**	**36,445**
Liabilities			
Provisions for employee benefits		9,998	10,190
Other provisions	20	18,035	19,100
Technical reserves reinsurance companies	21	13,176	12,372
Deferred tax liabilities		1,417	1,290
Financial debt and other financial liabilities	22	45,839	43,576
Trade payables		27,686	25,088
Tax payables		269	232
Other liabilities	23	16,280	15,057
Liabilities held for sale		29	2,925
Total Liabilities		**132,728**	**129,830**
Total Equity and Liabilities		**173,396**	**166,275**

HALF-YEAR CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

		Half years ended 30 June	
(€ million)	**Note**	**2019**	**2018**
Cash flows from operating activities:			
Profit from continuing operations		2,923	2,690
Amortization and depreciation		3,543	3,529
Gains on disposal of non-current assets		(223)	9
Other non-cash items		(352)	183
Dividends received		77	110
Change in provisions		(1,442)	(325)
Change in deferred taxes		312	95
Change in inventories, trade and other receivables and payables		24	(565)
Cash flows from operating activities – discontinued operations		(308)	362
Total		**4,555**	**6,088**
Cash flows used in investing activities:			
Investments in property, plant and equipment and intangible assets		(3,988)	(3,046)
Investments in joint ventures, associates, unconsolidated subsidiaries and financial assets		(83)	(11)
Net change in Investments of Reinsurance companies (PartnerRe Group)		568	(716)
Proceeds from disposal of investments, tangible, intangible and financial assets		70	54
Net change in financial receivables		(254)	(617)
Net change in securities		(113)	(235)
Other changes		45	4
Net cash proceeds from disposal of discontinued operations		5,348	-
Cash flows used in investing activities – discontinued operations		(155)	(245)
Total		**1,438**	**(4,812)**
Cash flows used in financing activities:			
Issuance of notes	22	1,214	687
Repayment of notes	22	(550)	(2,598)
Issuance of other long-term debt (net of repayment)		(888)	(222)
Net change in short-term debt and other financial assets/liabilities		(553)	626
Capital increase of subsidiaries		-	11
Exercise of stock options		(172)	-
Buyback of treasury shares		(196)	-
Dividends paid		(2,600)	(326)
Other changes		(2)	(139)
Cash flows used in financing activities – discontinued operations		325	(75)
Total		**(3,422)**	**(2,036)**
Translation exchange differences		114	5
Total Change in Cash and Cash Equivalents		**2,685**	**(755)**
Cash and cash equivalents at beginning of the period		**19,136**	**20,028**
Cash and cash equivalents at the beginning of the period included in Assets held for sale		719	-
Cash and cash equivalents at the end of the period		**22,540**	**19,273**

HALF-YEAR CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)

(€ million)	Share capital	Treasury shares	Other reserves	Cash flow hedge reserve	Currency translation differences	Financial assets measured at FVTOCI	Remeasurement of defined benefit plans	Cumulative share of OCI of equity method investments	Total Owners of the parent	Non-controlling interests	Total
At 31 December 2017	**2**	**-**	**11,417**	**71**	**(185)**	**71**	**(354)**	**(217)**	**10,805**	**20,381**	**31,186**
Impact from the adoption of IFRS 15 and IFRS 9	-	-	64	-	-	(97)	-	-	**(33)**	(91)	**(124)**
At 1 January 2018	**2**	**-**	**11,481**	**71**	**(185)**	**(26)**	**(354)**	**(217)**	**10,772**	**20,290**	**31,062**
Share-based compensation	-	-	27	-	-	-	-	-	**27**	62	**89**
Buyback of treasury shares	-	-	-	-	-	-	-	-	**-**	-	**-**
Capital increase by subsidiaries	-	-	-	-	-	-	-	-	**-**	10	**10**
Dividends declared	-	-	(82)	-	-	-		-	**(82)**	(249)	**(331)**
Total comprehensive income	-	-	741	6	63	(12)	9	(34)	**773**	1,758	**2,531**
Effect of the change in the percentage ownership of companies[(a)]	-	-	(29)	-	1	-	(2)	(2)	**(32)**	32	**-**
Other changes	-	-	(43)	-	-	-	-	-	**(43)**	13	**(30)**
At 30 June 2018	**2**	**-**	**12,095**	**77**	**(121)**	**(38)**	**(347)**	**(253)**	**11,415**	**21,916**	**33,331**

(a) Of which +€11 million related to CNH Industrial Group and -€40 million to the FCA Group.

(€ million)	Share capital	Treasury shares	Other reserves	Cash flow hedge reserve	Currency translation differences	Financial assets measured at FVTOCI	Remeasurement of defined benefit plans	Cumulative share of OCI of equity method investments	Total Owners of the parent	Non-controlling interests	Total
At 31 December 2018	**2**	**(62)**	**12,738**	**61**	**27**	**(34)**	**(230)**	**(292)**	**12,210**	**24,235**	**36,445**
Impact from the adoption of IFRS 16	-	-	-	-	-	-	-	-	**-**	-	**-**
At 1 January 2019	**2**	**(62)**	**12,738**	**61**	**27**	**(34)**	**(230)**	**(292)**	**12,210**	**24,235**	**36,445**
Share-based compensation	-	-	42	-	-	-	-	-	**42**	55	**97**
Buyback of treasury shares	-	(196)	-	-	-	-	-	-	**(196)**	-	**(196)**
Dividends declared	-	-	(100)	-	-	-	-	-	**(100)**	(2,538)	**(2,638)**
Total comprehensive income	-	-	2,427	(43)	147	(1)	(2)	(7)	**2,520**	4,568	**7,088**
Effect of the change in the percentage ownership of companies[(b)]	-	-	(72)	-	(2)	-	2	1	**(71)**	71	**0**
Sale of discontinued operations	-	-	(31)	(2)	28	-	31	-	**26**	18	**44**
Other changes	-	-	(44)	-	-	-	-	-	**(44)**	(135)	**(179)**
At 30 June 2019	**2**	**(258)**	**14,960**	**16**	**202**	**(35)**	**(201)**	**(299)**	**14,387**	**26,281**	**40,668**

(b) Of which +€4 million related to CNH Industrial Group, +€2 million related to Ferrari, -€78 million related to the FCA Group.

NOTES TO THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information on the activities of the Group

EXOR N.V. ("EXOR" or the "Company" and together with its subsidiaries the "EXOR Group" or the "Group"), was incorporated as a public limited company (*naamloze vennootschap*) under the laws of the Netherlands on 30 September 2015 and in 2016 became the holding company for the EXOR Group following the cross-border merger with EXOR S.p.A. (the "Merger").

EXOR is one of Europe's leading diversified holding companies and is controlled by Giovanni Agnelli B.V., which holds 52.99% of its share capital.

EXOR and its subsidiaries operate in the reinsurance sector, automotive industry, agricultural equipment, construction equipment, commercial vehicles and professional football.

EXOR's principal investments are in Fiat Chrysler Automobiles N.V. and its subsidiaries ("FCA" or the "FCA Group"), CNH Industrial N.V. and its subsidiaries ("CNH Industrial" or the "CNH Industrial Group"), Ferrari N.V. and its subsidiaries ("Ferrari" or the "Ferrari Group"), PartnerRe Ltd and its subsidiaries ("PartnerRe" or the "PartnerRe Group") and Juventus Football Club S.p.A. ("Juventus").

2. Basis of preparation and significant accounting policies

Authorization of Half-year Condensed Consolidated Financial Statements and Compliance with International Financial Reporting Standards

The accompanying Half-year condensed consolidated financial statements together with the notes thereto (the "Half-year Condensed Consolidated Financial Statements") of EXOR at 30 June 2019 were authorized for issuance on 4 September 2019 and have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and as adopted by the European Union (EU-IFRS). The designation "IFRS" also includes International Accounting Standards ("IAS"), as well as all interpretations of the IFRS Interpretations Committee ("IFRIC").

The Half-year Condensed Consolidated Financial Statements, which have been prepared in accordance with IAS 34 – Interim Financial Reporting, do not include all of the information and notes required for complete financial statements and should be read in conjunction with the audited annual consolidated financial statements as of and for the year ended 31 December 2018 included within the 2018 Annual Report (the "EXOR Consolidated Financial Statements at 31 December 2018"). The accounting policies are consistent with those used at 31 December 2018, except as described in the section New standards and amendments effective from 1 January 2019 below.

Basis of preparation

The preparation of the Half-year Condensed Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the Half-year Condensed Consolidated Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. The Half-year Condensed Consolidated Financial Statements include all adjustments considered necessary by management to fairly state the Group's results of operations, financial position and cash flows. See note 2 "Basis of preparation and significant accounting policies", paragraph "Use of estimates", in the EXOR Consolidated Financial Statements at 31 December 2018.

The Group's presentation currency is the Euro, which is also the functional currency of the Company and, unless otherwise stated, information is presented in millions of Euro.

The Group presents the income statement using a classification based on the function of expenses, rather than a presentation based on the nature of expenses, as it is more representative of the format used for internal reporting and management purposes and consistent with international practice.

The statement of cash flows is presented using the indirect method.

The subsidiaries have prepared their data for purposes of the EXOR Group's consolidated financial statements consistently with the classification and presentation indicated above.

New standards and amendments effective from 1 January 2019

IFRS 16 – Leases

On January 13, 2016, the IASB issued IFRS 16 – Leases, replacing IAS 17 – Leases. IFRS 16 requires lessees to recognize assets and liabilities under an on-balance sheet model that is similar to finance lease accounting under IAS 17. IFRS 16 is effective from 1 January 2019 (the date of adoption).

IFRS 16 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by IAS 17 and instead introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lessees are required to recognize a right-of-use asset, representing its right to use the underlying leased asset, and a lease liability, representing its obligation to make lease payments, and to recognize depreciation of right-of-use assets separately from interest on lease liabilities in the income statement. Lessor accounting under IFRS 16 is largely unchanged from the previous accounting standard.

The cumulative effect of the changes made to our Consolidated Statement of Financial Position as of 1 January 2019 for the adoption of IFRS 16 – Leases is as follows:

(€ million)	**At 31 December 2018 (as reported)**	**IFRS 16 Adoption Effect**	**At 1 January 2019 (as adjusted)**
Assets			
Intangible assets	33,768		33,768
Property, plant and equipment	34,079	1,610	35,689
Investments and other financial assets	4,869		4,869
Deferred tax assets	2,697	1	2,698
Inventories	18,652		18,652
Trade and other receivables	27,178		27,178
Investments of reinsurance companies	13,742		13,742
Other assets	7,351	(7)	7,344
Assets held for sale	4,803	261	5,064
Cash and cash equivalents	19,136		19,136
Total Assets	**166,275**	**1,865**	**168,140**
Equity and Liabilities			
Equity attributable to owners of the parent	12,210		12,210
Non-controlling interests	24,235		24,235
Total Equity	**36,445**	**0**	**36,445**
Liabilities			
Provisions for employee benefits	10,190		10,190
Other provisions	19,100		19,100
Technical reserves reinsurance companies	12,372		12,372
Deferred tax liabilities	1,290	1	1,291
Financial debt and other financial liabilities	43,576	1,615	45,191
Trade payables	25,088		25,088
Tax payables	232		232
Other liabilities	15,057	(12)	15,045
Liabilities held for sale	2,925	261	3,186
Total Liabilities	**129,830**	**1,865**	**131,695**
Total Equity and Liabilities	**166,275**	**1,865**	**168,140**

The Group adopted IFRS 16 using the modified retrospective approach, with the cumulative effect of initially applying the standard recognized as an adjustment to the Group's opening equity balance on 1 January 2019, which was nil. The comparative period has not been restated and continues to be reported under the accounting standards in effect for periods prior to 1 January 2019.

The following practical expedients have been made upon transition to IFRS 16:

- Contracts that were previously identified as leases by applying IAS 17 and IFRIC 4 – Determining whether an Arrangement contains a Lease, have not been re-assessed under IFRS 16;
- For leases with a remaining lease term less than 12 months from the date of adoption, or leases of low-value assets, the right-of-use assets and lease liabilities have not been recognized;

- Lease liabilities were discounted by each consolidated subsidiary at their respective incremental borrowing rate as at 1 January 2019;
- In measuring the right-of-use assets at the date of adoption, the initial direct costs were excluded.

As a result of the adoption of IFRS 16, the Group will recognize deferred tax assets and liabilities arising on lease liabilities and right-of-use assets, respectively, which largely offset. The net impact to deferred tax assets on adoption as at 1 January 2019 was nil. The net deferred tax impact in future periods is expected to be immaterial.

For leases classified as finance leases under IAS 17, the carrying amounts of the right-of-use assets and lease liabilities at 1 January 2019 were determined as the carrying amounts of the lease assets and lease liabilities under IAS 17 immediately before that date.

There were no impacts arising on the application of IFRS 16 where the Group is a lessor.

The following reconciliation to the opening balance for the lease liabilities as at 1 January 2019 is based upon the operating lease obligations as at 31 December 2018 (excluding discontinued operations):

€ million	
Future lease obligations as at 31 December 2018(1)	**2,322**
Recognition exemption for:	
- Short term leases	(112)
- Leases of low-value assets	(36)
- Other	(36)
Gross lease liabilities at 1 January 2019	**2,138**
Effect of discounting using the incremental borrowing rate at 1 January 2019	(523)
Present value of lease liabilities at 1 January 2019	**1,615**
Present value of finance lease liabilities under IAS 17 at 31 December 2018	264
Lease liabilities as a result of the initial application of IFRS 16 as at 1 January 2019	**1,879**

(1) Includes future minimum lease payments under non-cancellable lease contracts of €1,707 million and extension and termination options reasonably certain to be exercised of €615 million.

Lease accounting policy

A lease is a contract that conveys the right to control the use of an identified asset (the leased asset) for a period of time in exchange for consideration.
At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. Except for real estate properties, the Group has elected not to separate non-lease components and will account for the lease and non-lease components as a single lease component.
The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, less any lease incentives received.
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-to-use asset is determined based on the nature of the asset, taking into consideration the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain corresponding remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate, determined considering macro-economic factors, such as the risk free rate based on the relevant currency and term, as well as specific factors affecting each consolidated subsidiaries.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in Property, plant and equipment and lease liabilities in Long-term debt and Short-term debt and current portion of long-term debt in the Half-year Condensed Consolidated Statement of Financial Position.

The Group has elected to not recognize right-of-use assets and lease liabilities for short-term leases and low-value leases for all classes of leased assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If the risks and rewards are substantially transferred, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Other new standards and amendments

The following amendments and interpretations, which were effective from 1 January 2019, were adopted by the Group. The adoption of these amendments had no material effect on the Half-year Condensed Consolidated Financial Statements.

- In June 2017, the IASB issued IFRIC Interpretation 23 – *Uncertainty over Income Tax Treatment*, (the “Interpretation”), which clarifies application of recognition and measurement requirements in IAS 12 – *Income Taxes* when there is uncertainty over income tax treatments. The Interpretation does not add any new disclosure requirements, however it highlights the existing requirements in IAS 1 – *Presentation of Financial Statements*, related to disclosure of judgments, information about the assumptions made and other estimates and disclosures of tax-related contingencies within IAS 12.
- In October 2017, the IASB issued *Prepayment Features with Negative Compensation (Amendments to IFRS 9)*, allowing companies to measure particular pre-payable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met, instead of at fair value through profit or loss.
- In October 2017, the IASB issued *Long-term interests in associates and joint ventures (Amendments to IAS 28)*, which clarifies that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9.
- In December 2017, the IASB issued *Annual Improvements to IFRSs 2015-2017*, a series of amendments to IFRSs in response to issues raised mainly on IFRS 3 – Business Combinations, which clarifies that a company re-measures its previously held interest in a joint operation when it obtains control of the business, on IFRS 11 – Joint Arrangements, a company does not re-measure its previously held interest in a joint operation when it obtains joint control of the business, on IAS 12, which clarifies that all income tax consequences of dividends (i.e. distribution of profits) should be recognized in profit or loss, regardless of how the tax arises, and on IAS 23 – Borrowing Costs, which clarifies that a company treats as part of general borrowing any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.
- In February 2018, the IASB issued *Plan Amendment, Curtailment or Settlement (Amendments to IAS 19 –* Employee Benefits) which specifies how companies determine pension expenses when changes to a defined benefit pension plan occur. IAS 19 specifies how a company accounts for a defined benefit plan.
  When a change to a plan (an amendment, curtailment or settlement) takes place, IAS 19 requires a company to re-measure its net defined benefit liability or asset. The amendments require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. The amendments are effective for plan amendments, curtailments or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019.

New standards and amendments not yet effective and not early adopted

Reference should be made to the paragraph "new standards, amendments and interpretations not yet effective issued by the IASB and not yet endorsed by the EU" within the EXOR Consolidated Financial Statements at 31 December 2018, for a detailed description of new standards not yet effective at 30 June 2019.

Exchange rate

The principal exchange rates used to translate other currencies into Euro are as follows:

	H1 2019		At 31 December	H1 2018	
	Average	At 30 June	2018	Average	At 30 June
U.S. dollar	1.13	1.138	1.145	1.210	1.166
Brazilian real	4.342	4.351	4.444	4.141	4.488
Chinese renminbi	7.668	7.819	7.875	7.709	7.717
Polish zloty	4.292	4.25	4.301	4.221	4.373
Argentinian peso	48.331	48.331	43.074	26.094	32.876
British pound	0.874	0.897	0.895	0.880	0.886
Swiss franc	1.129	1.111	1.127	1.170	1.157
Mexican peso	21.654	21.82	22.492	23.085	22.882
Canadian dollar	1.507	1.489	1.516	1.546	1.544

3. Scope of consolidation

The consolidated financial statements include the companies over which EXOR exercises control, and from which, directly or indirectly, EXOR is able to derive benefit by virtue of its power to govern their corporate financial and operating policies. The companies/groups included in the scope of consolidation at 30 June 2019 are the following:

		Ownership	
Company/Group	Country	Group	Non-controlling interest
Operating subsidiaries / Segment entities			
FCA	The Netherlands	28.67%	71.33%
CNH Industrial	The Netherlands	27.16%	72.84%
Ferrari	The Netherlands	23.77%	76.23%
PartnerRe	Bermuda	100%	-
Juventus	Italy	63.77%	36.23%
Other EXOR entities			
Exor Nederland N.V.	The Netherlands	100%	-
Exor S.A.	Luxembourg	100%	-
Exor Investments Limited	United Kingdom	100%	-
Exor Investments (UK) LLP	United Kingdom	99.67%	0.33%
Exor SN LLC	USA	100%	-
Exor Seeds	USA	74.25%	25.75%
Ancom USA Inc.	USA	100%	-

Change in the scope of consolidation

Magneti Marelli discontinued operations and disposal

On 22 October 2018, FCA announced that it had entered into a definitive agreement to sell its Magneti Marelli business to CK Holdings Co., Ltd.

On 2 May 2019, FCA completed the sale of Magneti Marelli for consideration of €5,812 million (including €5,774 million cash consideration, contingent consideration receivable with a fair value of €70 million, and contingent consideration payable by FCA of €16 million and costs relating to the transaction of €16 million), subject to customary final confirmation of purchase price adjustments by the buyer.

The following table shows the calculation of the gain on sale on the Magneti Marelli transaction:

(€ million)	At 2 May 2019
Intangible assets	788
Property, plant and equipment	2,146
Financial receivables	10
Cash and cash equivalents	426
Other assets	2,055
Debt	(782)
Trade and other payables	(1,942)
Other liabilities	(791)
Net assets sold	**1,910**
Consideration	5,812
Reclassification of amounts in other comprehensive income relating to Magneti Marelli[1]	(91)
Gain on sale	**3,811**

(1) Excluding amounts related to remeasurement of defined benefit plans.

Refer to the Half-year Condensed Consolidated Statement of Cash flows for the six months ended 30 June 2019, for the aggregate cash flows arising from the sale of Magneti Marelli, which consists of the cash consideration received net of the cash and cash equivalents transferred in the sale, as disclosed in the table above.

The presentation of the Magneti Marelli business for the period up until the completion of the sale is as follows:

- The operating results of Magneti Marelli up to the completion of the sale transaction on 2 May 2019, have been excluded from the Group's continuing operations and are presented as a single line item within the Consolidated Income Statement for the six months ended 30 June 2019, and 2018. In order to present the financial effects of a discontinued operation, revenues and expenses arising from intercompany transactions were eliminated except for those revenues and expenses that are considered to continue after the disposal of the discontinued operation. However, no profit or loss is recognized for intercompany transactions within the Consolidated Income Statement.
- The assets and liabilities of Magneti Marelli have been classified as Assets held for sale and Liabilities held for sale within the Consolidated Statement of Financial Position at 31 December 2018.
- Cash flows arising from Magneti Marelli up to the completion of the sale transaction on 2 May 2019, have been presented separately as discontinued cash flows from operating, investing and financing activities within the Consolidated Statement of Cash Flows for the six months ended 30 June 2019, and 2018. These cash flows represent those arising from transactions with third parties.
- In accordance with IFRS 5, depreciation and amortization on the assets of Magneti Marelli ceased as at 30 September 2018. The impact of ceasing depreciation of the property, plant and equipment and amortization of the intangible assets of Magneti Marelli was €134 million, net of tax of €27 million, for the six months ended 30 June 2019.

The following table summarizes the operating results of Magneti Marelli up to the completion of the sale transaction on 2 May 2019, that were excluded from the Consolidated Income Statement for the six months ended 30 June 2019 and 2018:

	Six months ended 30 June[1]	
(€ million)	2019	2018
Net revenues	1,657	2,676
Expenses	1,447	2,465
Net financial (income)/expenses	5	51
Profit before taxes from discontinued operations	**205**	**160**
Tax expense	(44)	(30)
Profit after taxes from discontinued operations	**161**	**130**
Gain on sale	3,811	-
Tax expense on gain on sale	(2)	-
Profit from discontinued operations, net of tax	**3,970**	**130**

(1) Amounts presented are not representative of the income statement of Magneti Marelli on a stand-alone basis; amounts are net of transactions between Magneti Marelli and other companies of the Group.

The tax on the gain after the participation exemption of €55 million and the corresponding utilization of tax losses are presented as a net nil impact within Profit from discontinued operations, net of tax.

4. Seasonal nature of transactions

The transactions of the PartnerRe Group and Juventus Football Club are affected by the highly seasonal nature of their businesses. In particular:

- The results of PartnerRe are exposed to low frequency and high severity risk events. Some of these risk events are seasonal, such that results for certain periods may include unusually low loss experience, while results for other periods may include modest or significant catastrophe losses. In addition, PartnerRe's investment results are exposed to changes in interest rates and credit spreads, which result from fluctuations in general economic and financial market conditions. As a result, PartnerRe's profitability in any one period or year is not necessarily predictive or indicative of future profitability or performance.
- The financial year of Juventus Football Club does not coincide with the calendar year but covers the period 1 July – 30 June, which corresponds to the football season.
  Economic performance is characterized by the highly seasonal nature typical of the sector, determined mainly by the calendar of football events (to which the main revenue items are related and recognized in the income statement) and by the phases of the players' Transfer Campaign, carried out during the months of July and August (first phase) and January (second phase) which can result in significant economic and financial effects at the beginning and during the course of the season. The main cost items not referable to individual football events (such as players' wages and amortization relative to registration rights) are instead recorded in the income statement on a straight-line basis.

5. Segment reporting

Reportable segments reflect the operating segments of the Group that are regularly reviewed by the Chief Executive Officer, who is the "chief operating decision maker", as defined under IFRS 8 – Operating Segments, for making strategic decisions and allocating resources and assessing performance, and that exceed the quantitative threshold provided in IFRS 8, or whose information is considered useful for the users of the financial statements.

The EXOR Group reportable segments coincide with the consolidated data of its principal investments, each of which represents an investment in a major business segment: FCA, CNH Industrial, Ferrari, PartnerRe, and Juventus. The column "Minor, eliminations and adjustments" includes unallocated income and expenses, share of profit in equity investments of EXOR N.V., expenses related to corporate activities and finance income and expense of EXOR N.V. and other EXOR entities which are not included within the reportable segments.

The following table summarize selected financial information by reporting segment for the six months ended 30 June 2019 and 2018. Data presented are prepared by each subsidiary for the EXOR consolidation process and may differ from data published by each subsidiary in its financial report.

(€ million)	FCA	CNH Industrial	PartnerRe	Ferrari	Juventus	Minor, eliminations and adjustments	Consolidated
I HALF 2019							
Segment revenues	51,222	12,401	3,531	1,924	291	(449)	68,920
Revenues from transactions with other operating segments	(194)	(171)		(75)	(11)	451	0
Revenues from external customers	51,028	12,230	3,531	1,849	280	2	**68,920**
Profit (loss) for the period	5,271	579	690	364	(47)	36	**6,893**
Of which discontinued operations	*3,970*						***3,970***
Profit (loss) attributable to owners of the parent (EXOR share)	1,509	153	690	86	(30)	19	**2,427**
30 June 2019							
Total assets	99,895	43,425	23,414	5,278	936	448	**173,396**
Gross debt	15,313	21,985	2,582	2,061	473	3,425	**45,839**
Cash and cash equivalents	15,406	3,819	1,928	881	10	496	**22,540**
Total equity	27,257	6,927	7,035	1,383	32	(1,966)	**40,668**
Issued capital and reserves attributable to owners of the parent (EXOR share)	7,771	1,832	6,390	350	20	(1,976)	**14,387**
I HALF 2018							
Segment revenues	53,344	12,214	2,136	1,737	214	(595)	69,050
Revenues from transactions with other operating segments	(287)	(173)	-	(124)	(11)	595	-
Revenues from external customers	53,057	12,041	2,136	1,613	203	-	**69,050**
Profit (loss) for the period	1,775	801	20	309	(62)	(22)	**2,820**
Of which discontinued operations	*130*	-	-	-	-	-	***130***
Profit (loss) attributable to owners of the parent (EXOR share)	518	213	6	73	(40)	(22)	**741**
31 December 2018							
Total assets	96,873	42,489	20,556	4,852	925	580	**166,275**
Gross debt	14,735	21,529	1,328	1,939	424	3,621	**43,576**
Cash and cash equivalents	12,450	5,068	766	794	36	22	**19,136**
Total equity	24,903	6,525	6,355	1,354	80	(2,772)	**36,445**
Issued capital and reserves attributable to owners of the parent (EXOR share)	7,154	1,772	5,719	342	51	(2,778)	**12,210**

Gross debt is defined as financial debt and other financial liabilities.

6. Net Revenues

Net revenues for the half-year ended 30 June 2019 and 2018 are as follows:

	Six months ended 30 June	
(€ million)	**2019**	**2018**
Revenues from sales of goods and services	64,675	66,183
Net premium earned of insurance and reinsurance companies	2,738	2,197
Interest income of financial services activities	497	448
Investment income and net realized and unrealized investments gains of insurance and reinsurance companies	794	62
Other	216	160
Total net revenues	**68,920**	**69,050**

7. Other income (expenses), net

Other net expenses for the half-year ended 30 June 2019 amount to €79 million compared to a net income of €512 million for the half-year ended 30 June 2018 which included a profit of €446 million relating to the modification of a healthcare plan following a judgement in favor of CNH Industrial issued by the United States Supreme Court in April 2018.

8. Net financial expenses

Net financial expenses for the half-year ended 30 June 2019 and 2018 are as follows:

	Six months ended 30 June	
(€ million)	2019	2018
Financial Income:		
Interest and other financial income	2	143
Financial services income	497	448
Gains on disposal of securities	13	9
Total financial income	**512**	**600**
Related to:		
Industrial companies (A)	*15*	*152*
Financial services companies (reported within net revenues)	*497*	*448*
Financial Expenses:		
Interest expenses and other financial expenses	(692)	(871)
Write-downs and losses on financial assets and securities	(10)	(29)
Net interest expenses on employee benefits provisions	(158)	(149)
Total interest and other financial expenses	**(860)**	**(1,049)**
Net expenses from derivative financial instruments and exchange rate differences	**(127)**	**(108)**
Total financial expenses	**(987)**	**(1,157)**
Related to:		
Industrial companies (B)	*(694)*	*(950)*
Financial services companies (reported within cost of sales)	*(293)*	*(207)*
Net financial expenses relating to industrial companies (A+B)	**(679)**	**(798)**

9. Tax expense

	Six months ended 30 June	
(€ million)	2019	2018
Current tax expense	626	703
Deferred tax expense	261	280
Tax (benefit) expense relating to prior periods	1	(17)
Total tax expense	**887**	**966**

The effective tax rate was 23.3% for the six months ended 30 June 2019 (26.4% for the six months ended 30 June 2018). The decrease is primarily driven by the different geographical distribution of pre-tax income.

10. Earnings per share

The following table summarizes the composition of earnings per share:

		Six months ended 30 June	
		2019	2018
Average number of ordinary shares outstanding		**232,331,574**	**235,159,635**
Profit attributable to owners of the parent	**€ million**	**2,427**	**741**
basic earnings per share	€	10.45	3.15
diluted earnings per share	€	10.40	3.09
Profit from continuing operations attributable to owners of the parent	**€ million**	**1,289**	**706**
basic earnings per share	€	5.55	3.00
diluted earnings per share	€	5.51	2.97
Profit from discontinued operations attributable to owners of the parent	**€ million**	**1,138**	**35**
basic earnings per share	€	4.90	0.15
diluted earnings per share	€	4.86	0.12

In order to calculate the diluted earnings per share, the profit attributable to owners of the parent was adjusted to take into account the dilutive effects arising from the theoretical exercise of the stock option plans granted by the subsidiaries of the Group using their own equity instruments.

11. Intangible assets

(€ million)	At 30 June 2019	At 31 December 2018
Goodwill	14,499	14,377
Other intangible assets	19,912	19,391
Total Intangible assets	**34,411**	**33,768**

The increase during the six months ended 30 June 2019 was primarily related to foreign currency translation of the U.S. Dollar to the Euro and included goodwill recognized by FCA on the acquisition of the assets of Vari-Form Inc.

12. Property, plant and equipment

(€ million)	At 30 June 2019	At 31 December 2018
Right of use	2,101	1,942
Other tangible assets	33,742	32,137
Total Property, plant and equipment	**35,843**	**34,079**

13. Inventories

(€ million)	At 30 June 2019	At 31 December 2018
Raw materials, supplies and finished goods	18,724	16,625
Assets sold with a buy-back commitment	2,638	1,903
Gross amount due from customers for contract work	68	124
Total inventories	**21,430**	**18,652**

At 30 June 2019 inventories of the CNH Industrial Group included assets which are no longer subject to operating lease arrangements or buy-back commitments and were held for sale for a total of €467 million.

14. Trade and other receivables

(€ million)	At 30 June 2019	At 31 December 2018
Trade receivables	3,007	2,525
Receivables from financing activities	21,558	21,236
Receivables from reinsurance activities	4,105	3,417
Total trade and other receivables	**28,670**	**27,178**

Receivables from financing activities

(€ million)	At 30 June 2019	At 31 December 2018
Dealer financing	11,648	11,191
Retail financing	9,037	9,165
Finance leases	454	462
Other	418	418
Total receivables from financing activities	**21,558**	**21,236**

15. Investments of reinsurance companies

(€ million)	At 30 June 2019	At 31 December 2018
Fixed maturities, at fair value	10,705	11,040
Funds held by reinsured companies	719	725
Equities, at fair value	842	606
Short-term investments, at fair value	502	431
Accrued investment income, at fair value	82	101
Other invested assets	1,731	839
Total investments of reinsurance companies	**14,581**	**13,742**

At 30 June 2019 approximately €3,658 million (€3,448 million at 31 December 2018) of cash and cash equivalents and securities were deposited, pledged or held in escrow accounts in favor of ceding companies and other counterparties or government authorities to comply with reinsurance contract provisions and insurance laws.

16. Transfer of financial assets

The transfer of financial assets mainly refers to the FCA Group and the CNH Industrial Group.

At 30 June 2019, FCA Group had receivables due after that date which had been transferred without recourse and which were derecognized in accordance with IFRS 9 – *Financial Instruments*, amounting to €8,034 million (€8,523 million at 31 December 2018). The transfers related to trade receivables and other receivables of €6,311 million (€6,847 million at 31 December 2018) and financial receivables of €1,723 million (€1,676 million at 31 December 2018). These amounts included receivables of €5,295 million (€5,517 million at 31 December 2018), mainly due from the sales network, transferred to FCA Bank, a jointly-controlled financial services company.

At 30 June 2019 CNH Industrial Group had restricted assets included in Receivables from financing activities related to factoring transactions for €12,103 million (€11,723 million at 31 December 2018), of which €5,588 million (€5,564 million) relate to retail financing and finance lease receivables.
CNH Industrial Group discounted receivables and bills without recourse having due dates beyond 30 June 2019 amounting to €285 million (€435 million at 31 December 2018), of which €377 million (€417 million at 31 December 2018) relates to trade receivables and other receivables and €8 million (€18 million at 31 December 2018) refers to receivables from financing activities.

17. Cash and cash equivalents

	At 30 June 2019	At 31 December 2018
Cash at banks	13,122	10,036
Money market securities	8,681	8,318
Restricted cash	737	782
Total cash and cash equivalents	**22,540**	**19,136**

Cash and cash equivalents held in certain foreign countries (primarily, China and Argentina) are subject to local exchange control regulations providing for restrictions on the amount of cash other than dividends that can leave the country.

Certain of the Group entities perform securitization transactions to support the funding portfolio of the financial services activities. In connection with such securitization, cash collected from the settlement of receivables or lines of credit pledged as collateral is subject to certain restrictions regarding its use and is principally applied to repay principal and interest of the funding.

18. Equity

Share capital
At 30 June 2019 the total issued capital of EXOR N.V. was equal to €2.4 million, divided into 241,000,000 shares with a nominal value of Euro 0.01.

EXOR N.V. adopted a loyalty voting structure designed to incentivize long-term share ownership, on the basis of which for each EXOR N.V. ordinary share held without interruption for a period of five years, shareholders will be entitled to five voting rights at the end of that period, and for each EXOR N.V. ordinary share held without interruption for a period of ten years, shareholders will be entitled to ten voting rights at the end of that period.
No special voting shares had been issued and none are outstanding at 30 June 2019.

AGM resolution

The EXOR Annual General Meeting of 29 May 2019 adopted the 2018 Annual Accounts and approved the payment of a dividend of €0.43 on each issued and outstanding ordinary share, for a total of €100 million.
The Annual General Meeting also approved the extension of the authorization for the purchase and disposal of EXOR's ordinary shares on the market for 18 months from the date of the Shareholder's resolution, up to a maximum number of shares not to exceed the limit set by law, with a maximum disbursement of €500 million.

Treasury stock

At 30 June 2019, 9,234,279 shares with a nominal value of €0.01 per share are held as treasury stock (6,709,893 at 31 December 2018).
The movements in treasury stock are mainly related to shares repurchased by EXOR under their share buyback program (3,460,886 shares in the first six months of 2019).

Other comprehensive income (loss)

Other comprehensive income for the six months ended 30 June 2019 and 2018 is as follows:

	At 30 June	
(€ million)	**2019**	**2018**
Items that will not be reclassified to the Consolidated Income Statement in subsequent periods:		
Gains (losses) on remeasurement of defined benefit plans	-	41
Share of gains (losses) on remeasurement of defined benefit plans for equity method investees	-	-
Gains (losses) on financial assets at FVTOCI	(1)	-
Items relating to discontinued operations	(9)	2
Total items that will not be reclassified to the Consolidated Income Statement in subsequent periods, before tax effect (B1)	**(10)**	**31**
Items that may be reclassified to the Consolidated Income Statements in subsequent periods:		
Gains (losses) on cash flow hedging instruments arising during the year	(239)	146
Gains (losses) on cash flow hedging instruments reclassified to the income Statement	42	(110)
Gains (losses) on cash flow hedging instruments	**(197)**	**36**
Gains (losses) on remeasurement on available-for-sale financial assets arising during the year	-	4
Gains (losses) on fair value on available-for-sale financial assets reclassified to the income statement	-	-
Gains (losses) on fair value of available-for-sale financial assets	**-**	**4**
Foreign exchange gains (losses) arising during the year	361	(179)
Foreign exchange gains (losses) reclassified to the income Statement	-	-
Foreign exchange gains (losses)	**361**	**(179)**
Share of other comprehensive income of equity method investees arising during the year	(26)	(70)
Share of other comprehensive income (loss) of equity method investees reclassified to the income statement	1	(25)
Share of other comprehensive income (loss) of equity method investees	**(25)**	**(95)**
Items relating to discontinued operations	9	(59)
Total Items that may be reclassified to the Consolidated Income Statement in subsequent periods, before tax effect (B2)	**148**	**(293)**
Total Other Comprehensive Income, before tax effect (B1)+(B2)=(B)	**138**	**(264)**
Tax effect	54	(24)
Tax effect - discontinued operations	1	(1)
Total Other Comprehensive Income (Loss), net of tax	**193**	**(289)**

The tax effect relating to other comprehensive income for the six months ended 30 June 2019 and 2018 is as follows:

	At 30 June					
(€ million)	2019			2018		
	Pre-tax balance	Tax benefit (expense)	Net-of-tax balance	Pre-tax balance	Tax benefit (expense)	Net-of-tax balance
Gains (losses) on remeasurement of defined benefit plans	-	-	-	41	(9)	**32**
Gains (losses) on financial assets at FVTOCI	(1)	-	(1)	(12)	-	**(12)**
Gains (losses) on cash flow hedging instruments	(197)	53	(144)	36	(22)	**14**
Gains (losses) on fair value of available-for-sale financial assets	-	-	-	-	-	**-**
Foreign exchange gains (losses)	361	-	361	(234)	-	**(234)**
Share of other comprehensive income (loss) of equity method investees	(25)	1	(24)	(95)	6	**(89)**
Items relating to discontinued operations	-	1	1	-	-	**-**
Total Other Comprehensive Income (Loss)	**138**	**55**	**193**	**(264)**	**(25)**	**(289)**

19. Share-based compensation

FCA

2019-2021 Long Term Incentive Plan

In December 2018, the FCA's Board of Directors approved the 2019-2021 Long-Term Incentive Plan ("2019-2021 LTIP". During May 2019, FCA awarded a total of 9.5 million Performance Share Units ("PSU") and 5.9 million Restricted Share Units ("RSU") to eligible employees under the 2019-2021 LTIP.

The PSU awards, which represent the right to receive FCA common shares, have an Adjusted EBIT target as well as a total shareholder return ("TSR") target, with each weighted at 50 percent and settled independently of the other. Half of the awards will vest based on FCA's achievement of the targets for Adjusted EBIT ("2019 PSU Adjusted EBIT awards"), covering a three year period from 2019 to 2021 and will have a payout ranging from 0 percent to 100 percent. The fair values of these PSU Adjusted EBIT awards were measured using the FCA stock price on the grant date, adjusted for expected dividends at a constant yield as PSU awards do not have the right to receive ordinary dividends prior to vesting. The remaining half of the PSU awards ("2019 PSU TSR awards") will vest based on market conditions over a three-year performance period from January 2019 through December 2021, with a payout scale ranging from 0 percent to 225 percent. Accordingly, the total number of shares that will eventually be issued may vary from the original award of 9.5 million units. If the performance goals for the respective periods are met, one third of the total PSU awards will vest in the second quarter of 2020, a cumulative two-thirds in the second quarter of 2021 and a cumulative 100 percent in the second quarter of 2022. The fair values of these PSU TSR awards were calculated using a Monte Carlo Simulation, adjusted for expected dividends at a constant yield as PSU awards do not have the right to receive ordinary dividends prior to vesting.

The RSU awards ("2019 RSU awards"), which represent the right to receive FCA common shares, will vest in three equal tranches in the second quarter of each year 2020, 2021 and 2022. The fair values of these RSU awards were measured using the FCA stock price on the grant date, adjusted for expected dividends at a constant yield as RSU awards do not have the right to receive ordinary dividends prior to vesting.

Part of the PSU TSR awards issued in 2019 ("Replacement awards") were considered to be a replacement of certain of the PSU TSR awards that were granted in 2018 ("2018 PSU TSR awards"). Under the modified terms of the 2018 PSU TSR awards, 60% of the 2018 PSU TSR awards were replaced with the Replacement awards and the remaining 40% of 2018 PSU TSR awards will vest at target during the second quarter of 2020.
In accordance with IFRS 2 – Share-based Payment, the 2018 PSU TSR awards were modified and remeasured at the grant date of the Replacement awards, using a Monte Carlo Simulation.
Only the incremental amount, which is the difference between the fair value of the 2018 PSU TSR and the fair value of the Replacement awards, will be recognized as an expense over the term of the Replacement awards.

Additional Grants

In addition to the grants above, during May 2019 FCA also awarded 0.5 million PSUs to certain key employees of the Company. The PSU awards, which represent the right to receive FCA common shares, have an Adjusted EBIT target as well as a TSR target, with each weighted at 50 percent and settled independently of the other. Half of the awards will vest based on FCA's achievement of the targets for Adjusted EBIT covering a three year period from 1 January 2019 to 31 December 2021 and will have a payout ranging from 0 percent to 100 percent. The fair values of these PSU Adjusted EBIT awards were measured using the FCA stock price on the grant date, adjusted for expected dividends at a constant yield as PSU awards do not have the right to receive ordinary dividends prior to vesting. The remaining half of the PSU awards will vest based on market conditions over a three year performance period from January 2019 through December 2021, with a payout scale ranging from 0 percent to 225 percent. Accordingly, the total number of shares that will eventually be issued may vary from the original award of 0.5 million units. These awards will vest in the second quarter of 2022 if the respective performance goals for the period 1 January 2019 to 31 December 2021 are achieved. The fair values of these PSU TSR awards were calculated using a Monte Carlo Simulation, adjusted for expected dividends at a constant yield as PSU awards do not have the right to receive ordinary dividends prior to vesting.

During May 2019, FCA also awarded an additional 0.3 million RSUs to certain key employees of the company. These additional awards will vest in one tranche in the second quarter of 2022. The fair values of these awards were measured using the FCA stock price on the grant date, adjusted for expected dividends at a constant yield as RSU awards do not have the right to receive ordinary dividends prior to vesting.

Other Restricted Share Unit Grants

During the six months ended 30 June 2019, FCA awarded 0.6 million RSUs to certain key employees of the Company, which represent the right to receive FCA common shares. These awards will vest in 2019, 2020, 2021 and 2022 in accordance with the award agreements. The fair values of the awards were measured using the FCA stock price on the grant date, adjusted for expected dividends at a constant yield as RSU awards do not have the right to receive ordinary dividends prior to vesting.

Including previously granted awards, total expense of approximately €38 million was recorded for the PSU and RSU awards for the six months 30 ended June 2019. Including previously granted awards, total expense for the PSU and RSU awards of approximately €36 million was recorded for the six months ended 30 June 2018.
The total number of PSU and RSU awards outstanding at 30 June 2019 was 11.4 million and 7.4 million respectively.

Ferrari

Equity incentive Plan 2016-2020

During the first half of 2019, 218,841 performance share units (PSUs) and 34,420 retention restricted share units (RSUs) vested as the total shareholders' return (TSR) and the service condition were achieved. As a result, a corresponding number of common shares, which were previously held in treasury, were assigned to participants of the plan.

Equity incentive Plan 2019-2021

Under a new equity incentive plan approved in 2019, approximately 157,500 PSUs and 105,800 RSUs, which each represent the right to receive one Ferrari common share, were awarded to the Executive Chairman, the Chief Executive Officer, all members of the Senior Management Team (SMT) and other key members of the Group (Equity Incentive Plan 2019-2021). The PSUs and RSUs cover a three-year performance period from 2019 to 2021. At 30 June 2019, none of the PSUs and RSUs were forfeited or vested.

Including awards granted in prior periods, total expense for the PSU and RSU awards for the six months ended 30 June 2019 and 2018 amounted to €9,068 thousand and €7,045 thousand, respectively. At 30 June 2019 unrecognized compensation expense amounted to approximately €26,738 thousand and will be recognized over the remaining performance period until 2021. The total number of PSU awards and RSU awards outstanding at 30 June 2019 under all equity incentive plans was approximately 614 thousand and 184 thousand, respectively.

20. Other provisions

(€ million)	At 30 June 2019	At 31 December 2018
Product warranty and recall campaigns	7,414	7,679
Restructuring provisions	292	230
Other risks	10,329	11,191
Total other provisions	**18,035**	**19,100**

During the six months ended 30 June 2019, a total provision for €120 million was recognized by FCA Group primarily for workforce restructuring costs, of which €55 million was recognized within LATAM, €36 million within EMEA and €26 million within North America.

During the six months ended 30 June 2019, approximately €0.4 billion of payments were made for civil, environmental and consumer claims related to U.S. diesel emissions matters accrued in 2018 (refer to note 24, Guarantees granted, commitments and contingent liabilities).

On 12 July 2019, the U.S. Department of Transportation's National Highway Traffic Safety Administration ("NHTSA") announced a final rule that retains the current fine rate applicable to automobile manufacturers that fail to meet Corporate Average Fuel Economy ("CAFE") standards through achievement of the targeted fleet fuel efficiency or remittance of CAFE credits. Prior to this final rule, FCA recorded a provision for estimated CAFE civil fines relating to 2019 model year vehicles for which CAFE credits were not expected to be available at the previously announced civil fine rate. As a result of the announced final rule, under IAS 37, the reduction of the civil fine rate resulted in a change in the estimated provision of €158 million relating to 2019 model year vehicles sold prior to 31 March 2019, which has been recognized as a reduction to Cost of revenues.

21. Technical reserves reinsurance companies

(€ million)	At 30 June 2019	At 31 December 2018
Unpaid losses and Loss expenses	8,671	8,642
Life and health technical reinsurance reserves	2,032	1,920
Unearned premium reserves	2,473	1,810
Total Technical reinsurance reserves	**13,176**	**12,372**

Unpaid Losses and Loss Expenses

Unpaid losses and loss expenses are categorized into three types of reserves: Case reserve, ACRs and IBNR reserves. Case reserves represent unpaid losses reported by the Company's cedants and recorded by the Company. ACRs are established for particular circumstances where, on the basis of the individual loss report, the Company estimates that the particular loss or collection of losses covered by a treaty may be greater than those advised by the cedant. IBNR reserves represent a provision for claims that have been incurred but not yet reported to the Company, as well as future loss development on losses already reported, in excess of the case reserves and ACRs.

The reconciliation of the beginning and ending gross and net liability for unpaid losses and loss expenses for the six months ended at 30 June 2019 is as follows:

(€ million)	At 30 June 2019
Gross liability at 1 January	8,642
Reinsurance recoverable at 1 January	(743)
Net reserves at 1 January	**7,899**
Net incurred losses	1,407
Net paid losses	(1,341)
Translation differences and other changes	47
Net liability at the end of the period	8,012
Reinsurance recoverable at the end of the period	659
Gross liability at the end of the period	**8,671**

Life and health technical reinsurance reserves

The reconciliation of the beginning and ending gross and net liability for life and health technical reinsurance reserves for the six months ended at 30 June 2019 is as follows:

(€ million)	At 30 June 2019
Gross liability at 1 January	1,920
Reinsurance recoverable at 1 January	(10)
Net reserves at 1 January	**1,910**
Net incurred losses	544
Net paid losses	(450)
Translation differences	18
Net liability at the end of the period	2,022
Reinsurance recoverable at the end of the period	10
Gross liability at the end of the period	**2,032**

22. Financial debt and other financial liabilities

Total financial debt and other financial liabilities at 30 June 2019 and at 31 December 2018 are as follows:

(€ million)	At 30 June 2019	At 31 December 2018
Financial debt	45,332	43,240
Other financial liabilities	507	336
Total financial debt and other financial liabilities	**45,839**	**43,576**

The composition of financial debt is as follows:

(€ million)	At 30 June 2019	At 31 December 2018
Notes	21,249	20,470
Borrowings from banks	8,039	9,143
Asset-backed financing	11,012	10,981
Payables represented by securities	2,097	1,551
Other financial debt	845	831
Lease liabilities	2,090	264
Total financial debt	**45,332**	**43,240**

(€ million)	At 30 June 2019	At 31 December 2018
EXOR	3,286	3,498
FCA	14,973	14,593
CNH Industrial	21,970	21,469
Ferrari	2,048	1,928
PartnerRe	2,582	1,328
Juventus	473	424
Total financial debt	**45,332**	**43,240**

Notes

The composition of notes at 30 June 2019 and at 31 December 2018 is as follows:

(€ million)	At 30 June 2019	At 31 December 2018
EXOR	3,260	3,236
FCA Group	7,877	7,825
CNH Industrial Group	7,055	6,975
Ferrari Group	1,195	1,198
PartnerRe	1,687	1,236
Juventus	175	-
Total Notes	**21,249**	**20,470**

The new notes issued and notes repaid during the first six months of 2019 were as follows:

New Issues	Currency	Nominal Amount (in millions)	Coupon	Issue Date	Maturity
Company					
PartnerRe	$	500	3.70%	Jun-19	Jul-29
CNH Industrial Group – MTNP	€	600	1.75%	Mar-19	Mar-27
Juventus	€	175	3.375%	Feb-19	Feb-24

Repayment	Name of Notes	Currency	Amount (in millions)	Repayment date
Company				
CNH Industrial Group	MTNP	€	550	Mar-19

Borrowings from banks

Borrowings from banks at 30 June 2019 amount to €8,039 million (€9,143 million at 31 December 2018). The composition is as follows:

(€ million)	At 30 June 2019	At 31 December 2018
EXOR	-	30
FCA Group	4,272	5,246
CNH Industrial Group	3,645	3,644
Ferrari Group	34	37
Juventus	88	186
Total Borrowings from banks	**8,039**	**9,143**

Credit Facilities

Revolving Credit Facilities – FCA Group

In March 2019, FCA Group amended its syndicated revolving credit facility originally signed in June 2015 and previously amended in March 2017 and March 2018 (as amended, the “RCF”). The amendment extended the RCF’s final maturity to March 2024. The RCF, which is available for general corporate purposes and for the working capital needs of the Group, is structured in two tranches: €3.1 billion with a 37-month tenor and two extension options of 1-year and of 11-months exercisable on the first and second anniversary of the amendment signing date, respectively; and €3.1 billion with a 60-month tenor. The amendment was accounted for as a debt modification and, as a result, the new costs associated with the March 2019 amendment as well as the remaining unamortized debt issuance costs related to the original €5.0 billion RCF and the previous March 2017 and 2018 amendments will be amortized over the life of the amended RCF.

Revolving Credit Facilities – CNH Industrial Group

In March 2019, CNH Industrial Group signed a five-year committed revolving credit facility for €4 billion ($4.5 billion at 31 March 2019 exchange rate) due to mature in 2024 with two extension options of 1-year each, exercisable on the first and second anniversary of the signing date. The credit facility replaces the existing five-year €1.75 billion credit facility due to mature in 2021. Available committed unsecured facilities expiring after twelve months amounted to approximately €4.8 billion at 30 June 2019 (€2.7 billion at 31 December 2018). Total committed secured facilities expiring after twelve months amounted to approximately €3.7 billion at 30 June 2019 (€3.4 billion at 31 December 2018) of which €1.1 billion was available at 30 June 2019 (€0.8 billion at 31 December 2018).

23. Other liabilities

Total other liabilities at 30 June 2019 and at 31 December 2018 are as follows:

(€ million)	At 30 June 2019	At 31 December 2018
Payable for buy-back agreements	4,740	3,994
Accrued expenses and deferred income	5,734	5,596
Other	5,806	5,467
Total other liabilities	**16,280**	**15,057**

24. Guarantees granted, commitments and contingent liabilities

Guarantees granted by the FCA Group

On 28 June 2019, FCA US entered into an amendment (the "Amendment") to its private-label financing agreement (the "SCUSA Agreement") with Santander Consumer USA Inc. ("SCUSA"), an affiliate of Banco Santander.
The Amendment modified certain terms of the agreement and in connection with its execution, SCUSA made a one-time, non-refundable, non-contingent, cash payment of $60 million (€53 million) to FCA US as part of a negotiated resolution of open matters. The amount was recognized within Selling, general and administrative expenses.

Guarantees granted by the CNH Industrial Group

At 30 June 2019 the CNH Industrial Group provided guarantees on the debt or commitments of third parties and performance guarantees mainly in the interest of a joint venture related to commercial commitments of defense vehicles totaling €391 million (€411 million at 31 December 2018).

Guarantees granted by the PartnerRe Group

At 30 June 2019 approximately €3.7 billion (€3.8 billion at 31 December 2018) of cash and cash equivalents and securities of the PartnerRe Group were deposited, pledged or held in escrow accounts in favor of ceding companies and other counterparties of government authorities to comply with regulations on reinsurance contracts and insurance laws.

Commitments of the FCA Group arising from contractual arrangements

During the six months ended 30 June 2019, FCA entered into multi-year non-cancellable agreements for purchases of regulatory emissions credits in various jurisdictions. At 30 June 2019, these agreements represent total commitments of €1.3 billion after fulfillment of commitments during the six months ended 30 June 2019 and the reduction in the commitments due to the CAFE civil fine rate. The purchased credits are expected to be used for compliance years through 2023.

Pending litigation and contingent liabilities

As a global group with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters, dealer and supplier relationships and intellectual property rights. The outcome of any proceedings cannot be predicted with certainty. These risks arise from pending legal proceedings or requests received by the Group seeking recovery for damage to property, personal injuries and in some cases include a claim for exemplary or punitive damage. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results. The Company's reinsurance subsidiaries, and the insurance and reinsurance industry in general, are subject to litigation and arbitration in the normal course of their business operations. In addition to claims litigation, the Company and its subsidiaries may be subject to lawsuits and regulatory actions in the normal course of business that do not arise from or directly relate to claims on reinsurance treaties. This category of business litigation typically involves, among other things, allegations of underwriting errors or omissions, employment claims or regulatory activity.
While the outcome of business litigation cannot be predicted with certainty, the Company will dispute all allegations against the Company and/or its subsidiaries that management believes are without merit.

Contingent liabilities and litigation of the FCA Group

Takata airbag inflators

Putative class action lawsuits were filed in March 2018 against FCA US in the U.S. District Courts for the Southern District of Florida and the Eastern District of Michigan, asserting claims under federal and state laws alleging economic loss due to Takata airbag inflators installed in certain of FCA's vehicles. FCA is vigorously defending against this action and at this stage of the proceedings is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

Emissions Matters

On 10 January 2019, FCA reached a final settlements on civil environmental and consumer claims with the U.S. Environmental Protection Agency ("EPA"), the U.S. Department of Justice, the California Air Resources Board, the State of California, 49 other States and U.S. Customs and Border Protection, for which it has accrued €748 million. Approximately €350 million of the accrual relates to civil penalties to resolve differences over diesel emissions requirements. A portion of the accrual is attributable to settlement of a putative class action on behalf of consumers in connection with which FCA US agreed to pay an average of $2,800 per vehicle to eligible customers affected by the recall.

In the U.S., FCA remains subject to diesel emissions-related investigations by the U.S. Securities and Exchange Commission and the U.S. Department of Justice, Criminal Division. In addition, FCA remains subject to a number of related private lawsuits as well as claims by consumers who choose not to participate in the class action settlement.

FCA has also received inquiries from other regulatory authorities in a number of jurisdictions as they examine the on-road tailpipe emissions of several automakers' vehicles and, when jurisdictionally appropriate, FCA continues to cooperate with these governmental agencies and authorities.

In Europe, FCA has been working with the Italian Ministry of Transport ("MIT") and the Dutch Vehicle Regulator ("RDW"), the authorities that certified FCA diesel vehicles for sale in the European Union, and the UK Driver and Vehicle Standards Agency. FCA also initially responded to inquiries from the German authority, the Kraftfahrt-Bundesamt ("KBA"), regarding emissions test results for its vehicles, and FCA discussed the KBA reported test results, its emission control calibrations and the features of the vehicles in question. After these initial discussions, the MIT, which has sole authority for regulatory compliance of the vehicles it has certified, asserted its exclusive jurisdiction over the matters raised by the KBA, tested the vehicles, determined that the vehicles complied with applicable European regulations and informed the KBA of its determination. Thereafter, mediations have been held under European Commission ("EC") rules, between the MIT and the German Ministry of Transport and Digital Infrastructure, which oversees the KBA, in an effort to resolve their differences. The mediation was concluded with no action being taken with respect to FCA. In May 2017, the EC announced its intention to open an infringement procedure against Italy regarding Italy's alleged failure to respond to EC's concerns regarding certain FCA emission control calibrations. The MIT has responded to the EC's allegations by confirming that the vehicles' approval process was properly performed.

In addition, at the request of the French Consumer Protection Agency, the Juge d'Instruction du Tribunal de Grande Instance of Paris is investigating diesel vehicles of a number of automakers including FCA, regarding whether the sale of those vehicles violated French consumer protection laws.

In December 2018, the Korean Ministry of Environment ("MOE") announced its determination that approximately 2,400 FCA vehicles imported into Korea during 2015, 2016 and 2017 were not emissions compliant and that the vehicles with a subsequent update of the emission control calibrations voluntarily performed by FCA, although compliant, would have required re-homologation of the vehicles concerned. In May 2019, the MOE revoked certification of the above-referenced vehicles and announced an administrative fine for an amount not material to FCA, which intends to appeal the MOE's decision.

The results of the unresolved inquiries and private litigation cannot be predicted at this time and these inquiries and litigation may lead to further enforcement actions, penalties or damage awards, any of which may have a material adverse effect on FCA business, financial condition, results of operations and reputation. It is possible that the resolution of these matters may adversely affect FCA's reputation with consumers, which may negatively impact demand for FCA vehicles and could have a material adverse effect on FCA's business, financial condition and results of operations.

At this stage, FCA is unable to evaluate the likelihood that a loss will be incurred with regard to the unresolved inquiries and private litigation or estimate a range of possible loss.

Safety Recall and Emissions-related Securities Class Action Lawsuit

On 11 September 2015, a putative securities class action complaint was filed in the U.S. District Court for the Southern District of New York against FCA alleging material misstatements regarding FCA compliance with regulatory requirements and that FCA failed to timely disclose certain expenses relating to its vehicle recall campaigns. On 5 October 2016, the district court dismissed the claims relating to the disclosure of vehicle recall campaign expenses but ruled that claims regarding the alleged misstatements regarding regulatory requirements would be allowed to proceed. On 17 February 2017, the plaintiffs amended their complaint to allege material misstatements regarding emissions compliance. On 13 November 2017, the Court denied FCA's motion to dismiss the emissions-related claims. On 15 June 2018, the Court certified a class of FCA stockholders in the case. On 4 February 2019, FCA entered into an agreement in principle to settle the litigation contingent on court approval for an amount within the coverage limits of FCA's applicable insurance policies. As such the net loss from this settlement was immaterial to FCA. On 10 April 2019, the Court preliminarily approved the settlement, which remains subject to final court approval following a notice period.

U.S. Sales Reporting Investigations

On 18 July 2016, FCA confirmed that the U.S. Securities and Exchange Commission (the "SEC") had commenced an investigation into FCA reporting of vehicle unit sales to end customers in the U.S. and that inquiries into similar issues have been received from the U.S. Department of Justice (the "DoJ"). These vehicle unit sales reports relate to unit sales volumes primarily by dealers to consumers while FCA generally recognizes revenues based on shipments to dealers and other customers and not on vehicle unit sales to consumers.

FCA continues to cooperate with these investigations and has begun discussions with the SEC about a potential resolution of its investigation. Based on the progress of those discussions with the SEC, FCA has recorded a provision in an amount that is not material. At this stage, FCA is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss in connection with the DoJ investigation.

The outcome of these investigations, however, remains uncertain and any resolution may involve the payment of penalties and other sanctions. At this time, FCA cannot reliably predict whether or when any settlements may be reached or, if no settlement is reached, the ultimate outcome of any litigation.

As previously reported, two putative securities class action lawsuits were filed against FCA in the U.S. District Court for the Eastern District of Michigan making allegations with regard to FCA's reporting of vehicle unit sales to end consumers in the U.S. These lawsuits have been consolidated into a single action and on 4 October 2018, FCA entered into an agreement in principle to settle the consolidated litigation, subject to court approval, for an amount that is not material to the Group. On 5 June 2019, the Court granted final approval to this settlement.

National Training Center

In connection with an on-going government investigation into matters at the UAW-Chrysler National Training Center, the U.S. Department of Justice has brought charges against a number of individuals including former FCA US employees and individuals associated with the UAW for, among other things, tax fraud and conspiring to provide money or other things of value to a UAW officer and UAW employees while acting in the interests of FCA US, in violation of the Labor Management Relations (Taft-Hartley) Act. Several of the individual defendants have entered guilty pleas and some have claimed in connection with those pleas that they conspired with FCA US in violation of the Taft-Hartley Act. FCA continues to cooperate with this investigation and is in discussions with the DOJ about a potential resolution of its investigation. The outcome of those discussions is uncertain; however, any resolution may involve the payment of penalties and other sanctions. At this time, FCA cannot predict whether or when any settlements may be reached or, if no settlement is reached, the ultimate outcome of any litigation. As such, we are unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss. Several putative class action lawsuits have been filed against FCA US in U.S. federal court alleging harm to UAW workers as a result of these acts. Those actions have been dismissed at the trial court stage, but several of them are in the process of being appealed or remain subject to appeal. At this stage, FCA is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

Contingent liabilities of the CNH Industrial Group

Although the ultimate outcome of legal matters pending against CNH Industrial and its subsidiaries cannot be predicted, CNH Industrial believes the reasonable possible range of losses for these unresolved legal matters in addition to the amounts accrued would not have a material effect on its Consolidated Financial Statements.

Follow-up on Damages Claims: Iveco, the Company's wholly owned subsidiary, and its competitors were subject to an investigation by the European Commission (the "Commission") into certain business practices in the European Union in relation to Medium and Heavy ("M&H") trucks. On 19 July 2016, the Commission announced a settlement with Iveco. Following the settlement, CNH Industrial has been named as defendant in private litigation commenced in various European jurisdictions and Israel by customers and other third parties, either acting individually or as part of a wider group or class of claimants. These claims remain at an early stage. Further, on the basis of the letters issued by a significant number of customers indicating that they may commence proceedings in the future, CNH Industrial expects to face further claims based on the same legal grounds in various other jurisdictions. The extent and outcome of these claims cannot be predicted at this time.

25. Fair value measurement

Assets and liabilities measured at fair value on a recurring basis

The following table shows the fair value hierarchy, based on observable and unobservable input for financial assets and liabilities that are measured at fair value on a recurring basis at 30 June 2019:

(€ million)	Level 1	Level 2	Level 3	Total
Debt securities and equity instruments measured at FVTOCI	70	34	30	**134**
Debt securities and equity instruments measured at FVTPL	309	7	277	**593**
Derivative financial assets	-	221	28	**249**
Collateral deposits	48	-	-	**48**
Receivables from financing activities	-	-	773	**773**
Trade receivables	-	55	-	**55**
Other receivables	-	-	70	**70**
Investments of reinsurance companies measured at FVTPL	68	11,047	2,602	**13,717**
Money market securities	3,891	-	-	**3,891**
Total Assets at 30 June 2019	**4,386**	**11,364**	**3,780**	**19,460**
Derivative financial liabilities	(27)	(479)	(1)	**(507)**
Total Liabilities at 30 June 2019	**(27)**	**(479)**	**(1)**	**(507)**
Debt securities and equity instruments measured at FVTOCI	13	35	53	**101**
Debt securities and equity instruments measured at FVTPL	298	-	165	**463**
Derivative financial assets	-	361	41	**402**
Collateral deposits	61	-	-	**61**
Receivables from financing activities	-	-	968	**968**
Trade receivables	-	65	-	**65**
Investments of reinsurance companies measured at FVTPL	40	11,324	1,489	**12,853**
Money market securities	4,726	-	-	**4,726**
Total Assets at 31 December 2018	**5,138**	**11,784**	**2,716**	**19,639**
Derivative financial liabilities	(24)	(309)	(3)	**(336)**
Total Liabilities at 31 December 2018	**(24)**	**(309)**	**(3)**	**(336)**

In the first half of 2019 there were no transfers between Levels in the fair value hierarchy.

For assets and liabilities recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by-reassessing categorization at the end of each reporting period.

Investments of reinsurance companies at fair value principally are classified as Level 2 and include: U.S. government issued bonds; U.S. state, territory and municipal entities bonds; non-U.S. sovereign government, supranational and government related bonds.

Investments classified as Level 3 include inactively traded fixed maturities, unlisted equities, fund investments, derivative instruments and other invested assets. Fair value is determined using valuation models widely accepted; the valuation technique generally used is discounted cash flow, considering counterparty credit risk.

The fair value of other financial assets and liabilities, which mainly include derivative financial instruments, is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment.

In particular:

- the fair value of forward contracts and currency swaps is determined by taking the prevailing exchange rates and interest rates at the balance sheet date;
- the fair value of interest rate swaps and forward rate agreements is determined by taking the prevailing interest rates at the balance sheet date and using the discounted expected cash flow method;
- the fair value of combined interest rate and currency swaps is determined using the exchange rates and interest rates prevailing at the balance sheet date and the discounted expected cash flow and
- the fair value of swaps and options hedging commodity price risk is determined by using suitable valuation techniques and taking market parameters at the balance sheet date (in particular, underlying prices, interest rates and volatility rates).

The fair value of money market securities is based on available market quotations. Where appropriate, the fair value of money market securities is determined with discounted expected cash flow techniques using observable market yields.

The fair value of receivables for financing activities, which are classified in Level 3 of the fair value hierarchy, has been estimated using discounted cash flow models. The most significant inputs used in this measurement are market discount rates that reflect conditions applied in various reference markets on receivables with similar characteristics, adjusted in order to take into account the credit risk of counterparties.

The fair value of other receivables, which relates to the contingent consideration receivables from the sale of Magneti Marelli, is classified in Level 3 of the fair value hierarchy and has been estimated using discontinued cash flow models. The most significant inputs used in this measurement are market discount rates.

The following table provides the changes in items measured at fair value classified within Level 3 in the first half of 2019:

(€ million)	At 1 January 2019	Gains (losses) recognized: In the income statement	Gains (losses) recognized: In other comprehensive income	Increase (decrease)	Net transfers into/(out of) Level 3	At 30 June 2019
Debt securities and equity instruments measured at FVTOCI	53	-	(5)	(18)	-	30
Debt securities and equity instruments measured at FVTPL	165	51	-	61	-	277
Derivative financial assets	41	36	2	(51)	-	28
Receivables from financing activities	968	-	-	(195)	-	773
Other receivables	-	-	-	70	-	70
Investments of reinsurance companies measured at FVTPL	1,489	209	-	904	-	2,602
Total Assets	**2,716**	**296**	**(3)**	**771**	**-**	**3,780**
Investments of reinsurance companies measured at FVTPL	(3)	-	-	1	-	(1)
Total Liabilities	**(3)**	**-**	**-**	**1**	**-**	**(1)**

Gains (losses) included in the income statement for the first half of 2019 are recognized in financial income (expenses) and cost of revenue. The gains (losses) recognized in other comprehensive income (loss) are included in the fair value reserve and in the cash flow hedge reserve.

Assets and liabilities not measured at fair value on a recurring basis

The carrying value of debt securities measured at amortized cost, financial receivables, current receivables and payables is a reasonable approximation of the fair value as the present value of future cash flow does not differ significantly from the carrying amount.

The following table presents the carrying amount and the fair value for the most relevant categories of financial assets and liabilities not measured at fair value on a recurring basis:

(€ million)	At 30 June 2019		At 31 December 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Dealer financing receivables	10,875	10,871	10,224	10,224
Retail financing receivables	9,037	8,866	9,165	9,165
Finance lease receivables	454	454	462	462
Non-current debt securities	52	55	52	58
Other	418	418	417	417
Total assets	**20,836**	**20,664**	**20,320**	**20,326**
Financial liabilities				
Notes	(21,249)	(22,662)	(20,470)	(17,610)
Borrowing from banks, payables represented by securities and other financial debt	(10,981)	(11,020)	(11,789)	(11,892)
Asset-backed financing	(11,012)	(10,969)	(10,981)	(10,877)
Lease liabilities	(2,090)	(2,010)	-	-
Total liabilities	**(45,332)**	**(46,661)**	**(43,240)**	**(40,379)**

Non-current debt securities are represented by notes issued by leading counterparties, listed on active markets and therefore their fair value is categorized in Level 1.

The fair values of receivables from financing activities, which are classified in Level 3 of the fair value hierarchy, have been estimated with discounted cash flows models. The most significant inputs used for this measurement are market discount rates that reflect conditions applied in various reference markets on receivables with similar characteristics, adjusted to take into account the credit risk of the counterparties.

Notes that are traded in active markets for which a close or last trade pricing is available are classified in Level 1 of the fair value hierarchy. Notes for which such prices are not available are valued at the last available price or based on quotes received from third parties and are classified in Level 2 of the fair value hierarchy.
The fair value of the senior notes of PartnerRe was calculated based on discounted cash flow models using observable market yields and contractual cash flows.
The fair value of notes is categorized principally in Level 1 and in Level 2.

The fair value of borrowing from banks, payables represented by securities and other financial debt, classified principally in Level 2, has been estimated using discounted cash flow models.
The main inputs used are period-end market interest rates, adjusted for market expectations of the Group's non-performance risk implied in quoted prices of traded securities issued by the Group and existing credit derivatives on Group liabilities. The fair value of the debt that requires significant adjustments using unobservable inputs is classified in Level 3.

The fair value of lease liabilities classified within Level 3 of the fair value hierarchy has been estimated using discounted cash flow models that require significant adjustments using unobservable inputs. At 30 June 2019, €75 million classified within Level 3, were previously classified within Level 2.

26. Related party transactions

The entities of each consolidated Group put in place transactions with subsidiaries, joint ventures, associates and other related parties, on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

Pursuant to IAS 24 the related parties of the EXOR Group are Giovanni Agnelli, the FCA Group, the CNH Industrial Group, the Ferrari Group, the PartnerRe Group and their respective unconsolidated subsidiaries, associates or joint ventures, Juventus, The Economist Group and their subsidiaries. In addition, members of the board of directors of EXOR and its parent Giovanni Agnelli and their families are also considered related parties.

The effects of transactions with related parties recognized in the consolidated income statement of the Group for the six months ended at 30 June 2019 and 2018 are as follows:

	Six months ended 30 June							
(€ million)	2019				2018			
	Net revenues	Cost of sales	Selling, general and other (income) expenses	Financial income (expenses)	Net revenues	Cost of sales	Selling, general and other (income) expenses	Financial income (expenses)
Total joint ventures	1,950	2,490	(8)	27	2,545	1,647	(21)	25
Total associates	80	103	-	-	91	122	(1)	(2)
Total other related parties	5	-	1	-	-	-	-	-
Total unconsolidated subsidiaries	3	3	5	-	4	4	3	-
Total related parties	**2,038**	**2,596**	**(2)**	**27**	**2,640**	**1,773**	**(19)**	**24**

Non-financial assets and liabilities originating from related party transactions at 30 June 2019 and at 31 December 2018 are as follows:

(€ million)	At 30 June 2019				At 31 December 2018			
	Trade receivables	Trade payables	Other assets	Other liabilities	Trade receivables	Trade payables	Other assets	Other liabilities
Total joint ventures	278	398	7	378	257	529	17	313
Total associates	28	82	11	10	35	51	10	10
Total other related parties	4	-	-	-	2	1	-	1
Total unconsolidated subsidiaries	11	8	1	1	11	8	-	1
Total related parties	**321**	**488**	**19**	**389**	**305**	**589**	**27**	**325**

Financial assets and liabilities originating from related party transactions at 30 June 2019 and at 31 December 2018 are as follows:

(€ million)	**At 30 June 2019**		**At 31 December 2018**	
	Receivables from financing activities	**Financial debt**	**Receivables from financing activities**	**Financial debt**
Total joint ventures	486	349	281	449
Total associates	22	-	12	-
Total other related parties	-	-	-	-
Total unconsolidated subsidiaries	12	21	11	27
Total related parties	**520**	**370**	**304**	**476**

25. Subsequent events

Reference should be made to the 2019 Half-year Report on Operations.

Responsibility statement

The Board of Directors is responsible for preparing the 2019 Half-year Financial Report, inclusive of the Half-year Condensed Consolidated Financial Statements and the Half-year Report on Operations, in accordance with the Dutch Financial Supervision Act and the applicable International Financial Reporting Standards (IFRS) for interim reporting, IAS 34 – Interim Financial Reporting.

In accordance with Section 5:25d, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors states that, to the best of its knowledge, the Half-year Condensed Consolidated Financial Statements prepared in accordance with applicable accounting standards provide a true and fair view of the assets, liabilities, financial position and profit or loss of EXOR and its subsidiaries, and the undertakings included in the consolidation as a whole, and the Half-year Report on Operations provides a fair review of the information required pursuant to Section 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act.

4 September 2019

The Board of Directors:

John Elkann

Alessandro Nasi

Andrea Agnelli

Ginevra Elkann

Marc Bolland

Joseph Bae

Melissa Bethell

Laurence Debroux

António Horta-Osório

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Review report

To the shareholders and the board of directors of EXOR N.V.

Introduction

We have reviewed the accompanying half year condensed consolidated financial statements of EXOR N.V., which comprises the statement of financial position as at June 30, 2019, the statements of comprehensive income, changes in equity, and cash flows for the six-month period ended June 30, 2019, and the notes, comprising a summary of the significant accounting policies and other explanatory information.
Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34, Interim Financial Reporting as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half year condensed consolidated interim financial statements for the six-month period ended June 30, 2019 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union.

Rotterdam, September 4, 2019

Ernst & Young Accountants LLP

Signed by P.W.J. Laan