2017 Half-year Financial Report

2017 HALF-YEAR FINANCIAL REPORT

Interim Report on Operations

This Report, and in particular the section "Review of Performance of the Operating Subsidiaries and Associates", contains forward-looking statements. These statements are not guarantees of future performance. Rather, they are based on the Group's current expectations and projections about future events and, by their nature, are 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: volatility and deterioration of capital and financial markets, including the possibility of a new Eurozone sovereign debt crisis, changes in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, 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 Group's control.

The Half-year Financial Report 2017 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	Sergio Marchionne
Vice Chairman	Alessandro Nasi
Non-independent Directors	Andrea Agnelli
	Niccolò Camerana
	Ginevra Elkann
	Lupo Rattazzi
Independent Directors	
Senior non-executive Director	Marc Bolland
	Melissa Bethell
	Laurence Debroux
	Anne Marianne Fentener van Vlissingen
	António Mota de Sousa Horta-Osório
	Robert Speyer
	Michelangelo Volpi
	Ruth Wertheimer

Audit Committee

Marc Bolland (*Chairperson*), Anne Marianne Fentener van Vlissingen and Lupo Rattazzi

Compensation and Nominating Committee

Michelangelo Volpi (*Chairperson*), Alessandro Nasi and Robert Speyer

Independent Auditors Ernst & Young Accountants LLP

Expiry of term of office

The Board of Directors was appointed on May 30, 2017 and will expire concurrently with the shareholders' meeting that will approve the 2020 annual financial statements.

KEY DATA

EXOR Group – Consolidated Data € million	Half I 2017	Half I 2016
Net Revenues	**71,373**	68,204
Profit before tax	**4,413**	2,011
Net profit	**2,574**	1,200
of which attributable to owners of the parent	**916**	431

EXOR Group – Consolidated Data – Shortened (a) € million	Half I 2017	Half I 2016
Profit attributable to owners of the parent	**916**	431
Share of earnings of investments and dividends	**853**	473

	6/30/2017	12/31/2016
Investments and non-current other financial assets	**14,032**	14,569
Issued capital and reserves attributable to owners of the parent	**10,814**	10,982
Consolidated net financial position of EXOR's "Holdings System"	**(3,229)**	(3,424)

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

Earnings per share (€) (a)	Half I 2017	Half I 2016
Profit attributable to owners of the parent – basic	**3.91**	1.84
Profit attributable to owners of the parent – diluted	**3.89**	1.81
	6/30/2017	**12/31/2016**
Issued capital and reserves attributable to owners of the parent	**46.10**	46.83

(a) Additional details on the calculation of basic and diluted earnings per share are provided in Note 10 to the consolidated financial statements.

RISKS AND UNCERTAINTIES

EXOR Group believes that the risks and uncertainties identified for the six months ended June 30, 2017 are in line with the main risks and uncertainties to which EXOR is exposed and as identified and discussed in the 2016 Annual Report, in the section Risks factors.

EXOR GROUP PROFILE

EXOR is controlled by Giovanni Agnelli B.V. which holds 52.99% of its share capital and at June 30, 2017 had a Net Asset Value (NAV)[(1)] equal to over \$17 billion (equal to over €15 billion). EXOR concentrates its investments in global businesses mainly in Europe and the United States, with a long-term view; accordingly investment decisions are non-speculative in nature but based on in-depth analysis of the investment objectives, on expertise and know-how developed in specific sectors, on the investment's potential contribution to geographical and sectoral diversification of the portfolio or to future cash flows and on EXOR's ability in the medium term to influence governance. EXOR's objective is to increase its Net Asset Value per share and outperform in the long term the MSCI World Index in U.S. dollars.
EXOR does not have a specific policy regulating its investments and disposals. EXOR's investment decisions are formulated on the basis of in-depth analysis, of expertise developed in specific sectors and of the investment's potential contribution to geographical and sectoral diversification of the portfolio or to future cash flows.

(1) Alternative performance measure as defined on pag.8.

The EXOR Group's main investments are the following:

Percentages updated on the basis of the latest available information.
(a) Calculated on common stock.
(b) EXOR holds 42.40% of voting rights on issued capital.
(c) EXOR holds 39.91% of voting rights on issued capital.
(d) EXOR holds 32.75% of voting rights on issued capital.
(e) Voting rights are limited to 20%.

PartnerRe (100% of common stock) is a leading global reinsurer with headquarters in Pembroke (Bermuda). PartnerRe commenced operations in 1993 and provides reinsurance and certain specialty insurance lines on a worldwide basis through its subsidiaries and branches serving more than 2000 customers in its Non-life and Life and Health segments. PartnerRe has a global platform of 20 offices and is present in more than 150 countries. The company's principal offices are located in Hamilton (Bermuda), Dublin, Greenwich (Connecticut, USA), Paris, Singapore and Zurich. Risks reinsured include, but are not limited to, property, casualty, motor, agriculture, aviation/space, catastrophe, credit/surety, engineering, energy, marine, mortality, longevity and accident and health, and alternative risk products.

Fiat Chrysler Automobiles (FCA) (29.23% stake) 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, the seventh-largest automaker in the world designs, engineers, manufactures, distributes and sells passenger cars, light commercial vehicles, components and production systems worldwide. The Group's automotive brands are: Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia, Ram and Maserati in addition to the SRT performance vehicle designation. FCA's businesses also include Comau (production systems), Magneti Marelli (components), Teksid (iron and castings) and Mopar, the after-sales services and parts brand. FCA is engaged in industrial activities in the automotive sector through companies located in 40 countries and has commercial relationships with customers in more than 140 countries. At December 31, 2016 FCA had 162 manufacturing facilities and 234,499 employees throughout the world.
FCA's operations relating to mass market brands (passenger cars, light commercial vehicles and related parts and services) are run on a regional basis and attributed to four regions representing four geographical areas: NAFTA (U.S., Canada and Mexico), LATAM (South and Central America, excluding Mexico), APAC (Asia and Pacific countries) and EMEA (Europe, Russia, Middle East and Africa).

CNH Industrial (26.90% stake) 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's goal is the strategic development of its business. A large industrial base, a wide range of products and its worldwide geographical presence make CNH Industrial a global leader in the capital goods segment. Through its brands the company designs, produces and sells trucks, commercial vehicles, buses and specialty vehicles (Iveco), agricultural and construction equipment (the families of Case and New Holland brands), as well as engines and transmissions for those vehicles and engines for marine applications (FPT Industrial). Each of the Group's brands is a prominent international player in its respective industrial segment.
At December 31, 2016 CNH Industrial was present in approximately 180 countries giving it a unique competitive position across its 64 manufacturing plants, 49 research and development centers and had more than 62,000 employees.

Ferrari N.V. (22.91% stake) began operations on January 3, 2016 following the completion of a series of transactions to separate Ferrari from the FCA Group. 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 is a symbol of excellence and exclusivity; the cars that carry this brand name are unique for performance, innovation, technologies, driving pleasure and design. A car that is the most authoritative example of "Made in Italy" the world over.
At December 31, 2016 Ferrari was present in more than 62 markets worldwide through a network of 180 authorized dealers with 8,014 cars sold in 2016.

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

Juventus Football Club (63.77% of share capital) is listed on the Mercato Telematico Azionario managed by Borsa Italiana (MTA). Founded in 1897, it is one of the most prominent professional football teams in the world.

SIGNIFICANT EVENTS IN 2017

Significant events below are referred to EXOR N.V. and Holdings System.

Resolutions by the shareholders' meeting of May 30, 2017

The EXOR Annual General Meeting of May 30, 2017 adopted the 2016 Annual Accounts and approved the payment of a dividend of €0.35 on each issued and outstanding ordinary share, for a total of €82.1 million. The dividends became payable on June 21, 2017 (ex-dividend date June 19) and were paid to shareholders of record as of June 20, 2017 (record date). The dividends were paid to the shares outstanding, thus excluding the shares held directly by EXOR.

The Annual General Meeting re-appointed John Elkann as executive director, with the title of Chairman and Chief Executive Officer, Marc Bolland as Senior non-executive director and Sergio Marchionne and Alessandro Nasi as non-executive directors, both with the title of Vice Chairman. Melissa Bethell, Laurence Debroux, Anne Marianne Fentener van Vlissingen, António Mota de Sousa Horta-Osório, Robert Speyer, Michelangelo Volpi and Ruth Wertheimer were appointed as non-executive directors.

The Annual General Meeting also approved some amendments to the remuneration policy, mainly related to the abolishment of remuneration in shares and/or rights to subscribe for shares for the non-executive directors.

A resolution was also approved for the extension of the authorization of the Board to repurchase on the market EXOR's ordinary shares, for 18 months from the date of the Annual General Meeting, up to a maximum number of shares not to exceed the limit set by law, for a maximum disbursement of €500 million.

The Annual General Meeting finally approved the possibility for the Board to cancel any ordinary shares held, or to be held, as treasury stock, in order to optimize the capital structure of the Company and to create more flexibility to manage its capital.

Increase in investment in Welltec

During the first months of 2017 EXOR acquired a further 2.47% of Welltec for a total consideration of €10 million. After this operation EXOR held 16.19% of Welltec's capital.

Reimbursement of the investment in The Black Ant Value Fund

In the first half 2017 EXOR received €353.5 million related to the entire reimbursement of The Black Ant Value Fund share; €17.8 million was refunded in January 2017 and the residual amount of €335.7 million in June 2017. The reimbursement resulted in a net total gain of €109.1 million arising from the reversal of the available for sale reserve. The fund, purchased in 2012, had a time frame of five years.

Repayment of EXOR non-convertible 2007-2017 bonds

On June 12, 2017 EXOR repaid an amount of €440 million related to the residual amount outstanding of EXOR non-convertible bonds 2007-2017 using a combination of available liquid resources and bank debt.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP

Significant economic figures

€ million	Half I 2017	Half I 2016
Net Revenues	**71,373**	68,204
Profit before tax	**4,413**	2,011
Net profit	**2,574**	1,200
of which attributable to owners of the parent	**916**	431

Net revenues

€ million	Half I 2017	Half I 2016	
FCA	**55,358**	54,167	
CNH Industrial	**11,776**	10,860	
PartnerRe	**2,434**	1,600	(a)
Ferrari	**1,568**	1,405	
Juventus	**237**	175	
Adjustments	**-**	(3)	
Net Revenues	**71,373**	68,204	

(a) Net revenues refers to the period March 18, to June 30, 2016.

Profit

First half 2017 consolidated net income amounts to €2,574 million, showing an increase of €1,374 million with respect to the first half 2016 result, mainly due to higher net revenues (€3,169 million, up 4.6%), and the higher other income (€981 million, which benefited of the reversal of FCA Brazilian indirect tax liability), partially offset by an increase of operating costs for €2,022 million and tax expenses for €1,028 million.

Significant financial data

€ million	6/30/2017	12/31/2016
Cash and cash equivalents	**18,509**	25,161
Total assets	**166,725**	176,528
Gross debt	**48,740**	56,817
Issued capital and reserves attributable to owners of the parent	**10,814**	10,982
Non-controlling interests	**19,653**	19,238

Gross debt

€ million	6/30/2017	12/31/2016
Bonds	**22,447**	25,487
Borrowing from banks	**12,213**	14,509
Asset-backed financing	**10,732**	12,075
Payables represented by securities	**1,110**	1,619
Other financial debt and liabilities	**2,238**	3,127
Gross debt	**48,740**	56,817

Financial debt is constituted, to a large extent, of bond issues and bank borrowings. As is the usual practice, the major part of such debt involves a number of 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 transactions 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 provide for compliance with financial covenants.

Cash flow

€ million	Half I 2017	Half I 2016
Cash and cash equivalents at the beginning of the period	**25,161**	30,587
Cash and cash equivalents included in assets held for sale and discontinued operations	1	-
Cash and cash equivalents at the end of the period included asset held for sale and discontinued operations	**25,162**	30,587
Cash flow from (used in) operating activities	5,281	5,273
Cash flow from (used in) investing activities	(4,859)	(7,271)
Cash flow from (used in) financing activities	(5,899)	(2,559)
Translation exchange differences	(1,176)	(221)
Net cash change in cash and cash equivalents	(6,653)	(4,778)
Cash and cash equivalents at the end of the period included asset held for sale and discontinued operations	**18,509**	25,809
Cash and cash equivalents included in assets held for sale and discontinued operations	-	(20)
Cash and cash equivalents at the end of the period	**18,509**	25,789

In the first half 2017 the Group generated positive cash flows from the operating activities for €5,281 million, while net cash flows used in investing activities were €4,859 million, mainly related to the investments in property, plant and equipment and intangible assets (€4,989 million).

Net cash used in financing activities was €5,899 million, primarily related to the repayment of notes for €3,534 million, issuance of new notes for €1,054 million and net reduction in other long-term and short-term debt for €1,785 million and €1,320 million, respectively.

ALTERNATIVE PERFORMANCE MEASURES (APM)

To facilitate understanding of the economic and financial performance of EXOR and of the Group, the Directors of EXOR have 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 reporting standards. The aforesaid APM should be read together with the consolidated financial information prepared applying 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 with them. 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.

Further, it should be noted that the principal subsidiaries and affiliates make use for presentations to the market "non-GAAP" financial measures to illustrate their performance. Such indicators are commonly used by analysts and investors in the sectors to which the subsidiaries belong to evaluate business performance. A description of the manner in which such indicators are computed is provided by the individual subsidiary companies and these are included in the Report on Operations section in the review of the performance of each subsidiary, 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 and Net Financial position.

Net Asset value (APM)

Net Asset Value (NAV) is 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 June 30, 2017 listed equity investments and other securities are valued at trading prices, unlisted equity investments are valued at fair value, determined annually by independent experts, 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 is 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) and that assigned to the beneficiaries of the stock grant plans which is deducted from the total number of treasury shares held. The sum of the aforesaid values constitutes the total value of assets (Gross Asset Value). Gross debt is the total amount of the financial debt of the Holdings System.

The elements included in the gross asset value and in the gross debt denominated in U.S. dollar and Pound sterling are converted into Euro at the official exchange rates at the date of the period indicated in this presentation.

At June 30, 2017 EXOR's NAV is $17,211 million, an increase of $2,569 million (+17.5%) compared to $14,642 million at December 31, 2016. NAV per share amounts to US$71.41 equal to €62.58 at June 30, 2017 (US$60.75, equal to €57.63 at December 31, 2016).

The composition and change in NAV in US dollars are the following:

US $ million	6/30/2017	12/31/2016	Change	
			Amount	%
Investments	20,683	17,683	3,000	+17.0%
Financial investments	5	382	(377)	-98.7%
Cash, cash equivalents and financial assets	106	215	(109)	-50.8%
Treasury stock	207	187	20	+10.9%
Gross Asset Value	**21,001**	18,467	2,534	+13.7%
Gross Debt	**(3,790)**	(3,825)	35	-0.9%
Net Asset Value (NAV)	**17,211**	14,642	2,569	+17.5%

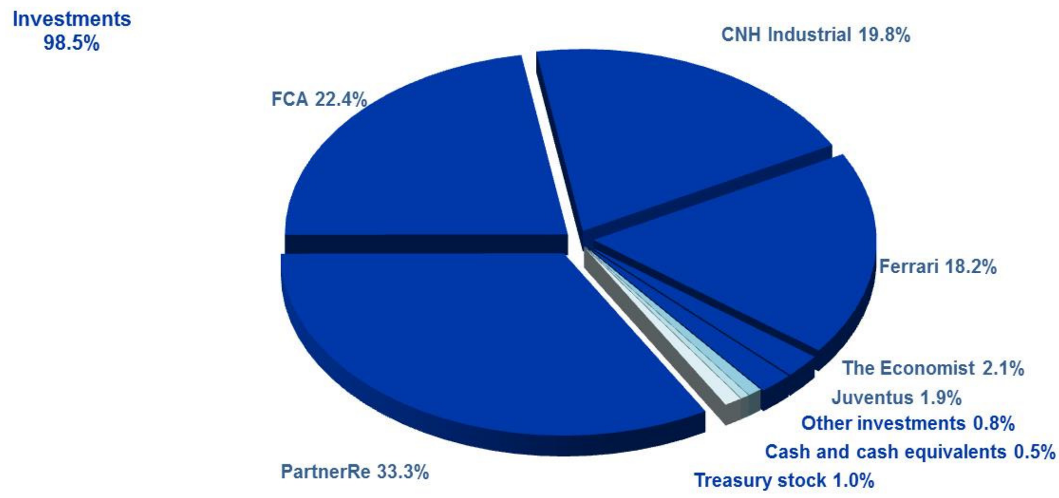
The decrease in financial investments is due to the redemption of The Black Ant Value Fund.
The conversion into Euro of the NAV presented in US dollars, at the exchange rates of the respective years is the following:

€ million	6/30/2017	12/31/2016
Investments	18,124	16,775
Financial investments	4	362
Cash, cash equivalents and financial assets	93	205
Treasury stock	182	177
Gross Asset Value	**18,403**	17,519
Gross Debt	**(3,322)**	(3,629)
Net Asset Value (NAV)	**15,081**	13,890

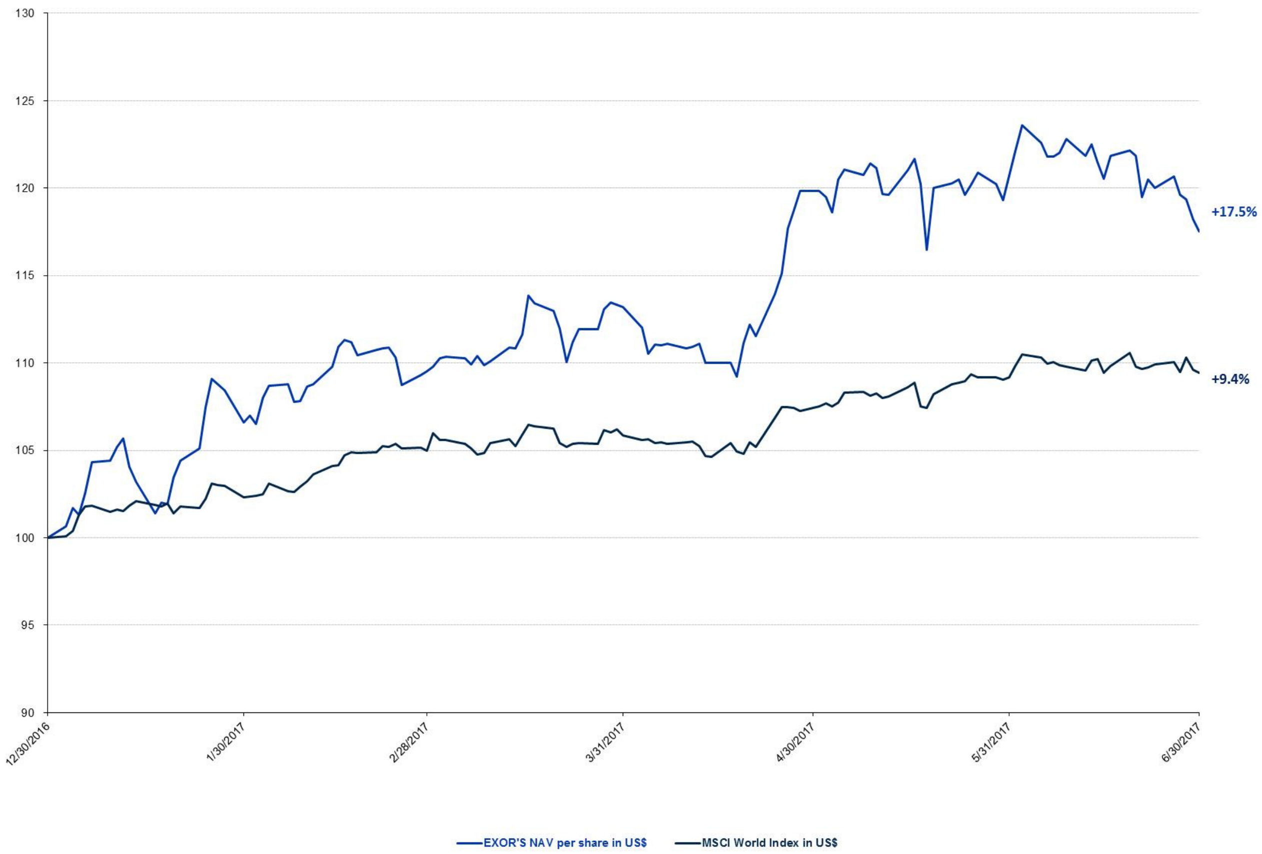
€ million	6/30/2017	12/31/2016	Change	
			Amount	%
Issued capital and reserves attributable to owners of the parent	**10,814**	10,982	(168)	-1.53%

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

The following pie chart shows the composition of Gross Asset Value at June 30, 2017 ($21,001 million).
“Other investments” include the investments in Welltec and Banca Leonardo, in addition to minor sundry investments.



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



Net financial position of the Holdings System (APM)

The net financial position of the Holdings System determined applying the shortened consolidation criterion provides the best presentation 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. (Luxemburg); Ancom USA Inc. (USA); Exor SN LLC (USA); Exor Capital DAC (Ireland); Exor Investments Limited (United Kingdom) 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 by the operating subsidiaries and associates (PartnerRe, FCA, CNH Industrial, Ferrari, The Economist Group and Juventus Football Club) are included in the financial statements of the parent company EXOR using the equity method. The financial community is familiar with this information which facilitates analysis of the financial position and results of EXOR. The total financial assets and total financial liabilities set out in the table correspond to the total financial assets and total financial liabilities of the Holdings System. The net balance of these items represents the consolidated net financial position of the Holdings System.

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

€ million	6/30/2017	12/31/2016
Financial assets and other financial receivables	**69**	88
Cash and cash equivalents	**24**	117
Cash, cash equivalents and financial assets	**93**	205
EXOR Bonds	**(2,559)**	(2,999)
Financial payables	**(735)**	(602)
Other financial payables	**(28)**	(28)
Gross debt	**(3,322)**	(3,629)
Consolidated net financial position of Holding System	**(3,229)**	(3,424)

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 follow:

€ million	6/30/2017	12/31/2016
Cash and cash equivalents of Holdings System	**24**	117
Cash and cash equivalents of the operating subsidiaries accounted for using the equity method in the Holdings System	**18,485**	25,044
Cash and cash equivalents (1)	**18,509**	25,161

(1) GAAP measure, see page 8.

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

€ million	6/30/2017	12/31/2016
Gross debt of Holdings System	**(3,322)**	(3,629)
Gross debt of the operating subsidiaries accounted for using the equity method in the Holdings System	**(45,418)**	(53,188)
Gross debt (2)	**(48,740)**	(56,817)

(2) Resulting from the sum of the GAAP measures "financial debt" and "other financial liabilities".

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP - SHORTENED

The Shortened Consolidation data is prepared by EXOR on the basis of a "shortened" method of consolidation in which the data derived from the IFRS financial statements of EXOR and of the subsidiaries of the Holdings System: (EXOR Nederland N.V.; EXOR S.A.; Ancom USA Inc.; Exor SN LLC; Exor Capital DAC; Exor Investments Limited) are included in the consolidated financial statements of the parent company EXOR using the line-by-line method, while the data derived from the financial statements prepared in accordance with IFRS of the operating subsidiaries and affiliates (PartnerRe, FCA, CNH Industrial, Ferrari, The Economist Group and Juventus Football Club) are consolidated using the equity method.

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

EXOR believes that these data and information facilitate the analysis of the financial position and the results of EXOR; in addition the shortened consolidation method is recognized by the financial community, by financial counterparties and by the ratings agencies.

Nevertheless, such data does 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.

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

	% of consolidation		
	6/30/2017	12/31/2016	6/30/2016
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 Capital DAC (Ireland)	**100**	100	100
- Exor Investments Limited (United Kingdom)	**100**	100	100
Investments in operating subsidiaries and associates, accounted for using the equity method			
- PartnerRe	**100**	100	100
- FCA	**29.23**	29.41	29.15
- CNH Industrial	**26.90**	27.29	27.29
- Ferrari	**23.52**	23.52	23.52
- The Economist Group	**43.40**	43.40	43.40
- Juventus Football Club S.p.A.	**63.77**	63.77	63.77

EXOR Group closes the first half of 2017 with a consolidated profit of €916.3 million; the first half of 2016 ended with a consolidated profit of €430.3 million. The increase of €486 million is attributable to the increase in the share of the profit of investments of €399.9 million, higher net financial income of €81.7 million principally due to the gain on the redemption of The Black Ant Value Fund (€109.1 million), the decrease of non-recurring expenses (€32.4 million) and other net positive changes (€19.3 million), partially offset by lower dividends from investments (€19.7 million) and from the absence of gains on disposal of investments (€27.6 million).

At June 30, 2017 the consolidated equity attributable to owners of the parent amounts to €10,814.4 million with a net decrease of €167.4 million compared to €10,981.8 million at year-end 2016. Additional details are provided in the following Note 10.

The consolidated net financial position of the Holdings System at June 30, 2017 is a negative €3,228.6 million and reflects a positive change of €195.7 million compared to the negative balance of €3,424.3 million at year-end 2016. Additional details are provided in the following Note 11.

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

EXOR GROUP – Consolidated Income Statement – Shortened

€ million	Note	Half I 2017	Half I 2016		Change
Share of the profit (loss) of investments accounted for using the equity method	1	**852.0**	452.1		399.9
Dividends from investments	2	**1.1**	20.8		(19.7)
Gains (losses) on disposals and impairment (losses) reversals on investments		**0.0**	27.6	(a)	(27.6)
Net financial income (expenses)	3	**56.3**	(25.4)		81.7
Net general expenses	4	**(12.0)**	(9.6)		(2.4)
Non-recurring other (expenses) income and general expenses	5	**(2.3)**	(34.7)		32.4
Income taxes and other taxes and duties	6	**21.2**	(0.5)		21.7
Profit (loss) attributable to owners of the parent		**916.3**	430.3		486.0

(a) Included mainly the net gain on the disposal of Banijay Holding (€24.8 million) and RCS Media Group (€4.8 million).

EXOR GROUP – Consolidated Statement of Financial Position – Shortened

€ million	Note	6/30/2017	12/31/2016		Change
Investments accounted for using the equity method	7	**13,904.4**	14,085.8		(181.4)
Investments measured at fair value	8	**119.8**	117.3		2.5
Other investments	9	**7.8**	365.8		(358.0)
Property, plant and equipment, intangible assets and other assets		**17.1**	18.3		(1.2)
Financial assets and cash and cash equivalents	11	**92.7**	204.5		(111.8)
Tax receivables and other receivables		**6.4**	57.1	(a)	(50.7)
Total Assets		**14,148.2**	14,848.8		(700.6)
Issued capital and reserves attributable to owners of the parent	10	**10,814.4**	10,981.8		(167.4)
Bonds	11	**2,558.4**	2,999.0		(440.6)
Bank debt	11	**735.2**	602.2		133.0
Deferred tax liabilities and other liabilities		**12.5**	238.2	(a)	(225.7)
Other financial liabilities	11	**27.7**	27.6		0.1
Total Equity and Liabilities		**14,148.2**	14,848.8		(700.6)

(a) In June 2017 EXOR paid €145.7 million related to the update estimation of the Italian Exit tax, net of tax receivables for €51.8 million and recognized in the income statement a profit of €21.2 million (see Note 6).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - SHORTENED

1. 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 2017 amounts to €852 million, with an increase of €399.9 million on the profit recorded in the first half of 2016 (€452.1 million). The positive change reflects in particular the strong performance of FCA, that realized an increase in its result of €999 million (EXOR share of profit up €293.5 million).

	Profit (Loss) (million)						EXOR's share (€ million)			
	Half I						Half I			
		2017		2016		Change	2017	2016		Change
PartnerRe	$	**230**	$	169.3		60.7	**212.5**	151.7	(a)	60.8
FCA (b)	€	**1,782**	€	783		999	**520.3**	226.8		293.5
CNH Industrial (b)	$	**249**	$	(410)	(c)	659	**60.8**	22.6	(c)	38.2
Ferrrari	€	**260**	€	175		85	**61.1**	41.1		20.0
The Economist Group (d)	£	**28.5**	£	131.7		(103.2)	**14.3**	27.1		(12.8)
Juventus Football Club	€	**(26.6)**	€	(26.7)		0.1	**(17.0)**	(17.0)		-
Almacantar Group	£	**-**	£	(0.6)	(e)	0.6	**-**	(0.2)		0.2
Total							**852.0**	452.1		399.9

(a) The profit refers to the period March 18, to June 30, 2016.
(b) Includes consolidation adjustments.
(c) The loss of CNH Industrial included the charge of approximately $502 million (€450 million) in relation to an investigation conducted by the European Commission. EXOR had already recognized its share of the charge, for €122.8 million, in the financial statements at December 31, 2015, since these developments occurred before the approval of its financial statements. Therefore, in the first half 2016, EXOR's share of CNH Industrial's loss was adjusted by eliminating such charge recognized by the subsidiary. CNH Industrial's loss for 2016 also included a further charge of $49 million as a result of closing the settlement with the European Commission (EXOR's share is approximately €12 million).
(d) The profit refers to the period October 1 to March 31, including consolidation adjustments only related to the prior year result.
(e) The loss referred to the period January 1, 2016 to March 31, 2016, before the sale to PartnerRe.

For comments on the performance of the principal operating subsidiaries and associates, please refer to the following sections.

2. Dividends from investments

€ million	Half I 2017	Half I 2016		Change
Dividends received from investments accounted for using the equity method:				
- PartnerRe	**23.0**	-		23.0
- CNH Industrial	**40.4**	47.7		(7.3)
- Ferrari	**28.2**	20.4		7.8
- Other	**-**	0.4		(0.4)
Dividends received from other investment:				
- PartnerRe	**-**	16.1	(a)	(16.1)
- Other	**1.1**	4.7		(3.6)
Dividends included in the net financial position	**92.7**	89.3		3.4
Dividends received from investments accounted for using the equity method	**(91.6)**	(68.5)		(23.1)
Dividends included in the income statement	**1.1**	20.8		(19.7)

(a) Dividends received from PartnerRe on the 4,725,726 shares held before acquisition of control on March 18, 2016.

3. Net financial income (expenses)

In the first half of 2017 net financial income amount to €56.3 million (net financial expenses of €25.4 million in the first half of 2016).

€ million	Half I 2017		Half I 2016		Change
Interest income on:					
- bank current accounts and deposits	**0.2**		3.5		(3.3)
- bonds	**1.6**		2.4		(0.8)
Income (expenses) and fair value adjustments to financial asset held for trading	**(0.1)**		(1.3)		1.2
Other financial income	**0.4**		0.0		0.4
Interest income and other financial income, net	**2.1**		4.6		(2.5)
Interest expenses and other financial expenses:					
- interest expenses and other expenses on EXOR bonds	**(48.9)**	(a)	(48.5)	(a)	(0.4)
- interest expenses and other expenses on bank borrowings	**(5.8)**		(16.6)	(b)	10.8
Interest expenses and other financial expenses	**(54.7)**		(65.1)		10.4
Exchange gains, net	**(0.2)**		5.3		(5.5)
Financial income (expenses) generated by the financial position	**(52.8)**		(55.2)		2.4
Income (expenses) on other investments and other net financial income (c)	**109.1**	(d)	29.8	(e)	79.3
Financial income (expenses) recorded in the income statement	**56.3**		(25.4)		81.7

(a) 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, which is a positive €0.3 million (negative €2.1 million in the first half of 2016).
(b) In the first half of 2016 expenses were mainly related to the credit line secured for the acquisition of PartnerRe of €13 million.
(c) Included in investments measured at fair value and other investments.
(d) It refers entirely to the net gain realized on the total redemption of The Black Ant Value Fund.
(e) Included the net gain realized on the partial redemption of The Black Ant Value Fund (€5.8 million) and the income (€22.9 million) arising from the fair value revaluation of the previously held 9.9% interest in PartnerRe following the change in the method of valuation.

4. Net general expenses

Net general expenses in the first half of 2017 amount to €12 million with an increase of €2.4 million compared to the same period of the prior year (€9.6 million). The balance includes the cost of EXOR's stock option plans of approximately €3.6 million (€1.5 million in the first half 2016).

Details of the main items of net general expenses are as follows:

€ million	Half I 2017	Half I 2016	Change
Personnel costs	**(2.9)**	(2.7)	(0.2)
Compensation and other costs relating to directors	**(1.0)**	(1.7)	0.7
Service costs	**(5.0)**	(3.5)	(1.5)
Revenues, cost recoveries, net of other operating expenses	**0.5**	(0.2)	0.7
Net general expenses generated by financial position	**(8.4)**	(8.1)	(0.3)
Share based compensation plan costs	**(3.6)**	(1.5)	(2.1)
Net general expenses recorded in the income statement	**(12.0)**	(9.6)	(2.4)

5. Non-recurring other income (expenses) and general expenses

In the first half of 2017 non-recurring other expenses amount to €2.3 million and are related to contributions to cultural and charitable associations (€1.8 million) and to consulting fees (€0.5 million).

In the first half of 2016 non-recurring other income and expenses and general expenses amounted to €34.7 million and were mainly related to the acquisition of PartnerRe.

6. Income taxes and other taxes and duties

The positive amount of €21.2 million relates to the updated of the estimation of the Italian Exit tax.

7. Investments accounted for using the equity method

€ million	6/30/2017	12/31/2016	Change
PartnerRe	**6,035.6**	6,357.1	(321.5)
FCA	**5,825.2**	5,638.8	186.4
CNH Industrial	**1,537.9**	1,630.5	(92.6)
Ferrari	**142.9**	99.4	43.5
The Economist Group	**300.0**	280.1	19.9
Juventus Football Club	**62.8**	79.9	(17.1)
Total	**13,904.4**	14,085.8	(181.4)

The negative change in EXOR's investment in PartnerRe is mainly due to the negative translation exchange differences (€516.7 million), partially offset by EXOR's share of the profit for the period (€212.5 million).

The positive change in EXOR's investment in FCA is mainly attributable to EXOR's share of the profit for the period (€520.3 million), partially offset by the negative translation exchange differences (€353 million).

The negative change in EXOR's investment in CNH Industrial can be ascribed primarily to the negative translation exchange differences (€148.8 million) and the payment of dividends (€40 million), partially offset by the EXOR's share of the result of €60.8 million.

The positive change in EXOR's investment in Ferrari is due to primarily to the EXOR's positive share of the result of €61.1 million, partially offset by the payment of dividends (€28.2 million).

The positive change in EXOR's investment in The Economist Group is mainly due to EXOR's share of the profit for the period (€14.3 million), the increase in other comprehensive income (€18.4 million), partially offset by the negative translation exchange differences (€6.4 million) and the payment of the dividends (€6.3 million).

8. Investments measured at fair value

The investments available-for-sale amount to €119.8 million (€117.3 million at December 31, 2016) and include principally investments in Welltec, Banca Leonardo and Noco A. The positive change (€2.5 million) is mainly due to the acquisition of 2.47% of Welltec for € 10 million, partially offset by the reimbursement of capital reserves by Banca Leonardo for €8 million.

9. Other investments

Other investments which include some funds available-for-sale measured at fair value amount to €7.8 million (€ 365.8 million at December 31, 2016). The decrease is mainly attributable to the reimbursement of The Black Ant Value Fund share; €17.8 million was refunded on January 2017 and the residual amount of €335.7 million on June 2017. The reimbursement resulted in a net total gain of €109.1 million arising from the reversal of the available for sale reserve.

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

€ million	6/30/2017	12/31/2016	Change
Share capital	**2.4**	2.4	0.0
Reserves	**10,812.1**	10,979.5	(167.4)
Treasury stock	**(0.1)**	(0.1)	0.0
Total	**10,814.4**	10,981.8	(167.4)

Details of changes during the year are as follows:

€ million	
Balance at December 31, 2016	**10,981.8**
Fair value adjustments on The Black Ant Value Fund	(1.7)
Reclassification of the fair value of The Black Ant Value Fund to income statement	(109.1)
Measurement of EXOR derivative financial instruments	2.3
Dividend paid by EXOR	(82.1)
Attributable other net changes recorded in equity, shown by EXOR, its subsidiaries and the investments consolidated and accounted for using the equity method:	
- Translation exchange differences	(994.0)
- Measurement of derivative financial instruments	37.9
- Share based payment	25.8
- Fair value adjustments	24.5
- Other	12.7
Consolidated profit attributable to owners of the parent	916.3
Net change during the period	**(167.4)**
Balance at June 30, 2017	**10,814.4**

11. Net financial position of the Holdings System

The net financial position of the Holdings System at June 30, 2017 is a negative €3,228.6 million and shows a positive change of €195.7 million compared to the balance at year-end 2016 (negative €3,424.3 million).

The composition of the balance is as follows:

€ million	6/30/2017	12/31/2016	Change
Financial assets	**57.7**	87.9	(30.2)
Financial receivables from related parties	**11.4**	0.1	11.3
Cash and cash equivalents	**23.6**	116.5	(92.9)
Cash, cash equivalents and financial assets	**92.7**	204.5	(111.8)
EXOR bonds	**(2,558.4)**	(2,999.0)	440.6
Financial payables	**(735.2)**	(602.2)	(133.0)
Other financial liabilities	**(27.7)**	(27.6)	(0.1)
Gross debt	**(3,321.3)**	(3,628.8)	307.5
Net financial position of the Holdings System	**(3,228.6)**	(3,424.3)	195.7

Financial assets include bonds issued by leading issuers, listed on active and open markets, and mutual funds. Such financial assets:

- if held for trading, these are measured at fair value on the basis of the trading price at year end or using the value determined by an independent third party in the case of mutual funds, translated, where appropriate, at the year-end exchange rates, with recognition of the fair value in the income statement;
- if held to maturity as an investment for a part of the Group's available cash such that it can receive a constant attractive flow of financial income they are measured at amortized cost. Such designation was made in accordance with IAS 39, paragraph 9.

These financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Group should so decide. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

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

At June 30, 2017 bonds issued by EXOR can be analyzed as follows:

Issue date	Maturity date	Issue price		Rate (%)		Currency	Nominal amount (million)		Balance at 6/30/2017 (€ million)	12/31/2016
12-Jun-07	12-Jun-17	99.554		fixed 5.375		€	440.0		**-**	(453.0)
16-Oct-12	16-Oct-19	98.136		fixed 4.750		€	150.0		**(154.0)**	(150.2)
12-Nov-13	12-Nov-20	99.053		fixed 3.375		€	200.0		**(203.2)**	(199.7)
3-Dec-15	2-Dec-22	99.499		fixed 2.125		€	750.0		**(753.9)**	(745.6)
8-Oct-14	8-Oct-24	100.090		fixed 2.500		€	650.0		**(660.5)**	(652.4)
7-Dec-12	31-Jan-25	97.844		fixed 5.250		€	100.0		**(100.5)**	(103.1)
22-Dec-15	22-Dec-25	100.779	(a)	fixed 2.875		€	450.0	(a)	**(458.5)**	(452.1)
20-May-16	20-May-26	99.650		fixed 4.398		$	170.0		**(149.0)**	(161.4)
9-May-11	9-May-31	100.000		fixed 2.800	(b)	Yen	10,000.0		**(78.8)**	(81.5)
									(2,558.4)	(2,999.0)
Current portion									**(40.6)**	(467.4)
Non-current portion									**(2,517.8)**	(2,531.6)

(a) Originally €250 million; the amount was increased by another €200 million in May 10, 2016. The issue price corresponds to the weighted average of the prices calculated on the entire amount of €450 million.
(b) To protect against currency fluctuations, a hedging transaction was put in place using a cross currency swap. The cost in Euro is fixed at 6.012% per year.

Financial receivables from related parties of €11.4 million refer to the receivable from Almacantar Group S.A.

Financial payables of €735.2 million include the financing drawn down on the remaining credit line secured under the May 11, 2015 Financing Agreement between by EXOR, EXOR Nederland, Citigroup Global Markets Limited and Morgan Stanley Bank for the acquisition of PartnerRe, for a total of $500 million (€ 438.1 million). There are also included short-term loans secured by EXOR from leading credit institutions for €296.1 million.

Other financial liabilities (€27.7 million) consist of the measurement of cash flow hedge derivative instruments.

The net change in the first half of 2017 is a positive €195.7 million. Details are as follows:

€ million		1/1-6/30/2017	1/1-6/30/2016	1/1-12/31/2016
Net financial position of the Holdings System - Initial amount	Note	**(3,424.3)**	1,336.8	1,336.8
Dividends received from investment holdings	1	92.7	89.3	336.6
Reimbursements of reserves		8.1	8.4	8.4
Sales/Redemptions	2	356.2	760.5	794.8
Investments	3	(11.7)	(5,519.4)	(5,519.4)
Financial income on Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 12/15/2016		-	31.5	63.2
Dividends paid by EXOR		(82.1)	(82.0)	(82.0)
Other changes	4	(167.5)	(230.7)	(362.7)
Net change during the period		**195.7**	(4,942.4)	(4,761.1)
Net financial position of the Holdings System - Final amount		**(3,228.6)**	(3,605.6)	(3,424.3)

€ million	1/1-06/30/2017	1/1-06/30/2016		1/1-12/31/2016	
1. Dividends received from investment holdings	**92.7**	89.3		336.6	
PartnerRe	23.0	16.1		242.0	(a)
CNH Industrial	40.4	47.7		47.7	
Ferrari	28.2	20.4		20.4	
The Economist Group	-	-		20.1	
Other	1.1	5.1		6.4	
2. Sales/Redemptions	**356.2**	760.5		794.8	
The Black Ant Value Fund	353.5	18.7		18.7	
Investment Funds	2.7	173.5		174.2	
Almacantar Group	-	474.7		474.7	
Banijay Holding	-	60.1		60.1	
Arenella Immobiliare	-	-		22.0	
RCS MediaGroup	-	17.3		18.1	
Other Asset	-	16.2	(b)	27.0	(b)
3. Investments	**(11.7)**	(5,519.4)		(5,519.4)	
Welltec	(10.0)	(103.3)		(103.3)	
PartnerRe	-	(5,415.5)	(c)	(5,415.5)	(c)
Other	(1.7)	(0.6)		(0.6)	
4. Other changes	**(167.5)**	(230.7)		(362.7)	
Net general expenses	(8.4)	(8.6)		(20.4)	
Non recurring other general expenses	(0.5)	(34.2)		(69.4)	
Net financial expenses	(52.8)	(55.2)		(105.4)	
Exit tax payment	(145.7)	-		-	
Translation exchange differences	34.5	(134.0)		(156.7)	
Other net changes	5.4	1.3		(10.8)	

(a) Of which €16.1 million received on 4,725,726 PartnerRe shares held before the acquisition of control on March 18, 2016.
(b) At June 30, 2016:sale of Rothschild shares for €9.3 million and other non-current assets for €6.9 million. At December 31, 2016: sale of Rothschild shares for €20.1 million and other non-current assets for €6.9 million.
(c) Of which $6,065 million (€5,377.7 million) paid to common shareholders and $43 million (€37.7 million) to preferred shareholders of PartnerRe.

Credit Lines and rating

At June 30, 2017 EXOR has irrevocable credit lines in Euro of €390 million, of which €350 million is due after June 30, 2018, as well as revocable credit lines of €636.8 million.
At the same date EXOR also has credit lines in foreign currency for a total of $590 million (€517 million) due after June 30, 2018.

On April 28, 2017 Standard & Poor’s affirmed the rating for EXOR’s long-term and short-term debt at “BBB+” and “A-2”, and has improved the outlook to “stable” from “negative”.

REVIEW OF 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 June 30, 2017)

(100.0% of common share capital through EXOR Nederland N.V.)

The data presented and commented below are derived from PartnerRe's consolidated financial information for the first half ended June 30, 2017 prepared in accordance with US GAAP.

	H1		Change	
$ million	2017	2016	Amount	%
Net premiums written	2,650	2,755	(105)	(3.8)
Non-life combined ratio (a)	91.7%	101.7%	n/a	(10.0)
Life and Health allocated underwriting result (b)	(5)	36	(41)	(113.9)
Total investment return	2.1%	3.4%	n/a	(1.3)
Operating earnings (c)	140	(21)	161	766.7
Adjusted Operating earnings (d)	154	60	94	156.7
Annualized Operating ROE	4.6%	(0.7)%	n/a	5.3
Annualized Adjusted Operating ROE	5.1%	2.0%	n/a	3.1
Net income attributable to PartnerRe common shareholders	229	338	(109)	(32.2)
Adjusted net income attributable to PartnerRe common shareholders	243	420	(177)	(42.1)
Annualized Net Income ROE	7.6%	11.1%	n/a	(3.5)
Annualized Adjusted Net income ROE	8.0%	13.7%	n/a	(5.7)

(a) The Company uses 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) Operating earnings is defined as net income/loss available to PartnerRe common shareholders excluding certain after-tax net realized and unrealized gains/losses on investments, after-tax net foreign exchange gains/losses, certain after-tax interest in earnings/losses of equity method investments and the non-recurring expenses included in other charges;
(d) Excluding transaction and severance costs;
(e) Operating ROE is calculated as operating earnings on average common shareholders' equity;
(f) Net income/loss attributable to PartnerRe common shareholders is defined as net income/loss attributable to PartnerRe less preferred dividends;
(g) Net income ROE is calculated as net income return on average common shareholders' equity.

Net premiums written of $2.6 billion were down 4% for the first half of 2017 compared to $2.8 billion in the same period of 2016 primarily driven by foreign exchange and continued underwriting discipline across most lines of the Non-life business resulting in cancellations and non-renewals. In addition, premiums ceded under retrocessional contracts, primarily in the property and catastrophe lines of business, were higher in 2017 compared to 2016. These decreases in net premiums written were partially offset by increases in Life and Health premiums written.

The Non-life combined ratio was 91.7% for the first half of 2017, a decrease of 10.0 points compared to 101.7% in the same period of 2016, reflecting lower catastrophe and large losses and a lower level of reported mid-sized and attritional loss activity, partially offset by a lower level of favorable development from prior accident years. Favorable development of 12.0 points (or $196 million) in the first half of 2017 compared to 18.0 points (or $332 million) reported in the first half of 2016, with most lines of business experiencing net favorable development from prior accident years as actual reported losses were below expectations.

The Life and Health allocated underwriting result was a loss of $5 million in for the first half of 2017 compared to a gain of $36 million in the same period of 2016, primarily as a result of high frequency of mid-sized losses in the health line of business.

Other expenses decreased to $180 million in the first half of 2017 compared to $276 million in the same period of 2016. Other expenses in the first half of 2017 include $16 million, compared to $92 million in the same period of 2016, of transaction and severance related costs.

Operating earnings for the first six months of 2017 were $140 million compared to operating loss of $21 million for the same period of 2016. The increase in the operating earnings was primarily driven by a higher Non-life technical result and a reduction in other expenses, partially offset by a deterioration in the Life and Health technical result. The higher Non-life technical result was primarily driven by lower catastrophe and large losses and a lower level of reported mid-sized and attritional loss activity, partially offset by a lower level of favorable development from prior accident years.

Net investment income was $201 million in the first half of 2017 compared to $204 million in the same period of 2016. On a constant foreign exchange basis, net investment income was down 3%, mainly reflecting the impact of the investment portfolio de-risking, partially offset by lower investment expenses.

The effective tax rate on pre-tax operating earnings and net income were 7.1% and 8.3%, respectively, for the first half of 2017. The effective tax rate was driven by the geographical split of pretax income and losses.

Net income available to common shareholders for the first six months of 2017 was $229 million compared to $338 million in the same period of 2016. Net income available to common shareholders is reduced for dividends to preferred shareholders and includes net realized and unrealized gains on investments of $152 million compared to $359 million in the same period of 2016.

Some details related to the balance sheet are as follows:

			Change	
$ million	6/30/2017	12/31/2016	amount	%
Debt	1,409	1,337	72	5.4
Preferred shares, aggregate liquidation value	704	704	-	-
Common shareholders' equity	6,160	5,984	176	3.0
Total Capital	**8,273**	**8,025**	248	3.1

Total investments, cash and cash equivalents and funds held – directly managed were $16.9 billion at June 30, 2017, up by 0.3% compared to December 31, 2016.

Total capital of $8.3 billion at June 30, 2017 increased by 3% compared to December 31, 2016 primarily due to the net income in the first half of 2017.

Debt decrease by $72 million, or 5%, primarily due to the impact of foreign exchange on the Company's Euro debt.

At June 30, 2017, common shareholders' equity (or book value) and tangible book value were $6.2 billion and $5.6 billion respectively, an increase of 3.0% and 2.1% respectively, compared to December 31, 2016, primarily due to the net income for the first half of 2017. During the first half of 2017, PartnerRe paid dividends of $25 million to EXOR.

On June 30, 2017, the Company submitted its first required Financial Condition Report (FCR) for the year ended December 31, 2016 to the Company's Group regulator, the Bermuda Monetary Authority. The FCR includes, among other disclosures, the Group's required and available statutory capital. The Company uses the standard Bermuda Solvency Capital Requirement (BSCR) model to assess the Enhanced Capital Requirement (ECR), the required statutory capital and surplus. In the FCR, the Company reported an ECR of $2,484 million, Available Statutory Economic Capital and Surplus of $8,252 million, and a BSCR ratio of 332% as at December 31, 2016. Effective January 1, 2016, Bermuda was deemed Solvency II equivalent under the European Union's (EU) Solvency II initiative.

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

The difference between the US GAAP net income ($229 million) and the IFRS net income ($230 million) only reflects the economic effects of the application of the acquisition method by EXOR to account for the acquisition.

Significant events in the second quarter of 2017 and subsequent events

On April 3, 2017, PartnerRe completed the acquisition of 100% of the outstanding ordinary shares of Aurigen Capital Limited, a North American life reinsurance company. The consideration paid was CAD $370 million or US$278 million and the fair value of net assets acquired was $277 million, including intangible assets of $78 million. The results of Aurigen Capital Limited were included in the results of PartnerRe from the acquisition date of April 3, 2017.

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 continues to experience competitive reinsurance market conditions and a challenging investment environment driven by low interest rates, despite recent increases in US treasury rates. Reinsurance market conditions reflect persistent pricing pressure in virtually all lines of business and continued erosion of terms and conditions. These negative trends are primarily driven by excess capital in the industry, particularly in catastrophe exposed lines of business and traditional property and casualty markets, as well as relatively low recent large loss activity and limited new growth opportunities in the industry. PartnerRe maintains a disciplined approach to underwriting by reducing exposure where the pricing, terms and conditions are no longer satisfying our requirements. Overall, PartnerRe expects continued market pressure.

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, the 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.

(29.23% stake, 42.40% of voting rights on issued capital)

The key consolidated figures of FCA reported in the first half of 2017 are as presented below.

	Half I			Change	
€ million	**2017**	2016		amount	%
Net revenues	**55,644**	54,463		**1,181**	2.2
Adjusted EBIT (1)	**3,402**	3,007		**395**	13.1
Net profit	**1,796**	799		**997**	n.a.
Net industrial debt (3)	**(4,226)**	(4,585)	(2)	**359**	-7.8

(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 expenses/(benefit);

(2) At December 31, 2016;

(3) Net industrial debt is computed as: debt plus derivative financial liabilities related to industrial activities less (i) cash and cash equivalents, (ii) current available-for-sale and held-for-trading securities, (iii) current financial receivables from Group or jointly controlled financial services entities and (iv) derivative financial assets and collateral deposit; therefore, debt, cash and cash equivalents and other financial assets/liabilities pertaining to financial services entities are excluded from the computation of net industrial debt.

Net revenues

	Half I		Change	
€ million	**2017**	2016	amount	%
NAFTA	**33,181**	34,615	(1,434)	-4.1
LATAM	**3,683**	2,780	903	32.5
APAC	**1,642**	1,906	(264)	-13.9
EMEA	**11,640**	10,810	830	7.7
Maserati	**2,023**	1,087	936	86.1
Components (Magneti Marelli, Comau, Teksid)	**5,186**	4,749	437	9.2
Other activities, unallocated items and adjustments	**(1,711)**	(1,484)	(227)	-
Net revenues	**55,644**	54,463	1,181	2.2

The decrease in NAFTA (-4.1%; -6.9% at constant exchange rates) is primarily due to lower shipments, partially offset by favorable vehicle mix, and positive foreign exchange translation.
The increase in LATAM (+32.5%; +14.7% at constant exchange rates) is due to a favorable volume and vehicle mix and favorable foreign exchange translation effects.
The decrease in APAC (-13.9%; -15.3% at constant exchange rates) is primarily due to lower consolidated shipments, partially offset by favorable vehicle mix.
The increase in EMEA (+7.7%; +8% at constant exchange rates) is mainly attributable to the increase in volumes and favorable vehicle mix mainly driven by the all-new Alfa Romeo Giulia and all-new Alfa Romeo Stelvio, partially offset by negative net pricing, including devaluation of the British Pound sterling.
The increase in Maserati (+86.1%; +86% at constant exchange rates) is primarily due to higher shipments and favorable vehicle and market mix.
The increase in Components (+9.2%; +7.1% at constant exchange rates) is due to higher volumes from all three businesses that were primarily driven by Comau's automation systems business line and Magneti Marelli. Magneti Marelli and Comau non-captive net revenues during the six months ended June 30, 2017 were 66% and 71% respectively.

Adjusted EBIT

€ million	Half I 2017	Half I 2016	Change
NAFTA	**2,592**	2,601	(9)
LATAM	**40**	11	29
APAC	**65**	54	11
EMEA	**378**	239	139
Maserati	**259**	52	207
Components (Magneti Marelli, Comau, Teksid)	**248**	197	51
Other activities, unallocated items and adjustments	**(180)**	(147)	(33)
Adjusted EBIT	**3,402**	3,007	395

The slight decrease in NAFTA is mainly due to lower shipments, net of improved mix, unfavorable net price related to incentives and foreign exchange transaction effects and prior year one-off residual values adjustment, partially offset by purchasing savings net of higher product costs for content enhancements, and lower warranty costs, including supplier recoveries and favorable currency translation.

The increase in LATAM is mainly attributable to the increase in volumes and favorable vehicle mix, positive net pricing, mainly in Brazil and lower advertising costs, partially offset by the increase in product costs driven by inflation and higher depreciation and amortization related to new vehicles. Adjusted EBIT for the six months ended June 30, 2017 excluded total charges of €125 million, of which €72 million related to workforce restructuring costs and €53 million of asset impairment charges primarily related to the early discontinuance of Fiat Novo Palio production and certain real estate assets in Venezuela.

The increase in APAC is primarily due to a favorable mix, net of lower consolidated shipments and improved results from the GAC FCA JV, partially offset by commercial launch activities related to the Alfa Romeo brand and higher industrial costs from negative foreign exchange transaction effects.

The increase in EMEA is primarily due to higher volumes and favorable vehicle mix, lower industrial costs mainly due to purchasing and manufacturing efficiencies, partially offset by unfavorable net pricing, related to higher incentives and negative foreign exchange transaction effects and an increase in selling and general expenses due to higher advertising costs to support new product launches.

The significant improvement of Maserati Adjusted EBIT is due to the increase in shipment and favorable mix, partially offset by higher depreciation and amortization costs.

The increase in Components is mainly due to the positive effect from volume and industrial efficiencies. Adjusted EBIT excludes charges of €40 million, primarily related to resolution of certain long-standing legal matters.

Net profit

Net profit in the first half of 2017 is €1,796 million, up €997 million compared to the first half of 2016.
The increase is primarily due to the improved operating performance, the reversal of €895 million of a liability related to Brazilian indirect taxes previously accrued by the Group's Brazilian subsidiaries, partially offset by €281 million related decrease in deferred tax assets related such Brazilian liability and the write-off of certain deferred tax assets in Brazil of €453 million. In the first half of 2016 net profit was affected by €414 million pre-tax charge to adjust the warranty provisions for the estimated cost of recall campaigns related to an industry-wide recall for airbag inflators manufactured by Takata Corporation.

Net industrial debt

Net industrial debt at June 30, 2017 is €4.2 billion. The decrease of €0.4 billion compared to December 31, 2016 principally reflects the €144 million proceeds received from the sale of the investment in CNH Industrial and positive effects from foreign exchange.

€ million		6/30/2017	12/31/2016	Change
Gross Debt		**(19,140)**	(24,048)	4,908
Current financial receivables from jointly-controlled financial services companies		**166**	80	86
Derivative financial assets(liabilities), net and collateral deposits		**296**	(150)	446
Current Available-for-sale and Held for trading securities		**197**	241	(44)
Cash and cash equivalents		**12,306**	17,318	(5,012)
Debt classified as held for sale		**-**	(9)	9
Net debt		**(6,175)**	(6,568)	393
	Industrial activities	**(4,226)**	(4,585)	359
	Financial services	**(1,949)**	(1,983)	34

Significant events in the first half of 2017 and subsequent events

On February 24, 2017, FCA US prepaid the outstanding principal and accrued interest for its Tranche B Term Loan. The prepayment of U.S.$1,826 million (€1,721 million) was made with cash on hand and did not result in a material loss on extinguishment.

In March 2017, the Group repaid a note at maturity with a principal amount of €850 million.

In March 2017, the Group amended its syndicated revolving credit facility originally signed in June 2015. The amendment increased the RCF from €5.0 billion to €6.25 billion and extended the RCF's final maturity to March 2022. The RCF, which is available for general corporate purposes and for working capital needs of the Group, is structured in two tranches: €3.125 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 €3.125 billion, with a 60-month tenor.

On March 21, 2017, the Group completed the sale of its available for sale investment in CNHI, which consisted of 15,948,275 common shares representing 1.17 percent of CNHI's common shares for an amount of €144 million. The sale did not result in a material gain. The additional 15,948,275 special voting shares owned by the Group, which had not been attributed any value, expired upon the sale of the CNHI common shares.

On March 30, 2017, Moody's Investors Service improved FCA's outlook to positive from stable and affirmed the Ba3 corporate credit rating.

On April 12, 2017, FCA US amended the credit agreement that governs the Tranche B Term Loan due 2018. The amendment reduced the applicable interest rate spreads by 0.50 percent per annum and reduced the LIBOR floor by 0.75 percent per annum, to 0.00 percent. In addition, the base rate floor was eliminated.

On May 23, 2017, the Environmental and Natural Resources Division of the U.S. Department of Justice ("DOJ-ENRD") filed a civil lawsuit against us in connection with concerns raised by the U.S. Environmental Protection Agency ("EPA") in its Notice of Violation dated January 12, 2017.

In June 2017, the Group repaid a note at maturity with a principal amount of €1,000 million.

In June 2017, FCA and Itedi's non-controlling shareholder, Ital Press Holding S.p.A. ("Ital Press"), transferred 100 percent of the shares of Itedi to GEDI Gruppo Editoriale S.p.A. ("GEDI"), previously known as Gruppo Editoriale L'Espresso S.p.A. in exchange for newly-issued shares resulting in CIR S.p.A., the controlling shareholder of GEDI, holding a 43.4 percent ownership interest in GEDI, FCA holding 14.63 percent and Ital Press holding 4.37 percent. As a result, the Group recorded a gain of €49 million. The Group's interest in GEDI was distributed to holders of FCA common stock on July 2, 2017.

During the six months ended June 30, 2017, Brazilian courts have been consistent in applying the merits of the Brazilian Supreme Court's March 15, 2017 ruling, including lower court decisions on our and other related indirect tax cases. The Supreme Court ruled that state value added tax should be excluded from the base for calculating a federal tax on revenue. As a result, the Group believes that the likelihood of economic outflow related to such indirect taxes is no longer probable and reversed a liability of €895 million, along with a corresponding reversal of the related €281 million of deferred tax assets.

During the six months ended June 30, 2017, the all-new Jeep Compass and the all-new Alfa Romeo Stelvio debuted in Europe at the 2017 Geneva International Motor Show. In addition, the Alfa Romeo Giulia was launched in China.

On August 21, 2017 BMW Group, Intel and Mobileye announced that they have signed a memorandum of understanding with the intention for Fiat Chrysler Automobiles (FCA) to be the first automaker to join them in developing a world leading, state-of-the-art autonomous driving platform for global deployment.
The development partners intend to leverage each other's individual strengths, capabilities and resources to enhance the platform's technology, increase development efficiency and reduce time to market. One enabler to achieve this will be the co-location of engineers in Germany as well as other locations. FCA will bring engineering and other technical resources and expertise to the cooperation, as well as its significant sales volumes, geographic reach and long-time experience in North America.

Target 2017

The Group confirms full-year guidance for 2017:

- Net revenues €115 - €120 billion;
- Adjusted EBIT > €7.0 billion;
- Adjusted net profit > €3.0 billion;
- Net industrial debt < €2.5 billion.

(26.90% stake, 39.91% of voting rights on issued capital).

The key consolidated figures of CNH Industrial reported in the first half of 2017 are presented below:

	Half I		Change
$ million	2017	2016	amount
Revenues	**12,923**	12,361	562
Trading profit [1]	**678**	638	40
Net income (loss)	**257**	(407)	664
Net Industrial debt [2]	**(2,132)**	(1,822) [3]	(310)

(1) Trading profit is a non-GAAP financial measure used to measure performance. Operating profit of Industrial Activities is defined as revenues from net sales less cost of sales, selling, general and administrative costs, research and development costs and other operating income and expenses.
(2) Net industrial debt is defined as net debt excluding the funded portion of the self-liquidating financial receivables portfolio.
(3) Data at December 31, 2016.

Revenues

	Half I		Change	
$ million	2017	2016	amount	%
Agricultural Equipment	**5,239**	4,932	307	6.2
Construction Equipment	**1,199**	1,131	68	6.0
Commercial Vehicles	**4,778**	4,746	32	0.7
Powertrain	**2,139**	1,909	230	12.0
Eliminations and other	**(1,203)**	(1,082)	(121)	n.m.
Total Industrial Activities	**12,152**	11,636	516	4.4
Financial Services	**1,017**	950	67	7.1
Eliminations and other	**(246)**	(225)	(21)	-
Revenues	**12,923**	12,361	562	4.5

Revenues recorded in the first half of 2017 by the CNH Industrial Group were $12.923 million, up 4.5% (up 5.3% on a constant currency basis) compared to the first half of 2016. Revenues from net sales of Industrial Activities were $12,152 million in the first half of 2017, a 4.4% increase (up 5.4% on a constant currency basis) compared to the same period of the prior year.
In particular, net sales of Agricultural Equipment up 6.2% (up 5.6% on a constant currency basis) is due to a rebound in demand in LATAM, net sales increased in APAC mainly driven by favorable volume in Australia, while in EMEA sales were flat. Net sales were down in NAFTA due to unfavorable industry volume.
Construction Equipment's net sales increased up 6.0% (up 5.8% on a constant currency basis) due to a positive volume and mix primarily in NAFTA and APAC.
Net sales of Commercial Vehicles increased 0.7% (up 3.0% on a constant currency basis); higher volumes in APAC and LATAM were offset by lower truck and bus volume in EMEA, mainly due to the 2016 Euro VI pre-buy effect in the light vehicle range.
Net revenues in Powertrain increased 12.0% (up 15.1% on a constant currency basis) compared to the first half 2016 as a result of higher sales volumes.
Financial Services revenues in the first half 2017 increased 7.1% (up 5.8% on a constant currency basis).

Trading profit

$ million	Half I 2017	Half I 2016	Change
Agricultural Equipment	**309**	247	62
Construction Equipment	**(42)**	(9)	(33)
Commercial Vehicles	**64**	93	(29)
Powertrain	**160**	110	50
Eliminations and other	**(55)**	(48)	-7
Total Industrial Activities	**436**	393	43
Financial Services	**242**	245	(3)
Eliminations and other	**-**	-	-
Trading profit	**678**	638	40

Trading profit in in the first half of 2017 was $678 million, a $40 million increase compared to the first half of 2016 ($638 million). Trading profit of Industrial Activities was $436 million, a $43 million increase compared to the first half 2016, with a trading margin of 3.6%, up 0.2% compared to the same period of the prior year
Trading profit of Agricultural Equipment was $309 million for the first half of 2017, ($247 million in the first half of 2016) with a trading margin of 5.9% (5% in the first half of 2016). Favorable volume in LATAM and APAC including improved fixed cost absorption, and disciplined net price realization.
Trading profit of Commercial Vehicles was $64 million (trading margin of 1.3%). The decrease of $29 million was primarily due to lower volume and unfavorable mix in EMEA, partially offset by higher volume in LATAM and in APAC.
In the first half of 2017 Construction Equipment reported a trading loss of $42 million compared to a trading loss of $9 million in the first half of 2016, mainly as a result of pricing pressure in the first quarter of 2017 primarily in NAFTA, as well an unfavorable foreign exchange impact on product cost. Trading margin decreased 2.7% to 3.5%; result was impacted by a planned slower production schedule in the first quarter to maintain appropriate levels of inventory.
Trading profit of Powertrain was $160 million, up $50 million compared to the same period in 2016, with a trading margin of 7.5%, up 1.7% compared to the first half of 2016 as a result of higher volumes and manufacturing efficiencies.

Net industrial debt

Net debt of Industrial Activities at June 30, 2017 is $2,132 million compared to $1,822 million at December 31, 2016. The increase in net debt at June 30, 2017 mainly reflects the annual dividend payment of $161million and a negative foreign exchange impact on euro denominated debt, partially offset by the seasonal cash generation from operating activities.

$ million	6/30/2017	12/31/2016	Change
Third party debt (1)	**(25,586)**	(25,434)	(152)
Cash and cash equivalents	**5,291**	5,854	(563)
Other financial asset/(liabilities) (2)	**(6)**	(154)	148
(Net debt)/Cash (2)	**(20,301)**	(19,734)	(567)
Industrial Activities	**(2,132)**	(1,822)	(310)
Financial Services	**(18,169)**	(17,912)	(257)

(1) Total debt of Industrial Activities includes Intersegment notes payable to Financial Services of $819 million and $1,002 million as of June 30, 2017 and December 31, 2016, respectively. Total debt of Financial Services includes Intersegment notes payable to Industrial Activities of $1,322 million and $1,485 million as of June 30, 2017 and December 31, 2016, respectively.
(2) The net intersegment receivable/payable balance owed by Financial Services to Industrial Activities was $503 million and $483 million as of June 30, 2017 and December 31, 2016, respectively.

Significant events in the first half of 2017

In April 2017, CNH Industrial Capital LLC, a wholly owned subsidiary of CNH Industrial N.V., issued at par $500 million in aggregate principal amount of 4.375% Notes due 2022.

In May 2017, CNH Industrial Finance Europe S.A., a wholly-owned subsidiary of CNH Industrial N.V., issued €500 million in principal amount of 1.375% notes due May 2022, with an issue price of 99.335% of the principal amount. The notes have been issued under the Euro Medium Term Note Programme guaranteed by CNH Industrial N.V. and have been admitted to listing on the Irish Stock Exchange.

In June 2017, Case New Holland Industrial Inc., a wholly owned subsidiary of CNH Industrial N.V., redeemed all of the outstanding $636 million aggregate principal amount of its 7.875% Senior Notes due 2017. Cash used for the redemption was approximately $656 million, which included the aggregate principal amount of the notes being redeemed plus a “make-whole” premium.

In June 2017, CNH Industrial N.V. advised its intention to renew its share buyback program (the “Program”). The Program will involve the repurchase from time to time of up to $300 million of the Company’s common shares and is intended to optimize the capital structure of the Company and to meet the obligations arising from the Company’s equity incentive plans. The Program has a duration up to and including October 13, 2018 and will be funded by the Company’s liquidity.

In June 2017, S&P Global Ratings raised its long-term corporate credit rating on both CNH Industrial N.V. and CNH Industrial Capital LLC from “BB+” to “BBB-” with stable outlook. The short-term rating of CNH Industrial N.V. was raised from “B” to “A-3”. The issue-level ratings of both CNH Industrial N.V. and CNH Industrial Capital LLC were also raised to “BBB-”.

2017 Outlook (US GAAP)

CNH Industrial manages its operations, assesses its performance and makes decision about allocation of resources based on financial results prepared only in accordance with U.S. GAAP, and, accordingly, also the full year guidance presented below is prepared under U.S. GAAP.
During the first half of 2017, market conditions across major segments of CNH Industrial Group have been better than originally expected. Therefore CNH industrial Group is leading its 2017 guidance for sales and EPS to the upper end of the range while keeping the net industrial debt guidance unchanged as follows:

- Net sales of Industrial Activities of approximately $24 billion;
- Adjusted diluted EPS (of approximately $0.41;
- Net industrial debt at the end of 2017 between $1.4 billion and $1.6 billion.

(22.91% stake and 32.75% of voting rights on issued capital)

The key consolidated figures of Ferrari reported in the first half of 2017 are presented below:

	Half I		Change	
€ million	2017	2016	amount	%
Shipments (in units)	**4,335**	4,096	239	6
Net revenues	**1,741**	1,486	255	17
EBIT	**379**	267	112	42
Adjusted EBIT (1)	**379**	277	102	37
Net profit	**260**	175	85	49
Net industrial debt (2)	**(627)**	(653) (3)	26	4

(1) Adjusted EBIT is a non-GAAP financial measure used to measure performance. Adjusted EBIT represent EBIT as adjusted for income and costs, which are significant in nature, but expected to occur infrequently.
(2) Net industrial debt is defined as net debt excluding the funded portion of the self-liquidating financial receivables portfolio.
(3) At December 31, 2016.

Shipments

	Half I		Change	
units	2017	2016	amount	%
EMEA	**2,035**	1,903	132	7
Americas	**1,342**	1,297	45	3
China, Hong Kong and Taiwan, on a combined basis	**301**	316	(15)	-5
Rest of APAC	**657**	580	77	13
Shipments	**4,335**	4,096	239	6

Shipments in the first half of 2017 totaled 4,335 units, an increase of 239 units (+6%) from the corresponding period of 2016. This achievement was driven by an increase in sales of 12 cylinder models (V12), while the 8 cylinder models (V8) were substantially in line with prior year. The V12 strong performance was led by the GTC4Lusso and LaFerrari Aperta, partially offset by the F12Berlinetta (phasing-out) as well as the F12tdf, that is finishing its limited series run.

Net revenues

	Half I		Change	
€ million	2017	2016	amount	%
Cars and spare parts	**1,250**	1,070	180	17
Engines	**204**	128	76	60
Sponsorship, commercial and brand	**246**	235	11	5
Other	**41**	53	(12)	-24
Net revenues	**1,741**	1,486	255	17

Net revenues in the first half of 2017 were €1,741 million, an increase of €255 million (+17.2%; +16.2% on a constant currency basis) from €1,486 million for the six months ended June 30, 2016.
Revenues in Cars and spare parts were €1,250 million, an increase of €180 million were up 17% versus prior year, supported by higher volumes and positive mix led by the 488 and the GTC Lusso families as well as LaFerrari Aperta, along with a greater contribution from the personalization programs, pricing increases and FX which was partially offset by the end of La Ferrari lifecycle in 2016, as well as the non-registered racing car FXX K and the strictly limited edition F60 America, completing their limited series run in 2016.

Engines revenues (€204 million, +60%) showed an increase attributable to strong sales to Maserati, more than offsetting the termination of the rental agreement with Formula 1 racing Team.
Sponsorship, commercial and brand revenues (€246 million, +5%) were up mostly due to higher sponsorship revenues, partially offset by the impact of lower 2016 championship ranking compared to 2015.

EBIT

EBIT in the first half of 2017 was €379 million, up €112 million (+42%) from €267 million for the first half of 2016; the increase was primarily attributable to a positive volume impact (€33 million) and a positive product mix (€57 million). The positive volume impact is due to an increase in total shipments of approximately 225 cars, driven by the GTC4 Lusso and the 488 families, together with positive contribution from the personalization programs. The positive product mix was primarily attributable to the La Ferrari Aperta, which was launched in the third quarter of 2016, as well as an increase in shipments of our V12 models, driven by GTC4Lusso, partially offset by a decrease in shipments of La Ferrari which completed its lifecycle in 2016, as well as the non-registered racing car FXX K and the strictly limited edition F60 America, completing their limited series runs in 2016.

Net industrial debt

Net industrial debt at June 30, 2017 decreased to €627 million from €653 million at December 31, 2016 thanks to strong industrial free cash flow generation, notwithstanding the cash distribution of €120 million.

€ million	6/30/2017	12/31/2016	Change
Net industrial debt	**(627)**	(653)	26
Funded portion of the self-liquidating financial receivables portfolio	**705**	737	(32)
Net debt	**(1,332)**	(1,390)	58
Cash and cash equivalents	**423**	458	(35)
Gross debt	**(1,755)**	(1,848)	93

Significant events in the first half 2017 and subsequent events

For the second year running, the 3.9-litre twin-turbo V8 that powers the 488 GTB, 488 Spider and, in a slightly smaller displacement, the California T and GTC4Lusso T, has taken the outright "International Engine of the Year Award".

For the third year running, Ferrari has taken the "Red Dot: Best of the Best" award for the maximum expression of design quality and ground-breaking design. The model to receive the top award of the prestigious annual Product Design competition was the Ferrari J50, the strictly limited series of bespoke cars built to commemorate the 50th anniversary of Ferrari in Japan.

On July 24, 2017 Ferrari and UPS have renewed the sponsorship agreement, based on which the UPS brand will continue to appear on the Scuderia Ferrari's single-seaters and the official drivers' racing suits. The multi-year agreement continues the collaboration started in 2013.

On July 28, 2017 Scuderia Ferrari has reached a multi-year agreement with Sauber F1 Team, by virtue of which the Swiss Team will be fitted with the Power Units built at the Maranello factory.

2017 Outlook

Ferrari is expecting the following performance in 2017:
- shipments: of approximately 8,400 units, including supercars;
- net revenues more than €3.3 billion;
- adjusted EBITDA more than €950 million;
- net industrial debt approximately €500 million.

(34.72% of issued capital, 20% of voting rights)

The key consolidated figures of The Economist Group reported for the year ended March 31, 2017 are as follows:

	Year		
£ million	**2016/2017**	2015/2016	Change
Net revenues	**353.2**	330.9	22.3
Operating profit	**54.0**	60.7	(6.7)
Profit after tax from continuing business	**41.4**	43.4	(2.0)

	At		
£ million	**3/31/2017**	3/31/2016	Change
Total equity attributable to shareholders	**(97.7)**	(77.3)	(20.4)
Net debt	**(104.9)**	(97.0)	(7.9)

For a correct interpretation of the data is should be noted that financial year of The Economist Group does not coincide with the calendar year but covers the period April 1 – March 31.
For the preparation of the EXOR First Half 2017 the data used refer to the period October 1, 2016 – March 31, 2017.

The Economist Group's net revenues rose by 7% while operating profit fell by 11%. The stronger dollar meant that at constant exchange rates, Group revenue fell by 3% while operating profit finished 18% lower.
Encouragingly profit from the circulation business grew 52% as a result of a 20% subscription price rise, an increase in paid volumes, effective marketing and the strong news agenda. However, print advertising revenues continued their decline falling by 23% in the year. This reflected declining global advertising markets, particularly in the US where the market was also impacted by the American presidential election. The decline in advertising revenues means that only 18% of Group sales last year came from advertising, compared with 23% the previous year and more than 40% seven years earlier.

The £97.7 million negative equity attributable to shareholders increased by £20.4 million because of changes in valuation assumptions, which were driven by market conditions, leading to an increase in the defined benefit pension scheme deficit.

Results by division

	Year		
£ million	**2016/2017**	2015/2016	Change
The Economist Businesses	**242.6**	230.0	12.6
The Economist Intelligence Unit	**60.8**	52.2	8.6
CQ Roll Call	**49.8**	48.7	1.1
Net revenues	**353.2**	330.9	22.3

Revenue by business increased across all divisions helped by a stronger dollar. Within The Economist Businesses, revenue from circulation grew significantly because of higher revenue per copy and an increase in paid volume. The difficult US advertising market coupled with the US political and economic climate affected advertising revenues, which fell 23%. TVC experienced a 6% growth in revenue and non-advertising businesses now make up a quarter of the media division's revenue.
The Economist Intelligence Unit (EIU) had a good year with revenues rising by 17%. The core economic and political analysis and forecasting business continued to perform strongly. In recent years, the EIU has worked hard to diversify beyond this core revenue stream by developing industry expertise and consulting skills. There was growth in all three consulting divisions of the EIU, with overall consulting revenue increasing by 19%.

CQ Roll Call revenues were affected by the slowing advertising market in the election year. Despite this, the news agenda boosted interest with Roll Call benefiting from a 28% increase in unique visitors and the events business experienced growth in revenue of 53%.

	Year		
£ million	**2016/2017**	2015/2016	Change
The Economist Businesses	**19.9**	29.6	(9.7)
The Economist Intelligence Unit	**17.9**	16.3	1.6
CQ Roll Call	**12.7**	14.7	(2.0)
	50.5	60.6	(10.1)
Exceptional items and amortization	**3.5**	0.1	3.4
Operating profit	**54.0**	60.7	(6.7)

Operating profit was affected by the decline in high-margin print advertising and the increasing complexity of the revenue delivered by the media businesses. In addition, investment continued in the important growth areas of digital, editorial, films and circulation marketing for The Economist as well as in the EIU consulting practices. The EIU's core economic and political analysis and forecasting businesses continued to perform strongly, contributing to the 10% increase in operating profit. CQ Roll Call's profits were affected by the lack of congressional action and the presidential election which particularly impacted advertising revenues.

There were a number of exceptional items affecting the result the year. These included the release of a provision for contingent consideration of £7.2 million relating to the 2016 acquisition of Canback, the consumer predictive analytics business, offset by £2.4 million restructuring expenses and £0.9 million onerous property provision costs.

Significant events in the year 2016/2017

It was a year of significant progress for the Group and the circulation business is now the single-largest contributor to the Group's profits. The coupling of an efficient marketing strategy with a particularly newsworthy environment enabled the circulation business to grow revenues by 21% and profits by 52%.

The year saw the overhaul of the Economist.com website and the successful launch on Snapchat. Economist Films, Economist Radio and social media have all made dramatic progress and more people engage with The Economist than ever before. Engagement is roughly evenly split between The Economist print edition, Economist.com, Snapchat and Facebook video. The year also saw the effects of the steep decline in advertising revenue. Beyond advertising, other parts of the media division made progress with TVC increasing its revenue by 6% and the content solutions business continuing to grow its profit margin. To broaden the services offered, the Group acquired Signal Noise, a data visualization design agency, in October 2016.

The EIU consulting business has recently been restructured which has allowed it to raise the profile of the business and generate new revenue streams. The public policy consulting business grew its revenue by 35% while the healthcare business grew by 20%.

Business outlook

The success of the circulation strategy has encouraged The Economist Group to increase the marketing budget for the next few years. America is the largest market but it has very low penetration in their target readership. The increased investment in circulation marketing will affect the Group's bottom line in the short term, but the management is confident it will ensure long-term growth for the Group. Steps are also being taken to expand the EIU. Last year, its revenues rose at 17% with healthcare, consumer markets and public policy businesses all showing encouraging growth. Elsewhere in the group, activities are either positioned for growth or for protecting profitability by tightly controlling costs. Much of the digital infrastructure is being upgraded.

On a longer term view, all these factors point to a new phase of growth for the Group.

(63.77% of share capital)

The following figures refer to the accounting data for the period January 1 – June 30, 2017 drawn up by Juventus F.C. for the purposes of the preparation of the half-year condensed consolidated financial statements of EXOR Group at June 30, 2017.

€ million	Half ended 6/30/2017	6/30/2016	Change
Revenues	**249.4**	183.0	66.4
Operating costs	**(220.6)**	(160.3)	(60.3)
Operating loss	**(18.3)**	(18.4)	0.1
Loss for the period	**(26.6)**	(26.7)	0.1

€ million	6/30/2017	12/31/2016	Change
Shareholders' equity	**98.4**	125.4	(27.0)
Net financial debt	**(162.5)**	(174.1)	11.6

Interim data cannot be construed as representing the basis for a full-year projection.
For a correct interpretation of the figures it should be noted that the financial year of Juventus does not coincide with the calendar year but covers the period July 1 – June 30, which corresponds to the football season. The accounting data under examination thus represents the second half of operations for the financial year 2016/2017.
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 2017/2018 Transfer Campaign-first phase, carried out or in the process of being carried up to the date of July 31, 2017.
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 June 30, 2017.

The result for the period (January 1 – June 30, 2017) is a loss of €26.6 million (substantially unchanged from the same period of 2016, amounting to €26.7 million). This trend is mainly the result of an increase in revenues of €66.4 million, in operating costs following increased wages and technical staff costs (€37.6 million), other staff costs (€2.8 million), expenses on players' registration rights (€7.5 million), costs for external services (€10.1 million), purchases of products held for sale (€2.2 million), amortization (€7.8 million) and accruals (€0.5 million), in addition to other net positive changes of €2 million.

Significant events in the first half of 2017 and subsequent events

On April 26, 2017, Juventus sold to Santa Clara Medical S.r.l., the 50% stake of J Medical S.r.l. for € 3.4 million and realized a net gain of €1 million. After this operation J Medical is again jointly controlled by Juventus and Santa Clara, respectively to 50% for each.

On May 8, 2017 the FIGC First Level Commission for UEFA licenses examined the documentation filed and checked its conformity with the criteria and parameters established by regulations and issued the UEFA license to Juventus for the 2017/2018 football season.

On May 29, 2017 Juventus signed with Allianz S.p.A. and Lagardère Sports Germany GMBH (the company which holds the naming rights), the Agreement relating to the Naming Rights of the Stadium, now called Allianz Stadium. This agreement is effective from 1 July 2017 to June 30, 2023.

On July 17, 2017, Juventus transferred its legal residence to Via Druento 175, Turin located within the new property complex of the J Village Real Estate Fund.

2017 Outlook

In the second half of the year the first phase of the 2017/2018 Transfer Campaign will be concluded and the season will open with, in particular, the Group Stage of the UEFA Champions League; the outcome of this stage could significantly influence the economic performance of Juventus for the financial year 2017/2018 which at present is expected to close with a loss.
As in preceding years, management will continue to be focused on consolidating the company’s medium to long-term financial and economic equilibrium.

RISKS AND UNCERTAINTIES FROM SUBSIDIARIES

Except as noted below the risks and uncertainties identified for the six months ended June 30, 2017 by the subsidiaries are in line with the main risks and uncertainties to which the same are exposed and which were identified and discussed in the 2016 Annual Report in the section Risks factors from subsidiaries.

In late July 2017, the Brazilian tax authorities issued an instruction that could affect the FCA ability to apply federal tax credits generated in certain operations to offset federal taxes arising from other operations. FCA is assessing the impact of this particular instruction and given the current economic conditions in Brazil, new tax laws or changes to the application of existing tax laws could have a material adverse effect on its business, financial condition and results of operations

SUBSEQUENT EVENTS AND 2017 OUTLOOK

Subsequent events of the Holding System

Investment in GEDI Gruppo Editoriale S.p.A.

On June 29, 2017 the transfer of ITEDI S.p.A to GEDI Gruppo Editoriale S.p.A (hereafter GEDI) became effective. Subsequently, FCA completed the demerger of GEDI into InterimCo BV and liquidated the latter company resulting in the distribution of newly issued GEDI ordinary shares to all FCA shareholders. On July 4, 2017 EXOR received 4.28% of GEDI's share capital.

EXOR also purchased on the market 1.71% of GEDI share capital for a total amount of €6.8 million. Currently EXOR holds in total 5.99% of the share capital of GEDI.

2017 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 Group operating subsidiaries (FCA, CNH Industrial and Ferrari) publish forecast data on their figures. Other EXOR Group operating subsidiaries and associates (PartnerRe, The Economist Group and Juventus Football Club) publish information on the foreseeable outlook. Additional information is provided under "Review of Performance of the operating subsidiaries and associates" in the Report on Operations.

The forecast data and information of the aforementioned operating companies are drawn up autonomously and communicated by the relative 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 associate 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 and associates, which operate in a completely independent manner.

EXOR N.V. deems that the forecast data and information of the subsidiaries and associates 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 and that 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 and affiliates.

August 30, 2017

The Board of Directors:

John Elkann

Sergio Marchionne

Alessandro Nasi

Andrea Agnelli

Niccolò Camerana

Ginevra Elkann

Lupo Rattazzi

Marc Bolland

Melissa Bethell

Laurence Debroux

Anne Marianne Fentener van Vlissingen

António Mota de Sousa Horta-Osório

Robert Speyer

Michelangelo Volpi

Ruth Wertheimer

RESPONSIBILITY STATEMENT

The Board of Directors is responsible for preparing the 2017 Half-year Financial Report, inclusive of the Half-year Condensed Consolidated Financial Statements at June 30, 2017 and the Interim Report on Operations at June 30, 2017, in accordance with the Dutch Financial Supervision Act and the applicable International Financial Reporting Standards as issued by the International Accounting Standards Board, IAS 34 – Interim Financial Reporting, and as adopted by the European Union (EU-IFRS).

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 at June 30, 2017 prepared in accordance with applicable accounting standards provide a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and its subsidiaries, and the undertakings included in the consolidation as a whole, and that the Interim Report on Operations at June 30 2017 provides a fair review of the information required pursuant to Section 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act.

August 30, 2017

The Board of Directors:

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Sergio Marchionne

Alessandro Nasi

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Ruth Wertheimer

Exor

Half-year Condensed Consolidated Financial Statements at June 30, 2017

CONSOLIDATED INCOME STATEMENT (unaudited)

€ million	Note	Half I 2017	Half I 2016	Change
Net revenues	1	**71,373**	68,204	3,169
Cost of sales		**(59,236)**	(57,538)	(1,698)
Selling, general and administrative costs		**(5,353)**	(5,230)	(123)
Research and development costs		**(2,492)**	(2,291)	(201)
Other income (expenses)	20	**1,022**	41	981
Result from investments:				
- Share of the profit (loss) of equity method investees		**253**	151	102
- Other income (expenses) from investments		**8**	20	(12)
Result from investments		**261**	171	90
Gains (losses) on disposal of investments		**49**	37	12
Restructuring costs		**(100)**	(89)	(11)
Financial income (expenses)	2	**(1,111)**	(1,294)	183
Profit before taxes		**4,413**	**2,011**	2,402
Tax expense	3	**(1,839)**	(811)	(1,028)
Profit from continuing operations		**2,574**	**1,200**	1,374
Profit from discontinued operations, net of tax		**0**	**0**	0
Profit for the period		**2,574**	**1,200**	1,374
Profit attributable to non-controlling interests		**1,658**	769	889
Profit attributable to owners of the parent		**916**	**431**	485

Profit attributable to owners of the parent per ordinary share	4			
Basic earnings per share from continuing operations (€)		**3.907**	1.844	2.063
Diluted earnings per share from continuing operations (€)		**3.881**	1.806	2.075

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS) (unaudited)

€ million	Note	Half I 2017	Half I 2016
Profit for the period (A)	14	2,574	**1,200**
Items that will not be reclassified to the consolidated income statement in subsequent periods:			
Gains (losses) on re-measurement of defined benefit plans		**(4)**	4
Share of gains (losses) on re-measurement of defined benefit plans for equity method investees		**0**	(4)
Related tax effect		**1**	
Total items that will not be reclassified to the consolidated income statement in subsequent periods (B1)		(3)	**0**
Items that may be reclassified to the consolidated income statement in subsequent periods			
Gains (losses) on cash flow hedging instruments		**243**	(124)
Gains (losses) on available-for-sale financial assets		**6**	(112)
Foreign exchange losses		**(2,343)**	(171)
Share of other comprehensive income (loss) for equity method investees		**35**	(110)
Related tax effect		**(24)**	73
Total items that may be reclassified to the consolidated income statement in subsequent periods (B2)		(2,083)	**(444)**
Total Other comprehensive income (loss), net of tax (B) = (B1) + (B2)		(2,086)	**(444)**
Total Comprehensive income (loss) (A)+(B)		488	**756**
Total Comprehensive income (loss) attributable to:			
Owners of the parent		1	**160**
Non-controlling interests		487	**596**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited)

€ million	Note	06/30/2017	12/31/2016	Change
Assets				
Intangible assets	5	**33,281**	34,870	(1,589)
Property, plant and equipment	6	**36,244**	37,224	(980)
Leased assets under operating leasing		**1,690**	1,810	(120)
Investments accounted for using the equity method		**3,125**	3,021	104
Other investments and other financial assets	7	**1,502**	2,026	(524)
Deferred tax assets		**3,448**	4,792	(1,344)
Inventories	8	**21,806**	19,410	2,396
Trade receivables		**3,279**	3,198	81
Investments of reinsurance companies	9	**14,155**	14,623	(468)
Receivables from financing activities	10	**20,011**	21,047	(1,036)
Receivables from reinsurance activities		**3,102**	2,679	423
Other assets	11	**6,507**	6,518	(11)
Assets held for sale		**25**	148	(123)
Assets held for distribution		**41**	0	41
Cash and cash equivalents	13	**18,509**	25,161	(6,652)
Total Assets		**166,725**	**176,528**	(9,803)
Equity				
Equity attributable to owners of the parent	14	**10,814**	10,982	(168)
Non-controlling interests	14	**19,653**	19,238	415
Total Equity		**30,467**	**30,220**	247
Liabilities				
Provisions for employee benefits	16	**11,649**	12,509	(860)
Other provisions	17	**17,852**	19,265	(1,413)
Technical reserves reinsurance companies	18	**11,970**	11,947	23
Deferred tax liabilities		**528**	527	1
Financial debt	19	**48,438**	55,817	(7,379)
Other financial liabilities		**302**	1,000	(698)
Trade payables		**28,619**	28,214	405
Tax payables		**258**	470	(212)
Other liabilities	20	**16,642**	16,455	187
Liabilities held for sale		**0**	104	(104)
Total Liabilities		**136,258**	**146,308**	(10,050)
Total Equity and Liabilities		**166,725**	**176,528**	(9,803)

CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

€ million	Half I 2017	Half I 2016
Cash and cash equivalents at beginning of the period	25,161	**30,587**
Cash and cash equivalents of the Asset held for sale and discontinued operation	1	0
Cash and cash equivalents at beginning of the period included Asset held for sale and discontinued operation	25,162	30,587
Cash flows from (used in) operating activities		
Profit for the period	**2,574**	1,200
Amortization and depreciation	**3,919**	3,461
(Gains) losses on disposal of non-current assets	**(254)**	29
Other non-cash items	**5**	35
Dividends received	**88**	169
Change in provisions	**(368)**	1,110
Change in deferred taxes	**441**	168
Change in items due to buy-back commitments	**118**	177
Change in operating lease items	**17**	(74)
Change in working capital	**(1,259)**	(1,002)
Total	5,281	**5,273**
Cash flows from (used in) investing activities		
Investments in property, plant and equipment and intangible assets	**(4,989)**	(4,360)
Acquisitions of investments made by consolidated operating subsidiaries	**(126)**	(112)
Investments in financial assets made by EXOR and by subsidiaries in the Holdings System	**0**	(116)
Cash and cash equivalents from the consolidation of PartnerRe, net of the consideration paid to acquire the 100%	**0**	(3,950)
Net change in Investments of Reinsurance companies (PartnerRe Group)	**(258)**	929
Proceeds from disposal of non-current and financial assets	**443**	62
Net change in financial receivables	**(121)**	216
Net change in securities	**209**	99
Other changes	**(17)**	(39)
Total	(4,859)	**(7,271)**
Cash flows from (used in) financing activities		
Issuance of notes	**1,054**	3,042
Repayment of notes	**(3,534)**	(1,205)
Net change in other long-term debt	**(1,785)**	(3,700)
Net change in short-term debt and other financial assets/liabilities	**(1,320)**	(369)
Capital increases by subsidiaries	**10**	1
Dividends paid by EXOR	**(82)**	(82)
Dividends paid by subsidiaries	**(199)**	(242)
Other changes	**(43)**	(4)
Total	(5,899)	**(2,559)**
Translation exchange differences	**(1,176)**	(221)
Total change in cash and cash equivalents	(6,653)	**(4,778)**
Cash and cash equivalents at beginning of the period included Asset held for sale and discontinued operation	**18,509**	**25,809**
Cash and cash equivalents of the Asset held for sale and discontinued operation		(20)
Cash and cash equivalents at end of the period	18,509	**25,789**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)

€ million	Share capital	Treasury stock	Other reserves	Cash flow hedge reserve	Currency translation differences	Available for sale financial assets	Remeasure-ment of defined benefit plans	Cumulative share of OCI of equity method investees	Total Owners of the parent	Non-controlling interests	Total
Equity at December 31, 2015	**246**	**(171)**	**9,525**	**48**	**823**	**268**	**(395)**	**2**	**10,346**	**16,481**	**26,827**
Changes in equity in the first-half 2016											
Share-based payments			19						19	43	62
Capital increase by subsidiaries									0	19	19
Sale of treasury stock									0		0
Dividends paid			(82)						(82)	(202)	(284)
Total comprehensive income			431	(9)	(79)	(102)	1	(82)	160	596	756
Acquisition of PartnerRe									0	818	818
Effect of the spin-offs of RCS/Ferrari			0						0	(32)	(32)
Effect of the change in the percentage ownership of companies valued under equity method(a)			(141)						(141)		(141)
Other changes			(21)						(21)	(8)	(29)
Total changes	0	0	206	(9)	(79)	(102)	1	(82)	(65)	1,234	1,169
Equity at June 30, 2016	**246**	**(171)**	**9,731**	**39**	**744**	**166**	**(394)**	**(80)**	**10,281**	**17,715**	**27,996**

(a) Of which €108 million related to The Economist Group and €33 million to the Almacantar Group.

€ million	Share capital	Treasury stock	Other reserves	Cash flow hedge reserve	Currency translation differences	Availabl e for sale financial assets	Remeasure -ment of defined benefit plans	Cumulative share of OCI of equity method investees	Total Owners of the parent	Non-controlling interests	Total
Equity at December 31, 2016	**2**	**0**	**10,044**	**9**	**1,419**	**81**	**(330)**	**(243)**	**10,982**	**19,238**	**30,220**
Change in equity for the first half 2017											
Share-based payments			24						24	54	78
Capital increase by subsidiaries									0	7	7
Dividends paid			(82)						(82)	(204)	(286)
Total comprehensive income			916	62	(1,025)	6	(2)	44	1	487	488
Reimbursement of the investment in The Black Ant Value Fund						(109)			(109)		(109)
Effect of the change in the percentage ownership of companies consolidated line-by-line(b)			(50)		(8)				(58)	89	31
Other changes			56						56	(18)	38
Total changes	0	0	864	62	(1,033)	(103)	(2)	44	(168)	415	247
Equity at June 30, 2017	**2**	**0**	**10,908**	**71**	**386**	**(22)**	**(332)**	**(199)**	**10,814**	**19,653**	**30,467**

(b) Of which -€31 million related to CNH Industrial Group and - €19 million to the FCA Group.

NOTES TO THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE ACTIVITIES OF THE GROUP

EXOR N.V. (EXOR), formerly known as EXOR Holding N.V., (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 September 30, 2015 and in 2016 was designated to act as a holding company for EXOR Group following the cross-border merger with EXOR S.p.A. (the "Merger").
For further details on the Merger, reference should be made to the 2016 Company's financial statements.

EXOR is one of Europe's leading investment companies and is controlled by Giovanni Agnelli B.V. (formerly Giovanni Agnelli e C. S.a.p.az.) which holds 52.99% of its share capital.
EXOR and its subsidiaries (the "Group") operate in the reinsurance sector, automotive industry, agricultural equipment and construction equipment, commercial vehicles and professional football.

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Authorization of Consolidated Financial Statements and Compliance with International Financial Reporting Standards

The accompanying interim condensed consolidated financial statements together with the notes thereto (the "Interim Condensed Consolidated Financial Statements"), of EXOR at June 30, 2017, were authorized for issuance on August 30, 2017 and have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and as adopted by the European Union. The designation "IFRS" also includes International Accounting Standards ("IAS"), as well as all interpretations of the IFRS Interpretations Committee ("IFRIC").
The Interim 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 December 31, 2016 included within the 2016 Annual Report (the "EXOR Consolidated Financial Statements at December 31, 2016"). The accounting policies are consistent with those used at December 31, 2016, except as described in the section — New standards and amendments effective from January 1, 2017 below.

Basis of preparation

The consolidated financial statements are prepared on the going concern assumption under the historical cost convention, except where the use of fair value is required for the measurement of certain financial assets and derivatives. In this respect, the Group's assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1 — Presentation of Financial Statements) exist about its ability to continue as a going concern.

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

The EXOR Group presents the income statement using a classification based on the function of expenses (otherwise known as the "cost of sales" method), 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 by the principal subsidiaries, the FCA, CNH Industrial and Ferrari Groups, and is consistent with international practice in the automotive and capital goods sectors.

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

The other 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 January 1, 2017

The following amendments, which were effective from January 1, 2017, were adopted by the Group. The adoption of these amendments had no effect on the Interim Condensed Consolidated Financial Statements.

- Amendments to IAS 12 — Income Taxes that clarify how to account for deferred tax assets related unrealized losses on debt instruments measured at fair value;
- Amendments to IAS 7 — Statement of Cash Flows, which requires companies to provide information about changes in their financing liabilities.

New standards and amendments not yet effective and not early adopted

Reference should be made to note 2, Basis of Presentation – New Standards and Amendments Not Yet Effective within the EXOR Consolidated Financial Statements at December 31, 2016 for a detailed description of new standards not yet effective as of June 30, 2017.

With regards to IFRS 15 — Revenue from contracts with customers ("IFRS 15"), which was issued by the IASB in May 2014 and amended in September 2015 and which has an effective date from January 1, 2018, the Group expects to adopt the provisions of IFRS 15 and all its amendments using the modified retrospective method with a cumulative adjustment to equity as of January 1, 2018. The standard requires a company to recognize revenue upon transfer of control of goods or services to a customer at an amount that reflects the consideration it expects to receive using a five-step process. The new standard also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. The Group expect that the majority of the Group revenue will continue to be recognized in a manner consistent with accounting guidance in prior years with the exception of the sale of vehicles that are subject to a guaranteed resale value with a put option. Under the new standard, such vehicles with a put option for which the customer does not have a significant economic incentive to exercise, will be recognized as revenue when control transfers upon shipment of the vehicles, rather than treated as an operating lease in accordance with prior guidance. The Group is currently evaluating the implementation and the impact of adoption of this standard in 2018 on its consolidated financial statements.

In July 2014, the IASB issued IFRS 9 — Financial Instruments. The improvements introduced by the new standard include a logical approach for classification and measurement of financial instruments driven by cash flow characteristics and the business model in which an asset is held, a single "expected loss" impairment model for financial assets and a substantially reformed approach for hedge accounting. The standard is effective, retrospectively with limited exceptions, for annual periods beginning on or after January 1, 2018 with earlier adoption permitted. The Group is currently evaluating the implementation and the impact of adoption of this standard in 2018 on its consolidated financial statements.

In January 2016, the IASB issued IFRS 16 — Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous leases standard, IAS 17 — Leases. IFRS 16, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. 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 whereby a lessee is required to recognize assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognize depreciation of lease assets separately from interest on lease liabilities in the income statement. As IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently. IFRS 16 is effective from January 1, 2019 and the Group is currently evaluating the implementation and the impact of adoption of this standard on its consolidated financial statements.

In May 2017, the IASB issued IFRS 17 — Insurance Contracts, which replaces IFRS 4 — Insurance Contracts. IFRS 17 requires all insurance contracts to be accounted for in a consistent manner and insurance obligations to be accounted for using current values, instead of historical cost. The new standard requires current measurement of the future cash flows and the recognition of profit over the period that services are provided under the contract. IFRS 17 also requires entities to present insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses, and requires an entity to make an accounting policy choice of whether to recognize all insurance finance income or expenses in profit or loss or to recognize some of those income or expenses in other comprehensive income. The standard is effective for annual periods beginning on or after January 1, 2021 with earlier adoption permitted. The Group are currently evaluating the impact of adoption on its 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 when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: (i) whether an entity considers uncertain tax treatments separately, (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities, (iii) how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and (iv) how an entity considers changes in facts and circumstances. 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 a tax-related contingencies within IAS 12. The Interpretation is applicable for annual reporting periods beginning on or after January 1, 2019 and it provides a choice of two transition approaches: (i) retrospective application using IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors, only if the application is possible without the use of hindsight, or (ii) retrospective application with the cumulative effect of the initial application recognized as an adjustment to equity on the date of initial application and without restatement of the comparative information. The date of initial application is the beginning of the annual reporting period in which an entity first applies this Interpretation. The Group is currently evaluating the implementation and the impact of adoption of the Interpretation on its consolidated financial statements.

In June 2016, the IASB issued amendments to IFRS 2 — Share-Based Payment, which provide requirements on the accounting for (i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; (ii) share-based payment transactions with a net settlement feature for withholding tax obligations; and (iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with early application permitted. The Group is currently evaluating the method of implementation and impact.

In December 2016, the IASB issued Annual Improvements to IFRS Standards 2014–2016 Cycle which has amendments to three Standards: IFRS 12 — Disclosure of Interests in Other Entities (effective date of January 1, 2017), IFRS 1 — First-time Adoption of International Financial Reporting Standards (effective date of January 1, 2018) and IAS 28 — Investments in Associates and Joint Ventures (effective date of January 1, 2018). The amendments clarify, correct or remove redundant wording in the related IFRS Standard and are not expected to have a material impact to the consolidated financial statements or disclosures upon adoption of the amendments.

In December 2016, the IASB issued IFRIC Interpretation 22 — Foreign Currency Transactions and Advance Consideration which addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. The interpretation is effective January 1, 2018. The Group is currently evaluating the implementation method and the effect of adoption on its consolidated financial statements.

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 June 30, 2017 are the following:

		At 06/30/2017	
		Percentage of consolidation	
Company/Group	**Country**	**Group's ownership interest**	**Non-controlling interest's ownership interest**
Operating subsidiaries:			
FCA Group	The Netherlands	29.23%	70.77%
CNH Industrial Group	The Netherlands	26.90%	73.10%
Ferrari Group	The Netherlands	23.52%	76.48%
PartnerRe Group	Bermuda	100.00%(a)	-
Juventus Football Club S.p.A.	Italy	63.77%	36.23%
Companies in the Holdings System:			
EXOR S.A.	Luxembourg	100%	-
EXOR Capital Dac	Ireland	100%	-
EXOR SN LLC	USA	100%	-
EXOR Nederland N.V.	The Netherlands	100%	-
EXOR Investments Limited	United Kingdom	100%	-
Ancom USA Inc.	USA	100%	-

(a) Of common shares.

On August 1, 2016, FCA Group announced the signing of a framework agreement which set out terms of the proposed integration through a merger between FCA's consolidated media and publishing subsidiary, Italiana Editrice S.p.A ("Itedi"), in which FCA has a 77 percent ownership interest, and the Italian media group, GEDI Gruppo Editoriale S.p.A. ("GEDI"), previously known as Gruppo Editoriale L'Espresso S.p.A., (the "Merger"). All the conditions precedent for the Merger were met and all regulatory approvals from Italian state authorities that regulate the publishing and media sectors were received in June 2017. All the necessary steps for the Merger were completed and on June 27, 2017, FCA and Itedi's non-controlling shareholder, Ital Press Holding S.p.A. ("Ital Press"), transferred 100 percent of the shares of Itedi to GEDI in exchange for newly issued GEDI shares, resulting in CIR S.p.A., the controlling shareholder of GEDI, holding a 43.4 percent ownership interest in GEDI, FCA holding 14.63 percent and Ital Press holding 4.37 percent. As a result, the Group recorded a gain of €49 million within gains on disposal of investments in the condensed consolidated income statements.
The newly issued GEDI shares distributed on July 2, 2017 to holders of FCA common stock were recognized at their fair value of €41 million and classified within assets held for distribution in the condensed consolidated statement of financial position at June 30, 2017.

In February 2017, CNH Industrial completed the acquisition of the grass and soil implement business of Kongskilde Industries, the impact of which was not material to the June 30, 2017 financial statements.

On April 3, 2017, PartnerRe completed the acquisition of 100% of the outstanding ordinary shares of Aurigen Capital Limited, a North American life reinsurance company. The consideration paid was CAD $370 million or US$278 million and the fair value of net assets acquired was $277 million, including intangible assets of $78 million. The results of Aurigen Capital Limited were included in the results of PartnerRe from the acquisition date of April 3, 2017.

Non-controlling interests
Non-controlling interests at June 30, 2017 amount to €19,653 million (€19,238 million at December 31, 2016) and are detailed in note 14.

Segment reporting
The EXOR Group, through its subsidiaries, is present in a diversified range of sectors, particularly Automotive (FCA), Agricultural Equipment, Construction Equipment and Commercial Vehicles (CNH Industrial), Ferrari brand, an icon of luxury, style and speed, reinsurance services (PartnerRe) and professional football (Juventus Football Club). EXOR and the subsidiaries of the Holdings System primarily carry out activities regarding equity investments and financial market investments.
For this reason the EXOR Group has chosen to disclose its information by segment, according to IFRS 8 — Operating Segments*,* which coincides with the consolidated data of each subsidiary holding company, every one of which represents an investment in a major business segment: FCA, CNH Industrial, Ferrari, PartnerRe, Juventus Football Club and the Holdings System. These companies, in turn, in preparing their financial statements in accordance with IAS/IFRS, present, if applicable, operating segment disclosure which best reflects their respective characteristics.
Details on segment reporting are reported in note 22.

OTHER INFORMATION
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 July 1 – June 30, 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.

Exchange rates

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

	For the six months ended June 30, 2017	At June 30, 2017	At December 31, 2016	For the six months ended June 30, 2016	At June 30, 2016
U.S. Dollar	1.083	1.141	1.054	1.116	1.110
Brazilian Real	3.443	3.760	3.431	4.130	3.590
Chinese Renminbi	7.445	7.739	7.320	7.296	7.376
Polish Zloty	4.269	4.226	4.410	4.368	4.436
Argentine Peso	16.997	18.802	16.707	15.983	16.599
Pound Sterling	0.861	0.879	0.856	0.779	0.827
Swiss Franc	1.077	1.093	1.074	1.116	1.087
Mexican Peso	21.044	20.584	21.772	20.169	20.635
Canadian Dollar	1.445	1.479	1.419	1.484	1.438

COMPOSITION AND PRINCIPAL CHANGES

1. Net revenues

Net revenues amount to €71,373 million in the first half of 2017 (€68,204 million in the first-half of 2016). The contribution by segment is presented in note 22.

2. Financial income (expenses)

In addition to the items forming part of the specific lines of the income statement, the following analysis of net financial income (expenses) also comprises the income earned by financial services companies included in net revenues of €434 million in the first half of 2017 (€451 million in the first half of 2016) and the costs incurred by financial services companies, presented in interest expenses and other financial expenses of financial services companies, included in cost of sales of €261 million in the first half of 2017 (€284 million in the first half of 2016).

Details are as follows:

€ million	**Half I 2017**	**Half I 2016**	Change
Interest income and other financial income	135	137	(2)
Interest income from customers and other financial income of financial services companies	434	451	(17)
Gains on disposal of securities	114	12	102
Total financial income	683	600	83
Less: Interest income from customers and other financial income of financial services companies	(434)	(451)	17
Financial income, excluding financial services companies	**249**	149	100
Interest and other financial expenses	1,159	1,247	(88)
Writedowns of financial assets	57	98	(41)
Losses on disposal of securities	5	5	0
Net interest expenses on employee benefits provisions	180	196	(16)
Total interest and other financial expenses	1,401	1,546	(145)
Net (income) expenses from derivative financial instruments and exchange rate differences	220	181	39
Total financial expenses	1,621	1,727	(106)
Less: interest expenses and other financial expenses of financial services companies	(261)	(284)	23
Financial expenses, excluding financial services companies	**1,360**	1,443	(83)
Net financial income (expenses), excluding financial services companies	**(1,111)**	**(1,294)**	183

3. Tax expense

€ million	Half I 2017	Half I 2016	Change
Current tax expense	835	680	155
Deferred tax expense	1,075	126	949
Tax (benefit)/expense relating to prior periods	(71)	5	(76)
Total tax expense	**1,839**	**811**	1,028

In June 2017, EXOR paid €146 million related to the update estimate of Italian Exit tax, net of tax receivables for €52 million and recognized a gain of €21 million.

The increase in tax expense is mainly due to a decrease of €734 million of deferred tax assets in Brazil, resulting from the write-off of €453 million, as FCA Group revised its outlook on Brazil to reflect the slower pace of recovery largely resulting from increased political uncertainty and from the release of the Brazilian indirect tax liability for €895 million (refer to note 20, other liabilities) that generated a reduction in the deferred tax assets for €281 million.

4. Earnings per share

		Half I 2017	Half I 2016
Average number of ordinary shares outstanding		234,540,063	**234,348,437**
Profit attributable to owners of the parent	€ million	**916**	**431**
- basic earnings per share	€	3.907	1.844
- diluted earnings per share	€	3.881	1.806
Profit from continuing operations attributable to owners of the parent	€ million	**916**	**431**
- basic earnings per share	€	3.907	1.844
- diluted earnings per share	€	3.881	1.806

For the periods under consideration, for purposes of the calculation of 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.

5. Intangible assets

Changes during the first half of 2017 are as follows:

€ million	12/31/2016	Additions	Amortization	Translation differences	Other changes	6/30/2017
Intangible assets	**34,870**	1,949	(1,490)	(2,088)	40	**33,281**

6. Property, plant and equipment

Changes in property, plant and equipment in the first half of 2017 are the following:

€ million	12/31/2016	Additions	Depreciation	Translation differences	Other changes	6/30/2017
Property, plant and equipment	**37,224**	3,502	(2,563)	(1,685)	(234)	**36,244**

7. Other investments and financial assets

€ million	06.30.2017	12.31.2016	Change
Investments	219	583	(364)
Non-current financial receivables	320	359	(39)
Other securities	383	438	(55)
Other financial assets	580	646	(66)
Total other investments and other financial assets	**1,502**	**2,026**	(524)

The decrease is mainly attributable to the redemption of the totality of the shares in The Black Ant Value Fund, of which €18 million was refunded on January 2017 and the residual amount of €336 million was refunded on June 2017. The redemption resulted in a net total gain of €109 million from the realization of the fair value reserve.

8. Inventories

€ million	6/30/2017	12/31/2016	Change
Raw materials, supplies and finished goods	19,084	17,704	1,380
Assets sold with a buy-back commitment and GDP vehicles	2,547	1,650	897
Gross amount due from customers for contract work	175	56	119
Total inventories	**21,806**	**19,410**	2,396

Construction contracts, net of advances, are as follows:

€ million	6/30/2017	12/31/2016	Change
Gross amount due from customers for contract work, as an asset	175	56	119
Less: amount due to customers for contract work, as a liability	(283)	(227)	(56)
Construction contracts, net of advances on contract work	**(108)**	**(171)**	63

9. Investments of reinsurance companies

€ million	6/30/2017	12/31/2016	Change
Fixed maturities, at fair value	11,858	12,743	(885)
Short-term investments, at fair value	54	21	33
Equities, at fair value	489	37	452
Other invested assets	556	581	(25)
Funds held directly managed	459	485	(26)
Accrued investment income, at fair value	102	107	(5)
Funds held by reinsured companies (a)	637	650	(13)
Total investments of reinsurance companies	**14,155**	**14,623**	(468)

(a) At amortized cost

10. Receivables from financing activities

€ million	6/30/2017	12/31/2016	Change
Dealer financing	10,177	10,262	(85)
Retail financing	8,902	9,863	(961)
Finance leases	569	623	(54)
Other	363	299	64
Total receivables from financing activities	**20,011**	**21,047**	(1,036)

11. Other assets

€ million	6/30/2017	12/31/2016	Change
Defined benefit plan assets	383	363	20
Tax receivables	559	860	(301)
Accrued income and prepaid expenses	905	899	6
Other assets	4,660	4,396	264
Total other assets	**6,507**	**6,518**	(11)

12. Transfer of financial assets

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

At June 30, 2017, the FCA Group had receivables that had not yet come due, which were transferred without recourse and were derecognized in accordance with the requirements of IAS 39 — Financial Instruments: Recognition and Measurement, amounting to €7,156 million (€6,573 million at December 31, 2016).
The transfers related to trade receivables and other receivables for €5,988 million (€5,467 million at December 31, 2016) and financial receivables for €1,168 million (€1,106 million at December 31, 2016). These amounts included receivables of €4,302 million (€4,077 million at December 31, 2016), mainly due from the sales network, transferred to FCA Bank, our jointly controlled financial services company.

The CNH Industrial Group discounted receivables and bill without recourse having due dates beyond June 30, 2017 amounting to €442 million (€537 million at December 31, 2016), of which €432 million (€523 million at December 31, 2016) relates to trade receivables and other receivables and €10 million (€14 million at December 31, 2016) refers to receivables from financing activities.

13. Cash and cash equivalents

Cash and cash equivalents amount to €18,509 million (€25,161 million at December 31, 2016) and include cash at banks, units in money market funds and other money market securities that are readily convertible into cash. Cash and cash equivalents are subject to an insignificant risk of changes in value, and consist of balances spread across various primary national and international banking institutions, liquid funds and other money market instruments.
At June 30, 2017 this item included €605 million (€794 million at December 31, 2016) of restricted cash which mainly includes bank deposits that may be used exclusively for the repayment of the debt relating to securitizations classified as asset-backed financing.

14. Equity

Share capital

The total issued capital of EXOR N.V. was equal to Euro 2,410,000, divided into no. 241,000,000 shares with a nominal value of Euro 0.01.
There were no differences compare December 31, 2016.

EXOR N.V. adopts 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 at June 30, 2017.

Treasury stock

At June 30, 2017 EXOR holds 6,394,437 shares of treasury stock (2,65% of the class) for a total amount of €64 thousand.

Other comprehensive income (loss)

The composition of other comprehensive income (loss) in the statement of comprehensive income was as follows:

€ million	Half 1 2017	Half I 2016
Items that will not be reclassified to the income statement in subsequent periods:		
Gains (losses) on re-measurement of defined benefit plans	(4)	4
Share of gains (losses) on remeasurement of defined benefit plans relating to investments accounted for using the equity method	0	0
Total other comprehensive income that will not be reclassified to the income statement in subsequent periods, net of tax (B1)	**(4)**	**4**
Items that may be reclassified to the income statement in subsequent periods		
Gains (losses) on cash flow hedging instruments arising during the period	145	0
Gains (losses) on cash flow hedging instrument reclassified to the income statement	98	(124)
Gains (losses) on cash flow hedges	**243**	**(124)**
Gains (losses) on remeasurement of available-for-sale financial assets arising during the period	6	(56)
Gains (losses) on fair value of available-for-sale financial assets reclassified to the income statement		(56)
Gains (losses) on fair value of available-for-sale financial assets	**6**	**(112)**
Exchange differences on translating foreign operations arising during the period	(2,343)	(171)
Exchange differences on translating foreign operations reclassified to the income statement		
Exchange differences on translating foreign operations	**(2,343)**	**(171)**
Share of other comprehensive income of investments accounted for using the equity method arising during the period	6	(101)
Share of other comprehensive income of investments accounted for using the equity method reclassified to the income statement	29	(9)
Share of other comprehensive income of investments accounted for using the equity method	**35**	**(110)**
Total other comprehensive income that may be reclassified to the income statement in subsequent periods, net of tax (B2)	**(2,059)**	**(527)**
Total other comprehensive income, before tax effect (B1) + (B2) = (B)	**(2,063)**	**(513)**
Tax effect	**(23)**	**69**
Total other comprehensive income, net of tax	**(2,086)**	**(444)**

The tax effect on other comprehensive income (loss) was as follows:

€ million	Half I 2017			Half I 2016		
	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	(4)	1	(3)	4	(4)	0
Effective portion of gains (losses) on cash flow hedges	243	(24)	219	(124)	73	(51)
Gains (losses) on remeasurement of available-for-sale financial assets	6		6	(112)		(112)
Exchange gains (losses) on translating foreign operations	(2,343)		(2,343)	(171)		(171)
Share of other comprehensive income of investments accounted for using the equity method	35	0	35	(110)	0	(110)
Total other comprehensive income	**(2,063)**	**(23)**	**(2,086)**	**(513)**	**69**	**(444)**

Non-controlling interests
Details are as follows:

€ million	%	Capital and reserves	Profit (loss)	Total
At June 30, 2017				
FCA Group	70.77%	12,824	1,331	**14,155**
CNH Industrial Group	73.10%	4,188	173	**4,361**
Ferrari Group	76.48%	303	147	**450**
PartnerRe Group	(a)	635	17	**652**
Juventus Football Club S.p.A.	36.23%	46	(10)	**36**
Total		**17,995**	**1,658**	**19,653**
At December 31, 2016				
FCA Group	70.59%	12,355	1,286	**13,641**
CNH Industrial Group	72.72%	4,447	86	**4,533**
Ferrari Group	76.48%	2	306	**308**
PartnerRe Group	(a)	681	30	**711**
Juventus Football Club S.p.A.	36.23%	28	17	**45**
Total		**17,514**	**1,724**	**19,238**

(a) Related to preferred shares.

At June 30, 2017 the Non-controlling interests of PartnerRe related to the following outstanding preferred shares:

In million	Series F	Series G	Series H	Series I
Date of issuance	February 2013	May 2016	May 2016	May 2016
Number of preferred share issued	2.7	6.4	11.8	7.3
Annual dividend rate	5.875%	6.5%	7.25%	5.875%
Aggregate liquidation value, at $25 per share	$67.0	$160.4	$293.8	$183.0

15. Share-based compensation

EXOR

Stock Option Plan EXOR 2008-2019

The Stock Option Plan EXOR 2008-2019 has 5,662,000 options granted and exercisable corresponding to 1,500,430 EXOR ordinary shares at a price of €19.97 per share.

Long Term Incentive Plan

The long-term incentive is composed in two parts:

– the first part of the plan, denominated “Long Term Stock Grant”, provides for a total of 400,000 rights to be granted to beneficiaries; this allows them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the company and with the companies in the Holdings System. At June 30, 2017 there are 116,790 options granted. The cost recognized in the first half of 2017 amounts to €0.2million;
– the second part of the plan, denominated “Company Performance Stock Options”, provides for a total of 3 million options to be granted to the Chairman and Chief Executive Officer of the company and to other beneficiaries; this allows them to purchase a corresponding number of EXOR ordinary shares. The vesting period of the options is from 2014 to 2018 in equal annual lots that are exercisable from the time they vest until 2021, subject to reaching performance targets and continuing a professional relationship with the company and with the companies in the Holdings System. The performance targets will be considered to have been reached when the annual variation in EXOR’s NAV is higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting. The exercise price of the options will be determined on the basis of the arithmetic average of Borsa Italiana’s trading prices of EXOR ordinary shares in the month prior to the grant date to the individual beneficiaries. The cost recognized in the first half of 2017 amounts to €0.3 million.

2016 Long Term Stock Option Plan
The Stock Option Plan EXOR 2016 has a maximum of 3,500,000 options corresponding to the same number of shares. At June 30, 2017 there are 2,934,197 options granted. The cost recognized in the first six months of 2017 amounts to €2.6 million of which €1.8 million classified as compensation of the Chairman and Chief Executive Officer.

All the incentive plans will be serviced exclusively by treasury stock without any new share issues and therefore will not have any dilutive effect.

FCA
Performance Share Units
In March 2017, FCA awarded a total of 2,264,000 Performance Share Units ("PSU") to certain key employees under the framework equity incentive plan. The PSU awards, which represent the right to receive FCA common shares, have financial performance goals that include a net income target as well as total shareholder return ("TSR") target, with each weighted at 50 percent and settled independently of the other. Half of the award will vest based on our achievement of the targets for net income ("PSU NI awards") covering a three-year period from 2016 to 2018 and will have a payout scale ranging from 0 percent to 100 percent. The remaining 50 percent of the PSU awards, ("PSU TSR awards") are based on market conditions and have a payout scale ranging from 0 percent to 150 percent. The PSU TSR awards performance period covers a two-year period starting in December 2016 through 2018. Accordingly, the total number of shares that will eventually be issued may vary from the original award of 2.26 million units. The PSU awards will vest in the first quarter of 2019 if the respective performance goals for the years 2016 to 2018 are achieved.
The vesting of the PSU NI awards will be determined by comparing the Group's net profit excluding unusual items to the net income targets derived from the Group's business plan for the corresponding period. The performance period for the PSU NI awards commenced on January 1, 2016. As the performance period commenced substantially prior to the commencement of the service period, which coincides with the grant date, the Company determined that the net income target did not meet the definition of a performance condition under IFRS 2 — Share-based Payment, and therefore is required to be accounted for as a non-vesting condition. As such, the fair values of the PSU NI awards were calculated using a MonteCarlo simulation model.

Restricted Share Units
In March 2017, FCA awarded 2,264,000 Restricted Share Units ("RSUs") to certain key employees of the Company which represent the right to receive FCA common shares. These shares will vest in two equal tranches in the first quarter of 2018 and 2019. The fair values of the awards were measured using the FCA stock price on the grant date.

Including previously granted awards, total expense for the PSU and RSU awards of €46 million was recorded for the six months ended at June 30, 2016.

CNH Industrial
In the six months ended June 30, 2017 and 2016, there were no material grants of stock options or share units under the existing CNH Industrial share-based compensation plans. CNH Industrial recognized total share-based compensation expense of €10 million and €19 million for the six months ended June 30, 2017 and 2016, respectively.

Ferrari
Following the approval of the equity incentive plan by the Board of Directors on March 1, 2017, on April 14 2017 the Shareholders approved an award to the Chief Executive Officer under the Company's equity incentive plan, which is applicable to all Group Executive Council "GEC" members and key leaders of the Company. Under the Company's equity incentive plan, a total number of approximately 687 thousand performance share units "PSUs" and a total of number of approximately 119 thousand restricted share units "RSUs" have been awarded. The grants of the PSUs and the RSUs which each represent the right to receive one common share of the Company, cover a five-year performance period from 2016 to 2020, consistent with the Company's strategic horizon. At June 30, 2017 the Company has recognized a cumulative amount of €21,134 thousand as an increase to other reserves in equity for the PSU awards and RSU awards and had unrecognized compensation expenses of approximately €33,096 thousand.

This expenses will be recognized over the remaining vesting period until 2020. None of the PSU awards or RSU awards were forfeited and none of the outstanding PSU awards or RSU awards had vested at June 30, 2017.

16. Provisions for employee benefits

At June 30, 2017 the provisions for employee benefits amount to €11,649 million (€12,509 million at December 31, 2016). Provisions for employee benefits include provisions for pension plans, healthcare, as well as other benefits and other post-employment benefits.

Pension and other post-employment benefit costs were recognized as follows:

€ million	Half I 2017	Half I 2016	Change
Current service cost	108	98	10
Interest expense	597	614	(17)
Interest income	(497)	(500)	3
Other amministrazioni costs	51	53	(2)
Past service costs/(credits) and gains/(losses) arising from settlements/curtailments	1	0	1
Total recognized in the consolidated income statement	**260**	**265**	(5)

Other post-employment costs were recognized as follows:

€ million	Half I 2017	Half I 2016	Change
Current service cost	49	47	2
Interest expense	82	85	(3)
Interest income	(1)	(1)	0
Total recognized in the consolidated income statement	**130**	**131**	(1)

17. Other provisions

Details are as follows:

€ million	6/30/2017	12/31/2016	Change
Product warranty and recall campaigns	7,955	8,556	(601)
Restructuring provision	103	104	(1)
Investments provision	14	14	0
Provisions for other risks	9,780	10,591	(811)
Total other provisions	**17,852**	**19,265**	(1,413)

In the first half of 2017, due to the continued macroeconomic weakness and expected slower pace of economic recovery in Brazil, a total provision of €76 million was recognized by FCA Group for workforce restructuring cost, of which €72 million was recognized within the LATAM segment and €4 million was recognized within the Component segment.

18. Technical reserves reinsurance companies

At June 30, 2017 the composition of technical reinsurance reserves related to the PartnerRe Group was as follows:

€ million	6/30/2017	12/31/2016	Change
Unpaid losses and Loss expenses	8,059	8,525	(466)
Life and health technical reinsurance reserves	1,990	1,882	108
Unearned premium reserves	1,921	1,540	381
Total technical reinsurance reserves	**11,970**	**11,947**	23

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 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 acquired in the acquisition of PartnerRe for the first six months 2017 was as follows:

€ million	
Gross liability at 1/1/2017	8,525
Reinsurance recoverable at 1/1/2017	(253)
Net reserves at 1/1/2017	**8,272**
Net incurred losses related to current period	1,109
Net incurred losses related to prior years	(181)
Net paid losses related to current period	(1,049)
Change in Paris Re Reserve Agreement	7
Translation differences and other changes	(386)
Net liability at 06/30/2017	7,772
Reinsurance recoverable at 06/30/2017	287
Gross liability at 06/30/2017	**8,059**

Life and health technical reinsurance reserves

The reconciliation of the beginning and ending gross and net liability for life and health technical reinsurance reserves acquired in the acquisition of PartnerRe for the first six months 2017 was as follows:

€ million	
Gross liability at 1/1/2017	1,882
Reinsurance recoverable at 1/1/2017	(30)
Net reserves at 1/1/2017	**1,852**
Liability acquired related to the acquisition of Aurigen	63
Net incurred losses related to the current period	540
Net incurred losses related to the prior years	(15)
Net paid losses	(436)
Translation differences	(46)
Net liability at 06/30/2017	1,959
Reinsurance recoverable at 06/30/2017	31
Gross liability at 06/30/2017	**1,990**

19. Financial debt

The composition of financial debt is as follows:

€ million	6/30/2017	12/31/2016	Change
Notes	22,447	25,487	(3,040)
Borrowings from banks	12,213	14,509	(2,296)
Asset-backed financing	10,732	12,075	(1,343)
Payables represented by securities	1,110	1,619	(509)
Other financial debt	1,936	2,127	(191)
Total financial debt	**48,438**	**55,817**	(7,379)

Notes

Notes at December 31, 2017 amount to €22,447 million (€25,487 million at December 31, 2016).
The composition is as follows:

€ million	6/30/2017	12/31/2016	Change
Notes issued by EXOR	2,559	2,999	(440)
Notes issued by FCA Group	10,197	12,351	(2,154)
Notes issued by CNH Industrial Group	7,927	8,327	(400)
Notes issued by Ferrari Group	494	498	(4)
Notes issued by PartnerRe Group	1,270	1,313	(43)
Total notes	**22,447**	**25,487**	(3,040)

The individual company issuers intend to repay the issued notes in cash at the due date by utilizing available liquid resources. In addition, the companies in the Group may from time to time buy back their issued notes, also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, the financial situation of the individual companies and other factors which could affect such decisions.

EXOR

On June 12, 2017 EXOR repaid an amount of €440 million related to the residual amount outstanding EXOR non-convertible bonds 2007-2017, using the available liquid resources.
On April 28, 2017 Standard & Poor's affirmed the rating for EXOR's long-term and short-term debt at "BBB+" and "A-2", and has improved the outlook to "stable" from "negative".

FCA Group

In March 2017, the FCA Group repaid a note at maturity with a principal amount of €850 million that was issued through the Medium Term Note ("MTN") Programme (previously referred to as the Global Medium Term Note Programme, or "GMTN" Programme).
On March 30, 2017, Moody's Investors Service improved FCA's outlook to positive from stable and affirmed the Ba3 corporate credit rating

CNH Industrial Group

In March 2017, CNH Industrial Finance Europe SA issued as a private placement €75 million (equivalent to $80 million) of notes at an annual fixed rate of 1.625% due in 2022 at an issue price of 99.4065 percent of their principal amount. The notes were issued under the €10 billion Euro Medium Term Programme unconditionally and irrevocably guaranteed by CNH Industrial N.V.
In April 2017, CNH Industrial Capital LLC issued at par $500 million of notes at an annual fixed rate of 4.375% due in 2022.
In May 2017, CNH Industrial Finance Europe SA issued €500 million of notes at an annual fixed rates of 1.375% due in 2022 at an issue price of 99.335 percent of their principal amount. The notes were issued under the €10 billion Euro Medium Term Note Programme unconditionally and irrevocably guaranteed by CNH Industrial N.V.
In June 2017, Case New Holland Industrial Inc. redeemed all of the outstanding $636 million aggregate principal amount of its 7.875% Senior Notes due 2017.
On June 15, 2017 S&P Global Ratings raised its long-term corporate credit rate on both CNH Industrial N.V. and CNH Industrial Capital LLC from "BB+" TO "BBB-" with stable outlook. The short-term rating of CNH Industrial N.V. was raised from "B" TO "A-3". The issue-level ratings of both CNH Industrial N.V. and CNH Industrial Capital LLC were also raised to "BBB-".
Subsequent to the upgrade by S&P Global Ratings, the Euro Medium Term Notes will benefit from Eurosystem eligibility, and the financial covenant contained in the €1.75 billion Revolving Credit Facility that requires Industrial Activities to maintain EBITDA/Net interest ratio will no longer be applicable.

Borrowings from banks

Borrowings from banks at June 30, 2017 amount to €12,213 million (€14,509 million at December 31, 2016). The composition is as follows:

€ million	6/30/2017	12/31/2016	Change
EXOR	296	80	216
FCA Group	7,044	9,506	(2,462)
CNH Industrial Group	3,991	4,049	(58)
Ferrari Group	737	837	(100)
Juventus	145	37	108
Total borrowings from banks	**12,213**	**14,509**	(2,296)

EXOR

At June 30, 2017 EXOR had irrevocable credit lines in Euro of €390 million, of which €350 million is due after June 30, 2018, as well as revocable credit lines of €637 million. EXOR also had credit lines in foreign currency for a total of $590 million (€517 million) due after June 30, 2018, drawn down for $600 million, of which $500 million (€438 million) was granted for the acquisition of PartnerRe.
The loan contracts relating to irrevocable credit lines provide for covenants to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main covenants on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without the consent of the creditor and non-subordination of the credit line.
Finally, clauses provide for early repayment in the event of serious default such as failure to pay interest or events that are especially detrimental such as insolvency proceedings.

FCA Group

On February 24, 2017 FCA US prepaid the outstanding principal and accrued interest for its trance B term loan maturing May 4, 2017 (the "Tranche B Term Loan due 2017"). The prepayment of U.S.$1,826 million (€1,721 million) was made with cash on hand and did not result in a material loss on extinguishment.

On March 6, 2017, Fiat Chrysler Finance US Inc. ("FCF US") was incorporated under the laws of Delaware and became an indirect, 100 percent owned subsidiary of the Company. FCF US is a finance subsidiary as defined in Rule-310(b) of Regulation S-X. On May 9, 2017, FCF US registered debt securities with SEC pursuant to the filing of an automatically effective shelf registration statement on Form F-3. If FCF US issued debt securities, they will be fully and unconditionally guaranteed by the Company. No other subsidiary of the Company will guarantee such indebtedness.

In March 2017, the Group amended its syndicated revolving credit facility originally signed in June 2015 (as amended the"RCF"). The amendment increased the RCF from €5.0 billion to €6.25 billion and extended the RCF's final maturity to March 2022. The RCF, which is available for general corporate purposes and for working capital needs of the Group, is structured in two tranches: €3.125 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 €3.25 billion, with a 60-month tenor. The amendment was accounted for as a debt modification and, as a result, the remaining unamortized debt issuance costs related to the original €5.0 billion RCF and the new costs associated with the amendment will be amortized over the life of the amended RCF.

On April 12, 2017, FCA US amended the credit agreement that governs its tranche B term loan maturing on December 31, 2018 ("Tranche B Term Loan due 2018"). The amendment reduced the applicable interest rate spreads by 0.50 percent per annum and reduced the LIBOR floor by 0.75 percent per annum, to 0.00 percent. In addition, the base rate floor was eliminated. As a result, the Tranche B Term Loan due 2018 bears interest, at FCA US's option, either at a base rate plus 1.0 percent per annum of at LIBOR plus 2.0 percent per annum. If FCA US voluntarily refinances or re-prices all or any portion of the Tranche B Term Loan due 2018 on or before the six month anniversary of the effective date of the amendment, under certain circumstances, FCA US will be obligated to pay a call premium equal to 1.0 percent of the principal amount refinanced or re-priced.

After October 12, 2017, FCA US may refinance or re-priced the Tranche B Term Loan due 2018 without premium or penalty. At June 30, 2017, €877 million, including accrued interest, was outstanding under FCA US's Trance B Term Loan due 2018 (€948 million at December 31, 2016).

At June 30, 2017 undrawn committed credit lines of FCA Group totaling €7.4 billion included the €6.25 billion RCF and approximately €1.2 billion of other revolving credit facilities. At December 31, 2016, undrawn committed credit lines of FCA Group totaled €6.2 billion included the €5.0 billion RCF and approximately €1.2 billion of other revolving credit facilities.

CNH Industrial Group
At June 30, 2017 and at December 31, 2016, available committed unsecured facilities expiring after twelve months amounted to approximately € 2.6 billion ($3.0 billion).

Ferrari Group
Borrowings from banks of the Ferrari Group include the following:
- a syndicated facility with ten banks of €2.5 billion secured on November 30, 2015 composed of a Bridge Loan of €500 million, a Term Loan of €1,500 million and a Revolving Credit Facility (RCF) of €500 million. The Bridge Loan and the Term Loan were used in December 2015 to repay the debt due the FCA Group, including the FCA Note, arising from the demerger of Ferrari from the FCA Group. The Bridge Loan was fully repaid in March 2016 using the net proceeds from the notes issue. The Company made voluntary prepayments of €600 million on the Term Loan, paying €300 million in September 2016 and €300 million in December 2016. Also in December 2016, the Company and FFS Inc. made mandatory scheduled payments of €92 million and $9 million, respectively. At December 31, 2016 and 2015 the RCF was undrawn. Proceeds of the RCF may be used from time to time for general corporate and working capital purposes of the Group;
- several loans secured by FFF Inc. to support financial services operations, in particular €31 million (€24 million at December 31, 2016) relating to a $100 million U.S. Dollar denominated credit facility that was entered into on November 17, 2015, renewed in December 2016 for an additional 12 months;
- other short-term and medium-term credit facilities for minor amounts for a total of €10 million.

Juventus
At June 30, 2017 Juventus Football Club has credit lines of €466 million (€415 million at December 31, 2016, of which €405 million (€334 million in 2016) is drawn down.

Asset-backed financing

€ million	6/30/2017	12/31/2016	Change
FCA Group	181	410	(229)
CNH Industrial Group	10,044	11,179	(1,135)
Ferrari Group	507	486	21
Total asset-backed financing	**10,732**	**12,075**	(1,343)

In 2016 the Ferrari Group, through FFS Inc pursued a strategy of self-financing, further reducing dependency on intercompany funding and increasing the portion of self-liquidating debt with various securitization transactions.
On January 19, 2016, FFS Inc performed a revolving securitization program for funding of up to $250 million by pledging retail financial receivables in the United States as collateral. On December 16th, 2016, the funding limit of the program was increased to $275 million and on July 14, 2017, the funding limit of the program was increased to $325 million. The notes bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 70 basis points. Proceeds from the first sale of financial receivables were $242 million and were primarily used to repay intercompany loans. The securitization agreement requires the maintenance of an interest rate cap.
On October 20, 2016, FFS Inc performed a revolving securitization program for funding of up to $200 million by pledging leasing financial receivables in the United States as collateral. On April 21, 2017 the funding limit of the program was increased to $225 million. The notes bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 70 basis points. Proceeds from the first sale of financial receivables were $175 million and were primarily used to repay the $150 million U.S. Dollar denominated credit facility. The securitization agreement requires the maintenance of an interest rate cap.

On December 28, 2016, FFS Inc performed a revolving securitization program for funding of up to $120 million by pledging credit lines to Ferrari customers secured by personal vehicle collections and personal guarantees in the United States as collateral. The notes bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 150 basis points. Proceeds from the first sale of financial receivables were $64 million and were primarily used to partially repay the $100 million U.S. Dollar denominated credit facility. The securitization agreement does not require an interest rate cap.
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. Such cash amounted to €25 million at June 30, 2017 (€19 million at December 31, 2016).

20. Other liabilities

Details are as follows:

€ million	6/30/2017	12/31/2016	Change
Advances on buy-back agreements	5,479	4,385	1,094
Accrued expenses and deferred income	4,736	4,574	162
Amounts due to customers for contract work	283	227	56
Other	6,144	7,269	(1,125)
Total other liabilities	**16,642**	**16,455**	187

At January 20, 2017 the FCA Group paid the last installment of $175 million (€166 million) on the obligation arising from the memorandum of understanding entered into in January 2014 by FCA US with the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America.

At December 31, 2016 the other liabilities included federal taxes on commercial transactions accrued by the FCA Group's Brazilian subsidiary, FCA Brazil, for which FCA (as well as a number of important industrial groups that operate in Brazil) was awaiting a decision by the Brazilian Supreme Court regarding its claim alleging double taxation.
On March 15, 2017, the Brazilian Supreme Court ruled that state value added tax should be excluded from the base for calculating a federal tax on revenue. FCA has accrued, but has not paid, such taxes for the period from 2007 to 2014 while the matter was being challenged in the Brazilian courts. In the first-half of 2017, Brazilian courts have been consistent in applying the merits of the Supreme Court's ruling, including lower court decisions on this and other related indirect tax cases. As a result, FCA believes that the likelihood of economic outflow related to such indirect taxes is no longer probable and the total liability of €895 million previously accrued was reversed and recorded in other income (expenses).

Due to the Brazilian Supreme Court having not yet issued the written minutes of its ruling, the uncertainty of scope of the application of the Supreme Court ruling pending the government's anticipated request for modulation and due to Brazil's current heightened political and economic uncertainty, FCA believes a risk of economic outflow is still greater than remote.

21. Guarantees granted, commitments and contingent liabilities

Guarantees granted by the CNH Industrial Group

At June 30, 2017 CNH Industrial Group has provided loan guarantees on the debt or commitments of third parties, mainly on behalf of a joint venture related to commercial commitments of defense vehicles, totaling €317 million (€276 million at December 31, 2016).

Guarantees granted by PartnerRe Group

At June 30, 2017 approximately €145 million of cash and cash equivalents and €2,168 million of securities held by PartnerRe Group were deposited, pledged or held in escrow accounts in favor of ceding companies and other counterparties or government authorities to comply with reinsurance contract provision and insurance laws.

Commitments of Juventus Football Club S.p.A.

The commitments of Juventus included guarantees received from leading credit institutions of €142 million (€169 million at December 31, 2016) issued to guarantee the payables arising from the acquisition of players' registration rights (€134 million), the infrastructure works under the Agreed Executive Plan of the Continassa Area (€5 million) and other commitments (€3 million).

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.

FCA Group

On May 23, 2017, the Environmental and Natural Resources Division of the U.S. Department of Justice ("DOJ-ENRD") filed a civil lawsuit against FCA Group in connection with concerns raised by the U.S. Environmental Protection Agency ("EPA") in its Notice of Violation dated January 12, 2017 related to certain software-based features in the emissions control systems in approximately 104,000 2014-2016 model year light-duty Ram 1500 and Jeep Grand Cherokee diesel vehicles. The complaint alleges software-based features were not disclosed to the EPA during the vehicle emissions certification process, resulting in violations of the Clean Air Act. The complaint also alleges that the software features bypass, defeat or render inoperative the vehicles' emission control systems, causing the vehicles to emit higher levels of oxides of nitrogen (NOx) during certain normal real world driving conditions than during federal emissions tests.
FCA Group has been working with the EPA and the California Air Resources Board ("CARB") to clarify issues related to the Company's emissions control systems technology and announced in May that we had developed updated emissions software calibrations that we believe address the agencies' concerns. Following this, FCA continued to work with the agencies on vehicle testing and refinements to these calibrations. The 2017 updates include modified emissions software calibrations, with no required hardware changes, and FCA expect that the calibrations will not negatively impact the fuel efficiency or performance of the vehicles. On July 28, 2017, FCA received vehicle emissions certifications from the EPA and CARB permitting the production and sale of our 2017 model year Ram 1500 and Jeep Grand Cherokee diesel vehicles. FCA intend to work with EPA and CARB to seek their permission to use these modified emissions software calibrations to update the emissions control systems in our 2014-2016 model year Jeep Grand Cherokee and Ram 1500 diesel vehicles.

FCA continue to cooperate fully with the EPA, CARB and DOJ-ENRD in their continuing investigations, but intend to defend vigorously against any claims that we engaged in a deliberate scheme to install defeat devices to cheat emissions tests. FCA is unable to predict the outcome of these investigations at this stage and due to the range of possible outcomes and is unable to reliably estimate a range of probable losses.

CNH Industrial Group

Iveco, a wholly owned subsidiary of CNH Industrial, 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 trucks.
In the first quarter of 2016, CNH Industrial recorded a non-recurring non-tax deductible charge of €450 million ($502 million) in relation to the investigation and related matters. On July 19, 2016, the Commission announced a settlement with Iveco under which the Commission imposed a fine of €495 million (equivalent to $543 million at payment date). As a result of this settlement, CNH Industrial recorded an additional non-tax deductible charge of €45 million ($49 million) in the second quarter of 2016. The fine was paid on October 20, 2016. Following this settlement, CNH Industrial has been named as defendant in private litigation commenced in Israel, Ireland, Germany, the Netherlands and the United Kingdom that remains at an early stage, and CNH Industrial expects to face further claims in various jurisdictions; the extent and outcome of which cannot be predicted at this time.

CNH Industrial N.V. is successor to Fiat Industrial S.p.A. – a company formed as a result of the demerger of Fiat S.p.A. (now "FCA") (the "Demerger"). As such, CNH Industrial N.V. continues to be liable jointly with FCA for the liabilities of FCA that arose prior to the effective date of the Demerger (January 1, 2011) and were still outstanding at that date (the "Liabilities"). This statutory provision is limited to the value of the net assets transferred to Fiat Industrial in the Demerger and survives until the Liabilities are satisfied in full. Furthermore, CNH Industrial N.V. may be responsible jointly with FCA in relation to tax liabilities, even if such tax liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger.

At June 30, 2017, the outstanding liabilities amounted to approximately €199 million ($227 million). CNH Industrial believes the risk of FCA's insolvency is extremely remote, and therefore, no specific provision has been accrued in respect of the above mentioned potential joint liability.

22. Segment reporting

Reportable segmens 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 — Operating Segments, or whose information is considered useful for the users of the financial statements.
The EXOR Group reportable segments coincides with the consolidated data of each subsidiary holding company, every one of which represents an investment in a major business segment: FCA, CNH Industrial, Ferrari, PartnerRe, Juventus Football Club and the Holdings System.

The information by reporting segment in the first half of 2017 and in the first half of 2016 is as follows:

€ million	FCA	CNH Industrial	Ferrari	Partner Re	Juventus F.C.	Holdings System	Elimi-nations and adjust-ments	EXOR Group
Half I 2017								
Segment revenues	55,644	11,935	1,741	2,434	249	0	(628)	71,373
Revenues from transactions with other operating segments	(286)	(157)	(173)	0	(12)	0	628	0
Revenues from external customers	**55,358**	**11,776**	**1,568**	**2,434**	**237**	**0**	**0**	**71,373**
Profit (loss) before taxes	**3,376**	**387**	**362**	**253**	**(22)**	**894**	**(837)**	**4,413**
Profit (loss) for the period	**1,796**	**237**	**260**	**229**	**(27)**	**916**	**(837)**	**2,574**
Equity attributable to owners of the parent	**19,877**	**5,871**	**510**	**6,036**	**98**	**10,814**	**(32,392)**	**10,814**
Total equity	**20,053**	**5,882**	**515**	**6,687**	**98**	**10,814**	**(13,582)**	**30,467**
Half I 2016								
Segment revenues	54,463	11,077	1,486	1,600	183	0	(605)	68,204
Revenues from transactions with other operating segments	(296)	(217)	(81)	0	(8)	0	602	0
Revenues from external customers	**54,167**	**10,860**	**1,405**	**1,600**	**175**	**0**	**(3)**	**68,204**
Profit (loss) before taxes	**1,364**	**(229)**	**259**	**200**	**(14)**	**430**	**1**	**2,011**
Profit (loss) for the period	**799**	**(351)**	**175**	**163**	**(11)**	**430**	**(5)**	**1,200**
Equity attributable to owners of the parent at December 31, 2016	**17,274**	**6,151**	**106**	**6,218**	**65**	**10,982**	**(24,814)**	**10,982**
Total equity at December 31, 2016	**17,469**	**6,167**	**110**	**7,010**	**65**	**10,982**	**(11,583)**	**30,220**

23. Fair value measurement

Fair value measurements are categorized within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the entire measurement.
Levels used in the hierarchy are as follows:

- Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets and liabilities that the Group can access at the measurement date;
- Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs: unobservable inputs for the assets and liabilities.

The hierarchy requires the use of observable market data when available.

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 June 30, 2017:

€ million	Level 1	Level 2	Level 3	Total
Available for sale financial assets at fair value:				
Investments at fair value with changes directly in other comprehensive income	22	35	100	157
Investment at fair value with changes in the income statement	8			8
Non-current securities	50		44	94
Current securities	5	3		8
Investments of reinsurance companies		12,035	1,230	13,265
Financial assets held for trading at fair value:				
Current investments	46			46
Current securities	194			194
Other financial assets	98	453	30	581
Total assets at June 30, 2017	**423**	**12,526**	**1,404**	**14,353**
Other financial liabilities		(271)	(4)	**(275)**
Total liabilities at June 30, 2017		**(271)**	**(4)**	**(275)**

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 using 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 method and adjusted;
- 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 equity swaps is determined using market quotes at the balance sheet date.

The following table provides the changes in items measured at fair value categorized in Level 3 in the first half of 2017:

€ million	12/31/2016	Gains (losses) recognized: In the income statement	Gains (losses) recognized: In other comprehensive income	Increase (decrease)	Change in scope of consolidation	06/30/2017
Available for sale financial assets at fair value						
Investments at fair value with changes directly in other comprehensive income	97			3		100
Non-current securities	404	(109)	(2)	(249)		44
Investments of reinsurance companies	836	40	8	346		1,230
Financial assets held for trading at fair value						
Other financial assets	21	5	19	(15)		30
Total assets	**1,358**	(64)	25	85		**1,404**
Other financial liabilities	(2)		1	(3)		(4)
Total liabilities	**(2)**		1	(3)		**(4)**

In the first half of 2017 there were no transfers between Levels in the fair value hierarchy.

The gains (losses) included in the income statement for the first half of 2017 are recognized in financial income (expenses) and cost of sales. 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 for 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	6/30/2017		12/31/2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Held-to-maturity investments	54	56	80	83
Dealer financing receivables	10,177	10,174	10,262	10,260
Retail financing receivables	8,902	8,802	9,863	9,756
Finance lease receivables	569	573	623	629
Other	363	363	299	299
Total assets	**20,065**	**19,968**	**21,127**	**21,027**
Financial liabilities				
Asset-backed financing	(10,732)	(10,604)	(12,074)	(11,887)
Notes	(22,447)	(23,690)	(25,487)	(27,216)
Borrowing from banks, payables represented by securities and other financial debt	(15,259)	(15,137)	(18,256)	(18,117)
Total liabilities	**(48,438)**	**(49,431)**	**(55,817)**	**(57,220)**

Held-to-maturity investments 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 in order to take into account the credit risk of the counterparties.

Notes that are traded in active markets for which 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 million 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.

24. 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 and 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 in the first half of 2017 and 2016 and in the consolidated statement of financial position of the Group at June 30, 2017 and at December 31, 2016 are as follows:

	HALF I 2017				HALF I 2016			
€ million	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	2,731	1,743	(52)	18	2,535	1,532	(39)	16
Total associates	107	24	(3)	1	112	21	1	0
Total other related parties	1	22	1	0	0	30	32	0
Total unconsolidated subsidiaries	32	5	6	(1)	34	12	4	0
Total related parties	**2,871**	**1,794**	**(48)**	**(18)**	**2,681**	**1,595**	**(7)**	**16**

	At June 30, 2017				At December 31, 2016			
€ million	Trade receivables	Trade payables	Other assets	Other liabilities	Trade receivables	Trade payables	Other assets	Other liabilities
Total joint ventures	382	440	4	333	356	639	5	203
Total associates	31	43	10	17	27	42	6	18
Total other related parties	0	5	0	2	1	8	0	0
Total unconsolidated subsidiaries	71	8	0	1	74	10	0	1
Total related parties	**484**	**496**	**14**	**353**	**459**	**698**	**11**	**222**

	At June 30, 2017		At December 31, 2016	
€ million	Receivables from financing activities	Financial debt	Receivables from financing activities	Financial debt
Total joint ventures	214	163	144	195
Total associates	20	3	21	2
Total other related parties	0	0	0	0
Total unconsolidated subsidiaries	9	33	10	25
Total related parties	**243**	**199**	**175**	**222**

Commitments and guarantees pledged in favor of related parties of the CNH Industrial Group

At June 30, 2017 the CNH Industrial Group has pledged guarantees on commitments of the joint venture Iveco - Oto Melara Società Consortile for an amount of €226 million (€177 million at December 31, 2016).

25. Subsequent events

On June 29, 2017 the transfer of ITEDI S.p.A to GEDI Gruppo Editoriale S.p.A (hereafter GEDI) became effective. Subsequently, FCA completed the demerger of GEDI into InterimCo BV and liquidated the latter company resulting in the distribution of newly issued GEDI ordinary shares to all FCA shareholders. On July 4, 2017 EXOR received 4.28% of GEDI's share capital. EXOR also purchased on the market 1.71% of GEDI share capital for a total amount of €6.8 million. Currently EXOR holds in total 5.99% of the share capital of GEDI.

On August 21, 2017 BMW Group, Intel and Mobileye announced that they have signed a memorandum of understanding with the intention for Fiat Chrysler Automobiles (FCA) to be the first automaker to join them in developing a world leading, state-of-the-art autonomous driving platform for global deployment.

The development partners intend to leverage each other's individual strengths, capabilities and resources to enhance the platform's technology, increase development efficiency and reduce time to market. One enabler to achieve this will be the co-location of engineers in Germany as well as other locations. FCA will bring engineering and other technical resources and expertise to the cooperation, as well as its significant sales volumes, geographic reach and long-time experience in North America.

August 30, 2017

The Board of Directors:

John Elkann

Sergio Marchionne

Alessandro Nasi

Andrea Agnelli

Niccolò Camerana

Ginevra Elkann

Lupo Rattazzi

Marc Bolland

Melissa Bethell

Laurence Debroux

Anne Marianne Fentener Van Vlissingen

António Mota de Sousa Horta-Osório

Robert Speyer

Michelangelo Volpi

Ruth Wertheimer