EXOR

2014 Annual Report

Società per Azioni
Share capital Euro 246,229,850, fully paid-in
Registered office in Turin, Italy – Via Nizza 250 - Turin Company Register No. 00470400011

2014 ANNUAL REPORT

The 2014 Annual Report is available on the corporate website at: www.exor.com

Dear Shareholders,

EXOR's Net Asset Value, or NAV, grew by 14.8% in 2014. This was against a backdrop of growth in global equity markets slowing, with the MSCI World index increasing 2.93% in US dollar terms and 17.2% in euro terms (our benchmark), driven by the rallying dollar. As a consequence of the steep depreciation of the euro vis à vis the dollar, we underperformed the MSCI World Index denominated in Euros by 2.4% in the course of the year.

As we highlighted last year, the largest contributors to our performance are FCA and CNH Industrial (both of which have their origins in the Fiat Group) which represent 57.2% of our Gross Asset Value. Their combined market capitalization moved closer to the high point of the historical valuation of the FIAT Group of € 29.5 billion in 2007, but it was FCA which performed well, while its sibling declined in value by 19%. Even though I remain a firm believer that CNH Industrial's value will reflect the underlying business performance and prospects in the future.

It is interesting to note that if we were to exclude CNH Industrial from the calculation, our NAV would have grown by 31.1% and outperformed our benchmark by 14 points.

EXOR NAV PERFORMANCE vs. THE MSCI WORLD INDEX (in Euros)

	Annual percentage change		
Year	1 - EXOR NAV	2 - MSCI World Index Euro	Relative results (1-2)
2009	93.3	37.8	55.5
2010	45.8	17.2	28.6
2011	-24.4	-4.5	-19.9
2012	20.6	11.4	9.2
2013	16.2	18.7	-2.5
2014	14.8	17.2	-2.4
Compounded annual rate	**23.5**	**16.1**	**7.4**

Note: data in 2009 starts from March 1st, the date before EXOR's listing on Borsa Italiana

EXOR NET ASSET VALUE (NAV)

			Change	
€ millions	12/31/2013	12/31/2014	absolute	percentage
Gross Asset Value	10,313	12,005	1,692	+16.4 %
Gross Debt	(1,291)	(1,671)	(380)	+29.4 %
Ordinary holding costs over 10 years	(170)	(170)	-	-
Net Asset Value	8,852	10,164	1,312	+14.8 %

That said, 2014 was a very significant year for your company, starting with the announcement on January 1st of the acquisition by FIAT of all the remaining shares in Chrysler it did not already own, a move that enabled the creation of FCA – Fiat Chrysler Automobiles – the world's seventh-largest auto manufacturer.

The listing of FCA on the NYSE on October 13th (Columbus Day) was a proud day, as you can see from these pictures:

But it was first and foremost a further incentive to continue building (and selling) great cars, which is what Sergio Marchionne, the leadership team, and more than 300.000 associates, are doing every day.

As Leonardo da Vinci is reported to have said:

"*It had long since come to my attention that people of accomplishment rarely sat back and let things happen to them. They went out and made things happen*".

This captures well the culture Sergio created at FCA, which is why we have such great faith in its future and why we invested US$ 886 million in the mandatory convertible securities issued on December 15th 2014. It was our largest investment of the year.

GROSS ASSET VALUE

Let me now describe in more detail the four components of our Gross Asset Value (GAV) as summarized in the table below:

EXOR GROSS ASSET VALUE (GAV)

€ millions	12/31/2013	12/31/2014	Change absolute	Change percentage
Investments	6,445	8,347	1,902	+29.5 %
Financial Investments	663	663	0	+0.0 %
Cash and cash equivalents	2,572	2,233	(339)	-13.2 %
Treasury stock	633	762	129	+20.4 %
Gross Asset Value	**10,313**	**12,005**	**1,692**	**+16.4%**

INVESTMENTS (64.3% of GAV)

This line represents the principal component of our assets, so let's focus on the big three investments that make up 64.3% of our GAV.

FCA (29.19% economic interest; 36.7% of GAV)

FCA delivered a strong performance in 2014 with 4.6 million cars sold, and the Jeep brand achieving records sales of more than one million cars (when FIAT's involvement in Chrysler began Jeep was selling just 337,000 units).

Revenues were up 11% to € 96.1 billion with an EBIT of € 3.7 billion, Net Industrial Debt of € 7.7 billion and available liquidity of € 26.2 billion. These figures include the issuance of US$ 2.9 billion in mandatory convertible securities, which drew strong support from investors, demonstrating their confidence in the future of the company, the detailed plan for which was presented on May 6th 2014 in Auburn Hills.

The essential points of the 2018 Plan are:

1) Nearly doubling Jeep's volumes by 2018 to ~1.9 million units by extending its product range and geographical reach;
2) Accelerating the development of premium brands, so that we sell 75,000 Maseratis (compared with 36,448 units sold in 2014, 140% more than in the previous year) and 400,000 Alfa Romeo "superb cars" by 2018;
3) Repositioning the FIAT brand with the 500 family of products in order to step out of the "bloody" mass-market segment, especially in Europe (FCA started making money at operating level in Europe the last quarter of 2014) and into more profitable niches;
4) Finally, giving clarity of purpose to our great US brands, Chrysler, Dodge and RAM, which have now set the ambitious objective of achieving sales of 2.1 million units, i.e. 30% of the projected 7 million units of FCA in 2018.

In achieving these goals, the company will see Group Net Revenues reach ~€132 billion by 2018, with EBITDA of ~€17 billion, EBIT increasing nearly three-fold to ~€9 billion and Net Income of € 5 billion.

The capital required for this plan is substantial: the company will invest € ~55 billion to launch ~80 products. Approximately € 8 billion of this amount will be expensed in our income statement as R&D, while the remainder (two thirds of which will be invested in Property, Plant and Equipment) will be capitalized.

We have learned how much capital can be saved by working with the greater volumes of FCA today as opposed to those of only FIAT in the past. For example the 500X and Jeep Renegade are very different cars, but they are manufactured in the same plant and share R&D, which reduces the total investment required by ~€ 1 billion.

That is why I'm convinced that the industry needs and will see more consolidation in the future. Hopefully this will be driven by reason and common sense rather than by crisis and will take into account the importance of identity and culture, as we have done, avoiding the all too typical divisive trappings of a takeover and creating instead a shared transnational culture.
This is one of the most important lessons learned from combining Fiat and Chrysler to create FCA.

Last but not least Ferrari will soon begin a new life as a listed company in its own right and become one of EXOR'S directly held investments. The company had an excellent commercial year in 2014. Revenues were up 18% thanks, amongst other things, to the success of LaFerrari. This is the first ever production car to be equipped with the F1-derived hybrid solution, boasting total maximum power of 963 CV, a top speed of 350km/h and a 0 to 100km/h performance of less than 3 seconds. This unique combination of engineering and design commanded a value of €1,210,000 from each of the 499 happy few who became owners.

Unfortunately a similar performance was absent on the track where the team's Formula 1 season was quite simply a disaster. It was the first time in more than 20 years that Ferrari failed to win a single race all year and inevitably led to changes being made. The most relevant of these was the departure of Luca di Montezemolo, who had run the company with great energy and commitment for more than 20 years.

Luca was particularly successful in preserving the magic and mystique of the Ferrari brand (rated one of the most powerful globally) by building the best cars in the world, with their unique combination of style, power and high technology. When he began his tenure as Chairman in 1991, Ferrari sold 4,487 cars, produced revenues of € 340 million and a net profit of € 13 million. In 2014 it sold 7,255 cars with revenues of € 2.8 billion and made € 265 million in net profit.

In the years of Luca's presidency up to 2008 Ferrari was also able to add to its success in the racing arena, thanks to the powerful partnership between Jean Todt and the peerless Michael Schumacher. Jean brought the tifosi extraordinary years of achievement, winning 106 Grand Prix, 8 Constructor's Titles and 6 Driver’s crowns and Ferrari remains the team with the most victories in Formula 1 history with 16 Constructor's Titles and 15 Driver's Titles.

The mission to restore this kind of success has now passed to Sergio Marchionne who is committed to making sure Enzo Ferrari’s legacy continues (“the demands of mass production are contrary to my temperament”) by preserving Ferrari's uniqueness on the road while recognizing the imperative of success on the track: “No one remembers who took second place” as the Drake used to say.

Many other changes having already been made at Maranello, so I’m pleased to report that 2015 is off to a good start. Maurizio Arrivabene is now running the Scuderia Ferrari, with two great world champions, Kimi Raikkonen and Sebastian Vettel, behind the wheel and the team is once again back on the top step of the podium.

CNH Industrial (26.97% economic interest; 20.5% of GAV)

Despite a difficult year for the Agriculture Business where CNH Industrial generated 90% of its operating profits (NAFTA - the largest market for tractors and combines - was down 25%), the company delivered $32.6 billion in revenues and a higher Net Profit of ~$700 million compared to 2013 (adjusted for restructuring charges Net Profits were equivalent to prior year).

It’s interesting to note that Ag margins decreased less in 2014 with just a 0.4 point compression as opposed to its largest competitors, who lost ~2 points, whilst its multiple (EV/EBITDA) declined more than that of its industry peers from 4.6 x to 3.7 x. Compared to them, CNH Industrial is trading at a more than 50% discount.

We understand the negativity of the Ag cycle as perceived by capital markets but being long-term oriented, we see reason to be confident in the future of this business. Rich Tobin and his leadership team gave us a glimpse of this when they presented their 2018 goals. These are to:

1) Expand the Agricultural Equipment portfolio and geographic reach (in 2014 the Group commissioned its first 100% owned harvesting equipment manufacturing facility in Harbin, China);
2) Re-position the Construction Equipment segment’s two brands and return them to profitable growth;
3) Realize the potential of the Commercial Vehicles new product pipeline and rationalize the segment’s industrial footprint;
4) Leverage the industry-leading powertrain technologies commercially.

Which in terms of financial targets means:

1) Net sales at $38 billion in 2018 vs $31 billion in 2014 (x 1.2);
2) Operating profit of $3.4 billion in 2018 vs $2.0 billion in 2014 (x 1.7);
3) Net income of $2.2 billion in 2018 vs $940 million in 2014 (x 2.3);
4) Ø Net Debt in 2018 vs $2.7 billion of Net Debt in 2014 .

I also want to highlight that despite the importance of Ag there are positive surprises coming from other businesses. The most notable of which is Construction Equipment that is back making money and the credit for this goes to Rich who in addition to his CEO responsibilities runs this business directly.

And let's not forget Commercial Vehicles, which account for almost a third of total revenues. This business is in recovery mode and Pierre Lahutte and his team are working hard to increase its profitability, with the launch of the new Daily and the Euro 6 product ranges.

The broad scope of our capital goods activities will allow CNH Industrial to mitigate some of the headwinds it will continue to face in 2015 in Ag.

I remain confident in the quality of the businesses of CNH Industrial and its innovating capabilities: more than 6,000 dedicated professionals in ~50 R&D centers and ~8,000 patents will ensure that the company continues to grow profitably serving some of the world's most basic needs (food, infrastructure and transportation) with its great products and services. If you have the chance, I suggest you visit the New Holland Agriculture Brand Pavilion at the Universal Exhibition in Milan from May 1st to October 31st, which will help visitors to understand better the role of agricultural mechanization in the global food-supply chain.

CUSHMAN & WAKEFIELD (80.89% ownership; 7.1% of GAV)

2014 was a remarkable year for Cushman & Wakefield ("C&W") with record results in terms of revenues and margins. Commissions and services fee revenues increased to $2.1 billion, up 15.9% compared to 2013, adjusted EBITDA was $175.4 million and the adjusted EBITDA margin increased to 8.4% (a record high for the Company).

We acquired C&W in March 2007, a few months before the mortgage subprime crisis put the US real-estate industry under severe financial stress.

When we invested in the company, it had commissions and services revenues of $1.5 billion, adjusted EBITDA of $116 million and an EBITDA margin of 7.6%. C&W's business was predominantly transaction based, with a limited geographic presence outside North America.

While at that time we were cautious about the US real estate cycle, we were far from expecting the major contraction that occurred. But C&W proved capable of navigating these difficult years with no need for equity-capital injections unlike its principal competitors, thanks to its solid capital structure.

Since 2010 C&W has focused on operating performance, deploying wisely and effectively its capital (both in organic growth and acquisitions) and in diversifying its service offer in new business lines and geographies. C&W is today a much stronger, global and diversified franchise and the only company amongst the major US based real-estate service providers to have expanded its EBITDA margins since the 2007 crisis.

In 2014, C&W advised on over $1.2 trillion worth of appraisals worldwide and leased 538 million square feet of space, including the largest leasing in San Francisco's history for Salesforce.com, as well as leasing in renowned properties around the globe such as New York's One World Trade Centre, London's Regent Street and Hong Kong's Swires Properties. The Company acts for world-class clients such as Citibank, JP Morgan, MetLife, Amazon, Unilever, Microsoft and Zara.

2014 also represents the first full year since Ed Forst joined as CEO. His commitment together with the overall effort of his excellent team is reflected in the unprecedented results obtained during this year. His appointment has energized the company and enabled it to attract even more first class talent (including Raymond Kelly, former Commissioner of the New York Police Department, to lead the newly established Risk Management Services group and Laura Pomerantz, now Vice Chairman and Head of Strategic Accounts).

In December 2014 the Company completed the acquisition of Massey Knakal, the largest investment under EXOR's ownership, making C&W the number one investment-sales firm in New York by number of deals and advancing the company's ambitions in capital markets.

It has been great to work with Ed and see how he has defined the Company's objectives for 2017 when C&W will celebrate its first centenary.

I'm confident that with the 37 Global Management team members and the outstanding professionals who work for C&W, Ed will reach the ambitious growth targets for revenue and EBITDA margin increase he has set for the Company's centenary.

Our remaining investments had a good year overall and I would like to draw your attention to a few highlights.

In last year's Letter I focused on Almacantar and Juventus. They both had a great 2014: the London-based real estate company continues to thrive on the back of a buoyant market; and Juventus won its 3rd *scudetto* in a row (the premier Italian Championship) and went on growing its revenues.

This time, I would like to draw your attention to Banijay, The Economist and Sequana.

First of all Banijay, which we founded in 2008 with Bernard Arnault, the De Agostini family and the entrepreneurial Stéphane Courbit under whose leadership it has become one of the world's largest independent TV production companies.

The Company has also expanded by creating content for other multimedia platforms, mainly digital, and extended its reach geographically by building a large presence in the US.

Under Stéphane and group CEO Marco Bassetti, who joined him in 2013, Banijay had a great 2014, with its highest ever revenue of € 350 million and record EBITDA of ~€ 50 million (this being amongst the highest margins in the industry).

Banijay has established an impressive platform for development during the next stage of its growth.

Staying with our media investments The Economist, which has been one of journalism's finest institutions since it was founded in 1843, accelerated in 2014 its transition towards an integrated print, digital and services organization.

Chris Stibbs, the CEO, and John Micklethwait, the Editor-in-Chief, with their colleagues started innovations to use "The Economist's" unique voice in new and exciting ways in the digital and increasingly mobile world of information, introducing the "Espresso" app, a daily shot of The Economist's views on news, and developing plans for video.

Despite the uncertainties provoked by the profound changes in the media industry and the many predictions of its death, the quote of Michel de Montaigne

"*My life has been filled with terrible misfortune, most of which never happened*".

and the positive results The Economist Group was able to achieve, inspire great faith in the future of this unique company.

Banijay and The Economist had a strong twelve months. But it's important to signal that not all went well in 2014. It was a difficult year for Sequana: Pascal Lebard, its Chairman & CEO, was required to negotiate a financial restructuring of the company with a partial write-off by the banks of its debt and a rights issues of € 66 million (in which we participated for our pro-rata

17% share). This, though, left Sequana in a much stronger financial position so that it could concentrate in producing, distributing and selling paper and paper products.

Its stock price has reflected the firm's new positive course and we have since sold some of our shares at levels above the capital increase price, reducing our stake to below 2%. We intend to exit Sequana completely by the end of 2015 the right economic conditions permitting, further simplifying our investments.

FINANCIAL INVESTMENTS (5.5% of GAV)

Our Financial Investments returned 14.3% on average in 2014.

During the year we slightly reduced our exposure to single equity names (direct investments returned +14.1%) and we exited a number of third-party funds we were invested in.

Our main investment is in the Black Ant Fund (59.16% of our financial investments) which returned +12.7% and its allocation at the end of the year was 36% in listed equities and equity options, 40% in credit and 24% in cash.

Our fund investments, excluding Black Ant, were the best performers with a +20.3% return.

Our only new financial investment this year was the participation in the IPO of Lending Club.

Founded in 2006 by Renaud Laplanche it became the number one peer-to-peer lending company in the US (with an over 75% market share in 2014). Lending Club runs an online service that connects borrowers and investors by offering better economics to both sides than are available in the traditional world. So far, it has originated more than $ 7.6 billion in loans for which the company does not assume any credit risk.

We bought ~0.25% of its capital and, taking into account the exchange rate and price at the end of the year, we were up ~47%.

It's a company with a very innovative business model with long-term growth opportunities but by its nature it is largely untested and competition will be fierce. We are fortunate to have Renaud leading the business in this challenging environment.

CASH AND CASH EQUIVALENT (18.6% of GAV)

Throughout the year we maintained a cautious allocation: 68% in time deposits, 26% in third-party funds and 6% invested in single-name corporate credit issuances (slightly increasing our exposure to funds rather than time deposits compared to 2013).

Our time-deposit holdings yielded 0.90%, or three times the average sixth-month EURIBOR rate in 2014, while funds and corporate credit together returned 2.31% for a total overall return of 1.35%.

Our goal is not maximize returns but make sure we have cash on hand when we need it.

TREASURY STOCK (6.3% of GAV)

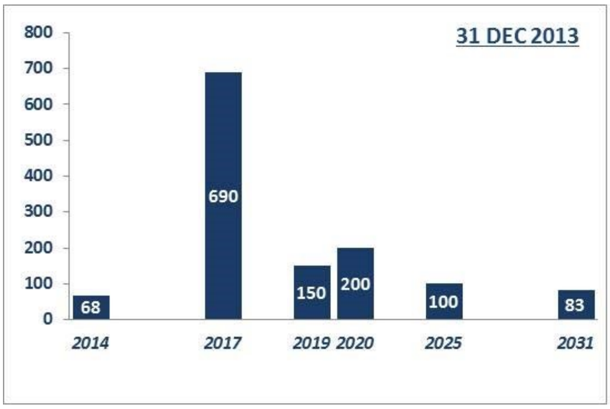
In 2014 our treasury stocks slightly outperformed our benchmark (+18.0% vs.+17.2%).

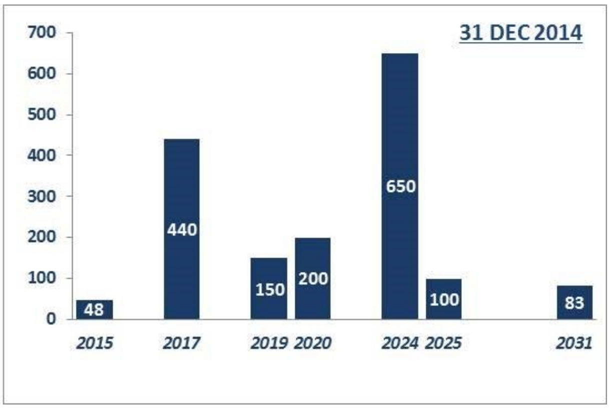
In the past five years we've been active in open-market repurchases of our shares and today we own ~10% of our capital; the value of this holding increased almost three-fold compared to the average price we paid to acquire it.

GROSS DEBT

In 2014 we took advantage of favourable market conditions by buying back part of our outstanding bond issue due in 2017 and replacing it with a 10-year long bond publicly issued on the primary market in October followed by a tap-issue in December.

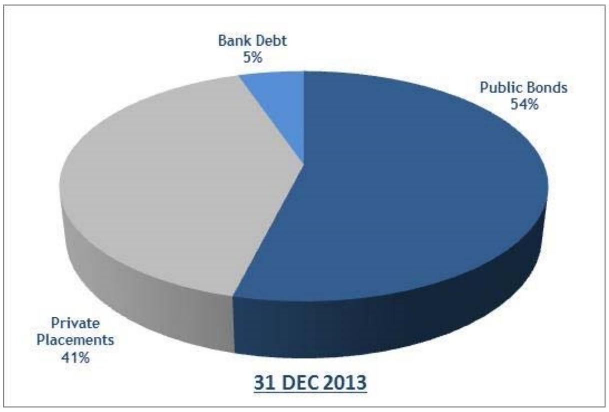
MATURITY SCHEDULE

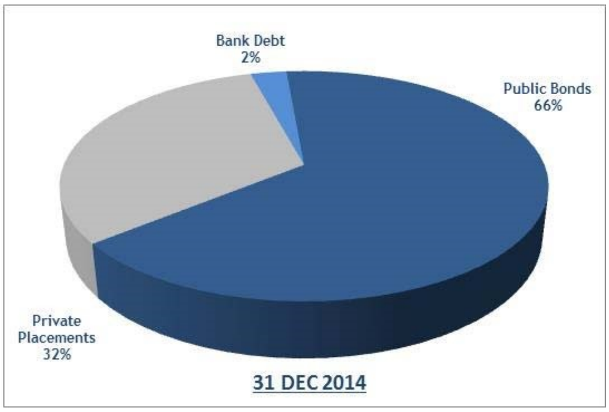




In the past few years we have been actively managing our liabilities with the same care and discipline we apply to the other side of the balance sheet, our assets.

This allowed us to lock in much lower interest rates and tight credit spreads (the 2.5% coupon on Notes due in 2024, is less than half the 5.375% coupon on Notes due in 2017) and roll-over our '17 "peak".





We like to keep a diverse mix of financing sources, so we value short-term bank loans for their flexibility and private placements as an important source of long-term funds, in addition to public bonds.

Excluding liability management-related expenses, in 2014 our average cost of debt was 4.76% compared to 5.05% in 2013.

2015

The first months of the new year have been busy, not least with Cushman & Wakefield. On the back of a very strong year in 2014 and the ambitious three- year plan put in place by the Company, we decided to gauge the interest of potential buyers of our shareholding, who would also be strongly placed to continue to develop this business into its next century.

As a Board member of The Economist, I was part of the process to appoint the new Editor-in-Chief. After nine successful years John Micklethwait stood down to go to run Bloomberg News where I'm sure he will do a great job. The editorship is amongst the most important decisions the Board is involved in and our Chairman, Rupert Pennant-Rea, himself a former Editor-in-Chief of the newspaper, conducted masterfully this articulated process. Every candidate for the post submitted a personal proposal and three were selected by members of a Board sub-committee, that received information on the candidates from the journalists, who were able to write about their choice for Editor-in-Chief to the Chairman. The process concluded with a written document from each of the final three candidates describing how the Economist would look under their leadership. In the end, Zanny Minton Beddoes was chosen by the full board with the last step of the process being the Trustees' blessing since it is they who safeguard the integrity and independence of the newspaper. So Zanny became the 17th Editor-in-Chief of The Economist and the first woman to hold the post. I am sure she will do a terrific job in leading The Economist into the future, always keeping in mind the mission of this great institution, as it was outlined by its founder, the Right Honorable James Wilson: "*to take part in a severe contest between intelligence, which presses forward, and an unworthy, timid ignorance obstructing our progress*".

I was very impressed by the appointment process and found it particularly positive not to have a long, drawn-out horse race but rather a quick, fair competition with no casualties. All the others candidates stayed at The Economist and indeed the two finalists have been appointed Deputy Editors. Great credit goes to Rupert who ensured everything worked flawlessly. I am a big believer that great organizations provide for internal succession and The Economist, with its impressive depth of talent, is a fine example of this.

With regard to new ideas, we continue to explore opportunities, focusing most of our attention on the service sector, especially financial services, which we think could represent a good fit with the rest of our investments that today are mostly in industrial and capital-intensive businesses. We haven't made a significant new investment since the creation of EXOR in 2009 but instead have mostly invested in ourselves and companies we already own (we like what we know).

But as Churchill, the 50th anniversary of whose passing is being celebrated this year, put it "*I am an optimist. It doesn't seem too much use being anything else*".

And with that in mind I have always been more than optimistic that something interesting and attractively valued will present itself.

This year we will be holding our Shareholder Meeting on May 29th at the Lingotto Congress Center in Turin.

Our AGM will not be the only reason to come to Lingotto on that day: on the roof of the Lingotto, a former car plant, the Pinacoteca Giovanni e Marella Agnelli awaits you with an exhibition of Raffaello's *Madonna del Divino Amore*, explaining the painting’s inner structure and the artist's numerous variations throughout the execution of this masterpiece. In the Jewel Box, or *Scrigno,* of the Pinacoteca you will also find its extraordinary permanent collection, ranging from the Venice of Canaletto and the Dresden of Bellotto, to a group of seven masterpieces by Matisse.

As always, let me remind you that it is possible to ask questions in advance of the Shareholders’ Meeting by following the procedure set out on our web site www.exor.com. Non-shareholders will also have the chance to raise questions by sending a short email to the following address: agm@exor.com. The latter will be grouped together, summarized by subject and answered during the meeting.

I very much look forward to welcoming you to the Lingotto!

John Elkann

Honorary Chairmen

Gianluigi Gabetti
Pio Teodorani-Fabbri

Board of Directors

Chairman and Chief Executive Officer	John Elkann
Vice Chairman	Tiberto Brandolini d'Adda
Vice Chairman	Alessandro Nasi
Non-independent Directors	Andrea Agnelli
	Vittorio Avogadro di Collobiano
	Luca Ferrero Ventimiglia
	Sergio Marchionne
	Lupo Rattazzi
	Eduardo Teodorani-Fabbri
Independent Directors	Victor Bischoff
	Giuseppina Capaldo (Lead Independent Director)
	Mina Gerowin
	Jae Yong Lee
	Giuseppe Recchi
	Michelangelo Volpi
Secretary to the Board	Gianluca Ferrero

Internal Control and Risks Committee

Giuseppina Capaldo (*Chairman*), Victor Bischoff and Giuseppe Recchi

Compensation and Nominating Committee

Victor Bischoff (*Chairman*), Giuseppina Capaldo and Mina Gerowin

Strategy Committee

John Elkann (*Chairman*), Victor Bischoff, Mina Gerowin, Sergio Marchionne, Jae Yong Lee and Michelangelo Volpi

Board of Statutory Auditors

Chairman	Sergio Duca
Regular auditors	Nicoletta Paracchini
	Paolo Piccatti
Alternate auditors	Giorgio Ferrino
	Ruggero Tabone

Independent Auditors Reconta Ernst & Young S.p.A.

Expiry of terms of office

The terms of office of the Board of Directors and the Board of Statutory Auditors will expire concurrently with the shareholders' meeting that will approve the 2014 annual financial statements.
The term of office of the independent auditors will expire concurrently with the shareholders' meeting that will approve the 2020 annual financial statements.

EXOR GROUP PROFILE AND KEY DATA

EXOR is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.39% of ordinary share capital.
Listed on Borsa Italiana's Stock Exchange with a Net Asset Value of more than €10 billion at December 31, 2014, EXOR is headquartered in Turin, Italy.
EXOR makes long-term investments focused on global companies in diversified sectors, mainly in Europe and in the United States.
EXOR's objective is to increase its Net Asset Value and outperform the MSCI World Index in Euro.

The EXOR Group's investments are the following:

Percentages updated on the basis of the latest available information
(a) EXOR holds 44.31% of the voting rights on issued capital.
(b) EXOR holds 39.99% of the voting rights. In addition, FCA holds a 1.17% stake in CNH Industrial and 1.74% of the voting rights on issued capital.

Fiat Chrysler Automobiles ("FCA") (29.19% stake) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario (MTA) managed by Borsa Italiana and is included in the FTSE MIB Index. FCA is the holding company for the Fiat Chrysler Group and was formed on October 12, 2014 on completion of the merger of Fiat S.p.A. with and into Fiat Investments N.V., which at the same time took the name of Fiat Chrysler Automobiles N.V. FCA, the seventh-largest automaker in the world, designs, engineers, manufactures and sells passenger cars, light commercial vehicles, components and production systems worldwide. The Group's brands are: Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia, Ram, Ferrari and Maserati in addition to the SRT performance vehicle designation, and Mopar, the parts and service brand. The Group's businesses also include Comau (production systems), Magneti Marelli (components) and Teksid (iron and castings). FCA is an international auto group engaged in industrial activities through companies located in 40 countries and has commercial relationships with customers in approximately 150 countries. 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).
At December 31, 2014 FCA had 165 factories and 232,165 employees throughout the world.

CNH Industrial (26.97% stake; 1.17% stake also held by FCA) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario (MTA) managed by Borsa Italiana and is included in the FTSE MIB Index. Operational since September 29, 2013 when the merger between Fiat Industrial S.p.A. and CNH Global N.V. was completed, CNH Industrial's goal is the strategic development of its business. The large industrial base, a wide range of products and its worldwide geographical presence make CNH Industrial 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 the respective industrial segment.
At December 31, 2014 CNH Industrial was present in approximately 190 countries giving it a unique competitive position across its 12 brands, 64 manufacturing plants, 49 research and development centers and more than 69,000 employees.

C&W Group (80.89% of share capital) is engaged in commercial real estate services, and has its headquarters in New York, where it was founded in 1917. The company advises and represents clients on all aspects of property occupancy and investment, and has established a preeminent position in the world's major markets within the following service lines: Leasing, Capital Markets, Corporate Occupier & Investor Services (CIS), Valuation & Advisory (V&A) and Global Consulting.
It currently has approximately 248 offices and more than 16,000 employees in 58 countries.

almacantar	JUVENTUS	BANCA LEONARDO	Banijay Group	The Economist
38.29%	63.77%	17.37%	17.09%	4.72%

Almacantar (38.29% of share capital) is a property investment and development company, for offices and residential units, situated in London.

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

Banca Leonardo (17.37% of share capital) is a privately held and independent international investment bank offering a complete range of advisory and private banking services and other activities connected with the financial markets.

Banijay Holding (17.09% of share capital) is headquartered in Paris. The company is a player in TV production through a network of companies specialized in the production and distribution of multimedia content.

The Economist Group (4.72% of share capital) is a company with its center of operations in London and head of the editorial group that publishes *The Economist*, a weekly magazine that with a global circulation of more than one million copies represents one of the most important sources of analysis in the international business world.

EXOR Group – Consolidated Data – Shortened (a) € million	**2014**	2013	Change
Profit attributable to owners of the parent	**323.1**	2,084.5	(1,761.4)
Share of earnings (losses) of investments and dividends	**430.1**	615.8	(185.7)
Investments and non-current other financial assets	**7,509.6**	5,764.0	1,745.6
Issued capital and reserves attributable to owners of the parent	**7,995.0**	6,947.4	1,047.6
Consolidated net financial position of EXOR's "Holdings System"	**563.0**	1,281.2	(718.2)

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

Earnings per share (€) (a)	**2014**	2013	Change
Profit attributable to owners of the parent – basic:			
per ordinary share	**1.46**	9.34	(7.88)
Profit attributable to owners of the parent – diluted:			
per ordinary share	**1.44**	9.33	(7.89)
Issued capital and reserves attributable to owners of the parent	**35.96**	31.25	4.71

(a) Further details on the calculation of basic and diluted earnings per share are provided in Note 13 to the consolidated financial statements.

EXOR S.p.A. - Separate Financial Statement Data € million	**2014**	2013	Change
Profit	**51.8**	92.7	(40.9)
Equity	**3,409.9**	3,434.0	(24.1)
Net financial position	**(1,199.7)**	(474.2)	(725.5)

The board of directors' meeting held on April 14, 2015 put forward a motion to the ordinary shareholders' meeting called to approve the separate financial statements for the year ended December 31, 2014 for the payment of dividends per share of €0.35 for a total of €77,821,136.40 million to the 222,346,104 ordinary shares outstanding at the same date.

EXOR in 2014, from the profit for the year ended December 31, 2013, paid dividends per share of €0.335 to the 223,346,104 ordinary shares outstanding for a total €74.5 million.

NET ASSET VALUE

At December 31, 2014 EXOR's Net Asset Value (NAV) is €10,164 million which increased by €1,312 million (+14.8%) from €8,852 million at December 31, 2013.

The composition and change in NAV are the following:

€ millions	01/03/2009 (a)	31/12/2013	31/12/2014	Change vs 12/31/2013	
				Amount	%
Investments	2,921	6,445	8,347	1,902	+29.5%
Financial investments	274	663	663	0	+0.0%
Cash and cash Equivalents	1,121	2,572	2,233	(339)	-13.2%
Treasury stock	19	633	762	129	+20.4%
Gross Asset Value	**4,335**	**10,313**	**12,005**	**1,692**	**+16.4%**
Gross Debt	**(1,157)**	**(1,291)**	**(1,671)**	**(380)**	**+29.4%**
Ordinary holding costs over ten years	**(210)**	**(170)**	**(170)**	**-**	**-**
Net Asset Value (NAV)	**2,968**	**8,852**	**10,164**	**1,312**	**+14.8%**

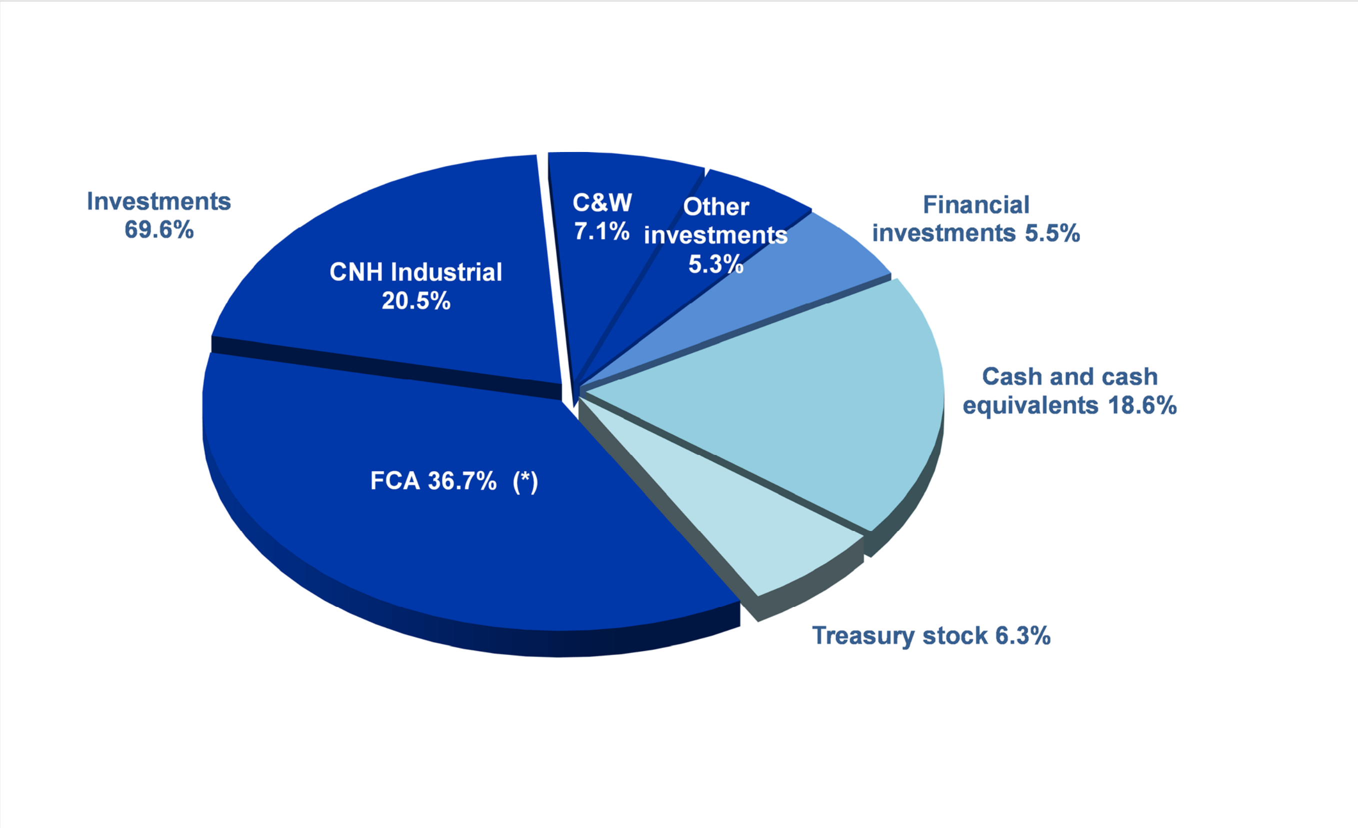
(a) Effective date of the merger of IFIL in IFI and the name change of the latter to EXOR.

The gross asset value at December 31, 2014 has been calculated by valuing listed investments and other equity shares at trading prices, other private equity investments at fair value determined annually by independent experts and other private investment holdings (funds and similar instruments) at the most recently available fair value. Bonds held to maturity are measured at amortized cost. EXOR treasury stock is measured at share trading prices, except those used to service stock option plans (measured at their option exercise price, if below the share trading price) and those granted to recipients of the stock grant plan. The latter are deducted from the total number of treasury shares.

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

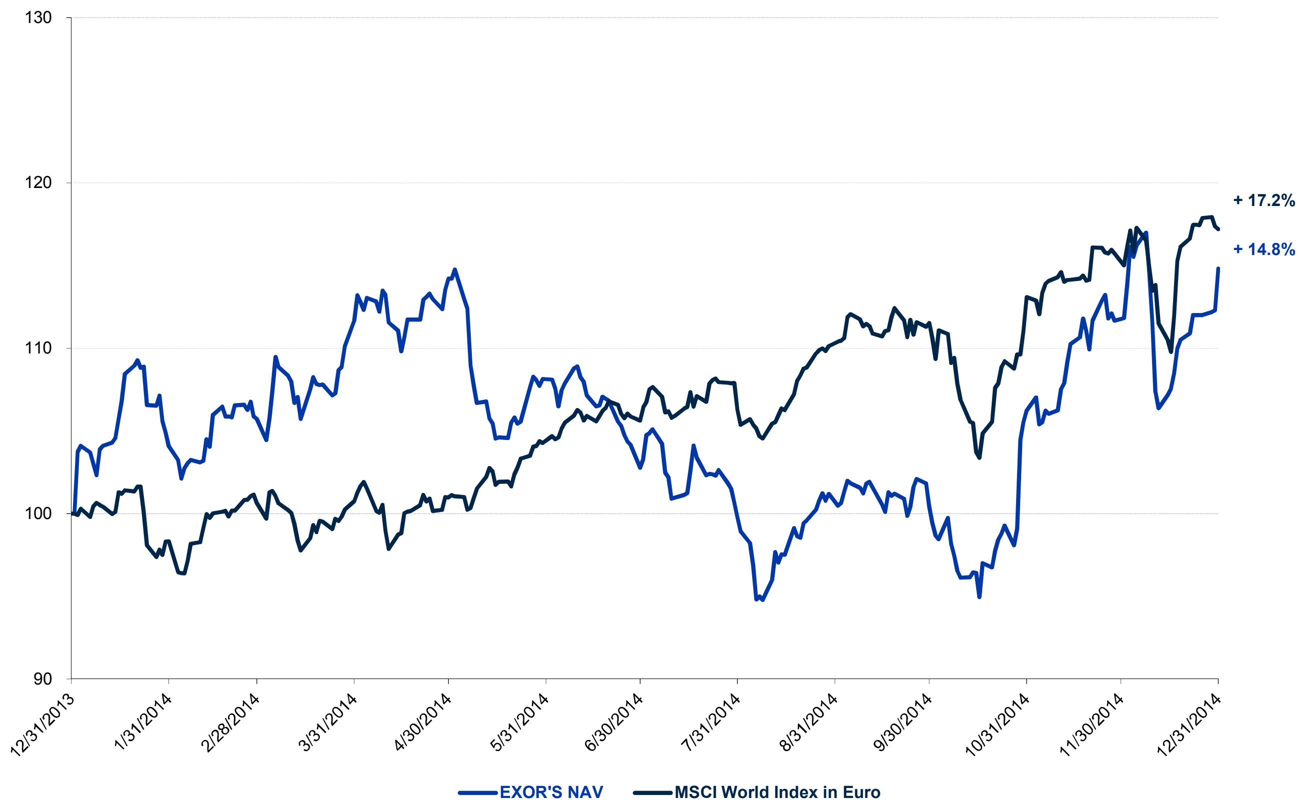
The following pie chart shows the composition of gross asset value at December 31, 2014 (€12,005 million).
"Other investments" include the investments in Almacantar, Juventus Football Club, Banca Leonardo, Banijay Holding and The Economist Group, in addition to minor sundry investments.

Investments denominated in U.S. dollars and Pounds sterling are translated to Euro at the official exchange rates at December 31, 2014, respectively, of 1.2141 and 0.7789.



(*) Including the mandatory convertible securities issued by FCA on December 16, 2014.

Change in NAV compared to the MSCI World Index in Euro



Stock Market Data	1/1/2015 3/31/2015	1/1/2014 12/31/2014
Ordinary share price (in Euro):		
period-end	42.3515	34.1175
maximum	42.3515	36.0779
minimum	33.3887	27.3141
Average daily volume exchanged during period:	502,579	457,777
Euro volume exchanges during period (in Euro): (a)	19,126,745	14,288,227

(a) Average daily value (official daily trading price by daily volume) handled by Borsa Italiana during period.

So as to ensure timely, comprehensive and updated information about its goals and the most important events affecting its business, in 2014 EXOR has continued to communicate and broaden relations with the various national and international operators of the financial press, as well as financial analysts, institutional investments and retail investors.

The publication of the Letter to Shareholders, which for five years now denotes an occasion to communicating especially with the financial community, offers an opportunity to sum up the performance of the main investments and EXOR's strategy for the growth of the Company.
Both topics were covered in greater detail by top management during the conference call with investors and financial analysts at the end of the annual general meeting of the shareholders in May.

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SIGNIFICANT EVENTS IN 2014

Resolutions passed by the May 22, 2014 shareholders' meeting

The EXOR shareholders' meeting held May 22, 2014 approved the payment of dividends of €0.335 per share for a maximum total of €74.5 million. The declared dividends were paid beginning June 26, 2014.
The same shareholders' meeting approved the Compensation Report pursuant to art. 123-*ter* of Legislative Decree 58/98 and the renewal of the authorization for the purchase and disposal of EXOR shares. The authorization allows the Company to purchase and sell shares on the market for 18 months from the date of the shareholders' resolution for a maximum number of shares not to exceed the limit set by law, for a maximum disbursement of €450 million. Consequently the authorization for the purchase and disposal of treasury stock approved by the shareholders' meeting on May 30, 2013, for the part not used, was revoked.

Sale of the remaining investment in Alpitour

On June 30, 2014 an agreement was signed between EXOR and Alpitour in which both companies agreed to settle the pending disputes and every other potential future controversy by way of a novatory agreement. According to the terms of the agreement, EXOR waived the Deferred Price (residual amount of €7.5 million, net of accruals set aside) and any performance-related earn-out payment.
At the same time EXOR sold the remaining stake held in Alpitour (7.17%) for consideration of €5 million, recording a loss for the same amount.

Subscription to capital increase and partial sale of investment in Sequana

On July 29, 2014 the capital increase by Sequana (announced on April 10, 2014 as part of a major operational and financial restructuring plan) was concluded successfully. EXOR S.A. subscribed only to its share of the increase for a total equivalent amount of €11.1 million. After this transaction EXOR S.A. held 17.03% of Sequana's capital and 16.21% of the voting rights. Subsequently during the period September to December 2014 EXOR S.A. sold on the market 3,158,313 Sequana shares (6.19% of capital) for a total equivalent amount of €9.1 million.
At December 31, 2014 EXOR S.A. holds 10.85% of Sequana share capital and 10.50% of the voting rights.

Tender offer for the partial buyback and cancellation of EXOR 2007-2017 bonds

On September 30, 2014 EXOR announced a tender offer to buy back its original nominal €750 million EXOR 2007-2017 bonds (€690 million outstanding at the offer announcement date) for cash. At the end of the offer EXOR had purchased an aggregate nominal amount of €238.6 million and payment was made on October 14, 2014.
The offer was tendered for the purpose of improving the management of EXOR's financial resources.
On November 13, 2014 EXOR announced the partial cancellation of bonds for a nominal amount of €238.6 million purchased as part of the buyback and another nominal amount of €11.4 million previously purchased on the market, for a total of €250 million. Therefore, currently, bonds are outstanding for a nominal amount of €440 million.

Issue of EXOR 2014-2024 bonds

On October 8, 2014 EXOR concluded the issue of bonds for a nominal €500 million (at the issue price of 99.329% of the nominal amount), reopened on December 23, 2014 and increased by another €150 million (at the issue price of 102.613% of the nominal amount). The total bonds amount to €650 million, due October 8, 2024, with a fixed annual coupon of 2.50%. The bonds, admitted for listing on the regulated market of the Luxembourg Stock Exchange, were rated BBB+ by the Standard & Poor's rating agency.
The issue is aimed at extending the average maturity of EXOR's debt.

Merger of Fiat S.p.A. with and into Fiat Investments N.V.

On October 12, 2014 the merger of Fiat S.p.A. with and into Fiat Investments N.V. became effective. At the same time Fiat Investments N.V. was renamed Fiat Chrysler Automobiles N.V. (FCA) and became the holding company for the Fiat Chrysler Group.

In connection with the merger, FCA issued 1,167,181,255 common shares for allotment to Fiat shareholders on the basis of the merger exchange ratio of one FCA common share for each Fiat ordinary share.

The next day, the FCA common shares were admitted for listing on the New York Stock Exchange (NYSE) and on Borsa Italiana's Mercato Telematico Azionario (MTA).

Lastly, FCA issued 408,941,767 special voting shares (not admitted for trading) to eligible Fiat shareholders who elected to participate in FCA's loyalty voting program.

EXOR, with its 375,803,870 Fiat ordinary shares, received 375,803,870 FCA common shares (31.26% of the class of stock) and the same number of FCA special voting shares which, together with the above common shares, at that time brought EXOR's holding to 46.65% of the voting rights.

Spin-off of Ferrari S.p.A. from FCA

On October 29, 2014 the FCA board of directors, in connection with a capital plan appropriate to support the Group's long-term success, authorized the separation of Ferrari S.p.A. from FCA and its subsequent listing on the stock market. The separation will be effected through a public offering of FCA's interest in Ferrari equal to a part of Ferrari's outstanding shares held by FCA and a distribution of FCA's remaining Ferrari shares to FCA shareholders.

Additional FCA capital transactions

In the fourth quarter of 2014 the CEO of FCA and certain managers of the Group exercised their stock options, with consequent effects on FCA share capital.

In addition, 100,000,000 FCA common shares, including 65,000,000 new shares and 35,000,000 common shares held in treasury were placed with qualified investors, at a price of $11 per share.

EXOR did not take part in the offering and thus its diluted ownership interest in FCA is 29.25% of common shares and 44.37% of the voting rights.

Subscription to mandatory securities convertible into FCA shares

On December 15, 2014 EXOR purchased a nominal $886 million of mandatory convertible securities issued by FCA for an investment of €711.2 million.

The mandatory convertible securities pay a coupon of 7.875% per annum and will be mandatorily converted in FCA common shares on December 15, 2016, unless converted earlier at the option of the holder or FCA or upon the occurrence of certain specified events in accordance with their terms. The investment preserves EXOR ownership interest in FCA without any diluting effects.

Investment in Almacantar

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

SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2015

Dividends and distribution of reserves to be received during 2015

Declared dividends and approved distributions of reserves by certain investment holdings are as follows:

Company	Class of stock	Number of shares	Dividends Per share (€)	Total (€/ml)
CNH Industrial N.V.	common	366,927,900	0.2	73.4
EXOR's share				**73.4**
Banca Leonardo S.p.A.	ordinary	45,459,968	0,12	5,5
EXOR S.A.'s share				**5,5**

Line of credit granted to Juventus Football Club

In January 2015 EXOR approved the opening of a line of credit to the subsidiary Juventus Football Club for a maximum of €50 million, with effect from February 1, 2015 and expiring on December 31, 2015, at an interest rate equal to the one-month Euribor plus a spread of 2%.

The extension of the credit line allows EXOR to invest a part of its short term liquidity at an interesting rate of return.

Partial sale of investment in Sequana

In the first quarter of 2015 EXOR S.A. sold on the market another 3,133,962 Sequana shares (6.14% of capital) for a total equivalent amount of €9 million.

At March 31, 2015 EXOR S.A. holds 4.71% of Sequana's capital and 4.561% of the voting rights.

Information regarding the investment in C&W Group

During 2015 EXOR began a process for the evaluation of a possible disposal of Cushman & Wakefield. To date non-binding expressions of interest have been received and due diligence is in progress by potential buyers. At present it is not possible to foresee the end result of the process.

BUSINESS OUTLOOK

EXOR S.p.A. expects to report a profit for the year 2015.

At the consolidated level, 2015 will show a profit which, however, will largely depend upon the performance of the principal subsidiaries and associates. The forecasts formulated under IFRS and reported in their financial reports at December 31, 2014 are presented below.

FCA

FCA indicates the following guidance for 2015:
- Worldwide shipments in 4.8 to 5.0 million unit range;
- Net revenues of approximately €108 billion;
- EBIT, excluding eventual unusual items, in €4.1 to €4.5 billion range;
- Net income, excluding eventual unusual items, in €1.0 to €1.2 billion range, with EPS, calculated including the mandatory convertible securities conversion at minimum number of shares at 222 million, in €0.64 to €0.77 range;
- Net Industrial Debt in €7.5 billion to €8.0 billion range.

Figures do not include any impacts for the previously announced capital transactions regarding Ferrari.

CNH Industrial

CNH Industrial expects improved profitability in Commercial Vehicles and Construction Equipment, coupled with structural cost improvement measures from the Group's Efficiency Program now extended to Agricultural Equipment. These actions are expected to buffer, but not fully offset the negative impact from the continuation of challenging trading conditions in the row crop sector of the agricultural industry, and the impact of the recent significant appreciation of the U.S. dollar against CNH Industrial's other trading currencies, allowing it to hold operating margin unless there are further currency deteriorations from the current rate levels outside the United States.

C&W Group

During 2014, demand from investors and occupiers continued to drive global real estate markets. C&W Group's strategic focus to mobilize its global services and talent around the firm's clients led to solutions that enhanced its presence globally, resulting in activity increasing across C&W Group's platform, as compared with 2013. Subject to the continuation of these positive trends, C&W Group expects positive activity to continue at the current pace into 2015. In particular, rising employment in the U.S. should boost demand for space across property types at a time of modest inventory growth, leading to an overall trend of lower vacancy rates and upward pressure on rents.
In addition, C&W Group's strong financial performance and the recent refinancing of its Senior Credit Facility on an unsecured basis provide C&W Group the flexibility to act upon strategic growth opportunities in its foundation cities around the world.

Almacantar

During 2014 Almacantar continued to prepare Centre Point for future refurbishment. In January 2015 vacant possession of the building was achieved and refurbishment works began on site. The refurbishment of the building is expected to take 27 months with practical completion scheduled for April 2017.
In July 2014 the planning applications for both the Marble Arch Tower and Edgware Road schemes were approved. A revised application for Marble Arch Tower was submitted in November 2014 with several improvements, this application was approved in February 2015. Almacantar plans to maximize income generation in the period before any potential redevelopment.
It is Almacantar's intention to further expand the portfolio and a range of investment opportunities are being reviewed.
The London real estate market should remain stable due to strong demand for commercial and residential space from institutional investors.
Positive results are expected for the year ended December 31, 2015.

Juventus Football Club

During the first phase of the 2014-2015 Transfer Campaign, Juventus Football Club allocated significant resources to further strengthen the First Team bench, keep players on its staff and lay the foundation for the future inclusion of young players with excellent prospects.

As a consequence, the operating result for the full year that will end on June 30, 2015 is currently still expected to be a loss, will be influenced by increases in costs relating to sports management and the changes, also with respect to future revenues, that will derive from the sporting results actually achieved in Italy and Europe.

Juventus' objective is to build on the improvement in financial performance achieved during the previous three financial years.

REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

EXOR S.p.A. ended the year 2014 with a profit of €51.8 million (€92.7 million in 2013).

The decrease is due to lower net gains of €79.1 million (2013 included the €87 million gain on the disposal of The Black Ant Value Fund to the subsidiary EXOR S.A), higher net financial expenses (€12.4 million) and higher non-recurring expenses (€4.3 million), net of higher dividends received from investments (€40.7 million), lower general expenses (€4.7 million) and lower current and other taxes and duties (€9.5 million).

The separate **condensed income statement** and **condensed statement of financial position**, as well as comments on the most significant line items are presented below.

EXOR S.p.A. - Condensed Income Statement

€ million	Note	2014	2013	Change
Dividends from investments	1	**143.5**	102.8	40.7
Gains (losses) on disposals, impairment (losses) reversals of investments	2	**3.1**	82.2	(79.1)
Net financial income (expenses)	3	**(72.7)**	(60.3)	(12.4)
Net general expenses	4	**(18.1)**	(22.8)	4.7
Non-recurring other income (expenses) and general expenses	5	**(6.2)**	(1.9)	(4.3)
Income taxes and other taxes and duties		**2.2**	(7.3)	9.5
Profit for the year		**51.8**	92.7	(40.9)

EXOR S.p.A. - Condensed Statement of Financial Position

		12/31/2014		12/31/2013		
€ million	Note	Amount	%	Amount	%	Change
Investments and other financial assets available-for-sale	6	**4,632.8**	**90.7**	3,930.8	83.0	702.0
Other non-current financial assets	8	**26.7**	**0.5**	94.2	2.0	(67.5)
Current financial assets and cash and cash equivalents	8	**443.1**	**8.7**	702.7	14.9	(259.6)
Financial receivables from subsidiaries	8	**1.1**	**0.0**	1.0	0.0	0.1
Tax Receivables		**6.0**	**0.1**	6.0	0.1	0.0
Other current and non-current assets		**0.9**	**0.0**	1.2	0.0	(0.3)
Total Assets		**5,110.6**	**100.0**	4,735.9	100.0	374.7
Equity	7	**3,409.9**	**66.7**	3,434.0	72.6	(24.1)
Bonds	8	**1,624.9**	**31.8**	1,228.5	25.9	396.4
Other current financial liabilities	8	**45.6**	**0.9**	33.7	0.7	11.9
Current and non-current provisions and other liabilities		**30.2**	**0.6**	39.7	0.8	(9.5)
Total Equity and Liabilities		**5,110.6**	**100.0**	4,735.9	100.0	374.7

1. Dividends from investments

In 2014 dividends from investments amount to €143.5 million and include dividends received from CNH Industrial for €73.4 million, EXOR S.A. for €70 million and Emittenti Titoli for €0.1 million.

In 2013 this line item totaled €102.8 million and consisted of dividends received from CNH Industrial for €82.6 million, EXOR S.A. for €20 million, Rho Immobiliare Fund for €0.1 million and Emittenti Titoli €0.1 million.

2. Gains (losses) on disposals, impairment (losses) reversals of investments

In 2014, gains (losses) on disposals, impairment (losses) and reversals of investments consist of gains of €5.8 million on the sale of listed securities and total losses of €10.6 million, of which €5 million refers to the sale of the remaining investment in Alpitour (7.17% of capital) and €5.6 million (price adjustment) established by the agreement signed by EXOR and Alpitour on June 30, 2014 which definitely closed all present and future disputes.

The line item also includes €8 million for the reinstatement of the carrying amount of Fiat preferred shares written down in 2001, which had not been fully reinstated in subsequent years.

In 2013, gains (losses) on disposals, impairment (losses) reversals of investments include the gain of €87.2 million relating to the sale of The Black Ant Value Fund to the subsidiary EXOR S.A., net of price adjustments relating to the sale of Alpitour in 2012.

3. Net financial income (expenses)

Net financial expenses in 2014 amount to €72.7 million, with a net increase of €12.4 million compared to 2013 (€60.3 million), principally on account of higher average net debt and non-recurring expenses totaling €32.5 million relating to the partial cancellation (€250 million nominal amount) of the non-convertible bonds 2007-2017.

In 2013 net financial expenses included €18.2 million relating to the partial cancellation (€60 million nominal amount) of the same bonds and the closing of interest rate hedging instruments following the early extinguishment of non-current loans.

4. Net general expenses

Net general expenses amount to €18.1 million (€14.9 million net of the notional cost of the EXOR stock option plan), with a decrease of €4.7 million (€3.3 million net of the notional cost of the EXOR stock option plan) compared to an amount in 2013 of €22.8 million (€18.2 million net of the notional cost of the EXOR stock option plan), owing to the reduction in staff, the benefits of which in 2014 were partially absorbed by the costs for non-recurring expenses.

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

Net expenses of €6.2 million refer to the reduction in staff and defense fees in legal proceedings pertaining to the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005.

They also include the expenses for the non-recoverability of the interest earned on the Deferred Price relating to the sale of Alpitour (€2.1 million) under the agreement signed by Alpitour on June 30, 2014.

€ million	2014	2013
Expenses connected with the reduction in staff	**(3.2)**	(0.2)
Non-recoverable receivables	**(2.1)**	0.0
Defense fees in legal proceedings	**(0.4)**	(0.9)
Other miscellaneous income (expenses)	**(0.5)**	(0.8)
Total	**(6.2)**	(1.9)

6. Investments

€ million	12/31/2014	12/31/2013	Change
Investments accounted for at cost			
Fiat Chrysler Automobiles N.V. - common shares	**1,328.5**	1,324.7	3.8
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016	**711.2**	0.0	711.2
Fiat Chrysler Automobiles N.V.	**2,039.7**	1,324.7	715.0
CNH Industrial N.V.	**1,694.5**	1,690.3	4.2
EXOR S.A.	**746.5**	746.4	0.1
Juventus Football Club S.p.A.	**95.7**	95.7	0.0
Arenella Immobiliare S.r.l.	**26.0**	26.0	0.0
Emittenti Titoli S.p.A.	**0.3**	0.3	0.0
	4,602.7	3,883.4	719.3
Financial assets available-for-sale			
Rho Immobiliare Fund	**11.3**	11.7	(0.4)
Other	**18.8**	35.7	(16.9)
	30.1	47.4	(17.3)
Total	**4,632.8**	3,930.8	702.0

The increase from December 31, 2013 is largely due to the subscription of the mandatory convertible securities issued by Fiat Chrysler Automobiles N.V. in December 2014.

A comparison between carrying amounts and trading prices of listed investments at year-end 2014 is as follows:

		Carrying amount		Trading price December 30, 2014	
	Number	Per share (€)	Total (€ million)	Per share (€)	Total (€ million)
Fiat Chrysler Automobiles N.V. - common shares	375,803,870	3.535	1,328.5	9.652	**3,627.3**
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016	8,860,000	80.272 (a)	711.2	88.104 (b)	**780.6**
			2,039.7		**4,407.9**
CNH Industrial N.V.	366,927,900	4.618	1,694.5	6.721	**2,466.1**
Juventus Football Club S.p.A.	642,611,298	0.149	95.7	0.219	**140.7**
Total			**3,829.9**		**7,014.7**

(a) Issued in nominal amounts of $100, translated at the exchange rate of 1.2457.
(b) Trading price of $106.967, translated at the exchange rate of 1.2141.

7. Equity

Equity at December 31, 2014 amounts to €3,409.9 million (€3,434 million at December 31, 2013). The reduction of €24.1 million is summarized as follows:

€ million	
Equity at December 31, 2013	**3,434.0**
Dividends paid	(74.5)
Other net changes	(1.4)
Profit for the year	51.8
Net change during the year	**(24.1)**
Equity at December 31, 2014	**3,409.9**

Additional details are provided in the statement of changes in equity in the separate financial statements of EXOR S.p.A. at December 31, 2014.

8. Net financial position

The net financial position at December 31, 2014 is a negative €1,199.7 million, with an increase of €725.5 million from the negative balance of €474.2 million at year-end 2013.

The balance consists of the following:

€ million	12/31/2014 Current	12/31/2014 Non current	12/31/2014 Total	12/31/2013 Current	12/31/2013 Non current	12/31/2013 Total
Financial assets (a)	**167.0**	**26.3**	**193.3**	117.3	83.9	201.2
Financial receivables from subsidiaries	**1.1**	**0.0**	**1.1**	1.0	0.0	1.0
Cash and cash equivalents	**276.4**	**0.0**	**276.4**	585.7	0.0	585.7
Total financial assets	**444.5**	**26.3**	**470.8**	704.0	83.9	787.9
EXOR bonds 2007-2017	**(13.2)**	**(438.9)**	**(452.1)**	(20.7)	(687.8)	(708.5)
EXOR bonds 2012-2019	**(1.5)**	**(147.9)**	**(149.4)**	(1.5)	(147.5)	(149.0)
EXOR bonds 2013-2020	**(0.9)**	**(198.3)**	**(199.2)**	(0.9)	(198.0)	(198.9)
EXOR bonds 2014-2024	**(3.8)**	**(648.3)**	**(652.1)**	0.0	0.0	0.0
EXOR bonds 2018-2025	**(4.8)**	**(98.0)**	**(102.8)**	(4.8)	(97.8)	(102.6)
EXOR bonds 2011-2031	**(0.7)**	**(68.6)**	**(69.3)**	(0.7)	(68.8)	(69.5)
Bank debt and other financial liabilities	**(45.6)**	**0.0**	**(45.6)**	(33.6)	0.0	(33.6)
Total financial liabilities	**(70.5)**	**(1,600.0)**	**(1,670.5)**	(62.2)	(1,199.9)	(1,262.1)
Net financial position of EXOR S.p.A.	**374.0**	**(1,573.7)**	**(1,199.7)**	641.8	(1,116.0)	(474.2)

(a) €25 million in the current portion and €26.3 million in the non-current portion (in 2013, €25.7 million in the current portion and €83.5 million in the non-current portion) relate to bonds issued by leading counterparties, listed on active and open markets which the Company intends, and is able, to hold until their natural repayment date as an investment for a part of its available cash, in order to ensure a constant attractive flow of financial income. This designation was decided in accordance with IAS 39, paragraph 9. Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Company should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

The net negative change of €725.5 million during 2014 is described in the following table:

€ million			
Net financial position at December 31, 2013			**(474.2)**
Dividends received from investment holdings			143.5
- CNH Industrial N.V.	73.4		
- EXOR S.A.	70.0		
- Emittenti Titoli	0.1		
Net change in financial assets available-for sale			24.2
Subscription to Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 12/15/2016			(711.2)
Financial income on Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 12/15/2016			2.4
Dividends paid by EXOR S.p.A.			(74.5)
Other changes			(109.9)
- Net general expenses	(16.3)		
- Non-recurring other income (expenses) and general expenses	(4.2)		
- Net financial expenses	(75.4)	(a)	
- Indirect taxes and duties	(0.4)		
- Other net changes	(13.6)	(b)	
Net change during the year			**(725.5)**
Net financial position at December 31, 2014			**(1,199.7)**

(a) Does not include interest income on the mandatory convertible securities (€2.4 million) and interest income on the financial receivable from Alpitour (€0.3 million), which had no impact on the net financial position.

(b) Includes the measurement of the cross currency swap on the Japanese yen bonds 2011-2031 of €11.7 million and other net changes of €1.9 million.

9. Reconciliation between the separate financial statements of EXOR S.p.A. and the consolidated financial statements of the Group

The following reconciliation of the profit for the year and equity in the separate financial statements of EXOR S.p.A. for the years ended December 31, 2014 and December 31, 2013 and the corresponding figures in the consolidated financial statements of the EXOR Group at the same dates are presented as required by Consob Communication 6064293 of July 28, 2006.

	Profit (Loss)		Equity	
€ million	**2014**	2013	**12/31/2014**	12/31/2013
Separate financial statements of EXOR S.p.A.	**52**	93	**3,410**	3,434
Difference between the carrying amounts of investments and the corresponding equity at the end of the prior year			**3,513**	2,649
Net balance between the changes during the year in the equity of consolidated companies and companies accounted for by the equity method (excluding the result)			**655**	(1,233)
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	**427**	2,182	**513**	2,182
Elimination of dividends received from consolidated companies and companies accounted for by the equity method	**(146)**	(105)		
Adjustments of gains/losses on disposals and impairments and reversals of investments	**(8)**	(85)	**(94)**	(85)
Other consolidation adjustments	**(2)**		**(2)**	0
Consolidated financial statements of the EXOR Group (attributable to owners of the parent)	**323**	2,085	**7,995**	6,947

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP - SHORTENED

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

EXOR presents the interim consolidated financial statements at March 31 and September 30 of each year (statement of financial position and income statement) in shortened form prepared by applying the "shortened" consolidation criteria. In accordance with this criteria, the financial statements or accounting data drawn up in accordance with IFRS by EXOR and by the subsidiaries in the "Holdings System" are consolidated line by-line; the investments in the operating subsidiaries and associates (FCA, CNH Industrial, C&W Group, Almacantar, Juventus Football Club and Arenella Immobiliare) are accounted for using the equity method on the basis of their financial statements or accounting data drawn up in accordance with IFRS.

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

The FCA figures at December 31, 2014 refer to the Fiat Group after the merger of Fiat S.p.A. with and into Fiat Investments N.V. which became effective on October 12, 2014. The merger had no effect on the operations of the previous Fiat Group and therefore the figures presented in the Report on Operations relating to the share of the results of the investment holding and the value of the investment (accounted for using the equity method) are consistent with and comparable to those previously reported by the EXOR Group.
For purposes of the consolidation of FCA at December 31, 2014, the mandatory convertible securities were treated as an increase in the investment already held in FCA.

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

	% of consolidation	
	12/31/2014	12/31/2013
Holding Company - EXOR (Italy)		
Companies in the Holdings System consolidated line-by-line		
- EXOR S.A. (Luxembourg)	100	100
- Exor Capital Limited (Ireland)	100	100
- Exor Inc. (USA)	100	100
- Ancom USA Inc. (USA)	100	100
- Exor N.V. (Netherlands)	100	100
- Exor SN LLC (USA) (a)	100	-
Investments in operating subsidiaries and associates, accounted for using the equity method		
- FCA	29.25	30.90
- CNH Industrial	27.42	27.96
- C&W Group (b)	83.06	82.40
- Almacantar	38.29	38.29
- Juventus Football Club S.p.A.	63.77	63.77
- Arenella Immobiliare S.r.l.	100	100

(a) Company incorporated on August 4, 2014.
(b) Percentages calculated on issued share capital, net of treasury stock held and net of the estimate of stock purchases from non-controlling interests to be made by C&W Group.

The EXOR Group ends the year 2014 with a consolidated profit of €323.1 million; the year 2013 closed with a consolidated profit of €2,084.5 million. The decrease of €1,761.4 million is principally due to lower gains realized during the year of €1,565.1 million, the reduction in the share of the results of the investment holdings of €128.9 million, lower dividends received of €56.8 million and higher net financial expenses of €11.8 million. In 2013, in particular EXOR had reported a net gain of €1,534 million on the sale of the entire investment in SGS from which it had also received dividends of €55.7 million.

At December 31, 2014 consolidated equity attributable to owners of the parent amounts to €7,995 million, with a net increase of €1,047.6 million compared to €6,947.4 million at year-end 2013. Additional details are provided in the following Note 10.

The consolidated net financial position of the Holdings System at December 31, 2014 is a positive €563 million, with a decrease of €718.2 million from the positive balance of €1,281.2 million at year-end 2013. 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	2014	2013	Change
Share of the profit (loss) of investments accounted for using the equity method	1	**425.2**	554.1	(128.9)
Dividends from investments	2	**4.9**	61.7	(56.8)
Gains (losses) on disposals and impairments on investments, net	3	**(36.9)**	1,528.2	(1,565.1)
Net financial income (expenses)	4	**(42.0)**	(30.2)	(11.8)
Net general expenses	5	**(21.3)**	(26.0)	4.7
Non-recurring other income (expenses) and general expenses	6	**(6.8)**	(3.6)	(3.2)
Income taxes and other taxes and duties		**0.0**	0.3	(0.3)
Profit attributable to owners of the parent		**323.1**	2,084.5	(1,761.4)

EXOR GROUP – Consolidated Statement of Financial Position - shortened

€ million	Note	12/31/2014		12/31/2013		Change	
Non-current assets							
Investments accounted for using the equity method	7	**6,596.8**		4,809.9		1,786.9	
Other financial assets:							
- Investments measured at fair value	8	**350.2**		367.8		(17.6)	
- Other investments	9	**558.4**		572.9		(14.5)	
- Other financial assets		**4.2**		10.9	(a)	(6.7)	
Other property, plant and equipment and intangible assets		**1.2**		0.2		1.0	
Total Non-current assets		**7,510.8**		5,761.7		1,749.1	
Current assets							
Financial assets and cash and cash equivalents	11	**2,157.1**		2,488.0		(330.9)	
Tax receivables and other receivables		**7.2**	(b)	7.5	(b)	(0.3)	
Total Current assets		**2,164.3**		2,495.5		(331.2)	
Total Assets		**9,675.1**		8,257.2		1,417.9	
Capital issued and reserves attributable to owners of the parent	10	**7,995.0**		6,947.4		1,047.6	
Non-current liabilities							
Bonds and other financial debt	11	**1,600.0**		1,199.9		400.1	
Provisions for employee benefits		**2.9**		2.3		0.6	
Deferred tax liabilities, other liabilities and provisions		**0.9**		7.3		(6.4)	(c)
Total Non-current liabilities		**1,603.8**		1,209.5		394.3	
Current liabilities							
Bonds, bank debt and other financial liabilities	11	**70.5**		90.8		(20.3)	
Other payables and provisions		**5.8**		9.5		(3.7)	
Total Current liabilities		**76.3**		100.3		(24.0)	
Total Equity and Liabilities		**9,675.1**		8,257.2		1,417.9	

a) At December 31, 2013 the balance mainly included the financial receivable due by EXOR from Alpitour for €10 million, which represented the remaining balance of the Deferred Price on the sale of Alpitour (€15 million), inclusive of interest capitalized (€1.7 million) and net of expenses (€6.7 million) recorded in 2012 and 2013 following the settlement of certain disputes that arose with the buyer in the period subsequent to acquisition and relating to events prior to the sale by EXOR. At June 30, 2014, following the agreement reached with Alpitour, EXOR waived in full the remaining Deferred Price of €10.4 million, inclusive of interest capitalized (€2.1 million), definitively closing all present and future disputes.

b) Receivables from the tax authorities total €6.3 million (€6.1 million at December 31, 2013) and refer mainly to EXOR.

c) The change is mainly due to the release of expenses set aside in provision accounts at December 31, 2013 (€2.9 million) after having reached the agreement between EXOR and Alpitour, which led to the definitive closing of all present and future disputes.

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

In 2014 the share of the profit (loss) of investments accounted for using the equity method is a profit of €425.2 million, with a decrease of €128.9 million compared to the profit reported in the year 2013 (€554.1 million). The decrease is principally attributable to the reduction in the share of the profit of FCA (-€109.9 million) and CNH Industrial (-€48.9 million), partially offset by the increase in the share of the profit of C&W Group (€25.1 million) and the reduction in share of the loss of Juventus (+€2.7 million).

	Profit (loss) (million)							EXOR's share (€ million)				
		2014			2013		Change	**2014**		2013		Change	
FCA (a)	€	**568.0**		€	904.0	(b)	(336.0)	**164.8**	(c)	274.7		(109.9)	
CNH Industrial (a)	$	**917.0**		$	1,048.0	(d)	(131.0)	**189.4**		238.3	(e)	(48.9)	
C&W Group	$	**68.7**		$	28.7		40.0	**42.9**		17.8		25.1	
Almacantar	£	**83.1**		£	83.3		(0.2)	**39.5**		37.5		2.0	(f)
Juventus Football Club S.p.A.	€	**(18.2)**	(g)	€	(22.4)	(g)	4.2	**(11.6)**		(14.3)		2.7	
Arenella Immobiliare S.r.l.	€	**0.2**		€	0.1		-	**0.2**		0.1		0.1	
Total								**425.2**		554.1		(128.9)	

(a) Includes consolidation adjustments.
(b) FCA's profit (€1,951 million including the profit of non-controlling interests) comprises €1,500 million from the recognition of net deferred tax assets relating to FCA US since the conditions resulting in their non-recognition are no longer present.
(c) The percentage of the profit of FCA considers that the merger between Fiat and Fiat Investment was completed on October 12, 2014; therefore it includes a percentage equal to 30.78% of FCA's profit for the nine months to September 30, 2014 for €41.9 million and a percentage equal to 29.25% of the profit for the fourth quarter for €122.9 million.
(d) Amounts recast in order to reflect the change in presentation currency from euro to U.S. dollar.
(e) The percentage of profit of CNH Industrial considers that the merger between Fiat Industrial and CNH Global was completed on September 29, 2013; therefore it includes a percentage equal to 30.88% of CNH Industrial Group's profit for the nine months to September 30, 2013 for €190.1 million and a percentage equal to 27.96% of the profit for the fourth quarter of 2013 for €48.2 million.
(f) With the profit basically the same for both years, the increase in EXOR's share is due to the exchange rate effect.
(g) The loss results from the accounting data prepared for the company's consolidation by EXOR and refers to the period January 1 to December 31, 2014.

For comments on the Review of Performance of the Operating Subsidiaries and Associates, please refer to the next sections.

2. Dividends from investments

Details are as follows:

€ million	**2014**	2013	Change
Dividends received from investments accounted for using the equity method			
- CNH Industrial	**73.4**	82.6	(9.2)
- C&W Group	**2.2**	2.0	0.2
Dividends received from other investment holdings:			
- The Economist Group	**2.5**	2.3	0.2
- Banca Leonardo	**0.7**	2.3	(1.6)
- SGS	**0.0**	55.7	(55.7)
- Other	**1.7**	1.4	0.3
Dividends included in the net financial position	**80.5**	**146.3**	(65.8)
Dividends received from investments accounted for using the equity method	**(75.6)**	(84.6)	9.0
Dividends included in the income statement	**4.9**	61.7	(56.8)

3. Gains (losses) on disposals and impairments of investments, net

Details are as follows:

€ million	2014		2013		Change
Sales:					
- Alpitour	**(10.6)**	(a)	(5.0)	(b)	(5.6)
- SGS	**0.0**		1,534.0	(c)	(1,534.0)
- Other	**4.3**		(0.8)		5.1
Impairments:					
- Sequana	**(30.6)**	(d)	0.0		(30.6)
Total	**(36.9)**		1,528.2		(1,565.1)

(a) Of which €5.6 million relates to the reduction of the Deferred Price and €5 million to the sale of the remaining investment in Alpitour.
(b) Reduction of the Deferred Price on the sale of Alpitour relating to certain disputes that arose with the buyer.
(c) Determined by recording the balance of the fair value reserve relating to SGS in the income statement at the date of finalizing its sale (€1,575.2 million), net of the negative difference of €41.2 million between the fair value of the investment determined at the same date on the basis of its trading price (€2,044.9 million) and the sales price agreed between the parties (€2,003.7 million, net of expenses on the sale of €0.1 million).
(d) Following the prolonged and continuing decline in the share price, the investment was written down in the income statement for the fair value adjustement in 2014 (€10.8 million) and the reclassification to the income statement of the fair value reserve at December 31, 2013 (€19.8 million).

4. Net financial income (expenses)

In 2014 the net financial expenses balance is €42 million (a net financial expenses balance of €30.2 million in 2013). Details of the composition of the balance are as follows:

€ million	2014		2013		Change
Net interest income and other financial income					
Interest income on:					
- bank current accounts and deposits	**16.3**		16.6		(0.3)
- bonds	**12.2**		10.6		1.6
Income (expenses) and fair value adjustments to financial assets held for trading	**8.1**		8.8		(0.7)
Other financial income	**0.1**		0.5		(0.4)
Net interest income and other financial income	**36.7**		36.5		0.2
Interest expenses and other financial expenses					
Interest expenses and other expenses on EXOR bonds	**(63.3)**		(58.2)		(5.1)
Non-recurring expenses on cancellation of EXOR 2007-2017 bonds (a)	**(32.5)**		(6.5)		(26.0)
Expenses for interest rate hedges	**0.0**		(15.5)	(b)	15.5
Interest expenses and other expenses on bank borrowings	**(3.0)**		(4.7)		1.7
Interest expenses and other financial expenses	**(98.8)**		(84.9)		(13.9)
Net exchange gains (losses)	**1.4**		(0.6)		2.0
Financial income (expenses) generated by the financial position	**(60.7)**		(49.0)		(11.7)
Income on other investments (c)	**18.4**	(d)	17.6	(d)	0.8
Exchange gains (losses) and sundry financial income	**0.3**		1.2		(0.9)
Other financial income	**18.7**		18.8		(0.1)
Financial income (expenses) recorded in the income statement	**(42.0)**		(30.2)		(11.8)

(a) Derives from the difference between the average unit purchase price (€113.01) and nominal amount (€100) on the notional amount of €250 million cancelled in 2014. In 2013 the expenses arise from the difference between the average unit purchase price (€110.77) and nominal amount (€100) on the notional amount of €60 million.
(b) Included non-recurring expenses of €11.7 million relating to the closing of the interest rate hedging instruments following the early extinguishment of non-current loans for a total of €200 million.
(c) Included in other non-current financial assets.
(d) Includes mainly the net gains realized on the redemptions of the Perella Weinberg Funds of €13 million (€16.8 million in 2013) and The Black Ant Value Fund of €4.8 million (€1.2 million in 2013).

5. Net general expenses

In 2014 net general expenses amount to €21.3 million, with a decrease of €4.7 million compared to the prior year (€26 million) arising principally from the reduction in personnel costs.
The balance includes the notional cost of the EXOR stock option plans of approximately €3.3 million (€4.7 million in 2013). The reduction of €1.4 million is attributable to the forfeiture of the options on the Stock Option Plan EXOR 2008-2019 and the Stock Option Plan EXOR 2012-2021. Additional details are provided on capital issued and reserves attributable to owners of the parent in the following Note 10.

Details of the main items are as follows:

€ million	2014	2013	Change
Personnel costs	**(9.7)**	(13.9)	4.2
Compensation to and other costs relating to directors	**(5.3)**	(5.3)	0.0
Purchases of goods and services	**(6.5)**	(6.0)	(0.5)
Other operating expenses, net of revenues and cost recoveries	**0.2**	(0.8)	1.0
Total	**(21.3)**	(26.0)	4.7

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

Details of the main items are as follows:

€ million	2014	2013	Change
Expenses connected with the reduction in staff	**(3.2)**	(1.6)	(1.6)
Defense fees in legal proceedings	**(0.6)**	(0.4)	(0.2)
Costs connected with transactions on investments	**(0.4)**	(1.0)	0.6
Other	**(2.6)** (a)	(0.6)	(2.0)
Total	**(6.8)**	(3.6)	(3.2)

(a) Includes principally the expenses for non-recoverable interest income earned on the Deferred Price (€2.1 million) as part of the agreement reached on June 30, 2014 with Alpitour, in which both companies agreed to settle the pending disputes and every other potential future controversy by way of a novatory agreement.

7. Investments accounted for using the equity method

Details are as follows:

	Carrying amount at		
€ million	12/31/2014	12/31/2013	Change
FCA	**4,077.6**	2,634.1	1,443.5
CNH Industrial	**1,615.8**	1,410.2	205.6
C&W Group	**572.8**	480.5	92.3
Almacantar	**281.8**	225.1	56.7
Juventus Football Club S.p.A.	**22.7**	34.1	(11.4)
Arenella Immobiliare S.r.l.	**26.1**	25.9	0.2
Total	**6,596.8**	4,809.9	1,786.9

The positive change in EXOR's share of the investment in FCA is mainly due to the increase in the equity attributable to owners of FCA following the acquisition of the remaining 41.5% ownership interest in FCA US from the VEBA Trust (€387.7 million), with the consequent reduction in the equity attributable to non-controlling interests, the increase from the placement of mandatory convertible securities (€711.2 million), the capital increase (€248.3 million), the increase in exchange differences on translating foreign operations (+€361.6 million) and the profit for the year (€162.2 million), partially offset by the reimbursement of capital and reserves (-€121.8 million), the reduction in the cash flow hedge reserve (-€56.1 million) and the defined benefit plans remeasurement reserve (-€89.5 million).

The positive change in EXOR's share of the investment in CNH Industrial is mainly due to the profit for the year (€189.4 million), the increase in the exchange differences on translating foreign operations (€165.9 million), partially offset by the reduction in the cash flow hedge reserve (-€31.5 million), the defined benefit plans remeasurement reserve (-€64.4 million) and dividends paid (-€77.4 million).

The positive change in EXOR's share of the investment in the C&W Group is mainly due to the increase in the exchange differences on translating foreign operations (€52.5 million) and the profit for the period (€42.9 million).

8. Other non-current financial assets – Investments measured at fair value

These are investments available-for-sale. Details are as follows:

€ million	12/31/2014 %		12/31/2014 Carrying amount		12/31/2013 %		12/31/2013 Carrying amount		Change	
Banca Leonardo S.p.A.	17.37		**60.0**		17.37		76.0		(16.0)	
Banijay Holding S.A.S.	17.09		**41.0**		17.09		37.0		4.0	
The Economist Group	4.72		**40.4**		4.72		37.0		3.4	
NoCo A L.P.	2.00	(a)	**17.5**		2.00	(a)	16.0		1.5	(b)
Sequana S.A.	10.85		**14.6**		17.38		24.8		(10.2)	
Other			**176.7**	(c)			177.0	(c)	(0.3)	
Total			**350.2**				367.8		(17.6)	

(a) Percentage ownership interest in the limited partnership, measured at cost.
(b) Exchange differences on translating foreign operations.
(c) Relates to listed investments (€173.5 million at December 31, 2013).

The decrease in the investment in Banca Leonardo is due to the negative fair value adjustment of €11.2 million (with recognition in equity) and the reimbursement of reserves of €4.8 million.

The increase in the investment in Banijay Holding arises from the positive fair value adjustment of €4 million (with recognition in equity).

The increase in the investment in The Economist Group is attributable to the positive fair value adjustment of €3.4 million (with recognition in equity).

At June 30, 2014 the investment in Sequana was adjusted to fair value on the basis of the per share trading price at that date (€4.08 per share) for a total of €7.1 million. The negative fair value reserve recognized in equity was at the same time reclassified to the income statement, as set out in IAS 39, deeming the capital increase operation and the trend of the share price determining factors in evaluating the existence of an impairment such as to justify the recognition in the income statement of a correction of the investment value for a total expense of €26.9 million.
On July 26, 2014 EXOR S.A. subscribed to Sequana's share capital increase for a total payment of €11.1 million and in the following months sold on the market 3,158,313 shares for a total equivalent amount of €9.1 million, recording a net loss of €1.4 million.
The total impairment charge recognized in the income statement in 2014 is €30.6 million and includes the fair value adjustment in 2014 of €10.8 million and the reclassification to the income statement of the fair value reserve at December 31, 2013 of €19.8 million.
At December 31, 2014 the remaining 5,537,687 shares were measured at fair value on the basis of the per share trading price at December 31, 2014 (€2.64 per share), recording an additional correction in value of €3.7 million owing to the continual reduction in the share's trading price.

9. Other non-current financial assets – Other investments

These are financial assets available-for-sale and held to maturity. Details are as follows:

€ million	12/31/2014	12/31/2013	Change	
Investments measured at fair value				
- The Black Ant Value Fund	**392.0**	381.6	10.4	
- Perella Weinberg Funds	**13.0**	46.5	(33.5)	
- Rho Immobiliare Fund	**11.3**	11.7	(0.4)	
- Other funds	**65.8**	49.6	16.2	
	482.1	489.4	(7.3)	
Investments measured at amortized cost				
- Bonds held to maturity	**76.3**	83.5	(7.2)	(a)
Total	**558.4**	572.9	(14.5)	

(a) Includes mainly purchases made during the year of €50 million, net of decreases of €57 million (of which €25 million for reclassifications among current financial assets).

The net increase in The Black Ant Value Fund of €10.4 million is due to the positive fair value adjustment of €29.5 million, partially offset by the redemption of 142,500 shares, according to the agreements signed and taking into account the positive performance recorded during 2013, for a total equivalent amount of €19.1 million. The redemption resulted in a net gain of €4.8 million relating to the realization of a part of the fair value reserve. At December 31, 2014 the positive fair value adjustment recognized in equity amounts to €121.3 million.

The net decrease in the Perella Weinberg Funds of €33.5 million is due principally to the redemption of the NoCo B and Perella Weinberg Real Estate I Funds, respectively, for $28.5 million (€21.1 million) and €19.3 million, partially offset by investments during the period of €1 million and the positive fair value adjustment of €5.9 million. The net gain realized of €13 million refers to the realization of a part of the fair value reserve. At December 31, 2014 the fair value adjustment recorded in equity is a negative €0.5 million.
At December 31, 2014, the remaining investment commitments in NoCo B L.P. and in the Perella Weinberg Real Estate I Fund total, respectively, $8.2 million (€6.8 million) and €18.9 million.

10. Capital issued and reserves attributable to owners of the parent

Details are as follows:

€ million	12/31/2014	12/31/2013	Change
Share capital	**246.2**	246.2	0.0
Reserves	**8,092.9**	7,045.3	1,047.6
Treasury stock	**(344.1)**	(344.1)	0.0
Total	**7,995.0**	6,947.4	1,047.6

Details of changes during the period are as follows:

€ million		
Balance at December 31, 2013	**6,947.4**	
Fair value adjustments to investments and other financial assets:		
- The Black Ant Value Fund	29.5	
- Banca Leonardo	(11.2)	
- Perella Weinberg Funds	6.0	
- Other financial assets	50.3	
Reclassification of fair value to income statement:		
- Sequana	19.8	
- Perella Weinberg Funds	(13.0)	
- The Black Ant Value Fund	(4.8)	
- Other financial assets	1.4	
Measurement of EXOR's derivative financial instruments	(11.7)	
Dividends paid by EXOR	(74.5)	
Attributable other net changes recorded in equity, shown by EXOR, its subsidiaries and the investments consolidated and accounted for using the equity method		
- Acquisition of interests in subsidiaries by the FCA Group	387.7	(a)
- FCA capital increase	248.3	
- Exchange differences on translating foreign operations	594.5	
- Cash flow hedge reserve (net of deferred taxes)	(105.9)	
- Defined benefits plans remeasurement reserve (net of deferred taxes)	(157.4)	
- Other	(234.5)	
Profit attributable to owners of the parent	323.1	
Net change during the year	**1,047.6**	
Balance at December 31, 2014	**7,995.0**	

(a) EXOR's share of the increase in the equity attributable to owners of FCA principally following the acquisition of the remaining 41.5% ownership interest in FCA US from the VEBA Trust, with the consequent reduction in the equity attributable to non-controlling interests.

EXOR S.p.A. stock option plans

The composition and the change in the stock option plans are as follow:

		Stock Option Plan 2012-2021	
	Stock Option Plan 2008-2019	Company Performance	Long Term Stock Grant
Balance at December 31, 2013	**7,123,000**	**2,510,732**	**347,456**
Options forfeited	(1,011,000)	(1,133,132)	(180,790)
Balance at December 31, 2014	**6,112,000** (a)	**1,377,600**	**166,666**
Cost referring to the year (€ million):			
- personnel costs	0.7	0.4	0.6
- compensation to the Chairman and Chief Executive Officer	1.2	0.4	-
Total	**1.9**	**0.8**	**0.6**

(a) Corresponding to 1,619,680 shares.

The reduction in the number of options is mainly due to the reduction in staff and, as regards "Company Performance", failure to reach the performance targets linked to the change in EXOR's NAV, which was lower than the change in the MSCI World Index in Euro.

11. Consolidated net financial position of the Holdings System

At December 31, 2014 the consolidated net financial position of the Holdings System is a positive €563 million, with a decrease of €718.2 million from the balance at year-end 2013 (€1,281.2 million) principally on account of the purchase of mandatory convertible securities issued by FCA (€711.2 million). The balance is composed as follows:

	12/31/2014			12/31/2013			Change		
€ million	Current	Non current	Total	Current	Non current	Total	Current	Non current	Total
Financial assets	**937.9**	**76.4**	**1,014.3**	581.7	83.9	665.6	356.2	(7.5)	348.7
Financial receivables	**1.9**	**0.0**	**1.9**	6.1	0.0	6.1	(4.2)	0.0	(4.2)
Cash and cash equivalents	**1,217.3**	**0.0**	**1,217.3**	1,900.2	0.0	1,900.2	(682.9)	0.0	(682.9)
Total financial assets	**2,157.1**	**76.4**	**2,233.5**	2,488.0	83.9	2,571.9	(330.9)	(7.5)	(338.4)
EXOR bonds	**(24.9)**	**(1,600.0)**	**(1,624.9)**	(28.6)	(1,199.9)	(1,228.5)	3.7	(400.1)	(396.4)
Financial payables to associates	**0.0**	**0.0**	**0.0**	(28.5)	0.0	(28.5)	28.5	0.0	28.5
Other financial liabilities	**(45.6)**	**0.0**	**(45.6)**	(33.7)	0.0	(33.7)	(11.9)	0.0	(11.9)
Total financial liabilities	**(70.5)**	**(1,600.0)**	**(1,670.5)**	(90.8)	(1,199.9)	(1,290.7)	20.3	(400.1)	(379.8)
Consolidated net financial position of the Holdings System	**2,086.6**	**(1,523.6)**	**563.0**	2,397.2	(1,116.0)	1,281.2	(310.6)	(407.6)	(718.2)

During 2014 a part of cash (€685 million) was used to purchase mutual funds, including €338 million that was redeemed at the end of the year.

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

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

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

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 since the primary objective is having investments which can readily be converted into cash. The counterparties are chosen according to their creditworthiness and reliability.

At December 31, 2014 the **bonds** issued by EXOR are described as follows:

Issue date	Maturity date		Issue price	Coupon	Rate (%)	Currency	Nominal amount (million)	Balance at (a) 12/31/2014 (€ million)	12/31/2013 (€ million)
6/12/2007	6/12/2017		99.554	Annual	fixed 5.375	€	440.0	**(452.1)**	(708.3)
10/16/2012	10/16/2019		98.136	Annual	fixed 4.750	€	150.0	**(149.4)**	(149.0)
11/12/2013	11/12/2020		99.053	Annual	fixed 3.375	€	200.0	**(199.2)**	(198.9)
10/8/2014	10/8/2024		99.329	Annual	fixed 2.50	€	650.0	**(652.1)**	0.0
12/7/2012	1/31/2025		97.844	Annual	fixed 5.250	€	100.0	**(102.8)**	(102.7)
5/9/2011	5/9/2031	(b)	100.000	Semiannual	fixed 2.80	Yen	10,000.0	**(69.3)**	(69.6)
								(1,624.9)	(1,228.5)

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

At December 31, 2013 **financial payables to associates** of €28.5 million refer to the payable to Almacantar S.A. for the share of the capital increase subscribed by EXOR S.A. in July 2013, but not yet paid. This payable was extinguished in full during 2014.

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

The net negative change of €718.2 million in 2014 is described in the following table:

€ million			
Consolidated net financial position of the Holdings System at December 31, 2013		**1,281.2**	
Dividends from investment holdings		80.5	
- CNH Industrial	73.4		
- The Economist Group	2.5		
- C&W Group	2.2		
- Banca Leonardo	0.7		
- Other	1.7		
Reimbursements of reserves		7.5	
- Banca Leonardo	4.8		
- Other	2.7		
Financial income from Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 12/15/2016		2.4	
Investments		(724.0)	
- Subscription to Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 12/15/2016	(711.2)		
- Subscription to Sequana capital increase, net of partial sale of shares	(2.0)		
- Current other financial assets	(10.8)		
Sales/Redemptions		98.7	
- Noco B	39.4		
- The Black Ant Value Fund	19.1		
- Alpitour	5.0		
- Other non-current financial assets	35.2		
Dividends paid by EXOR		(74.5)	
Other changes			
- Net general expenses		(18.0)	
- Non-recurring other income (expenses) and general expenses		(4.7)	
- Net financial expenses		(60.7)	(a)
- Other taxes and duties		(0.6)	
- Other net changes		(24.8)	(b)
Net change during the year		**(718.2)**	
Consolidated net financial position of the Holdings System at December 31, 2014		**563.0**	

(a) Of which €32.5 million refers to expenses relating to the cancellation of EXOR bonds 2007-2017.
(b) Includes primarily the negative measurement of the cross currency swap on bonds 2011-2031 in Japanese yen for €11.7 million.

At December 31, 2014 EXOR has unused irrevocable credit lines for €425 million (including €80 million due by December 31, 2015 and €345 million after December 31, 2015), in addition to unused revocable credit lines for more than €595 million.

EXOR's long-term debt and short-term debt are rated by Standard & Poor's, respectively, at “BBB+” and “A-2”, with a stable outlook.

CORPORATE GOVERNANCE

In its meeting held on April 14, 2015 the EXOR S.p.A. board of directors also approved the "Report on the Company's Corporate Governance and Ownership Structure" written in accordance with Legislative Decree 58 of February 24, 1998 art. 123-*bis*, as subsequently integrated and amended (TUF – Consolidated Law on Finance).
The Report was published with the 2014 Annual Report and is available on the website www.exor.com.

OTHER INFORMATION

Management and coordination
EXOR S.p.A. is not subject to the management and coordination of any other company or entity and is fully independent in decisions regarding its general strategic and operating guidelines.

Related party transactions
Information and balances in the statement of financial position and in the income statement originating from transactions with related parties are disclosed in specific notes to the separate and consolidated financial statements.

Information pertaining to personnel
Information pertaining to personnel is reported in the notes to the separate and consolidated financial statements.

REVIEW OF PERFORMANCE OF THE OPERATING SUBSIDIARIES AND ASSOCIATES

(The percentages indicated in relation to the stake, voting rights and share capital are calculated on the basis of the figures at the date of December 31, 2014)

(29.25% stake, 44.37% of voting rights on issued capital)

The key consolidated figures of FCA reported for the year 2014 are the following:

	Year		
€ million	**2014**	2013 (1)	Change
Net revenues	**96,090**	86,624	9,466
EBITDA	**8,120**	7,637	483
EBIT	**3,223**	3,002	221
EBIT Adjusted for unusual items	**3,651**	3,521	130
Profit for the year	**632**	1,951	(1,319)
Profit attributable to owners of the parent	**568**	904	(336)

(1) Adjusted for the retrospective adoption of IFRS 11: Net revenues -€192 million, EBIT +€30 million, Profit unchanged.

	At	
€ million	**12/31/2014**	12/31/2013 (1)
Total assets	**100,510**	87,214
Net debt	**(10,849)**	(10,158)
- of which: Net industrial debt	**(7,654)**	(7,014)
Equity attributable to owners of the parent	**13,425**	8,326

(1) At December 31, 2013, adjusted for the retrospective adoption of IFRS 11: Net industrial debt +€365 million.

Net revenues

Net revenues increased by €9.5 billion year-over-year (+11%; +12% on a constant currency basis) to €96.1 billion, driven mainly by **NAFTA** (+15%), **APAC** (+34%) and **Maserati** (+67%), with increases also for **EMEA** (+4%) and **Components** (+7%). These increases were partly offset by a 13% reduction for **LATAM** (-7% on a constant currency basis), where vehicle shipments were down due to continued weak demand in the region's main markets.

	Year		Change
€ million	**2014**	2013(1)	%
NAFTA (Mass-Market brands)	**52,452**	45,777	14.6
LATAM (Mass-Market brands)	**8,629**	9,973	-13.5
APAC (Mass-Market brands)	**6,259**	4,668	34.1
EMEA (Mass-Market brands)	**18,020**	17,335	4.0
Ferrari	**2,762**	2,335	18.3
Maserati	**2,767**	1,659	66.8
Components (Magneti Marelli, Teksid, Comau)	**8,619**	8,080	6.7
Other	**831**	929	-10.5
Eliminations and adjustments	**(4,249)**	(4,132)	-
Net revenues	**96,090**	86,624	10.9

(1) Adjusted for the retrospective adoption of IFRS 11. Revenues: Group -€192 million, APAC +€47 million, EMEA -€85 million, Eliminations and adjustments -€154 million.

EBIT

EBIT totals €3,223 million for the year, a 7% increase (+9% on a constant currency basis) over the €3,002 million in 2013. EBIT includes unusual items which totaled a €428 million net charge in 2014, compared to €519 million in 2013.

In 2014 unusual items include primarily €495 million charge connected with the UAW Memorandum of Understanding entered into by FCA US on January 21, 2014 and €98 million negative impact from the devaluation of the Venezuelan bolivar (VEF) net of €223 million non-cash and non-taxable gain resulting from the fair value of the options representing approximately 10% of FCA US equity interest which was a portion of the 41.5% stake that FCA acquired from the VEBA Trust on January 21, 2014. In 2013 unusual items included €390 million in asset writedowns mainly associated with the rationalization of architectures associated with the new product strategy. In addition there was a €56 million writeoff of the book value of the Equity Recapture Agreement Right in connection with the acquisition of the minority stake in FCA US and a €43 million charge related to the devaluation of the VEF. EBIT adjusted for these unusual items increased by €130 million on the back of strong improvements for **APAC** and **Maserati**, with **EMEA** reducing losses by €198 million, benefiting primarily from higher volumes and better product mix, manufacturing and purchase efficiencies. In **LATAM**, EBIT adjusted for unusual items decreased by €330 million mainly reflecting lower volumes, €51 million in negative exchange rate translation impacts and €45 million in start-up costs for the Pernambuco plant. **NAFTA** was substantially in line with the prior year despite the impact of higher warranty and recall costs.

EBIT by segment is detailed as follows:

€ million	Year 2014	Year 2013 (1)	Change
NAFTA (Mass-Market brands)	**1,647**	2,290	(643)
LATAM (Mass-Market brands)	**177**	492	(315)
APAC (Mass-Market brands)	**537**	335	202
EMEA (Mass-Market brands)	**(109)**	(506)	397
Ferrari	**389**	364	25
Maserati	**275**	106	169
Components (Magneti Marelli, Teksid, Comau)	**260**	146	114
Other	**(114)**	(167)	53
Eliminations and adjustments	**161** (2)	(58)	219
EBIT	**3,223**	3,002	221

(1) Adjusted for the retrospective adoption of IFRS 11. EBIT: Group +€30 million, APAC +€17 million, EMEA +€14 million, Eliminations and adjustments -€1 million.
(2) Includes the unusual non-cash and non-taxable gain of €223 million recognized in the first quarter of 2014 resulting from the fair value of the options representing approximately 10% of FCA US equity interest which was a portion of the 41.5% stake that Fiat acquired from the VEBA Trust on January 21, 2014.

Profit for the year

Net financial expenses totaled €2,047 million, €60 million higher than 2013, with the impact of higher average debt levels partially offset by the benefits of FCA US refinancing transactions completed in February. Excluding the impact of stock option-related equity swaps, net financial expenses were substantially in line with the prior year.

Tax expenses totaled €544 million for the year, compared with tax income of €936 million for 2013. In 2013, income taxes included a €1.5 billion positive one-time recognition of net deferred tax assets related to FCA US; excluding this item, net income tax expenses totaled €564 million. Higher deferred tax expense in 2014 due to utilization of a portion of the deferred tax assets recognized in 2013 were largely offset by non-recurring deferred tax benefits which did not occur in the prior year.

Net debt

Net industrial debt at year-end was €7.7 billion, compared to €7.0 billion at year-end 2013 (adjusted for the retrospective application of IFRS 11 – €0.4 billion impact). Excluding the effect of the acquisition of the minority interest in FCA US and fourth quarter capital transactions, net industrial debt increased by €0.3 billion, with investments in property, plant and equipment and intangible assets of €8.1 billion almost fully covered by cash flows from operations.

€ million	At 12/31/2014	12/31/2013 (1)	Change
Third parties debt	**(32.892)**	(28.899)	(3.993)
- Bank debt	**(13.120)**	(8.932)	(4.188)
- Capital market instruments (2)	**(17.729)**	(14.220)	(3.509)
- Other debt (3)	**(2.043)**	(5.747)	3.704
Asset-backed financing (4)	**(469)**	(756)	287
Accruals and other adjustments	**(305)**	(601)	296
Gross debt	**(33.666)**	**(30.256)**	**(3.410)**
Cash and cash equivalents	**23.050**	19.702	3.348
Assets/(Liabilities) from derivative financial instruments	**(233)**	396	(629)
Net debt	**(10.849)**	**(10.158)**	**(691)**
Industrial Activities	**(7.654)**	(7.014)	(640)
Financial Services	**(3.195)**	(3.144)	(51)

(1) Adjusted for the retrospective application of IFRS 11: net debt +€365 million (fully attributable to Industrial Activities).
(2) Includes bonds and other securities issued in financial markets.
(3) Includes: HCT Notes (Canadian Health Care Trust Notes), arrangements accounted for as a lease under IFRIC 4 – Determining whether an arrangement contains a lease and other non-bank financing. (At year-end 2013, also included VEBA Trust Note).
(4) Advances on sale of receivables and securitizations on book.

Significant events in 2014

On January 29, 2014, the board of directors of Fiat S.p.A. (“Fiat”) approved a proposed corporate reorganization resulting in the formation of Fiat Chrysler Automobiles N.V. ("FCA") as a fully integrated global automaker.

On August 1, 2014 the extraordinary general meeting of the shareholders of Fiat S.p.A. approved the cross-border legal merger of Fiat S.p.A. into its 100 percent-owned direct dutch subsidiary Fiat Investments N.V.

On October 12, 2014 the merger of Fiat S.p.A. with and into Fiat Investments N.V. became effective and at that time Fiat Investments N.V. was renamed Fiat Chrysler Automobiles N.V. (“FCA”) and became the holding company for the Fiat Chrysler Group. In connection with the merger, FCA issued 1,167,181,255 common shares for allotment to Fiat shareholders on the basis of the merger exchange ratio of one FCA common share for each Fiat ordinary share.
In addition FCA retained 35,000,000 common shares formerly constituting the share capital of Fiat Investments N.V. as treasury stock.
FCA also issued 408,941,767 special voting shares to eligible Fiat shareholders who elected to participate in its loyalty voting program.
The next day, FCA common shares commenced trading on the NYSE of New York and the MTA of Milan.

<u>Before the merger</u>
On January 1, 2014, the Fiat Group announced an agreement with the VEBA Trust, under which its wholly-owned subsidiary, Fiat North America LLC (“FNA”), would acquire all of the VEBA Trust’s equity membership interests in Chrysler, representing remaining 41.5% of capital. The transaction closed on January 21, 2014. In consideration for the sale of its membership interests in Chrysler, the VEBA Trust received an aggregate consideration of:
- a special distribution of $1.9 billion paid by Chrysler to its members on January 21, 2014 (FNA directed its portion of the special distribution to the VEBA Trust as part of the purchase consideration) and
- a payment of $1.75 billion from FNA to the VEBA Trust.

On January 21, 2014, Chrysler and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (”UAW”) entered into a memorandum of understanding under the collective bargaining agreement with the UAW in which the UAW made commitments to support Chrysler industrial operations, including to use its best efforts to cooperate in the continued roll-out of World Class Manufacturing, or WCM, programs and to actively assist in the achievement of Chrysler’s long-term business plan. In consideration of these commitments, Chrysler agreed to make payments to the VEBA Trust totaling $700 million to be paid in four equal annual installments. The initial payment of $175 million was made on January 21, 2014 and additional payments will be payable on each of the next three anniversaries of the initial payment.

Following the acquisition of the VEBA Trust's equity interests in Chrysler, on February 7, 2014 Chrysler repaid all amounts outstanding including accrued and unpaid interest of approximately $5.0 billion under the VEBA Trust Note.

On May 6, 2014 the CEO along with members of the executive management of the Group presented the Group's 2014-2018 Business Plan to financial analysts and institutional investors in Auburn Hills (Michigan, U.S.).

After the merger

On October 29, 2014 the board of directors of FCA announced that in connection with FCA's implementation of a capital plan appropriate to support the Group's long-term success, it has authorized the separation of Ferrari S.p.A. from FCA. The separation will be effected through a public offering of FCA's interest in Ferrari equal to 10% of Ferrari's outstanding shares and a distribution of FCA's remaining Ferrari shares to FCA shareholders.

The same board of directors meeting authorized the offer and sale of FCA common shares and mandatory convertible securities. FCA will offer up to 100 million FCA common shares including 35 million common shares currently held in treasury by FCA and approximately 54 million common shares that will be issued by FCA to replenish the share capital canceled following the exercise by Fiat S.p.A. shareholders of cash exit rights under Italian law in connection with the cross-border merger of Fiat S.p.A. into FCA. Those Fiat shares were redeemed and cancelled in the merger as required by Italian law.

$2.5 billion in aggregate principal amount of mandatory convertible securities are expected to be offered in an SEC-registered offering to U.S. and international institutional investors. The mandatory convertible securities will be mandatorily convertible into FCA common shares at maturity. The interest rate, conversion rates and other terms and conditions of the mandatory convertible securities will be determined at pricing of the offering. It is expected that investors participating in the offering, subject to completion of the spin-off of Ferrari, will be entitled to participate in the spin-off and receive shares of Ferrari pursuant to customary provisions adjusting the conversion terms.

In connection with discussions regarding capital planning to support the Group's 2014-2018 Business Plan, FCA confirmed its intention to eliminate any contractual terms limiting the free flow of capital among members of the Group. As a result, FCA expects to redeem each series of FCA US outstanding secured senior notes no later than at its initial optional redemption date of June 2015 for the 8% Senior Secured Notes due 2019 and June 2016 for the 8-1/4% Secured Senior Notes due 2021.

On December 16, 2014, FCA announced that it had completed the sale of 100 million common shares, nominal value €0.01 per share, and $2,875 million in aggregate notional amount of its 7.875% mandatory convertible securities due 2016. The common shares sold consisted of the common shares previously held by FCA as treasury shares and additional common shares that FCA issued to replenish the share capital canceled in accordance with applicable law following the exercise by Fiat S.p.A. shareholders of cash exit rights under Italian law in connection with the cross-border merger of Fiat into FCA. The offerings reflect the exercise in full of the underwriters' options to purchase additional common shares and mandatory convertible securities.

The common shares were sold to the public at a public offering price of $11.00 per common share. The mandatory convertible securities were sold to the public at 100% of the notional amount of $100 per mandatory convertible security. Total net proceeds, before expenses, from both offerings were approximately $3,887 million.

The mandatory convertible securities will be mandatorily converted into FCA common shares on December 15, 2016, unless earlier converted at the option of the holder or FCA or upon certain specified events in accordance with their terms. The mandatory convertible securities will pay a coupon of 7.875% per annum, payable annually in arrears, on December 15, 2015 and 2016, which may, at FCA's discretion, be paid in common shares of FCA at the mandatory conversion date. FCA will have the option to defer payment of coupons, provided that such deferral may not extend past the maturity date. The mandatory convertible securities were issued in denominations of $100 per mandatory convertible security. The maximum conversion rate of the mandatory convertible securities was set at 9.0909 common shares per mandatory convertible security and the minimum conversion rate was set at 7.7369 common shares per mandatory convertible security, in each case subject to adjustment in certain circumstances.

(27.07% stake, 40.11% of the voting rights on issued capital.
In addition, FCA holds a 1.18% stake, 1.74% of the voting rights)

The key consolidated figures of CNH Industrial for the year 2014 (drawn up in accordance with IFRS) are as follows:

	Year		
$ million	**2014**	2013 (1)	Change
Net revenues	**32,957**	34,231	(1,274)
Trading profit	**2,399**	2,637	(238)
Operating profit	**2,167**	2,481	(314)
Profit for the year	**916**	1,218	(302)
Profit attributable to owners of the parent	**917**	1,048	(131)

	At	
$ million	**12/31/2014**	12/31/2013 (1)
Total assets	**54.441**	56.462
Net debt	**(23.590)**	(23.290)
- of which: Net industrial debt	**(2.874)**	(2.195)
Equity attributable to owners of the parent	**7.534**	7.591

(1) Amounts recast in order to reflect the change in presentation currency from euro to U.S. dollar.

Net revenues

The CNH Industrial Group reported net revenues of $32,957 million for 2014, a 3.7% decrease compared to 2013 (down 2.0% on a constant currency basis). **Net revenues of Industrial Activities** were $31,408 million in 2014, a 4.4% decrease compared to the prior year (down 2.7% on a constant currency basis) with revenue growth for **Construction Equipment** and **Powertrain** more than offset by a decline in **Agricultural Equipment**, due to lower volumes and unfavorable product mix primarily in LATAM and NAFTA and **Commercial Vehicle**s in LATAM, as well as by the negative impact of currency translation, primarily relating to the Brazilian real. **Financial Services** recorded net revenues of $2,086 million in 2014, an increase of 7.0% compared to 2013, principally due to the higher average portfolio value.

	Year		Change
$ million	**2014**	2013 (1)	%
Agricultural Equipment	**15,204**	16,763	-9.3
Construction Equipment	**3,346**	3,258	2.7
Commercial Vehicles	**11,087**	11,447	-3.1
Powertrain	**4,475**	4,423	1.2
Eliminations and other	**(2,704)**	(3,050)	-
Total Industrial Activities	**31,408**	32,841	**-4.4**
Financial Services	**2,086**	1,950	7.0
Eliminations and other	**(537)**	(560)	-
Net revenues	**32,957**	34,231	**-3.7**

(1) Amounts recast in order to reflect the change in presentation currency from euro to U.S. dollar.

Trading profit

Group **trading profit** was $2,399 million, or 7.3% of net revenues, in 2014. Trading profit decreased of $238 million compared to a trading profit of $2,637 million, or 7.7% of net revenues, in 2013. **Trading profit of Industrial Activities** was $1,867 million, a decrease of $252 million compared to prior year, with an operating margin of 5.9%, down 0.6 percentage points compared to 2013. Trading profit increases in **Construction Equipment** and **Powertrain** were more than offset by declines in **Agricultural Equipment** and **Commercial Vehicles**. Construction Equipment benefitted from favorable volume and mix in all regions, positive price realization, and cost efficiencies. For **Powertrain**, the improvement was mainly due to the increase in sales, primarily with third parties, and continued industrial cost efficiencies partially offset by an increase in research and development costs. For **Commercial Vehicles**, positive performance in **EMEA** and **APAC** and significant reductions in selling, general and administrative ("SG&A") costs were more than offset by the negative effects of challenging trading conditions in **LATAM**, due to a significant decline in market demand. For **Agricultural Equipment**, lower volume and negative product mix were partially offset by positive net price realization, industrial efficiencies and structural cost reductions in SG&A costs and research and development expenses. Foreign exchange translation impacts were not material to the operating profit of **Industrial Activities. Trading profit for Financial Services** totaled $532 million, an increase of 2.7% compared to 2013.

	Year		
$ million	**2014**	2013 (1)	Change
Agricultural Equipment	**1,689**	1,949	(260)
Construction Equipment	**66**	(109)	175
Commercial Vehicles	**2**	145	(143)
Powertrain	**220**	210	10
Eliminations and other	**(110)**	(76)	(34)
Total Industrial Activities	**1,867**	2,119	**(252)**
Financial Services	**532**	518	14
Eliminations and other	**-**	-	-
Trading profit	**2,399**	2,637	(238)

(1) Amounts recast in order to reflect the change in presentation currency from euro to U.S. dollar.

Operating profit

Gains/(losses) on the disposal of investments amount to zero in 2014. In 2013, this item amounted to $25 million, in connection with the sale of the investment in Kobelco Construction Machinery Co., which took place in 2012, following an adverse ruling issued by the arbitrator on the price of the transaction.

In 2014, **restructuring costs** amounted to $192 million, as part of the Group's Efficiency Program announced in July 2014. **Agricultural Equipment** recorded $46 million primarily for the planned closure of a joint venture in China and cost reduction activities as a result of negative demand conditions. **Commercial Vehicles** recorded $103 million mainly due to actions to reduce SG&A costs and business support costs as a result of the transition to CNH Industrial's regional structure, and costs related to the completion of manufacturing product specialization programs. **Construction Equipment** recorded $43 million restructuring costs mainly due to the realignment of the dealer networks in **EMEA** as a result of the re-positioning of the Case and New Holland brand offerings, and the announced closure of an assembly plant in Calhoun, Georgia, USA. For 2013, restructuring costs were $54 million, mainly referring to Commercial Vehicles and primarily related to manufacturing product specialization programs.

Other unusual expenses were $40 million in 2014 mainly due to the closure of an indirect taxes claim and costs for the rationalization of strategic suppliers. Other unusual expenses were $77 million in 2013, largely reflecting expenses related to the dissolution of the previous joint venture with Barclays group and its consolidation into Financial Services and costs for the rationalization of strategic suppliers.

The CNH Industrial Group recorded an **operating profit** of $2,167 million (or 6.6% of net revenues) in 2014, a decrease of $314 million compared to $2,481 million (or 7.2% of net revenues) recorded for 2013. **Operating profit for Industrial Activities** was $1,635 million, down $369 million from 2013, with lower trading profit and higher restructuring costs partially offset by lower loss on disposal of investments. Operating profit for **Financial Services** totaled $532 million, up $55 million over 2013.

Profit for the year

Net financial expenses were $776 million in 2014, compared to $615 million in 2013, and included a pre-tax charge of $71 million due to the re-measurement of Venezuelan assets denominated in bolivars. Excluding this exceptional charge, net financial expenses totaled $705 million, an increase of $90 million over the prior year, mainly deriving from higher average net industrial debt, partially offset by more favorable interest rates.

Result from investments was a net gain of $91 million in 2014 (compared to a net gain of $136 million in 2013). The decrease of $45 million is mainly due to lower earnings from the joint ventures in APAC as a result of more difficult trading conditions.

Income taxes totaled $566 million in 2014 compared to $784 million in 2013, representing an effective tax rate of 38.2% for the year (2013 effective tax rate of 39.2%).

Net debt

At December 31, 2014 consolidated **net debt** was $23,590 million, an increase of $300 million compared to $23,290 million at the end of 2013.
During 2014, **net industrial debt** increased $679 million to $2,874 million from $2,195 million at December 31, 2013. Cash generation in the operations before changes in working capital contributed for $1,946 million while changes in working capital negatively impacted by $942 million. Capital expenditures activity totaled $1,681 million and dividend payments, net of capital increases, were $364 million. Currency translation differences positively affected net industrial debt by $555 million.

	At		
$ million	**12/31/2014**	12/31/2013	Change
Debt	**(29.701)**	(29.946)	245
- Asset-backed financing	**(13.587)**	(14.727)	1.140
- Other debt	**(16.114)**	(15.219)	(895)
Other financial assets (liabilities) (1)	**(30)**	167	(197)
Cash and cash equivalents	**6.141**	6.489	(348)
Net debt	**(23.590)**	(23.290)	(300)
Industrial Activities	**(2.874)**	(2.195)	(679)
Financial Services	**(20.716)**	(21.095)	379

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

Significant events in 2014

On April 28, 2014, CNH Industrial announced that it intended to enter into a new licensing agreement with Sumitomo (S.H.I.) Construction Machinery Co. Ltd, a wholly owned subsidiary of Sumitomo Heavy Industries Ltd.
Under this new technology license and component supply agreement, CNH Industrial will manufacture Sumitomo designed crawler excavators (models ranging from 13 to 35 tons). Start of production of the new localized models is planned for mid-2016.
This agreement also extends the existing Global Product Supply Agreement between CNH Industrial and Sumitomo (S.H.I.) Construction Machinery for the sourcing of excavators manufactured in Sumitomo plants. Since 1992, Sumitomo has been a supplier to the CNH Industrial global distribution network of excavators ranging from 7 to 80 tons.
This next step will further strengthen the partnership between the two companies.

In June 2014, CNH Industrial announced that it will close its assembly plant in Calhoun, Georgia (USA) in the third quarter of 2015 as part of the business footprint optimization program and in order to achieve the targets of the Business Plan.
In June 2014, CNH Industrial announced a comprehensive efficiency program designed to enhance the efficiency and competitiveness of its Industrial Activities.
The program is expected to result in a total cumulative charge of approximately $280 million over the next three years, with a non-cash impact of approximately 20%. The majority of the restructuring charges are expected to impact the statement of operations in 2014 and 2015. Benefits from this program are expected as early as the second half of 2014, with annualized savings of approximately $160 million by the end of 2016.

Restructuring actions in Agricultural Equipment are mainly related to the closure of a joint venture as the business model is no longer viable in the current environment.
Actions identified by Construction Equipment are related to the re-tooling of its industrial footprint in connection with the recently announced enlargement of the licensing agreements with Sumitomo (S.H.I.) Construction Machinery Co., Ltd, as well as the re-positioning of Case and New Holland brand offerings and the consequent alignment of their dealer networks. The recently announced closure of the assembly plant in Calhoun, Georgia (USA) represents one of those actions.
Commercial Vehicles actions will focus on SG&A expenses and business support costs as a result of the transition to CNH Industrial's regional structure, as well as on the completion of manufacturing product specialization programs.

In September 2014, CNH Industrial Group announced the definitive agreement to acquire substantially all of the assets of precision spraying equipment manufacturer Miller-St. Nazianz, Inc. ("Miller"). These assets will become part of the New Holland Agriculture brand, providing a strong platform to grow the self-propelled sprayer business on a global scale. The agreement is subject to customary closing conditions, with the goal of closing before the end of the year.

(80.89% of share capital through EXOR S.A.)

The data presented and commented on below is taken from C&W Group's consolidated accounting data as of and for the year ended December 31, 2014, prepared in accordance with International Financial Reporting Standards ("IFRS").

			Change	
$ million	2014	2013	Amount	%
Net revenues (commissions and service fee)	**2,096.1**	1,808.5	287.6	15.9
Reimbursed costs – managed properties and other costs	**752.9**	690.1	62.8	9.1
Gross revenues	**2,849.0**	2,498.6	350.4	14.0
Costs	**1,982.0**	1,719.4	262.6	15.3
Reimbursed costs – managed properties and other costs	**752.9**	690.1	62.8	9.1
Total costs	**2,734.9**	2,409.5	325.4	13.5
Operating income (1)	**114.1**	89.1	25.0	28.1
Adjusted EBITDA (2)	**171.0**	130.1	40.9	31.4
EBITDA, as reported	**165.3**	119.1	46.2	38.8
Adjusted income attributable to owners of the parent (3)	**56.3**	34.0	22.3	65.6
Income attributable to owners of the parent, as reported	**68.7**	28.7	40.0	n.s.

(1) Operating income excludes the impact of the changes in C&W's non-controlling minority shareholders put option liability, foreign exchange gains and losses and miscellaneous income (expense), net, which are included in other expense, net in the consolidated statements of operations.
(2) EBITDA represents earnings before net interest expense, income taxes, and depreciation and amortization, while Adjusted EBITDA removes the total impact of certain acquisition and non-recurring reorganization-related charges in the current and prior year of $5.7 million and $11.0 million, respectively. Management believes that EBITDA and Adjusted EBITDA are useful in evaluating operating performance compared to that of other companies in the industry, as these financial measures assist in providing a more complete picture of the results from operations. Because EBITDA and Adjusted EBITDA are not calculated under IFRS, C&W Group's EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures used by other companies.
(3) Adjusted income attributable to owners of the parent excludes the tax-affected impacts of certain acquisition and non-recurring reorganization-related charges of $3.0 million and $9.1 million for the current and prior year, respectively, the tax-affected impacts of certain computer software accelerated depreciation and impairment charges of $1.8 million for the current year and certain non-recurring income tax benefits of $17.2 million and $3.8 million for the current and prior year, respectively.

$ million	12/31/2014	12/31/2013	Change
Equity attributable to owners of the parent	**837,2**	804,2	33,0
Consolidated net financial position – (principally debt in excess of cash) / principally cash in excess of debt)	**(56,8)**	3,9	(60,7)

C&W Group delivered record revenues and profitability in 2014, as gross revenues reached a record high of $2.8 billion and Adjusted EBITDA increased 31% year-over-year. Net revenues also increased to a record $2.1 billion fueled by a 42.1% growth in CIS, as property under management increased 7.0% to 1.1 billion square feet as of December 31, 2014. Transaction revenues from both Capital Markets, which increased 16.2%, and Leasing, which increased 7.1% on a record value of transaction volumes, was driven by strong performance advising clients across property sectors and working seamlessly across geographies and services. Net revenues increased by double-digits across all regions with percentage gains ranging from approximately 15% to 25%.

In addition to record financial performance during 2014, on December 31, 2014, C&W Group acquired Massey Knakal Realty Services, a premier investment sales firm and one of the leaders in New York for midsized office, retail and apartment building sales, which is expected to significantly enhance C&W Group's Capital Markets presence in the New York Tri-State region.

C&W Group also advised world class clients, including salesforce.com, Millennium Partners and Ericsson on significant transactions. Reflecting the innovative real estate solutions resulting in transformational changes that help clients achieve their business objectives, C&W Group was named Best Overall Advisory Firm in North America, the United States, Canada and India in Euromoney's 10th Annual Real Estate Survey.

Furthermore, C&W Group undertook several initiatives to reimagine services provided, including anticipating clients' needs by launching Risk Management Services, which offers select global clients tailored solutions to identify, mitigate and respond to risks around the world, as well as structuring services around clients by forming U.S. Investor Services, which is comprised of Capital Markets, Agency Leasing, and Asset and Property Management services.

With respect to its financial performance, C&W Group reported gross revenue growth of 14.0%, or 15.0% excluding the impact of foreign exchange, to $2,849.0 million, as compared with $2,498.6 million for the prior year, while net revenues increased 15.9%, or 17.2% excluding the impact of foreign exchange, to a record $2,096.1 million, as compared with $1,808.5 million for the prior year.

The following presents the breakdown of gross and net revenues by geographical area:

$ million	2014		2013		Change Amount	Change %
Americas	**2,043.3**	**71.7%**	1,842.5	73.7%	200.8	10.9
EMEA	**557.7**	**19.6%**	463.8	18.6%	93.9	20.2
Asia Pacific	**248.0**	**8.7%**	192.3	7.7%	55.7	29.0
Gross revenues	**2,849.0**	**100.0%**	2,498.6	100.0%	350.4	14.0
Americas	**1,464.7**	**69.9%**	1,271.2	70.3%	193.5	15.2
EMEA	**458.6**	**21.9%**	399.1	22.1%	59.5	14.9
Asia Pacific	**172.8**	**8.2%**	138.2	7.6%	34.6	25.0
Net revenues	**2,096.1**	**100.0%**	1,808.5	100.0%	287.6	15.9

Gross and net revenues both reported notable revenue gains globally and across the regions, led by the Americas, more specifically the U.S., where gross and net revenues increased $230.5 million, or 14.6% and $213.7 million, or 20.6%, respectively, as C&W Group continues to gain market share and macro conditions continued to improve.

The following table presents the breakdown of net revenues by service line:

$ milioni	2014		2013		Change Amount	Change %
Leasing	**955.4**	**45.6%**	892.3	49.3%	63.1	7.1
Capital Markets	**309.7**	**14.8%**	266.5	14.7%	43.2	16.2
CIS	**604.7**	**28.8%**	425.4	23.5%	179.3	42.1
V&A and Global Consulting	**226.3**	**10.8%**	224.3	12.5%	2.0	0.9
Net revenues	**2,096.1**	**100.0%**	1,808.5	100.0%	287.6	15.9

The following table presents the changes in net revenues by region and by service line for the full-year 2014, as compared with the same period in the prior year:

	Americas		EMEA		ASIA PACIFIC		Total	
$ million	Change	%	Change	%	Change	%	Change	%
Leasing	40.2	5.7	19.6	14.3	3.3	5.9	63.1	7.1
Capital Markets	26.1	16.2	16.5	19.5	0.6	2.9	43.2	16.2
CIS	136.7	53.0	13.4	11.5	29.2	57.6	179.3	42.1
V&A and Global Consulting	(9.5)	(6.2)	10.0	16.5	1.5	13.3	2.0	0.9
Net revenues	**193.5**	**15.2**	**59.5**	**14.9**	**34.6**	**25.0**	**287.6**	**15.9**

Leasing revenue performance registered positive growth in all three regions, paced by the Americas and EMEA. Strong revenue gains were notable in the U.S. and the UK, up $57.6 million, or 9.6%, and $12.1 million, or 28.3%, respectively, as Group's initiatives to gain market shares started to materialize and macro conditions continued to improve. Positive growth in Asia Pacific, was driven by a strong finish in the fourth quarter, reflecting a rebound in transactional activity from the low levels experienced in the first nine months. In the Americas, revenues in Canada, South America and Mexico declined, year-over-year, as fewer high profile transactions have been completed, reflecting an uneven economic recovery among geographies. In addition, revenues outside of the U.S. were further depressed by negative foreign exchange impact. Leasing commission and service fee revenue growth in 2014 was driven by strong performance advising clients across property sectors, primarily Office and Retail Leasing, which increased $41.8 million, or 7.3% and $18.7 million, or 14.1%, respectively, on record value of transaction volumes,

which increased 15.6% to $63.9 billion. Working seamlessly across geographies and services, C&W advised world class clients on several significant leasing transactions. C&W Group represented salesforce.com for a new headquarters, the largest office lease in San Francisco history, as well as for an expanded lease in London. C&W Group also advised Brookfield Property at Principal Place on London's largest 2014 office leasing transaction. In addition, C&W Group represented Millennium Partners' development at Downtown Crossing in the most significant retail project in Boston in recent history featuring Primark, a leading European fashion retailer.
C&W is also well-positioned to capture future opportunities, as evidenced by its appointment as joint marketing and leasing agent for Swire Properties and HKR International of two office towers totaling 1.9 million square feet for their new Dazhongli development in Shanghai.

Capital Markets continued with its positive momentum, as capital has moved increasingly across investor classes during the year, boosted by the improved credit environment, robust liquidity and continued low interest rates. Growth was paced by strong revenue gains in the Investment Sales & Acquisitions subservice line, which contributed $42.2 million to the total increase, $23.4 million in the EMEA region, $18.0 million in the Americas, and $0.9 million in Asia Pacific. Revenue gains were particularly impressive in the U.S. and the UK, up $15.9 million, or 13.4%, and $7.9 million, or 24.4%, respectively. Other noteworthy revenue gains occurred in Germany, up $4.4 million, Spain, $4.1 million, France, $3.1 million and Canada, and Poland, $1.6 million, each. During 2014, Capital Markets executed several high-profile assignments including advising salesforce.com in the largest Occupier transaction in San Francisco history for the purchase of 50 Fremont Street from TIAA-CREF. C&W also advised Blackstone on the acquisition of a pan-European logistics portfolio in Europe from SEB Asset Management for €275 million. In addition, C&W Group arranged Canada's largest hotel investment sale in 2014 of the iconic Fairmont Empress in Victoria, as well as advised the State Oil Fund of the Republic of Azerbaijan (SOFAZ) on the largest investment transaction in Seoul, South Korea in 2014. Cushman & Wakefield's acquisition of Massey Knakal on December 31, 2014 significantly enhances C&W Group's Capital Markets presence. Being the #1 Investment Sales Firm based on number of transactions in the New York metro area transforms C&W both locally and around the world.

CIS continued with its robust growth, registering double-digit revenue growth in all three regions. Revenue performance was fueled by significant revenue gains in the Facilities Management subservice line, led by the Americas, where a major assignment in the U.S. added about 27 million square feet of managed facilities, and the Project Management segment of the business, primarily in Asia Pacific, largely due to the acquisition of the Singapore-based project management company, Project Solution Group ("PSG"), which was acquired on July 1,2013, as C&W Group continues to expand its platform across the globe and enhance its recurring revenue streams. Facilities Management, which increased $146.4 million globally, grew $134.1 million in the Americas, $7.8 million in Asia Pacific and $4.5 million in EMEA. Project Management increased $29.6 million globally, of which $19.9 million was in Asia Pacific, followed by EMEA, up $5.5 million, and the Americas, up $4.2 million. Property Management increased $6.5 million, $3.6 million in the Americas, and $1.7 million and $1.3 million in EMEA and Asia Pacific, respectively. Property under management globally as of December 31, 2014 increased 7.0% compared with year-end 2013 to 1.1 billion square feet. CIS also expanded several client relationships including Ericsson, which awarded C&W comprehensive services related to one of Silicon Valley's largest office leasing transactions in 2014 for a new campus of over 400,000 square feet. In addition, IndCor appointed C&W as property manager for an additional 6.9 million square feet of industrial assets.

V&A revenues for the full-year experienced a modest decrease year-over-year, driven in large part by reduced revenues across the Americas primarily due to industry-wide fee compression and lower demand, as activity slowed down from high levels in the prior year. The decline was partially offset by strong revenue gains in the EMEA region, where increased capital market transactions, cross border activities and effective execution drove significant growth, and Asia Pacific, primarily due the completion of a number of major deals in the current year. The V&A business, which, along with CIS, is a major component of C&W Group's strategic growth plan and initiatives to enhance recurring EBITDA, remains well positioned to capitalize on C&W Group's strategic initiatives and to continue to grow the business across all regions. During 2014, V&A completed appraisals on behalf of the world's largest real estate investors and lenders with a record global value exceeding $1.2 trillion, a 6.4% increase compared with the prior year. Of particular note, C&W advised Chinese insurance company Anbang Asset Management (Hong Kong) Co. Limited by conducting valuation services on its purchase of the Waldorf Astoria Hotel & Towers from Blackstone for $1.95 billion, the largest hotel sale in U.S. history. In addition, C&W Group was engaged as an independent appraiser of Saks Fifth Avenue's flagship store in Manhattan to value the landmark building and land for a ground mortgage.

Total costs, excluding reimbursed costs of $752.9 million and $690.1 million for 2014 and 2013, respectively, increased $262.6 million, or 15.3%, to $1,982.0 million, as compared with $1,719.4 million for the prior year, primarily due to increases in commission expense, cost of services sold, employment and other operating expenses in line with C&W Group's revenue growth and strategic plan initiatives. Total costs included certain acquisition- and non-recurring reorganization-related charges that are excluded from Adjusted EBITDA for the years ended December 31, 2014 and 2013 of approximately $6.4 million and $4.6 million, respectively, and certain computer software accelerated depreciation and impairment charges which are excluded from Adjusted income attributable to owners of the parent for the year ended December 31, 2014 of $3.5 million.

At the operating level, C&W Group's income increased $25.0 million, or 28.1%, to $114.1 million for the full year 2014, from $89.1 million for the prior year.

Other expense, net decreased $15.0 million, or 75.4%, to $4.9 million (of which a credit of $0.7 million is excluded from Adjusted EBITDA), as compared with $19.9 million (of which a charge of $6.4 million is excluded from Adjusted EBITDA) for the prior year, primarily due to a higher charge related to C&W's non-controlling shareholder put option liability of $11.1 million in the prior year, and the reversal in the current year of approximately $4.2 million of earn-out related to a business combination.

Adjusted EBITDA increased $40.9 million, or 31.4%, to $171.0 million for the full year 2014, as compared with $130.1 million for the prior year. EBITDA, as reported, increased $46.2 million, or 38.8%, to $165.3 million for the full year 2014, as compared with $119.1 million in the prior year.

C&W Group recorded income tax expense of $33.4 million for the full-year 2014, as compared with a provision of $32.0 million for 2013. During 2014 and 2013, Group recognized certain non-recurring income tax benefits of $17.2 million and $3.8 million, respectively, which were excluded from Adjusted income attributable to owners of the parent.

The Adjusted income attributable to owners of the parent for the full-year 2014 was $56.3 million, representing an improvement of $22.3 million, or 65.6%, over an Adjusted income attributable to owners of the parent of $34.0 million for the prior year. The income attributable to owners of the parent, as reported, was $68.7 million for the full-year 2014, representing an improvement of $40.0 million, as compared with $28.7 million for 2013.

On June 27, 2014, C&W Group amended its 2011 existing credit agreement covering its $350 million senior secured revolving credit commitment and $150 million senior secured term loan with an outstanding balance of approximately $132 million. The new agreement, which includes a $350 million senior unsecured revolving credit facility and a $150 million senior unsecured term loan facility, extends maturity from June 2016 to June 2019 and provides for improved borrowing terms and lower cost structure.

C&W Group's net financial position as of December 31, 2014 decreased $60.7 million, to a negative $56.8 million (principally debt in excess of cash), as compared with a positive $3.9 million (principally cash in excess of debt) as of December 31, 2013. The change is primarily attributable to the low cost financing used for the acquisition of Massey Knakal Realty Services, in support of C&W Group's strategic growth initiatives.

almacantar

(38.29% of share capital through EXOR S.A.)

The key consolidated income figures of the Almacantar Group for 2014 are as follows:

£ million	2014	2013	Change
Net property income	**17.1**	17.2	(0.1)
Profit after tax	**83.1**	90.9	(7.8)
Profit attributable to owners of the parent	**83.1**	83.3	(0.2)

Net property income of £17.1 million is in line with the prior year (£17.2 million). As Centre Point moves towards a future start on site, rental income for this property has reduced as commercial tenants vacate the building. This has been offset by the acquisition of 125 Shaftesbury Avenue in September 2013.

Profit after tax has decreased by £7.8 million to £83.1 million from £90.9 million in 2013. This includes investment property revaluation gains pursuant to IAS 40 of £86.1 million (£84.4 million in 2013). Increased financing costs for the Centre Point facility have impacted profit to date.

Almacantar has incurred additional pre-development capital expenditure for Centre Point and Marble Arch Tower and reflects the significant progress made with the planning and pre-development activities for Centre Point and the successful submission of the planning application for the Marble Arch Tower/Edgware Road scheme. Analysis has also begun to explore future redevelopment options available for 125 Shaftesbury Avenue with additional professional fee expenditure incurred during 2014.

The key consolidated balance sheet figures for the Almacantar Group at December 31, 2014 are as follows:

£ million	12/31/2014	12/31/2013	Change
Investment property (a)	**741.6**	614.7	126.9
Net debt	**(146.5)**	(165.2)	18.7

(a) Excluding headlease asset.

The change in investment property reflects the year end revaluation gain and additional pre-development capital expenditure for Centre Point, Marble Arch Tower and 125 Shaftesbury Avenue.

Net debt at December 31, 2014 has decreased by £18.7 million to £146.5 million from December 31, 2013. The decrease primarily reflects the increased cash balances held by the group following the December capital call.

(63.77% of share capital)

The results for the first half of the financial year 2013/2014 of Juventus Football Club S.p.A. are as follows:

€ million	Half I 2014/2015	Half I 2013/2014	Change
Revenues	**156.2**	155.2	1.0
Operating costs	**119.4**	114.1	5.3
Operating income	**2.4**	11.9	(9.5)
Profit (loss) for the period	**(6.7)**	4.8	(11.5)

Interim data cannot be construed as representing the basis for a full-year projection.
For a correct interpretation of the six-month data it should be noted that Juventus' financial year 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 participation in football competitions in Europe, particularly the UEFA Champions League, the calendar of sports events and the two phases of the football players' Transfer Campaign.
The financial position and cash flows of Juventus are also affected by the seasonal nature of the income components; in addition, some revenues items are collected in a period different from the recognition period.

€ million	At 12/31/2014	At 6/30/2014	Change
Shareholders' equity	35.5	42.6	(7.1)
Net financial debt	224.0	206.0	18.0

The first half of the financial year 2014/2015 recorded a **loss** of €6.7 million, with a negative change of €11.5 million compared to the profit of €4.8 million reported in the corresponding period of the prior year. This change is principally due to lower income from the management of players' registration rights of €6.7 million, higher expenses from the management of players' rights of €2.3 million, increased players' wages and technical staff costs of €5.4 million and higher amortization of players' rights of €4.5 million, partially offset by other net positive changes of €7.4 million. These changes mainly include television and radio rights and media revenues (+€4.8 million), other revenues (+€2.4 million), provision charges net of releases of provisions (-€0.6 million), income taxes (-€1.4 million), net financial expenses (-€0.6 million) and lower costs for external services (+€2.6 million).

Revenues in the first half of 2014/2015 stand at €156.2 million, with an increase of 0.6% compared to €155.2 million in the first half of the 2013/2014.

Operating costs in the first half of 2014/2015 total €119.4 million, with an increase of 4.6% compared to €114.1 million in the same period of the prior year.

Shareholders' equity at December 31, 2014 amounts to €35.5 million, down from €42.6 million at June 30, 2014 due mainly to the effect of the loss for the six months (-€6.7 million).

Net financial debt at December 31, 2014 amounts to €224 million (€206 million at June 30, 2014). The increase in net financial debt of €18 million is driven by Transfer Campaign payments, (net -€18.8 million), investments in other fixed assets (-€1.2 million), advances made to various suppliers in relation to the Continassa Project (-€0.7 million) and cash flows used in financing activities (-€4 million), partially offset by cash flows from operating activities (+€6.7 million).

Significant events in the first half of the 2014/2015 financial year

Football season

The First Team started its 2014/2015 pre-season training in mid-July at the Juventus Training Centre in Vinovo (Turin), continuing, in August, as part of the Tournée in Australia, Indonesia and Singapore.
On July 11, 2014, the FICG officers, after reviewing the documentation filed by Juventus and materials sent by the Lega Nazionale Professionisti Serie A, issued the National License for the football season underway.
In December 2014, the First Team qualified for the round of sixteen of the UEFA Champions League 2014/2015, ranking second place in its round.

2014/2015 Transfer Campaign – first phase

Purchases and disposals of players' registration rights

The transactions finalized in the first phase of the 2014/2015 Transfer Campaign, held from July 1 to September 2, 2014, led to a total increase in invested capital of €43.2 million resulting from acquisitions and increases of €53.2 million and disposals of €10 million (net book value of disposed rights).

The net capital gains generated by the disposals totaled €4.7 million. The total net financial commitment of €34.9 million is spread over three years and includes auxiliary expenses and financial income and expenses implicit in deferred receipts and payments.

Receivables due from Finanziaria Gilardi S.p.A. and Campi di Vinovo S.p.A.

In September and December 2014 instalments were duly collected for €10.7 million as provided in the repayment plan granted to the counterparties in the April 2014 Framework Agreement.

The remaining receivable, guaranteed by a leading bank, amounts to €1.6 million and is due on July 31, 2016.

Significant events subsequent to December 31, 2014

Football season

In March 2015, the First Team qualified for the quarter-finals of the UEFA Champions League 2014/2015 which will be played in April.

In April 2015, the First Team qualified for the finals of the Italian Cup which will be played in June.

2014/2015 Transfer Campaign – second phase

Purchases and disposals of players' registration rights

The transactions finalized in the second phase of the Transfer Campaign 2014/2015, held from January 5 to February 2, 2015, led to an increase in invested capital of €7.3 million. Disposals will generate net capital gains of €7.1 million in the second half of the financial year.

The total net financial commitment (including auxiliary expenses and financial income and expenses implicit in deferred receipts and payments) is a positive €1.4 million, distributed as follows: -€0.3 million in the second half of the 2014/2015 financial year, +€0.3 million in the 2015/2016 financial year, +€0.3 million in the 2016/2017 financial year and +€1.1 million in the 2017/2018 financial year.

Renewal of players' contracts

In January 2015 the contract of the player Stephan Lichtsteiner was renewed until June 30, 2017. This extension will result in lower amortization in the second half of the 2014/2015 financial year of about €1.7 million.

Termination of players' contracts

During the second phase of the 2014/2015 Transfer Campaign the contracts with Sebastian Giovinco and Marco Motta, expiring on June 30, 2015, were terminated by mutual consent. These transactions resulted in the writeoff of the remaining carrying amounts at December 31, 2014 of approximately €2.2 million.

Mutu/Chelsea FC proceeding

On October 1, 2014 the hearing in the Mutu/Chelsea FC case was held at the *Tribunal Arbitral du Sport* (TAS).

On January 21, 2015, the TAS notified the parties of the arbitration award in its decision which completely rejected the claims made by Chelsea FC and ordered it to pay court costs. This decision has no effect on Juventus' financial statements, as it was fully aware of its position and had not set aside any provision for the pending litigation.

ARENELLA IMMOBILIARE S.r.l.

(100% of capital)

The key figures taken from the financial statements for the year ended December 31, 2014 of Arenella Immobiliare S.r.l. are as follows:

€ million	12/31/2014	12/31/2013	Change
Profit for the year	**0.2**	0.1	0.1
Equity	**26.1**	25.9	0.2
Lido Arenella hotel property	**26.3**	26.7	(0.4)
Net financial position	**(0.3)**	(0.8)	0.5

A profit of €0.2 million is reported for the year 2014, with an increase of €0.1 million compared to the prior year, due to the effect of the tax benefit from ACE transferred to EXOR, in the course of participating in the national tax consolidation with EXOR.

The net reduction in the carrying amount of the Lido Arenella hotel property at December 31, 2014 is due to the depreciation charge for the year of €0.7 million, partially offset by extraordinary maintenance work of €0.3 million.

EXOR S.A.

(100% of capital)

The key figures taken from the financial statements for the year ended December 31, 2014 of EXOR S.A., prepared under the laws of Luxembourg, are as follows:

€ million	12/31/2014	12/31/2013	Change
Profit for the year	**87.7**	1,071.4	(983.7)
Equity	**3,100.5**	3,082.8	17.7
Investments and non-current other financial assets	**3,609.9**	3,544.9	65.0
Net financial position	**(509.1)**	(462.0)	(47.1)

EXOR S.A. closed the year 2014 with a profit of €87.7 million compared to a profit of €1,071.4 million in the prior year. The decrease of €983.7 million comes mainly from lower gains realized during the year and lower dividends collected for a total of €1,043.2 million, partially offset by the reinstatement of the carrying amount of the investment in C&W Group of €90.1 million, which had been written down in 2009.
In particular, in 2013, EXOR S.A. had realized a net gain of €987.5 million as result of the sale of the entire investment in SGS, from which it had also collected dividends of €55.7 million.

At December 31, 2014 investments and non-current other financial assets comprise the following:

	Number of	12/31/2014			
	shares	% of capital	Carrying amount	12/31/2013	Changes
Exor Capital Ltd	4,000,000	100	1,889.0	1,904	(15.0)
C&W Group Inc.	511,015	80.89	495.3	405.0	90.3
EXOR N.V.	450	100	300.0	300.0	0.0
Almacantar S.A.	147,680,355	38.29	171.9	171.9	0.0
Gruppo Banca Leonardo S.p.A.	45,459,968	17.37	60.0	73.6	(13.6)
Banijay Holding S.A.S.	351,590	17.09	35.3	35.3	0.0
The Economist Group	1,190,000	4.72	30.3	30.3	0.0
Sequana S.A.	5,537,687	10.85	14.6	24.8	(10.2)
Other			141.8	135.1	6.7
Total investments			**3,138.2**	3,080.0	58.2
Non-current other financial assets			471.7	464.9	6.8
Total investments and non-current other financial assets			**3,609.9**	3,544.9	65.0

MAIN RISKS AND UNCERTAINTIES TO WHICH EXOR S.P.A. AND ITS CONSOLIDATED SUBSIDIARIES ARE EXPOSED

RISKS ASSOCIATED WITH GENERAL ECONOMIC CONDITIONS

The earnings and financial condition of EXOR and its principal investment holdings are affected by the performance of financial markets and macroeconomic variables over which EXOR exercises little or no control. The major business segments are also highly seasonal and this tends to reflect, if not magnify, the situation of the general economy.

Strong GDP growth in the United States has raised divergent expectations of monetary policy among the major advanced economies, provoking exchange rate fluctuations and discordant economic scenarios in emerging markets.

The recovery in Europe has missed its targets but new factors will raise the short-term outlook. The fall in oil prices and raw materials have triggered a process leading to the redistribution of the wealth of exporting countries to importing countries and provided a further boost to economic activities, strengthening the quantitative easing measures adopted by the ECB. This monetary policy aims to accelerate the normalization of inflation, currently at levels close to zero, and support the devaluation of the euro in order to buttress the competitiveness of companies. However, there are still uncertainties surrounding growth in the eurozone nations and situations of instability in the surrounding countries.

It is not possible to provide an indication of the future effects of the aforementioned factors and variables which may have an adverse impact on the demand for products and services, the results of operations, business prospects and the financial position of EXOR and its subsidiaries and affiliates.

RISKS ASSOCIATED WITH EXOR'S BUSINESS

EXOR conducts investment activities which entail risks that are typical such as high exposure to certain sectors or investments, difficulties in identifying new investment opportunities that meet the characteristics of its objectives or difficulties in disposing of investments owing to changes in general economic conditions. The potential difficulties connected with making new investments, such as unexpected costs or liabilities, may have an adverse effect on the EXOR's earnings, financial position and cash flows.

The ability to access capital markets or other forms of financing and the related costs are dependent, among other things, on the assigned credit rating.
Any downgrade by the rating agencies could limit the ability to access capital markets and increase the cost of capital, with a consequent adverse effect on its earnings, financial position and cash flows.
EXOR's long-term debt and short-term debt are rated by Standard & Poor's respectively at "BBB+" and "A-2", with a stable outlook.

EXOR's policy and that of the companies in the so-called Holdings System is to keep liquidity available in demand or short-term deposits and readily negotiable money market instruments, bonds and equity securities, spreading such investments over an appropriate number of counterparties, with the principal purpose of having investments which can readily be converted into cash. The counterparties are chosen according to their creditworthiness and reliability.
However, in consideration of the current international financial market situation, market conditions which may adversely affect the normal operations in financial transactions cannot be excluded.

EXOR's earnings not only depend on the market value of its principal investment holdings but also on the dividends they pay and, in the end, reflect their earnings and financial performance and investment and dividend payment policies. A deterioration of the conditions in the financial markets and the earnings of the principal investment holdings may affect EXOR's earnings and cash flows.

Through its investments in subsidiaries and associates, EXOR is principally present in the automobile segment (FCA), in the agricultural and construction equipment segment (CNH Industrial), real estate services (C&W Group), real estate (Almacantar) and professional football (Juventus Football Club). As a result, EXOR is exposed to the risks typical of the markets and sectors in which such subsidiaries and affiliates operate.

At December 31, 2014, the investments in FCA (29.25% stake) and in CNH Industrial (27.07% stake) represented, respectively, 36.7% and 20.5% of the current value of EXOR's investment portfolio, calculated on the basis of the NAV (Net Asset Value) method described on page 5. Therefore, the performance of the FCA Group and the CNH Industrial Group has a very significant impact on the earnings, financial position and cash flows of EXOR.

EXOR and its subsidiaries and associates are exposed to fluctuations in currency and interest rates and use financial hedging instruments, compatible with the risk management policies adopted by each of them. Despite these hedging transactions, sudden fluctuations in currency or interest rates may have an adverse effect on the earnings and financial position.
The subsidiaries and associates are generally exposed to credit risk which is managed by specific operating procedures. Given its activities, EXOR is not significantly exposed to such risk.

EXOR and its subsidiaries and associates are exposed to risks associated with the outcome of pending litigation for which they have set aside, if appropriate, specific risk provisions. However, negative effects on the earnings, financial position and cash flows of EXOR and/or its subsidiaries and associates connected with such risks cannot be excluded.

EXOR and its subsidiaries and associates are taxed on income in Italy and outside Italy; during the course of ordinary activities they may be subject to controls by Italian and foreign tax authorities. Although the companies consider that the tax estimates are reasonable, any disputes correlated thereto may have a material adverse effect on the results of operations.

The following paragraphs indicate the specific main risks and uncertainties of the companies in consolidation (FCA Group, CNH Industrial Group, C&W Group and Juventus Football Club).

FCA

Risks Related to the Group's Business, Strategy and Operations

FCA – The Group's profitability depends on reaching certain minimum vehicle sales volumes. If vehicle sales deteriorate, particularly sales of minivans, larger utility vehicles and pick-up trucks, the Group's results of operations and financial condition will suffer

The Group's success requires the achievement of certain minimum vehicle sales volumes. As is typical for an automotive manufacturer, the Group has significant fixed costs and, therefore, changes in vehicle sales volume can have a disproportionately large effect on profitability. For example, assuming constant pricing, mix and cost of sales per vehicle, that all results of operations were attributable to vehicle shipments and that all other variables remain constant, a ten percent decrease in 2014 vehicle shipments would reduce Earnings Before Interest and Taxes, or EBIT, by approximately 40% for 2014, without accounting for actions and cost containment measures that may be taken in response to decreased vehicle sales.

Further, a shift in demand away from minivans, larger utility vehicles and pick-up trucks in the U.S., Canada, Mexico and Caribbean islands, or NAFTA, region towards passenger cars, whether in response to higher fuel prices or other factors, could adversely affect the Group's profitability in the NAFTA region. Minivans, larger utility vehicles and pick-up trucks accounted for approximately 44% of total U.S. retail vehicle sales in 2014 (not including vans and medium duty trucks) and the profitability of this portion of the portfolio is approximately 33% higher than that of the overall U.S. retail portfolio on a weighted average basis. A shift in demand such that U.S. industry market share for minivans, larger utility vehicles and pick-up trucks deteriorated by 10 percentage points and U.S. industry market share for cars and smaller utility vehicles increased by 10 percentage points, whether in response to higher fuel prices or other factors, holding other variables constant, including the market share of each vehicle segment, would have reduced the Group's EBIT by approximately 4% for 2014. This estimate does not take into account any other changes in market conditions or actions that the Group may take in response to shifting consumer preferences, including production and pricing changes.

Moreover, the Group tends to operate with negative working capital as it generally receives payments from vehicle sales to dealers within a few days of shipment, whereas there is a lag between the time when parts and materials are received from suppliers and when such parts and materials are paid; therefore, if vehicle sales decline the Group will suffer a significant negative impact on cash flow and liquidity, as the Group continues to pay suppliers during a period in which the Group receives reduced proceeds from vehicle sales. If vehicle sales do not increase, or if they were to fall short of assumptions, due to financial crisis, renewed recessionary conditions, changes in consumer confidence, geopolitical events, inability to produce sufficient quantities of certain vehicles, limited access to financing or other factors, the Group's financial condition and results of operations would be materially adversely affected.

FCA – The Group's businesses are affected by global financial markets and general economic and other conditions over which the Group has little or no control

The Group's results of operations and financial position may be influenced by various macroeconomic factors—including changes in gross domestic product, the level of consumer and business confidence, changes in interest rates for or availability of consumer and business credit, energy prices, the cost of commodities or other raw materials, the rate of unemployment and foreign currency exchange rates—within the various countries in which the Group operates.

Beginning in 2008, global financial markets have experienced severe disruptions, resulting in a material deterioration of the global economy. The global economic recession in 2008 and 2009, which affected most regions and business sectors, resulted in a sharp decline in demand for automobiles. Although more recently the Group has seen signs of recovery in certain regions, the overall global economic outlook remains uncertain.

In Europe, in particular, despite measures taken by several governments and monetary authorities to provide financial assistance to certain Eurozone countries and to avoid default on sovereign debt obligations, concerns persist regarding the debt burden of several countries. These concerns, along with the significant fiscal adjustments carried out in several countries, intended to manage actual or perceived sovereign credit risk, led to further pressure on economic growth and to new periods of recession. Prior to a slight improvement in 2014, European automotive industry sales declined over several years following a period in which sales were supported by government incentive schemes, particularly those designed to promote sales of more fuel efficient and low emission vehicles. Prior to the global financial crisis, industry-wide sales of passenger cars in Europe were 16 million units in 2007. In 2014, following six years of sales declines, sales in that region rose 5% over 2013 to 13 million passenger cars. From 2011 to 2014, the Group's market share of the European passenger car market decreased from 7.0% to 5.8%, and the Group has reported losses and negative EBIT in each of the past four years in the Europe, Middle East and Africa, or EMEA, segment. These ongoing concerns could have a detrimental impact on the global economic recovery, as well as on the financial condition of European financial institutions, which could result in greater volatility, reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. Widespread austerity measures in many countries in which the Group operates could continue to adversely affect consumer confidence, purchasing power and spending, which could adversely affect the Group's financial condition and results of operations.

A majority of the Group's revenues have been generated in the NAFTA segment, as vehicle sales in North America have experienced significant growth from the low vehicle sales volumes in 2009-2010. However, this recovery may not be sustained or may be limited to certain classes of vehicles. Since the recovery may be partially attributable to the pent-up demand and average age of vehicles in North America following the extended economic downturn, there can be no assurances that continued improvements in general economic conditions or employment levels will lead to additional increases in vehicle sales. As a result, North America may experience limited growth or decline in vehicle sales in the future.

In addition, slower expansion or recessionary conditions are being experienced in major emerging countries, such as China, Brazil and India. In addition to weaker export business, lower domestic demand has also led to a slowing economy in these countries. These factors could adversely affect the Group's financial condition and results of operations.

In general, the automotive sector has historically been subject to highly cyclical demand and tends to reflect the overall performance of the economy, often amplifying the effects of economic trends. Given the difficulty in predicting the magnitude and duration of economic cycles, there can be no assurances as to future trends in the demand for products sold by the Group in any of the markets in which it operates.

In addition to slow economic growth or recession, other economic circumstances—such as increases in energy prices and fluctuations in prices of raw materials or contractions in infrastructure spending—could have negative consequences for the industry in which the Group operates and, together with the other factors referred to previously, could have a material adverse effect on the Group's financial condition and results of operations.

FCA - The Group may be unsuccessful in efforts to expand the international reach of some of its brands that are believed to have global appeal and reach

The growth strategies reflected in the 2014-2018 Strategic Business Plan, or Business Plan, will require the Group to make significant investments, including the expansion of several brands that are believed to have global appeal into new markets. Such strategies include expanding sales of the Jeep brand globally, most notably through localized production in Asia and Latin America and reintroduction of the Alfa Romeo brand in North America and other markets throughout the world. The Group's plans also include a significant expansion of the Maserati brand vehicles to cover all segments of the luxury vehicle market. This will require significant investments in its production facilities and in distribution networks in these markets. If the Group is unable to introduce vehicles that appeal to consumers in these markets and achieve its brand expansion strategies, the Group may be unable to earn a sufficient return on these investments and this could have a material adverse effect on the Group's financial condition and results of operations.

FCA - Product recalls and warranty obligations may result in direct costs, and loss of vehicle sales could have material adverse effects on the Group's business

The Group and the U.S. automotive industry in general, have recently experienced a significant increase in recall activity to address performance, compliance or safety-related issues. The costs the Group incurs to recall vehicles typically include the cost of replacement parts and labor to remove and replace parts and substantially depend on the nature of the remedy and the number of vehicles affected, and may arise many years after a vehicle's sale. Product recalls may also harm the Group's reputation and may cause consumers to question the safety or reliability of its products.

Any costs incurred, or lost vehicle sales, resulting from product recalls could materially adversely affect the Group's financial condition and results of operations. Moreover, if the Group faces consumer complaints, or receives information from vehicle rating services that calls into question the safety or reliability of one of the Group's vehicles and the Group does not issue a recall, or if the Group does not do so on a timely basis, the Group's reputation may also be harmed and may lose future vehicle sales.

The Group is also obligated under the terms of warranty agreements to make repairs or replace parts in the vehicles at the Group's expense for a specified period of time. Therefore, any failure rate that exceeds the Group's assumptions may result in unanticipated losses.

FCA - The Group’s future performance depends on its ability to expand into new markets as well as enrich its product portfolio and offer innovative products in existing markets

The Group’s success depends, among other things, on its ability to maintain or increase its share in existing markets and/or to expand into new markets through the development of innovative, high-quality products that are attractive to customers and provide adequate profitability. Following the January 2014 acquisition of the approximately 41.5% interest in FCA US that was not already owned, the Group announced its Business Plan in May 2014. The Business Plan includes a number of product initiatives designed to improve the quality of the product offerings and grow sales in existing markets and expand in new markets

It generally takes two years or more to design and develop a new vehicle, and a number of factors may lengthen that schedule. Because of this product development cycle and the various elements that may contribute to consumers’ acceptance of new vehicle designs, including competitors’ product introductions, fuel prices, general economic conditions and changes in styling preferences, an initial product concept or design that the Group believes will be attractive may not result in a vehicle that will generate sales in sufficient quantities and at high enough prices to be profitable. The Group’s failure to develop and offer innovative products that compare favorably to those of its principal competitors, in terms of price, quality, functionality and features, with particular regard to the upper-end of the product range, or delays in bringing strategic new models to the market, could impair the Group’s strategy, which would have a material adverse effect on its financial condition and results of operations. Additionally, the high proportion of fixed costs, both due to the significant investment in property, plant and equipment as well as the requirements of the collective bargaining agreements, which limits the Group’s flexibility to adjust personnel costs to changes in demand for its products, may further exacerbate the risks associated with incorrectly assessing demand for its vehicles.

Further, if the Group determines that a safety or emissions defect, a mechanical defect or a non-compliance with regulation exists with respect to a vehicle model prior to the retail launch, the launch of such vehicle could be delayed until the Group remedies the defect or non-compliance. The costs associated with any protracted delay in new model launches necessary to remedy such defect, and the cost of providing a free remedy for such defects or non-compliance in vehicles that have been sold, could be substantial.

FCA - The automotive industry is highly competitive and cyclical and the Group may suffer from those factors more than some of its competitors

Substantially all of the Group’s revenues are generated in the automotive industry, which is highly competitive, encompassing the production and distribution of passenger cars, light commercial vehicles and components and production systems. The Group faces competition from other international passenger car and light commercial vehicle manufacturers and distributors and components suppliers in Europe, North America, Latin America and the Asia Pacific region. These markets are all highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered, and many of the Group’s competitors are better capitalized with larger market shares.

Competition, particularly in pricing, has increased significantly in the automotive industry in recent years. Global vehicle production capacity significantly exceeds current demand, partly as a result of lower growth in demand for vehicles. This overcapacity, combined with high levels of competition and weakness of major economies, has intensified and may further intensify pricing pressures.

The Group’s competitors may respond to these conditions by attempting to make their vehicles more attractive or less expensive to customers by adding vehicle enhancements, providing subsidized financing or leasing programs, or by reducing vehicle prices whether directly or by offering option package discounts, price rebates or other sales incentives in certain markets. These actions have had, and could continue to have, a negative impact on the Group’s vehicle pricing, market share, and results of operations.

In the automotive business, sales to end-customers are cyclical and subject to changes in the general condition of the economy, the readiness of end-customers to buy and their ability to obtain financing, as well as the possible introduction of measures by governments to stimulate demand. The automotive industry is also subject to the constant renewal of product offerings through frequent launches of new models. A negative trend in the automotive industry or the Group’s inability to adapt effectively to external market conditions coupled with more limited capital than many of the Group’s principal competitors, could have a material adverse impact on the Group’s financial condition and results of operations.

FCA - The Group's current credit rating is below investment grade and any further deterioration may significantly affect its funding and prospects

The Group's ability to access the capital markets or other forms of financing and the related costs depend, among other things, on its credit ratings. Following downgrades by the major rating agencies, the Group is currently rated below investment grade. The rating agencies review these ratings regularly and, accordingly, new ratings may be assigned in the future. It is not currently possible to predict the timing or outcome of any ratings review. Any downgrade may increase the Group's cost of capital and potentially limit its access to sources of financing, which may cause a material adverse effect on the Group's business prospects, earnings and financial position. Since the ratings agencies may separately review and rate FCA US on a stand-alone basis, it is possible that the Group's credit ratings may not benefit from any improvements in FCA US's credit ratings or that a deterioration in FCA US's credit ratings could result in a negative rating review of the Group.

FCA – The Group may not be able to realize anticipated benefits from any acquisitions and challenges associated with strategic alliances may have an adverse impact on the results of operations

The Group may engage in acquisitions or enter into, expand or exit from strategic alliances which could involve risks that may prevent the Group from realizing the expected benefits of the transactions or achieving strategic objectives. Such risks could include:

- technological and product synergies, economies of scale and cost reductions not occurring as expected;
- unexpected liabilities;
- incompatibility in processes or systems;
- unexpected changes in laws or regulations;
- inability to retain key employees;
- inability to source certain products;
- increased financing costs and inability to fund such costs;
- significant costs associated with terminating or modifying alliances; and
- problems in retaining customers and integrating operations, services, personnel, and customer bases.

If problems or issues were to arise among the parties to one or more strategic alliances for managerial, financial or other reasons, or if such strategic alliances or other relationships were terminated, the Group's product lines, businesses, financial position and results of operations could be adversely affected.

FCA - The Group may not achieve the expected benefits from integration of the Group's operations

The January 2014 acquisition of the approximately 41.5% interest in FCA US that the Group did not already own and the related integration of the two businesses is intended to provide the Group with a number of long-term benefits, including allowing new vehicle platforms and powertrain technologies to be shared across a larger volume, as well as procurement benefits and global distribution opportunities, particularly the extension of brands into new markets. The integration is also intended to facilitate penetration of key brands in several international markets where the Group believes products would be attractive to consumers, but where the Group currently does not have significant market penetration.
The ability to realize the benefits of the integration is critical for the Group to compete with other automakers. If the Group is unable to convert the opportunities presented by the integration into long-term commercial benefits, either by improving sales of vehicles and service parts, reducing costs or both, its financial condition and results of operations may be materially adversely affected.

FCA – The Group may be exposed to shortfalls in its pension plans

The Group's defined benefit pension plans are currently underfunded. As of December 31, 2014, the Group's defined benefit pension plans were underfunded by approximately €5.1 billion (€4.8 billion of which relates to FCA US's defined benefit pension plans). The Group's pension funding obligations may increase significantly if the investment performance of plan assets does not keep pace with benefit payment obligations. Mandatory funding obligations may increase because of lower than anticipated returns on plan assets, whether as a result of overall weak market performance or particular investment decisions, changes in the level of interest rates used to determine required funding levels, changes in the level of benefits provided for by the plans, or any changes in applicable law related to funding requirements. The Group's defined benefit plans currently hold significant investments in equity and fixed income securities, as well as investments in less liquid instruments such as private equity, real estate and certain hedge funds. Due to the complexity and magnitude of certain investments, additional risks may exist, including significant changes in investment policy, insufficient market capacity to complete a particular investment strategy and an inherent divergence in objectives between the ability to manage risk in the short term and the ability to quickly rebalance illiquid and long-term investments.

To determine the appropriate level of funding and contributions to its defined benefit plans, as well as the investment strategy for the plans, the Group is required to make various assumptions, including an expected rate of return on plan assets and a discount rate used to measure the obligations under defined benefit pension plans. Interest rate increases generally will result in a decline in the value of investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases will generally increase the value of investments in fixed income securities and the present value of the obligations.

Any reduction in the discount rate or the value of plan assets, or any increase in the present value of obligations, may increase pension expenses and required contributions and, as a result, could constrain liquidity and materially adversely affect the Group’s financial condition and results of operations. If the Group fails to make required minimum funding contributions, the Group could be subject to reportable event disclosure to the U.S. Pension Benefit Guaranty Corporation, as well as interest and excise taxes calculated based upon the amount of any funding deficiency. With ownership in FCA US now equal to 100%, the Group may become subject to certain U.S. legal requirements making the Group secondarily responsible for a funding shortfall in certain of FCA US's pension plans in the event these pension plans were terminated and FCA US were to become insolvent.

FCA – The Group may not be able to provide adequate access to financing for its dealers and retail customers

The Group’s dealers enter into wholesale financing arrangements to purchase vehicles from the Group to hold in inventory and facilitate retail sales, and retail customers use a variety of finance and lease programs to acquire vehicles.

Unlike many of its competitors, the Group does not own and operate a controlled finance company dedicated solely to its mass-market operations in the U.S. and certain key markets in Europe. Instead the Group has elected to partner with specialized financial services providers through joint ventures and commercial agreements. The Group’s lack of a controlled finance company in these key markets may increase the risk that its dealers and retail customers will not have access to sufficient financing on acceptable terms which may adversely affect the Group’s vehicle sales in the future. Furthermore, many of the Group’s competitors are better able to implement financing programs designed to maximize vehicle sales in a manner that optimizes profitability for them and their finance companies on an aggregate basis. Since the Group’s ability to compete depends on access to appropriate sources of financing for dealers and retail customers, the lack of a controlled finance company in those markets could adversely affect the results of operations.

In other markets, the Group relies on controlled finance companies, joint ventures and commercial relationships with third parties, including third party financial institutions, to provide financing to its dealers and retail customers. Finance companies are subject to various risks that could negatively affect their ability to provide financing services at competitive rates, including:

- the performance of loans and leases in their portfolio, which could be materially affected by delinquencies, defaults or prepayments;
- wholesale auction values of used vehicles;
- higher than expected vehicle return rates and the residual value performance of vehicles they lease; and
- fluctuations in interest rates and currency exchange rates.

Any financial services provider, including the Group’s joint ventures and controlled finance companies, will face other demands on its capital, including the need or desire to satisfy funding requirements for dealers or customers of its competitors as well as liquidity issues relating to other investments. Furthermore, they may be subject to regulatory changes that may increase their costs, which may impair their ability to provide competitive financing products to the Group’s dealers and retail customers.

To the extent that a financial services provider is unable or unwilling to provide sufficient financing at competitive rates to the Group’s dealers and retail customers, such dealers and retail customers may not have sufficient access to financing to purchase or lease the Group’s vehicles. As a result, the Group’s vehicle sales and market share may suffer, which would adversely affect its financial condition and results of operations.

FCA - Vehicle sales depend heavily on affordable interest rates for vehicle financing

In certain regions, financing for new vehicle sales has been available at relatively low interest rates for several years due to, among other things, expansive government monetary policies. To the extent that interest rates rise generally, market rates for new vehicle financing are expected to rise as well, which may make the Group’s vehicles less affordable to retail customers or steer consumers to less expensive vehicles that tend to be less profitable for the Group, adversely affecting the Group’s financial condition and results of operations. Additionally, if consumer interest rates increase substantially or if financial service providers tighten lending standards or restrict their lending to certain classes of credit, retail customers may not desire to or be able to obtain financing to purchase or lease the Group’s vehicles. Furthermore, because its customers may be relatively more sensitive to changes in the availability and adequacy of financing and macroeconomic conditions, the Group's vehicle sales may be disproportionately affected by changes in financing conditions relative to the vehicle sales of its competitors.

FCA - Limitations on liquidity and access to funding may limit the ability to execute the Group's Business Plan and improve its financial condition and results of operations

The Group's future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and possible access to capital markets or other sources of financing. Although the Group has measures in place that are designed to ensure that adequate levels of working capital and liquidity are maintained, declines in sales volumes could have a negative impact on the cash-generating capacity of the Group's operating activities. The Group could, therefore, find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions, with limited availability of funding and a general increase in funding costs. Any limitations on the Group's liquidity, due to decreases in vehicle sales, the amount of or restrictions in its existing indebtedness, conditions in the credit markets, general economic conditions or otherwise, may adversely impact its ability to execute the Business Plan and impair its financial condition and results of operations. In addition, any actual or perceived limitations of its liquidity may limit the ability or willingness of counterparties, including dealers, customers, suppliers and financial service providers, to do business with the Group, which may adversely affect its financial condition and results of operations.

FCA – The Group's ability to achieve cost reductions and to realize production efficiencies is critical to maintaining its competitiveness and long-term profitability

The Group is continuing to implement a number of cost reduction and productivity improvement initiatives in its operations, for example, by increasing the number of vehicles that are based on common platforms, reducing dependence on sales incentives offered to dealers and consumers, leveraging purchasing capacity and volumes and implementing World Class Manufacturing, or WCM, principles. WCM principles are intended to eliminate waste of all types, and improve worker efficiency, productivity, safety and vehicle quality as well as worker flexibility and focus on removing capacity bottlenecks to maximize output when market demand requires without having to resort to significant capital investments. As part of the Group's Business Plan, it plans to continue efforts to extend its WCM programs into all of its production facilities and benchmark across all of its facilities around the world. The Group's future success depends upon its ability to implement these initiatives successfully throughout its operations. While some productivity improvements are within its control, others depend on external factors, such as commodity prices, supply capacity limitations, or trade regulation. These external factors may make it more difficult to reduce costs as planned, and the Group may sustain larger than expected production expenses, materially affecting its business and results of operations. Furthermore, reducing costs may prove difficult due to the need to introduce new and improved products in order to meet consumer expectations.

FCA – The Group's business operations may be impacted by various types of claims, lawsuits, and other contingent obligations

The Group is involved in various product liability, warranty, product performance, asbestos, personal injury, environmental claims and lawsuits, governmental investigations, antitrust, intellectual property, tax and other legal proceedings including those that arise in the ordinary course of its business. The Group estimates such potential claims and contingent liabilities and, where appropriate, records provisions to address these contingent liabilities. The ultimate outcome of the legal matters pending against the Group is uncertain, and although such claims, lawsuits and other legal matters are not expected individually to have a material adverse effect on its financial condition or results of operations, such matters could have, in the aggregate, a material adverse effect on the Group's financial condition or results of operations. Furthermore, the Group could, in the future, be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on its results of operations in any particular period. While the Group maintains insurance coverage with respect to certain claims, it may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims.

FCA - Failure to maintain adequate financial and management processes and controls could lead to errors in the Group's financial reporting, which could harm its business reputation and cause a default under certain covenants in its credit agreements and other debt

The Group continuously monitors and evaluates changes in its internal controls over financial reporting. In support of its drive toward common global systems, the Group is extending the current finance, procurement, and capital project and investment management systems to new areas of operations. As appropriate, the Group continues to modify the design and documentation of internal control processes and procedures relating to the new systems to simplify and automate many of its previous processes. Management believes that the implementation of these systems will continue to improve and enhance internal controls over financial reporting. Failure to maintain adequate financial and management processes and controls could lead to errors in its financial reporting, which could harm the Group's business reputation.

In addition, if the Group does not maintain adequate financial and management personnel, processes and controls, it may not be able to accurately report its financial performance on a timely basis, which could cause a default under certain covenants in the indentures governing certain of its public indebtedness, and other credit agreements.

FCA - A disruption in the Group's information technology could compromise confidential and sensitive information

The Group depends on its information technology and data processing systems to operate its business, and a significant malfunction or disruption in the operation of its systems, or a security breach that compromises the confidential and sensitive information stored in those systems, could disrupt its business and adversely impact its ability to compete.

The Group's ability to keep its business operating effectively depends on the functional and efficient operation of its information, data processing and telecommunications systems, including its vehicle design, manufacturing, inventory tracking and billing and payment systems. The Group relies on these systems to make a variety of day-to-day business decisions as well as to track transactions, billings, payments and inventory. Such systems are susceptible to malfunctions and interruptions due to equipment damage, power outages, and a range of other hardware, software and network problems. Those systems are also susceptible to cybercrime, or threats of intentional disruption, which are increasing in terms of sophistication and frequency. For any of these reasons, the Group may experience systems malfunctions or interruptions. Although its systems are diversified, including multiple server locations and a range of software applications for different regions and functions, and the Group is currently undergoing an effort to assess and ameliorate risks to its systems, a significant or large-scale malfunction or interruption of any one of its computer or data processing systems could adversely affect its ability to manage and keep its operations running efficiently, and damage its reputation if the Group is unable to track transactions and deliver products to its dealers and customers. A malfunction that results in a wider or sustained disruption to its business could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition to supporting its operations, the Group uses its systems to collect and store confidential and sensitive data, including information about its business, its customers and its employees. As the Group's technology continues to evolve, the Group anticipates that it will collect and store even more data in the future, and that its systems will increasingly use remote communication features that are sensitive to both willful and unintentional security breaches. Much of the Group's value is derived from its confidential business information, including vehicle design, proprietary technology and trade secrets, and to the extent the confidentiality of such information is compromised, the Group may lose its competitive advantage and its vehicle sales may suffer. The Group also collects, retains and uses personal information, including data gathered from customers for product development and marketing purposes, and data obtained from employees. In the event of a breach in security that allows third parties access to this personal information, the Group is subject to a variety of ever-changing laws on a global basis that require it to provide notification to the data owners, and that subject it to lawsuits, fines and other means of regulatory enforcement. The Group's reputation could suffer in the event of such a data breach, which could cause consumers to purchase their vehicles from its competitors. Ultimately, any significant compromise in the integrity of the Group's data security could have a material adverse effect on its business.

FCA – The Group may not be able to adequately protect its intellectual property rights, which may harm its business

The Group's success depends, in part, on its ability to protect its intellectual property rights. If the Group fails to protect its intellectual property rights, others may be able to compete against it using intellectual property that is the same as or similar to its own. In addition, there can be no guarantee that the Group's intellectual property rights are sufficient to provide it with a competitive advantage against others who offer products similar to its own. Despite the Group's efforts, it may be unable to prevent third parties from infringing its intellectual property and using its technology for their competitive advantage. Any such infringement and use could adversely affect the Group business, financial condition or results of operations.

The laws of some countries in which the Group operates do not offer the same protection of the Group's intellectual property rights as do the laws of the U.S. or Europe. In addition, effective intellectual property enforcement may be unavailable or limited in certain countries, making it difficult for it to protect its intellectual property from misuse or infringement there. The Group's inability to protect its intellectual property rights in some countries may harm its business, financial condition or results of operations.

FCA – The Group is subject to risks relating to international markets and exposure to changes in local conditions

The Group is subject to risks inherent to operating globally, including those related to:

- exposure to local economic and political conditions;
- import and/or export restrictions;
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments to or from subsidiaries;
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on the repatriation of funds. In particular, current regulations limit the Group's ability to access and transfer liquidity out of Venezuela to meet demands in other countries and also subject the Group to increased risk of devaluation or other foreign exchange losses; and
- the introduction of more stringent laws and regulations.

Unfavorable developments in any one or a combination of these areas (which may vary from country to country) could have a material adverse effect on the Group's financial condition and results of operations.

FCA – The Group's success largely depends on the ability of its current management team to operate and manage effectively

The Group's success largely depends on the ability of its senior executives and other members of management to effectively manage the Group and individual areas of the business. In particular, the Group's Chief Executive Officer, Sergio Marchionne, is critical to the execution of its new strategic direction and implementation of the Business Plan. Although Mr. Marchionne has indicated his intention to remain as the Chief Executive Officer through the period of its Business Plan, if the Group were to lose his services or those of any of its other senior executives or key employees it could have a material adverse effect on its business prospects, earnings and financial position. The Group has developed succession plans that are believed to be appropriate in the circumstances, although it is difficult to predict with any certainty that these individuals will be replaced with persons of equivalent experience and capabilities. If the Group is unable to find adequate replacements or to attract, retain and incentivize senior executives, other key employees or new qualified personnel its business, financial condition and results of operations may suffer.

FCA - Developments in emerging market countries may adversely affect the Group's business

The Group operates in a number of emerging markets, both directly (e.g., Brazil and Argentina) and through joint ventures and other cooperation agreements (e.g., Turkey, India, China and Russia). The Group's Business Plan provides for expansion of its existing sales and manufacturing presence in its South and Central America, or LATAM, and Asia and Pacific countries, or APAC, regions. In recent years the Group has been the market leader in Brazil, which has provided a key contribution to the Group's financial performance. The Group's exposure to other emerging countries has increased in recent years, as have the number and importance of such joint ventures and cooperation agreements. Economic and political developments in Brazil and other emerging markets, including economic crises or political instability, have had and could have in the future material adverse effects on the Group's financial condition and results of operations. Further, in certain markets in which the Group or its joint ventures operate, government approval may be required for certain activities, which may limit its ability to act quickly in making decisions on its operations in those markets.

Maintaining and strengthening its position in these emerging markets is a key component of the Group's global growth strategy in its Business Plan. However, with competition from many of the largest global manufacturers as well as numerous smaller domestic manufacturers, the automotive market in these emerging markets is highly competitive. As these markets continue to grow, the Group anticipates that additional competitors, both international and domestic, will seek to enter these markets and that existing market participants will try to aggressively protect or increase their market share. Increased competition may result in price reductions, reduced margins and the Group's inability to gain or hold market share, which could have a material adverse effect on its financial condition and results of operations.

FCA – The Group’s reliance on joint ventures in certain emerging markets may adversely affect the development of its business in those regions

The Group intends to expand its presence in emerging markets, including China and India, through partnerships and joint ventures. For instance, the Group has entered into a joint venture with Guangzhou Automobile Group Co., Ltd, or GAC Group, which will localize production of three new Jeep vehicles for the Chinese market and expand the portfolio of Jeep Sport Utility Vehicles, or SUVs, currently available to Chinese consumers as imports. The Group has also entered into a joint venture with TATA Motors Limited for the production of certain of its vehicles, engines and transmissions in India.

The Group’s reliance on joint ventures to enter or expand its presence in these markets may expose it to risk of conflict with its joint venture partners and the need to divert management resources to overseeing these shareholder arrangements. Further, as these arrangements require cooperation with third party partners, these joint ventures may not be able to make decisions as quickly as the Group would if it were operating on its own or may take actions that are different from what the Group would do on a stand-alone basis in light of the need to consider its partners’ interests. As a result, the Group may be less able to respond timely to changes in market dynamics, which could have an adverse effect on its financial condition and results of operations.

FCA - Laws, regulations and governmental policies, including those regarding increased fuel economy requirements and reduced greenhouse gas emissions, may have a significant effect on how the Group does business and may adversely affect its results of operations

In order to comply with government regulations related to fuel economy and emissions standards, the Group must devote significant financial and management resources, as well as vehicle engineering and design attention, to these legal requirements. The Group expects the number and scope of these regulatory requirements, along with the costs associated with compliance, to increase significantly in the future and these costs could be difficult to pass through to customers. As a result, the Group may face limitations on the types of vehicles it produces and sells and where it can sell them, which could have a material adverse impact on its financial condition and results of operations.

Government initiatives to stimulate consumer demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new vehicles, can substantially influence the timing and level of its revenues. The size and duration of such government measures are unpredictable and outside of the Group’s control. Any adverse change in government policy relating to those measures could have material adverse effects on the Group’s business prospects, financial condition and results of operations.

FCA - The financial resources required to develop and commercialize vehicles incorporating sustainable technologies for the future are significant, as are the barriers that limit the mass-market potential of such vehicles

The Group’s product strategy is driven by the objective of achieving sustainable mobility by reducing the environmental impact of vehicles over their entire life cycle. The Group therefore intends to continue investing capital resources to develop new sustainable technology. It aims to increase the use of alternative fuels, such as natural gas, by continuing to offer a range of dual-fuel passenger cars and commercial vehicles. Additionally, the Group plans to continue developing alternative propulsion systems, particularly for vehicles driven in urban areas (such as the zero-emission Fiat 500e).

In many cases, technological and cost barriers limit the mass-market potential of sustainable natural gas and electric vehicles. In certain other cases the technologies that the Group plans to employ are not yet commercially practical and depend on significant future technological advances by it and by suppliers. There can be no assurance that these advances will occur in a timely or feasible manner, that the funds the Group has budgeted or expended for these purposes will be adequate, or that the Group will be able to obtain rights to use these technologies. Further, its competitors and others are pursuing similar technologies and other competing technologies and there can be no assurance that they will not acquire similar or superior technologies sooner than the Group will or on an exclusive basis or at a significant price advantage.

FCA - Labor laws and collective bargaining agreements with labor unions could impact the Group’s ability to increase the efficiency of its operations

Substantially all of the Group’s production employees are represented by trade unions, are covered by collective bargaining agreements and/or are protected by applicable labor relations regulations that may restrict its ability to modify operations and reduce costs quickly in response to changes in market conditions. These and other provisions in the Group’s collective bargaining agreements may impede its ability to restructure its business successfully to compete more effectively, especially with those automakers whose employees are not represented by trade unions or are subject to less stringent regulations, which could have a material adverse effect on the Group's financial condition and results of operations.

FCA – The Group depends on its relationships with suppliers

The Group purchases raw materials and components from a large number of suppliers and depend on services and products provided by companies outside the Group. Close collaboration between an original equipment manufacturer, or OEM, and its suppliers is common in the automotive industry, and although this offers economic benefits in terms of cost reduction, it also means that the Group depends on its suppliers and are exposed to the possibility that difficulties, including those of a financial nature, experienced by those suppliers (whether caused by internal or external factors) could have a material adverse effect on the Group's financial condition and results of operations.

FCA – The Group faces risks associated with increases in costs, disruptions of supply or shortages of raw materials

The Group uses a variety of raw materials in its business including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium, as well as energy. The prices for these raw materials fluctuate, and market conditions can affect the Group's ability to manage its cost of sales over the short term. The Group seeks to manage this exposure, but it may not be successful in managing its exposure to these risks. Substantial increases in the prices for raw materials would increase the Group's operating costs and could reduce profitability if the increased costs cannot be offset by changes in vehicle prices or countered by productivity gains. In particular, certain raw materials are sourced from a limited number of suppliers and from a limited number of countries. The Group cannot guarantee that it will be able to maintain arrangements with these suppliers that assure access to these raw materials, and in some cases this access may be affected by factors outside of the control of the Group and the control of its suppliers. For instance, natural or man-made disasters or civil unrest may have severe and unpredictable effects on the price of certain raw materials in the future.

As with raw materials, the Group is also at risk for supply disruption and shortages in parts and components for use in its vehicles for many reasons including, but not limited to, tight credit markets or other financial distress, natural or man-made disasters, or production difficulties. The Group will continue to work with suppliers to monitor potential disruptions and shortages and to mitigate the effects of any emerging shortages on its production volumes and revenues. However, there can be no assurances that these events will not have an adverse effect on its production in the future, and any such effect may be material.

Any interruption in the supply or any increase in the cost of raw materials, parts, components and systems could negatively impact its ability to achieve the Group's vehicle sales objectives and profitability. Long-term interruptions in supply of raw materials, parts, components and systems may result in a material impact on vehicle production, vehicle sales objectives, and profitability. Cost increases which cannot be recouped through increases in vehicle prices, or countered by productivity gains, may result in a material impact on the Group's financial condition and/or results of operations.

FCA – The Group is subject to risks associated with exchange rate fluctuations, interest rate changes, credit risk and other market risks

The Group operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the differences in geographic distribution of its manufacturing activities and commercial activities, resulting in cash flows from sales being denominated in currencies different from those connected to purchases or production activities.

The Group uses various forms of financing to cover funding requirements for its industrial activities and for providing financing to its dealers and customers. Moreover, liquidity for industrial activities is also principally invested in variable-rate or short-term financial instruments. The Group's financial services businesses normally operate a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, changes in interest rates can affect net revenues, finance costs and margins.

The Group seeks to manage risks associated with fluctuations in currency and interest rates through financial hedging instruments. Despite such hedges being in place, fluctuations in currency or interest rates could have a material adverse effect on the Group's financial condition and results of operations. For example, the weakening of the Brazilian real against the Euro in 2014 impacted the results of operations of the Group's LATAM segment.

The Group's financial services activities are also subject to the risk of insolvency of dealers and retail customers, as well as unfavorable economic conditions in markets where these activities are carried out. Despite its efforts to mitigate such risks through the credit approval policies applied to dealers and retail customers, there can be no assurances that the Group will be able to successfully mitigate such risks, particularly with respect to a general change in economic conditions.

FCA – FCA is a Dutch public company with limited liability, and its shareholders may have rights different from those of shareholders of companies organized in the U.S.

The rights of the shareholders may be different from the rights of shareholders governed by the laws of U.S. jurisdictions. FCA is a Dutch public company with limited liability (*naamloze vennootsehap*). Corporate affairs are governed by the articles of association and by the laws governing companies incorporated in the Netherlands. The rights of shareholders and the responsibilities of members of the board of directors may be different from the rights of shareholders and the responsibilities of members of the board of directors in companies governed by the laws of other jurisdictions including the U.S. In the performance of its duties, the board of directors is required by Dutch law to consider its interests and the interests of its shareholders, its employees and other stakeholders, in all cases with due observation of the principles of reasonableness and fairness. It is possible that some of these parties will have interests that are different from, or in addition to, your interests as a shareholder.

FCA - It may be difficult to enforce U.S. judgments against FCA

FCA is organized under the laws of the Netherlands, and a substantial portion of its assets are outside of the U.S. Most of the directors and senior management and the independent auditors are resident outside the U.S., and all or a substantial portion of its respective assets may be located outside the U.S. As a result, it may be difficult for U.S. investors to effect service of process within the U.S. upon these persons. It may also be difficult for U.S. investors to enforce within the U.S. judgments predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof. In addition, there is uncertainty as to whether the courts outside the U.S. would recognize or enforce judgments of U.S. courts obtained against FCA or its directors and officers predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof. Therefore, it may be difficult to enforce U.S. judgments against FCA, its directors and officers and independent auditors.

FCA - FCA operates so as to be treated as exclusively resident in the United Kingdom for tax purposes, but the relevant tax authorities may treat FCA as also being tax resident elsewhere

FCA is not a company incorporated in the United Kingdom, or U.K. Therefore, whether FCA is resident in the U.K. for tax purposes will depend on whether "central management and control" is located (in whole or in part) in the U.K. The test of "central management and control" is largely a question of fact and degree based on all the circumstances, rather than a question of law. Nevertheless, the decisions of the U.K. courts and the published practice of Her Majesty's Revenue & Customs, or HMRC, suggest that FCA, a group holding company, is likely to be regarded as having become U.K.-resident on this basis from incorporation and remaining so if, as FCA intends, (i) at least half of the meetings of the Board of Directors are held in the U.K. with a majority of directors present in the U.K. for those meetings; (ii) at those meetings there are full discussions of, and decisions are made regarding, the key strategic issues affecting FCA Group and its subsidiaries; (iii) those meetings are properly minuted; (iv) at least some FCA directors, together with supporting staff, are based in the U.K.; and (v) FCA has permanent staffed office premises in the U.K.

Even if FCA is resident in the U.K. for tax purposes on this basis, as expected, it would nevertheless not be treated as U.K.-resident if (a) it were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) that has a double tax treaty with the U.K. and (b) there is a tie-breaker provision in that tax treaty which allocates exclusive residence to that other jurisdiction.

FCA's residence for Italian tax purposes is largely a question of fact based on all circumstances. A rebuttable presumption of residence in Italy may apply under Article 73(5-bis) of the Italian Consolidated Tax Act, or CTA. However, FCA has set up and thus far maintained, and intends to continue to maintain, the management and organizational structure in such a manner that it should be deemed resident in the U.K. from its incorporation for the purposes of the Italy-U.K. tax treaty. The result of this is that FCA should not be regarded as an Italian tax resident either for the purposes of the Italy-U.K. tax treaty or for Italian domestic law purposes. Because this analysis is highly factual and may depend on future changes in FCA's management and organizational structure, there can be no assurance regarding the final determination of FCA's tax residence. Should FCA be treated as an Italian tax resident, it would be subject to taxation in Italy on worldwide income and may be required to comply with withholding tax and/or reporting obligations provided under Italian tax law, which could result in additional costs and expenses.

Even if "central management and control" is in the U.K. as expected, FCA will be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes on the basis that it is incorporated there. Nonetheless, FCA will be regarded as solely resident in either the U.K. or the Netherlands under the Netherlands-U.K. tax treaty if the U.K. and Dutch competent authorities agree that this is the case. FCA has applied for a ruling from the U.K. and Dutch competent authorities that it should be treated as resident solely in the U.K. for the purposes of the treaty. The outcome of that application cannot be guaranteed and it is possible that the U.K. and Dutch competent authorities may fail to reach an agreement. FCA anticipates, however, that, so long as the factors listed in the third preceding paragraph are present at all material times, the possibility that the U.K. and Dutch competent authorities will rule that it should be treated as solely resident in the Netherlands is remote. If there is a change over time to the facts upon which a ruling issued by the competent authorities is based, the ruling may be withdrawn or cease to apply.

FCA therefore expects to continue to be treated as resident in the U.K. and subject to U.K. corporation tax.

Unless and until the U.K. and the Dutch competent authorities rule that FCA should be treated as solely resident in the U.K. for the purposes of the Netherlands-U.K. double tax treaty, the Netherlands will be allowed to levy tax on FCA as a Dutch-tax-resident taxpayer.

FCA - The U.K.'s controlled foreign company taxation rules may reduce net returns to shareholders

On the assumption that FCA is resident for tax purposes in the U.K., it will be subject to the U.K. controlled foreign company, or CFC, rules. The CFC rules can subject U.K.-tax-resident companies (in this case, FCA) to U.K. tax on the profits of certain companies not resident for tax purposes in the U.K. in which they have at least a 25% direct or indirect interest. Interests of connected or associated persons may be aggregated with those of the U.K.-tax-resident company when applying this 25% threshold. For a company to be a CFC, it must be treated as directly or indirectly controlled by persons resident for tax purposes in the U.K. The definition of control is broad (it includes economic rights) and captures some joint ventures.

Various exemptions are available. One of these is that a CFC must be subject to tax in its territory of residence at an effective rate not less than 75% of the rate to which it would be subject in the U.K., after making specified adjustments. Another of the exemptions (the "excluded territories exemption") is that the CFC is resident in a jurisdiction specified by HMRC in regulations (several jurisdictions in which FCA has significant operations, including Brazil, Italy and the U.S., are so specified). For this exemption to be available, the CFC must not be involved in an arrangement with a main purpose of avoiding U.K. tax and the CFC's income falling within certain categories (often referred to as the CFC's "bad income") must not exceed a set limit. In the case of the U.S. and certain other countries, the "bad income" test need not be met if the CFC does not have a permanent establishment in any other territory and the CFC or persons with an interest in it are subject to tax in its home jurisdiction on all its income (other than non-deductible distributions). FCA expects that its principal operating activities should fall within one or more of the exemptions from the CFC rules, in particular the excluded territories exemption.

Where the entity exemptions are not available, profits from activities other than finance or insurance will only be subject to apportionment under the CFC rules where:

- some of the CFC's assets or risks are acquired, managed or controlled to any significant extent in the U.K. (a) other than by a U.K. permanent establishment of the CFC and (b) other than under arm's length arrangements;
- the CFC could not manage the assets or risks itself; and;
- the CFC is party to arrangements which increase its profits while reducing tax payable in the U.K. and the arrangements would not have been made if they were not expected to reduce tax in some jurisdictions.

Profits from finance activities (whether considered trading or non-trading profits for U.K. tax purposes) or from insurance may be subject to apportionment under the CFC rules if they meet the tests set out above or specific tests for those activities. A full or 75% exemption may also be available for some non-trading finance profits.

Although FCA does not expect the U.K.'s CFC rules to have a material adverse impact on its financial position, the effect of the new CFC rules on FCA is not yet certain. FCA will continue to monitor developments in this regard and seek to mitigate any adverse U.K. tax implications which may arise. However, the possibility cannot be excluded that the CFC rules may have a material adverse impact on the Group's financial position, reducing net returns to the shareholders.

FCA – For the Group, the existence of a permanent establishment in Italy after the Merger is a question of fact based on all the circumstances

Whether FCA has maintained a permanent establishment in Italy after the Merger, or an Italian P.E., is largely a question of fact based on all the circumstances. It is believed that, on the understanding that it should be a U.K.-resident company under the Italy-U.K. tax treaty, FCA is likely to be treated as maintaining an Italian P.E. because it has maintained and intends to continue to maintain sufficient employees, facilities and activities in Italy to qualify as maintaining an Italian P.E. Should this be the case (i) the embedded gains on FCA's assets connected with the Italian P.E. cannot be taxed as a result of the Merger; (ii) FCA's tax-deferred reserves cannot be taxed, inasmuch as they have been recorded in the Italian P.E.'s financial accounts; and (iii) the Italian fiscal unit that was headed by Fiat before the Merger, or Fiscal Unit, continues with respect to FCA's Italian subsidiaries whose shareholdings are part of the Italian P.E.'s net worth.

According to Article 124(5) of the CTA, a mandatory ruling request should be submitted to the Italian tax authorities, in order to ensure the continuity, via the Italian P.E., of the Fiscal Unit that was previously in place between Fiat and its Italian subsidiaries. FCA filed a ruling request with the Italian tax authorities in respect of the continuation of the Fiscal Unit via the Italian P.E. on April 16, 2014. The Italian tax authorities issued the ruling on December 10, 2014, or the Ruling, confirming that the Fiscal Unit may continue via the Italian P.E. However, the Ruling is an interpretative ruling. It is not an assessment of a certain set of facts and circumstances. Therefore, even though the Ruling confirms that the Fiscal Unit may continue via the Italian P.E., this does not rule out that the Italian tax authorities may in the future verify whether FCA actually has a P.E. in Italy and potentially challenge the existence of such P.E. Because the analysis is highly factual, there can be no assurance regarding FCA's maintenance of an Italian P.E. after the Merger.

Risks related to the Group's indebtedness

FCA – The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding on competitive terms and limit its financial and operating flexibility

The extent of the Group's indebtedness could have important consequences on its operations and financial results, including:

- the Group may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- the Group may need to use a portion of its projected future cash flow from operations to pay principal and interest on its indebtedness, which may reduce the amount of funds available to it for other purposes;
- the Group may be more financially leveraged than some of its competitors, which may put it at a competitive disadvantage; and
- the Group may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions or its business.

These risks may be exacerbated by volatility in the financial markets, particularly those resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone.

Even after the January 2014 acquisition of the approximately 41.5% interest in FCA US that was not already owned by the Group, FCA US continues to manage financial matters, including funding and cash management, separately. Additionally, the Group has not provided guarantees or security or undertaken any other similar commitment in relation to any financial obligation of FCA US, nor are there any commitments to provide funding to FCA US in the future.

Furthermore, certain of the Group's bonds include covenants that may be affected by FCA US's circumstances. In particular, these bonds include cross-default clauses which may accelerate the relevant issuer's obligation to repay its bonds in the event that FCA US fails to pay certain debt obligations on maturity or is otherwise subject to an acceleration in the maturity of any of those obligations. Therefore, these cross-default provisions could require early repayment of those bonds in the event FCA US's debt obligations are accelerated or are not repaid at maturity. There can be no assurance that the obligation to accelerate the repayment by FCA US of its debts will not arise or that it will be able to pay its debt obligations when due at maturity.

In addition, one of the Group's existing revolving credit facilities, expiring in July 2016, provides some limits on its ability to provide financial support to FCA US.

FCA - Restrictive covenants in the Group's debt agreements could limit its financial and operating flexibility

The indentures governing certain of the Group's outstanding public indebtedness, and other credit agreements to which companies in the Group are a party, contain covenants that restrict the ability of companies in the Group to, among other things:

- incur additional debt;
- make certain investments;
- enter into certain types of transactions with affiliates;
- sell certain assets or merge with or into other companies;
- use assets as security in other transactions; and
- enter into sale and leaseback transactions.

FCA - Restrictions arising out of FCA US's debt instruments may hinder the Group's ability to manage its operations on a consolidated, global basis

FCA US is party to credit agreements for certain senior credit facilities and an indenture for two series of secured senior notes. These debt instruments include covenants that restrict FCA US's ability to pay dividends or enter into sale and leaseback transactions, make certain distributions or purchase or redeem capital stock, prepay other debt, encumber assets, incur or guarantee additional indebtedness, incur liens, transfer and sell assets or engage in certain business combinations, enter into certain transactions with affiliates or undertake various other business activities.

In particular, in January 2014 and February 2015, FCA US paid distributions of $1.9 billion and $1.3 billion, respectively, to its members. Further distributions will be limited to 50% of FCA US's cumulative consolidated net income (as defined in the agreements) from the period from January 1, 2012 until the end of the most recent fiscal quarter, less the amounts of the January 2014 and February 2015 distributions.

These restrictive covenants could have an adverse effect on the Group's business by limiting its ability to take advantage of financing, mergers and acquisitions, joint ventures or other corporate opportunities. In particular, the senior credit facilities contain, and future indebtedness may contain, other and more restrictive covenants. These agreements also restrict FCA US from prepaying certain of its indebtedness or imposing limitations that make prepayment impractical. The senior credit facilities require FCA US to maintain borrowing base collateral coverage and a minimum liquidity threshold. A breach of any of these covenants or restrictions could result in an event of default on the indebtedness and the other indebtedness of FCA US or result in cross-default under certain of its or the Group's indebtedness.

If FCA US is unable to comply with these covenants, its outstanding indebtedness may become due and payable and creditors may foreclose on pledged properties. In this case, FCA US may not be able to repay its debt and it is unlikely that it would be able to borrow sufficient additional funds. Even if new financing is made available to FCA US in such circumstances, it may not be available on acceptable terms.

Compliance with certain of these covenants could also restrict FCA US's ability to take certain actions that its management believes are in FCA US's and the Group's best long-term interests.

Should FCA US be unable to undertake strategic initiatives due to the covenants provided for by the above-referenced instruments, the Group's business prospects, financial condition and results of operations could be impacted.

FCA - No assurance can be given that restrictions arising out of FCA US's debt instruments will be eliminated

In connection with the Group's capital planning to support the Business Plan, the Group has announced its intention to eliminate existing contractual terms limiting the free flow of capital among Group companies, including through the redemption of each series of outstanding secured senior notes no later than their optional redemption dates in June 2015 and 2016, as well as the refinancing of outstanding FCA US term loans and its revolving credit facility at or before this time. No assurance can be given regarding the timing of such transactions or that such transactions will be completed.

FCA - Substantially all of the assets of FCA US and its U.S. subsidiary guarantors are unconditionally pledged as security under its senior credit facilities and secured senior notes and could become subject to lenders' contractual rights if an event of default were to occur

FCA US and several of its U.S. subsidiaries are obligors or guarantors under FCA US's senior credit facilities and secured senior notes. The obligations under the senior credit facilities and secured senior notes are secured by senior and junior priority, respectively, security interests in substantially all of the assets of FCA US and its U.S. subsidiary guarantors. The collateral includes 100% of the equity interests in FCA US's U.S. subsidiaries, 65% of the equity interests in its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors, all personal property and substantially all of FCA US's U.S. real property other than its Auburn Hills, Michigan headquarters. An event of default under FCA US's senior credit facilities and/or secured senior notes could trigger its lenders' or noteholders' contractual rights to enforce their security interest in these assets.

Risks relating to the proposed separation of Ferrari

FCA - No assurance can be given that the Ferrari separation will occur

No assurance can be given as to whether and when the separation of Ferrari will occur. The Group may determine to delay or abandon the separation at any time for any reason or for no reason.

FCA - The terms of the proposed separation of Ferrari and Ferrari's stand-alone capital structure have not been determined

The terms of the proposed separation of Ferrari and Ferrari's stand-alone capital structure have not yet been determined. However, the final structure and terms of the separation may not coincide with the terms set forth in this report. No assurance can be given as to the terms of the prospective interest in Ferrari or the terms of how it will be distributed.

FCA – The Group may be unable to achieve some or all of the benefits that are expected to be achieved from the separation from Ferrari

The Group may not be able to achieve the financial and other benefits that are expected to result from the separation of Ferrari. The anticipated benefits of the separation are based on a number of assumptions, some of which may prove incorrect. For example, there can be no assurance that the separation of Ferrari will enable the Group to strengthen its capital base sufficiently to offset the loss of the earnings and potential earnings of Ferrari.

FCA - Following the Ferrari separation, the price of the Group's common shares may fluctuate significantly

The Group cannot predict the prices at which its common shares may trade after the separation, the effect of the separation on the trading prices of its common shares or whether the market value of its common shares and the common shares of Ferrari held by a shareholder after the separation will be less than, equal to or greater than the market value of the Group's common shares held by such shareholder prior to the separation.

FCA – The Group intends for the Ferrari separation to qualify as a generally tax-free distribution for its shareholders from a U.S. federal income tax perspective, and as a tax-free transaction from an Italian income tax perspective, but no assurance can be given that the separation will receive such tax-free treatment in the United States or in other jurisdictions

It is the Group's intention to structure the Ferrari separation and any spin-off to its shareholders in a tax efficient manner from a U.S. federal income tax perspective, taking appropriate account of the potential impact on shareholders, but no assurance can be given that the intended tax treatment will be achieved, or that shareholders, and/or persons that receive the benefit of Ferrari shares, will not incur substantial tax liabilities in connection with the separation and distribution. In particular, the requirements for favorable treatment differ (and may conflict) from jurisdiction to jurisdiction and the relevant requirements are often complex, and no assurance can be given that any ruling (or similar guidance) from any taxing authority would be sought or, if sought, granted. Following an initial public offering of a portion of the Group's equity interest in Ferrari, the Group currently intends to spin-off its remaining equity interest in Ferrari to holders of its common shares and mandatory convertible securities (which the Group intends to treat as its stock for U.S. federal income tax purposes), and the Group currently intends for such spin-off to qualify as a generally tax-free distribution for holders of the Group's stock for U.S. federal income tax purposes. However, the structure and terms of any distribution have not been determined and there can be no assurance that a distribution of Ferrari or any other spin-off would qualify as a tax-free distribution or that holders of the Group's shares or mandatory convertible securities would not recognize gain for U.S. federal income tax purposes in connection with any such distribution or spin-off.
In addition, no assurance can be given that the Ferrari separation will not give rise to additional taxable income in Italy in the hands of the Italian P.E. of FCA. Depending on how large this additional taxable income is, it may or may not be fully offset by the current year or carried forward losses that the Fiscal Unit may use based on the Ruling.
In addition, no assurance can be given that the Group's shareholders subject to Italian tax will not incur substantial Italian tax liabilities in connection with the Ferrari separation.

Risks related to the FCA common shares

FCA – The Group's maintenance of two exchange listings may adversely affect liquidity in the market for its common shares and could result in pricing differentials of its common shares between the two exchanges

Shortly following the closing of the Merger and the listing of FCA's common shares on the New York Stock Exchange, or NYSE, FCA listed its common shares on the Mercato Telematico Azionario, or MTA. The dual listing of the Group's common shares may split trading between the two markets and adversely affect the liquidity of the shares in one or both markets and the development of an active trading market for the common shares on the NYSE and may result in price differentials between the exchanges. Differences in the trading schedules, as well as volatility in the exchange rate of the two trading currencies, among other factors, may result in different trading prices for the Group's common shares on the two exchanges.

FCA - The loyalty voting structure may affect the liquidity of the Group's common shares and reduce its common share price

The implementation of the loyalty voting structure could reduce the liquidity of the Group's common shares and adversely affect the trading prices of the common shares. The loyalty voting structure was intended to reward shareholders for maintaining long-term share ownership by granting initial shareholders and persons holding the common shares continuously for at least three years at any time following the effectiveness of the Merger the option to elect to receive special voting shares. The special voting shares cannot be traded and, immediately prior to the deregistration of common shares from the FCA Loyalty Register, any corresponding special voting shares shall be transferred to the Group for no consideration (*om niet*). This loyalty voting structure is designed to encourage a stable shareholder base and, conversely, it may deter trading by those shareholders who are interested in gaining or retaining FCA's special voting shares. Therefore, the loyalty voting structure is designed may reduce liquidity in our common shares and adversely affect their trading price.

FCA - The loyalty voting structure may make it more difficult for shareholders to acquire a controlling interest, change the Group's management or strategy or otherwise exercise influence over the Group, and the market price of the common shares may be lower as a result

The provisions of the articles of association which establish the loyalty voting structure may make it more difficult for a third party to acquire, or attempt to acquire, control of the company, even if a change of control were considered favorably by shareholders holding a majority of the common shares. As a result of the loyalty voting structure, a relatively large proportion of the voting power could be concentrated in a relatively small number of shareholders who would have significant influence over FCA. Based on the most recent data, EXOR had a voting interest in FCA of 44.31% due to its participation in the loyalty voting structure and as a result will have the ability to exercise significant influence on matters involving FCA's shareholders. Such shareholders participating in the loyalty voting structure could effectively prevent change of control transactions that may otherwise benefit the Group's shareholders. The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changing FCA's management or strategy or otherwise exerting influence over FCA.

The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changes in FCA's management.

FCA - There may be potential Passive Foreign Investment Company tax considerations for U.S. Shareholders

Shares of the stock held by a U.S. holder would be stock of a passive foreign investment company, or a PFIC, for U.S. federal income tax purposes with respect to a U.S. Shareholder if for any taxable year in which such U.S. Shareholder held the Group's common shares, after the application of applicable look-through rules (i) 75% or more of the Group's gross income for the taxable year consists of passive income (including dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations), or (ii) at least 50% of its assets for the taxable year (averaged over the year and determined based upon value) produce or are held for the production of passive income. U.S. persons who own shares of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the dividends they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

While the Group believes that shares of its stock are not stock of a PFIC for U.S. federal income tax purposes, this conclusion is based on a factual determination made annually and thus is subject to change. Moreover, shares of the Group's stock may become stock of a PFIC in future taxable years if there were to be changes in the Group's assets, income or operations.

FCA - Tax consequences of the loyalty voting structure are uncertain

No statutory, judicial or administrative authority directly discusses how the receipt, ownership, or disposition of special voting shares should be treated for Italian, U.K. or U.S. tax purposes and as a result, the tax consequences in those jurisdictions are uncertain.

The fair market value of the Group's special voting shares, which may be relevant to the tax consequences, is a factual determination and is not governed by any guidance that directly addresses such a situation. Because, among other things, the special voting shares are not transferable (other than, in very limited circumstances, together with the associated common shares) and a shareholder will receive amounts in respect of the special voting shares only if the Group is liquidated, the Group believes and intends to take the position that the fair market value of each special voting share is minimal. However, the relevant tax authorities could assert that the value of the special voting shares as determined by the Group is incorrect.

The tax treatment of the loyalty voting structure is unclear and shareholders are urged to consult their tax advisors in respect of the consequences of acquiring, owning and disposing of special voting shares.

FCA - Tax may be required to be withheld from dividend payments

Unless and until the U.K. and the Dutch competent authorities rule that the Group should be treated as solely resident in the U.K. for the purposes of the Netherlands-U.K. double tax treaty, dividends distributed by the Group will be subject to Dutch dividend withholding tax (subject to any relief which may be available under Dutch law or the terms of any applicable double tax treaty) and the Group will be under no obligation to pay additional amounts in respect thereof.

In addition, even if the U.K. and Dutch competent authorities rule that the Group should be treated as solely resident in the U.K. for the purposes of the Netherlands-U.K. double tax treaty, under Dutch domestic law dividend payments made by the Group to Dutch residents may still be required to be paid subject to Dutch dividend withholding tax and the Group would have no obligation to pay additional amounts in respect of such payments. The Group intends to seek confirmation from the Dutch tax authorities that such withholding will not be required, but no assurances can be given.

Should Dutch or Italian withholding taxes be imposed on future dividends or distributions with respect to the Group's common shares, whether such withholding taxes are creditable against a tax liability to which a shareholder is otherwise subject depends on the laws of such shareholder's jurisdiction and such shareholder's particular circumstances. Shareholders are urged to consult their tax advisors in respect of the consequences of the potential imposition of Dutch and/or Italian withholding taxes.

CNH INDUSTRIAL

Risks related to the business, strategy and operations

CNH Industrial - Global economic conditions impact the business of the Group

The Group's earnings and financial position are, and will continue to be, influenced by various macroeconomic factors – including increases or decreases in gross domestic product, the level of consumer and business confidence, changes in interest rates on consumer and business credit, energy prices, and the cost of commodities or other raw materials – which exist in the various countries in which the Group operates. Such macroeconomic factors vary from time to time and their effect on the Group's earnings and financial position cannot be specifically and singularly assessed and/or isolated.

Financial conditions in several regions continue to place significant economic pressures on existing and potential customers, including the Group's dealer networks. As a result, some dealers and customers may delay or cancel plans to purchase the Group's products and services and may not be able to fulfill their obligations to the Group in a timely fashion. Further, the Group's suppliers may be impacted by economic pressures, which may adversely affect their ability to fulfill their obligations to the Group. These factors could result in product delays, increased accounts receivable, defaults and inventory challenges. There is particular concern about economic conditions in Europe (and potentially the long-term viability of the euro currency), which is at risk of being impacted by sovereign debt levels (and government taxing and spending actions to address such issues) and other severe pressures on the banking system in certain European Union countries. It is uncertain whether central bank or governmental measures will reduce or eliminate this risk. In addition, other governments may continue to implement measures designed to slow the economic growth rate in those countries (e.g., higher interest rates, reduced bank lending and other anti-inflation measures). If there is significant deterioration in the global economy or the economies of key countries or regions, the demand for the Group's products and services would likely decrease and the Group's results of operations, financial position and cash flows could be materially and adversely affected.

In addition, the continuation of adverse market conditions in certain businesses in which the Group participates could cause many companies, including the Group, to carefully evaluate whether certain intangible assets have become impaired. The factors that the Group would evaluate to determine whether an impairment charge is necessary require management judgment and estimates. The estimates are impacted by a number of factors, including, but not limited to, worldwide economic factors and technological changes. Any of these factors, or other unexpected factors, may require the Group to consider whether it needs to record an impairment charge. In the event the Group is required to record an impairment charge with respect to certain intangible assets, it would have an adverse impact on the Group's financial position and results of operations.

CNH Industrial - The Group is exposed to political, economic and other risks as a result of operating a global business

The Group manufactures and sells products and offers services in several continents and numerous countries around the world including those experiencing varying degrees of political and economic instability. Given the global nature of the Group's activities, the Group is exposed to risks affecting global business operations, including:

- changes in laws, regulations and policies that affect, among other things:
  - import and export duties and quotas;
  - currency restrictions;
  - the design, manufacture and sale of the Group's products, including, for example, engine emissions regulations;
  - interest rates and the availability of credit to the Group's dealers and customers;
  - property and contractual rights;
  - where and to whom products may be sold such as changing economic sanctions related to Iran, Russia and the crisis in Ukraine; and
  - taxes;
- regulations from changing world organization initiatives and agreements;
- changes in the dynamics of the industries and markets in which the Group operates;
- varying and unpredictable needs and desires of customers;
- varying and unexpected actions of the Group's competitors;
- labor disruptions;
- disruption in the supply of raw materials and components;
- changes in governmental debt relief and subsidy program policies in certain significant markets such as Argentina and Brazil; and
- war, civil unrest and terrorism.

Unfavorable developments in any one of these areas (which vary from country to country) could have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial - Difficulty in obtaining financing or refinancing existing debt could impact the Group's financial performance

The Group's future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and possible access to capital markets or other sources of financing. A decline in revenues could have a negative impact on the cash-generating capacity of its operating activities. The Group could, therefore, find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions with limited availability of funding and a general increase in funding costs. Any difficulty in obtaining financing could have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

The Group's ability to access the capital markets or other forms of financing and related costs are highly dependent on, among other things, the credit ratings of CNH Industrial N.V., other Group subsidiaries, Group asset-backed securities ("ABS") and other debt instruments. Rating agencies may review and revise their ratings from time to time, and any downgrade or other negative action with respect to the Group's credit ratings by one or more rating agencies may increase the Group's cost of capital, potentially limit its access to sources of financing and have a material adverse effect on its business prospects, results of operations and/or financial position.

CNH Industrial - The Group is subject to exchange rate fluctuations, interest rate changes and other market risks

The Group operates in numerous markets worldwide and is accordingly exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the differences in the geographic distribution between the Group's manufacturing and commercial activities, resulting in cash flows from exports denominated in currencies different from those associated with production activities and related purchasing.

The Group uses various forms of financing to cover the funding requirements of its Industrial Activities and for financing offered to customers and dealers. Financial Services implements a matching policy to offset the impact of differences in interest rates on the financed portfolio and related liabilities. Nevertheless, any future changes in interest rates can result in increases or decreases in revenues, finance costs and margins.

Consistent with its risk management policies, the Group seeks to manage currency and interest rate risk through the use of financial hedging instruments. Consistent with its risk management policies, the Group seeks to manage currency and interest rate risk through the use of financial hedging instruments. Despite such hedges being in place, sudden fluctuations in currency or interest rates could have an adverse effect on the Group's business prospects, results of operations and/or financial position. In addition, by utilizing these instruments, the Group potentially foregoes the benefits that may result from favorable fluctuations in currency exchange rates. The Group is also subject to the risk of insolvency of dealers and customers, as well as unfavorable economic conditions in markets where financing activities are carried out, which the Group seeks to mitigate through credit policies applied to dealers and customers. In addition, the Group is subject to laws and government actions that may, among other things, prevent the Group from enforcing legal rights and remedies.

CNH Industrial - The Group faces risks associated with its relationships with its employees

In many countries where the Group operates, Group's employees are protected by various laws and/or collective labor agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including downsizing or closure of production activities and reductions in personnel. Laws and/or collective labor agreements applicable to the Group could impair its flexibility in reshaping and/or strategically repositioning its business activities. Therefore, the Group's ability to reduce personnel or implement other permanent or temporary redundancy measures is subject to government approvals and/or the agreement of labor unions where such laws and agreements are applicable. Furthermore, the Group is at greater risk of work interruptions or stoppages than non-unionized companies, and any work interruption or stoppage could significantly impact the volume of products the Group has available for sale.

CNH Industrial - Reduced demand for equipment would reduce the Group's sales and profitability

The performance of the agricultural equipment market is influenced, in particular, by factors such as:

- the price of agricultural commodities and the relative level of inventories;
- the profitability of agricultural enterprises and farmers' income;
- the demand for food products; and
- agricultural policies, including aid and subsidies to agricultural enterprises provided by governments and/or supranational organizations as well as alternative fuel mandates.

In addition, unfavorable climatic conditions, especially during the spring, a particularly important period for generating sales orders, could have a negative impact on decisions to buy agricultural equipment and, consequently, on the Group's revenues.
The performance of the construction equipment market is influenced, in particular, by factors such as:
- public infrastructure spending; and
- new residential and non-residential construction.

The performance of the commercial vehicles market is influenced, in particular, by factors such as:
- changes in global market conditions, including changes in levels of business investment and sales of commodities; and
- public infrastructure spending.

The above factors can significantly influence the demand for agricultural and construction equipment, as well as for commercial vehicles, and consequently, the Group's financial results.

CNH Industrial - The Group depends on key suppliers for certain raw materials, parts and components

The Group relies upon key suppliers for certain raw materials, parts and components. The Group cannot guarantee that it will be able to maintain appropriate supply arrangements with these suppliers or otherwise ensure access to raw materials, parts and components. In some cases this access may be affected by factors outside of the Group's control and the control of its suppliers. Adverse financial conditions and natural disasters, such as the March 2011 earthquake and tsunami in Japan, have in the past caused, and could in the future cause, some of the Group's suppliers to face severe financial hardship and disrupt the Group's access to critical raw materials, parts and components. Any disruption or shortage in the supply of raw materials, parts and components could negatively impact the Group's costs of production, its ability to fulfill orders and achieve growth in product sales and the profitability of the Group's business.
Certain Group subsidiaries use a variety of raw materials in their businesses, including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium. The prices of these raw materials fluctuate, and although the Group seeks to manage this exposure, the Group may not be successful in hedging these risks. Substantial increases in the prices for raw materials would increase the Group's operating costs and could reduce profitability if the increased costs were not offset by changes in product prices.

CNH Industrial - Competitive activity, or failure by the Group to respond to actions by competitors, could adversely affect results of operations

Substantially all of the Group's revenues are generated in highly competitive sectors that include the production and distribution of agricultural and construction equipment, commercial vehicles, and related powertrain systems. The Group faces competition from other international manufacturers and distributors of commercial vehicles in Europe, Asia and Latin America and from global, regional and local agricultural and construction equipment manufacturers, distributors and component suppliers in Europe, Asia, North America and Latin America. Certain of the Group's global competitors have substantial resources and may be able to provide products and services at little or no profit or even at a loss to compete with certain Group product offerings. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays or the Group's failure to price its products competitively could adversely affect its business, results of operations and financial position. Additionally, there has been a trend towards consolidation in the trucks and construction equipment industries that has resulted in larger and potentially stronger competitors in those markets. The markets in which the Group competes are highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered. Competition, particularly on pricing, has increased significantly in the Group's areas of activity in recent years. Should the Group be unable to adapt effectively to market conditions, this could have an adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial - Costs of ongoing compliance with, or failure to comply with, environmental laws could have an adverse effect on the Group's results of operations

The Group's products and activities are subject to numerous local, national and international environmental laws, which are becoming increasingly stringent in many countries in which it operates. Such laws govern, among other things, products – with requirements on emissions of polluting gases, increased fuel efficiency and safety becoming increasingly strict – and industrial plants – with requirements for reduced emissions, treatment of waste and water and prohibitions on soil contamination also becoming increasingly strict. To comply with such laws, the Group invests considerable research and development resources and expects to continue to incur substantial costs in the future. Failure to comply with such laws could expose the Group to penalties or clean-up costs, civil or criminal liability and sanctions on certain of the Group's activities, as well as damage to property or natural resources. Liabilities, sanctions, damages and remediation efforts related to any non-compliance with such laws and regulations, including those that may be adopted or imposed in the future, could negatively impact the Group's ability to conduct its operations and its financial position and results of operations. In addition, there can be no assurances that the Group will not be adversely affected by costs, liabilities or claims with respect to any subsequently acquired operations. For instance, the Group's engines are subject to extensive regulatory requirements governing exhaust emissions and noise, including standards imposed by the U.S. Environmental Protection Agency, state regulatory agencies in the United States and other regulatory agencies around the world. National, state or local governments may set new emissions standards that could impact the Group's products and operations in ways that are difficult to anticipate with accuracy. Thus, significant changes in standards, or the adoption of new standards, have the potential to negatively impact the Group's business, results of operations, financial position and competitive position.

CNH Industrial - The Group's business, properties, and products are subject to governmental regulation compliance with which may require the Group to incur expenses, or modify its products or operations, and non-compliance with which may result in harm to the Group's reputation and/or expose the Group to penalties. Governmental regulation may also adversely affect the demand for some of the Group's products and operating results

The Group's business, properties, and products are subject to numerous international, federal and other governmental laws, rules, and regulations relating to restricted substances, including "conflict minerals" disclosure rules. For example, the Restriction of Hazardous Substances (RoHS) Directive in the European Union (EU) requires that certain substances, which may be found in certain products the Group has manufactured in the past, be removed from all electronics components, and the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Directive in the EU which could require an authorization process for any chemical deemed a Substance of Very High Concern (SVHC), and listed by the European Commission in Annex XIV to REACH, to remain on the market. China and New York City have adopted RoHS restrictions, and many U.S. states are considering similar rules and legislation. Individual EU member states are required to transpose Directives into national legislation. As member states enact new laws and regulations to implement the Directives, the Group continues to review the applicability and impact of both Directives on the sale of its products within the EU. The Group must survey its supply chain and certify to the non-presence or presence of SVHCs to its customers. Compliance with these governmental regulations can be difficult, costly and time consuming, and liabilities or costs relating to such regulations could have a material adverse effect on the Group's business, financial position and results of operations.

CNH Industrial - A decrease in government incentives may adversely affect the Group's results

Government initiatives that are intended to stimulate demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new equipment, can substantially influence the timing and level of the Group's revenues. The terms, size and duration of such government actions are unpredictable and outside of the Group's control. Any adverse change in government policy relating to those initiatives could have a material adverse effect on the Group's business prospects, operating results and/or financial position. For example, on December 31, 2014, the additional first-year "50% bonus" depreciation and increased expensing of property under the U.S. Internal Revenue Code section 179 expired. This could have an adverse effect on the Group's business prospects in the U.S.

CNH Industrial - The Group's future performance depends on its ability to innovate and on market acceptance of new or existing products

The success of the Group's businesses depends on their ability to maintain or increase their market share in existing markets and to expand into new markets through the development of innovative, high-quality products that provide adequate profitability. In particular, the failure to develop and offer innovative products that compare favorably to those of the Group's principal competitors in terms of price, quality, functionality and features, or delays in bringing strategic new products to market, or the inability to adequately protect the Group's intellectual property rights, could result in reduced market share, which could have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial - The Group's existing operations and expansion plans in emerging markets could entail significant risks

The Group's ability to grow its businesses depends to an increasing degree on its ability to increase market share and operate profitably worldwide and in particular in emerging market countries, such as Brazil, Russia, India, China, Argentina, Turkey, Venezuela and South Africa. In addition, the Group could increase its use of suppliers located in such countries. The Group's implementation of these strategies will involve a significant investment of capital and other resources and entail various risks. For example, the Group may encounter difficulties in obtaining necessary governmental approvals in a timely manner. In addition, the Group may experience delays and incur significant costs in constructing facilities, establishing supply channels, and commencing manufacturing operations. Further, customers in these markets may not readily accept the Group's products as opposed to products manufactured and commercialized by its competitors. The emerging market countries may also be subject to a greater degree of economic and political volatility that could adversely affect the Group's financial position, results of operations and cash flows. The emerging market economies may also be subject to a further slowdown in gross domestic product expansion and/or be impacted by domestic currency volatility, potential hyperinflationary conditions and/or increase of public debt. For example, the Group is subject to the rules and regulations of the Venezuelan government concerning its ability to exchange cash or marketable securities denominated in Venezuelan bolivar into U.S. dollars. Under these regulations, the purchase and sale of foreign currency must be at official rates of exchange and such transactions are subject to volume restrictions. These regulations limit the Group's ability to access and transfer liquidity out of Venezuela to meet funding requirements in other countries and also subject it to increased risk of devaluation or other foreign exchange losses. As of December 31, 2014, the Group has net monetary assets of $125 million at an exchange rate of 12.0 Venezuelan bolivars to one U.S. dollar.

CNH Industrial - CNH Industrial is subject to extensive anti-corruption and antitrust laws and regulations

CNH Industrial's global operations are subject to a number of laws and regulations that govern its operations around the world, including the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act, which apply to conduct around the world, as well as a range of national anti-corruption laws that apply to conduct in a particular jurisdiction. These laws prohibit improper payments in cash or anything of value to improperly influence government officials or other persons to obtain or retain business or gain a business advantage. These laws tend to apply whether or not those practices are legal or culturally acceptable in a particular jurisdiction. Over the past several years there has been a substantial increase in the enforcement of anti-corruption laws both globally and in particular jurisdictions and the Group's employees have from time to time been subject to investigations and charges claiming violations of anti-corruption laws. CNH Industrial is committed to operating in compliance with all applicable laws, in particular anti-corruption laws. The Group has implemented a program to promote compliance with these laws and to identify and minimize the risk of any violations, which could result in criminal or civil prosecution of the Group or its employees. Investigations of alleged violations of these laws tend to require dedication of significant resources in funds and management time and attention and these investigations or any violations, as well as any publicity regarding potential violations, could harm CNH Industrial's reputation and have a material adverse effect on its business, results of operations and financial position.

CNH Industrial - Risks associated with the defined benefit pension plans and other post-employment obligations

At December 31, 2014, CNH Industrial's defined benefit pension plans and other post-employment benefits had an underfunded status of $2,517 million which is included in the consolidated statement of financial position. The funded status is the balance between the present value of the defined benefit obligation and the fair value of related assets, in case of funded plans (plans managed by a separate fund, "trust").

To the extent that the Group's obligations under a plan are unfunded or underfunded, the Group will have to use cash flows from operations and other sources to pay its obligations as they become due. In addition, since the assets that currently fund these obligations are primarily invested in debt instruments and equity securities, the value of these assets is subject to changes due to market fluctuations. In recent years, these fluctuations have been significant and adverse and there is no assurance that they will not be significant and adverse in the future.

CNH Industrial - Dealer equipment sourcing and inventory management decisions could adversely affect the Group's sales

The Group's dealers carry inventories of finished products as part of ongoing operations and adjust those inventories based on their assessment of future sales opportunities. Dealers who carry other products that compete with the Group's products may focus their inventory purchases and sales efforts on goods provided by other suppliers due to industry demand or profitability. Such inventory adjustments and sourcing decisions can adversely impact the Group's sales, financial position and results of operations.

CNH Industrial - Adverse economic conditions could place a financial strain on the Group's dealers and adversely affect the Group's operating results

Global economic conditions continue to place financial stress on many of the Group's dealers. Dealer financial difficulties may impact their equipment sourcing and inventory management decisions, as well as their ability to provide services to their customers purchasing the Group's equipment. Accordingly, additional financial strains on members of the Group's dealer network resulting from current or future economic conditions could adversely impact the Group's sales, financial position and results of operations.

CNH Industrial - The Group may not be able to realize anticipated benefits from any acquisitions and, further, challenges associated with strategic alliances may have an adverse impact on the Group's results of operations

The Group has engaged in the past, and may engage in the future, in mergers and acquisitions or enter into, expand or exit from strategic alliances and joint ventures which could involve risks that could prevent the Group from realizing the expected benefits of the transactions or the achievement of strategic objectives or could divert management's time and attention. Such risks include:

- technological and product synergies, economies of scale and cost reductions not occurring as expected;
- unexpected liabilities;
- incompatibility in integrating processes, operations or systems;
- unexpected changes in laws or regulations;
- inability to retain key employees;
- inability to source certain products;
- increased financing costs and inability to fund such costs;
- significant costs associated with terminating or modifying alliances; and
- problems in retaining customers and integrating operations, services, personnel and customer bases.

If problems or issues were to arise among the parties to one or more strategic alliances for managerial, financial, or other reasons, or if such strategic alliances or other relationships were terminated, the Group's product lines, businesses, financial position, and results of operations could be adversely affected.

CNH Industrial - Risks associated with the termination of CNH Global's strategic alliance with Kobelco Construction Machinery Co., Ltd.

Effective December 31, 2012, CNH Global and Kobelco Construction Machinery Co., Ltd. ("KCM") terminated by mutual consent their global alliance (consisting of industrial arrangements and a number of jointly-owned companies) in the construction equipment business. The agreements regulating the dissolution of the alliance provide that, starting from January 1, 2013 until December 31, 2017, the Group will be entitled to purchase components and parts from KCM on a non-exclusive basis in order to continue to manufacture excavators based upon KCM's technology in Group's plants. Moreover, starting from December 31, 2012, the territorial sales and marketing restrictions limiting the right of KCM to distribute its excavators in certain significant markets (such as the Americas and Europe) expired and similar restrictions which applied to the Group's construction equipment activities expired in APAC on July 31, 2013. While the Group expects a smooth transition with respect to implemented changes, commercial issues (such as, by way of example, the weakening of the distributorship network and the subsequent loss of market share) or industrial issues (such as, by way of example, difficulties in maintaining quality standards or inability to source certain components currently provided by KCM) in connection with the termination of the alliance might arise, which could have a material adverse effect upon the Group's construction equipment product lines, construction equipment distribution network, financial position and results of operations.

CNH Industrial - The Group's business operations may be impacted by various types of claims, lawsuits and other contingent obligations

The companies within the Group are involved in various product liability, warranty, product performance, asbestos, personal injury, environmental claims and lawsuits and other legal proceedings that arise in the ordinary course of their businesses. The industries in which the Group operates are also periodically reviewed or investigated by regulators, which could lead to enforcement actions, fines and penalties or the assertion of private litigation claims. The ultimate outcome of these legal matters pending against the Group is uncertain, and although such legal matters are not expected individually to have a material adverse effect on the Group's financial position or profitability, such legal matters could, in the aggregate, in the event of unfavorable resolutions thereof, have a material adverse effect on the Group's consolidated financial position, cash flows and results of operations. Furthermore, the Group could in the future be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on its results of operations in any particular period. In addition, while the Group maintains insurance coverage with respect to certain claims, it may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims. The Group establishes reserves based on its assessment of contingencies, including contingencies related to legal claims asserted against the Group. Subsequent developments in legal proceedings may affect the Group's assessment and estimates of the loss contingency recorded as a reserve and require the Group to make payments in excess of its reserves, which could have a material adverse effect on the Group's results of operations and/or financial position.

CNH Industrial - The agricultural equipment industry is highly seasonal, which causes the Group's results of operations and levels of working capital to fluctuate significantly

Farmers traditionally purchase agricultural equipment in the spring and fall, the main planting and harvesting seasons. The Group's agricultural equipment business net sales and results of operations have historically been highest in the second quarter, reflecting the spring selling season in the Northern hemisphere, and lowest in the third quarter, when many of the Group's production facilities experience summer shut-down periods, especially in Europe. The Group's agricultural equipment production levels are based upon estimated retail demand. These estimates take into account the timing of dealer shipments, which occur in advance of retail demand, dealer inventory levels, the need to retool manufacturing facilities to produce new or different models and the efficient use of manpower and facilities. However, because the Group spreads its production and wholesale shipments throughout the year, wholesale sales of agricultural equipment products in any given period may not necessarily reflect the timing of dealer orders and retail demand in that period.

Estimated retail demand may exceed or be exceeded by actual production capacity in any given calendar quarter because the Group spreads production throughout the year. If retail demand is expected to exceed production capacity for a quarter, then the Group may schedule higher production in anticipation of the expected retail demand. Often, the Group anticipates that spring-selling season demand may exceed production capacity in that period and schedules higher production, and anticipates higher inventories and wholesale shipments to dealers in the first quarter of the year. As a result, the Group's working capital and dealer inventories are generally at their highest levels during the February to May period and decline towards the end of the year, as both the Group's and its dealers' inventories are typically reduced.

To the extent the Group's production levels (and timing) do not correspond to retail demand, it may have too much or too little inventory, which could have an adverse effect on the Group's financial position and results of operations.

CNH Industrial - The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding and may limit its financial and operating flexibility

As of December 31, 2014, the Group had an aggregate of $29,701 million (including $22,727 million relating to Financial Services) of consolidated gross indebtedness, and its equity was $7,577 million, including non-controlling interests. The extent of the Group's indebtedness could have important consequences for its operations and financial results, including:

- the Group may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- the Group may need to use a portion of its projected future cash flow from operations to pay principal and interest on its indebtedness, which may reduce the amount of funds available to the Group for other purposes;
- the Group may be more financially leveraged than some of its competitors, which could put it at a competitive disadvantage;
- the Group may not be able to introduce new products or pursue business opportunities;
- the Group may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions; and
- the Group may not be able to access the capital markets on favorable terms, which may adversely affect its ability to provide competitive retail and wholesale financing programs.

These risks are exacerbated by the ongoing volatility in the financial markets resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone.

Among the anticipated benefits of the Merger is the expected reduction in funding costs over time due to improved debt capital markets positioning of CNH Industrial. However, certain of the circumstances and risks described above, including but not limited to the timing of maturity and anticipated refinancing of existing indebtedness, may delay or reduce the expected cost savings from the future funding structures and the expected cost savings may not be achieved.

CNH Industrial - Restrictive covenants in the Group's debt agreements could limit its financial and operating flexibility

The indentures governing the majority of the Group's outstanding public indebtedness, and other credit agreements to which Group's subsidiaries are a party, contain typical covenants that restrict the Group's ability to, among other things:

- incur additional indebtedness;
- make certain investments;
- enter into certain types of transactions with affiliates;
- sell certain assets or merge with or into other companies;
- use assets as security in other transactions; and
- enter into sale and leaseback transactions.

Although CNH Industrial does not believe any of these covenants materially restrict its operations, a breach of one or more of the covenants could result in adverse consequences that could negatively impact the Group's businesses, results of operations and financial position. These consequences may include the acceleration of amounts outstanding under certain of the Group's credit facilities, triggering an obligation to redeem certain debt securities, termination of existing unused commitments by the Group's lenders, refusal by the Group's lenders to extend further credit under one or more of the facilities or to enter into new facilities or the lowering or modification of CNH Industrial's credit ratings or those of one or more of its subsidiaries.

CNH Industrial - Risks related to increased information technology security threats

The Group relies upon information technology systems and networks in connection with a variety of business activities, and the Group collects and stores sensitive data. Increased information technology security threats and more sophisticated computer crime, including advanced persistent threats, pose a risk to the security of its systems and networks and the confidentiality, availability and integrity of its data.

In order to manage such risks, the Group implemented its information security system, an integrated set of policies, processes, methodologies, teams and technologies aimed at ensuring appropriate protection of the Group's data. The information security system must be constantly aligned with evolving cyber threats scenarios in order for it to be effective. Recent security initiatives included in the Group's information security roadmap concern product development data loss prevention, data classification (both structured and unstructured data) and laptop encryption. Actions are also in progress to increase the Group's capability to prevent, detect, and react to malicious data leakage attempts.

Despite such efforts, a failure or breach in security could expose the Group and its customers, dealers and suppliers to risks of misuse of information or systems, the compromising of confidential information, manipulation and destruction of data, defective products, production downtimes and operations disruptions, which in turn could adversely affect its reputation, competitive position, businesses and results of operations. In addition, such breaches in security could result in litigation, regulatory action and potential liability, as well as higher operational and other costs of implementing further data protection measures.

CNH Industrial - The loss of members of senior management could have an adverse effect on the business of the Group

The Group's success is largely dependent on the ability of its senior executives and other members of management to effectively manage its organization and individual areas of its business. The loss of any senior executive, manager or other key employee without an adequate replacement or the inability to attract and retain new, qualified personnel could therefore have an adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial - The Group's business may be affected by unfavorable weather conditions, climate change or natural disasters

Poor, severe or unusual weather conditions caused by climate change or other factors, particularly during the planting and early growing season, can significantly affect the purchasing decisions of the Group's agricultural equipment customers. The timing and quantity of rainfall are two of the most important factors in agricultural production. Insufficient levels of rain prevent farmers from planting crops or may cause growing crops to die, resulting in lower yields. Excessive rain or flooding can also prevent planting or harvesting from occurring at optimal times and may cause crop loss through increased disease or mold growth. Temperature affects the rate of growth, crop maturity, crop quality and yield. Temperatures outside normal ranges can cause crop failure or decreased yields, and may also affect disease incidence. Natural disasters such as floods, hurricanes, storms and droughts can have a negative impact on agricultural production. The resulting negative impact on farm income can strongly affect demand for the Group's agricultural equipment in any given period.

In addition, natural disasters, pandemic illness, equipment failures, power outages or other unexpected events could result in physical damage to and complete or partial closure of one or more of the Group's manufacturing facilities or distribution centers, temporary or long-term disruption in the supply of component products from some local and international suppliers, disruption in the transport of the Group's products to dealers and customers and delay in delivery of products to distribution centers. In the event such events occur, the Group's financial results might be negatively impacted. Existing insurance arrangements may not provide protection for all of the costs that may arise from such events.

CNH Industrial - Changes in demand for food and alternate energy sources could impact the Group's revenues

Changing worldwide demand for farm outputs to meet the world's growing food and alternative energy demands, driven in part by government policies and a growing world population, are likely to result in fluctuating agricultural commodity prices, which directly affect sales of agricultural equipment. While higher commodity prices will benefit the Group's crop producing agricultural equipment customers, higher commodity prices also result in greater feed costs for livestock and poultry producers, which in turn may result in lower levels of equipment purchased by these customers. Moreover, changing alternative energy demands may cause farmers to change the types or quantities of the crops they grow, with corresponding changes in equipment demands. Finally, changes in governmental policies regulating bio-fuel utilization could affect demand for the Group's equipment and result in higher research and development costs related to equipment fuel standards.

CNH Industrial - International trade policies may impact demand for the Group's products and its competitive position

Government policies on international trade and investment such as sanctions, import quotas, capital controls or tariffs, whether adopted by individual governments or addressed by regional trade blocs, may affect the demand for the Group's products and services, impact the competitive position of its products or prevent the Group from being able to sell products in certain countries. The implementation of more restrictive trade policies, such as more detailed inspections, higher tariffs or new barriers to entry, in countries where the Group sells large quantities of products and services could negatively impact its business, results of operations and financial condition. For example, a government's adoption of trade sanctions or "buy national" policies or retaliation by another government against such policies could have a negative impact on the Group's results of operations.

CNH Industrial - The Group is subject to negative conditions in the financial markets and the cyclicality of the capital goods sector

Producers in the capital goods sector are subject to:

- the condition of financial markets, in particular, the ability to access the ABS market and prevailing interest rates in that market. In North America, in particular, the Group makes considerable use of ABS transactions to fund financing offered to dealers and customers. Adverse conditions in the financial markets, and the ABS market in particular, could have a significant impact on the Group's business prospects, results of operations and/or financial position;
- cyclicality, which can cause sudden (and sometimes material) declines in demand, with negative effects on inventory levels and product pricing, both new and used. In general, demand in the capital goods sector is highly correlated to the economic cycle and can be subject to even greater levels of volatility.

Risks related to financial services

The Group offers a wide range of financial services and products to Agricultural Equipment, Construction Equipment and Commercial Vehicles dealers and customers including retail financing for the purchase or lease of new and used equipment and vehicles, and wholesale financing to dealers.
In light of the above, the following risks associated with the financial services offered by the Group should be considered.

CNH Industrial - Credit risk

Fundamental to any organization that extends credit is the credit risk associated with its customers/borrowers. The creditworthiness of each customer, rates of delinquency and default, repossessions and net losses on loans to customers are impacted by many factors, including:

- relevant industry and general economic conditions;
- the availability of capital;
- interest rates (and changes in the applicable rates);
- the experience and skills of the customer's management team;
- commodity prices;
- political events;
- the weather; and
- the value of the collateral securing the extension of credit.

Deterioration in the quality of the Group's financial assets, an increase in delinquencies or defaults, or a reduction in collateral recovery rates could have an adverse impact on the performance of the Group's Financial Services business. These risks become more acute in an economic slowdown or recession due to decreased demand for (or availability of) credit, declining asset values, changes in government subsidies, reductions in collateral to loan balance ratios, and an increase in delinquencies, defaults, insolvencies, foreclosures and losses. In such circumstances, the Group's loan servicing and litigation costs may also increase. In addition, governments may pass laws, or implement regulations, that modify rights and obligations under existing agreements, or which prohibit or limit the exercise of contractual rights.
When loans default and the Group's Financial Services business repossess collateral securing the repayment of a loan, its ability to recover or mitigate losses by selling the collateral is subject to the current market value of such collateral. Those values are affected by levels of new and used inventory of agricultural and construction equipment, as well as commercial vehicles, on the market. They are also dependent upon the strength or weakness of market demand for new and used agricultural and construction equipment, as well as for commercial vehicles, which is affected by the strength of the general economy. In addition, repossessed collateral may be in poor condition, which would reduce its value. Finally, relative pricing of used equipment, compared with new equipment, can affect levels of market demand and the resale of repossessed equipment. An industry-wide decrease in demand for agricultural or construction equipment, as well as for commercial vehicles, could result in lower resale values for repossessed equipment, which could increase losses on loans and leases, adversely affecting the Group's financial position and results of operations.

CNH Industrial - Funding risk

The Group's Financial Services business have traditionally relied upon the ABS market and committed asset-backed facilities as a primary source of funding and liquidity. Access to funding at competitive rates is essential to the Group's Financial Services business. From mid-2007 through 2009, events occurred in the global financial market, which caused a significant reduction in liquidity in the secondary market for ABS transactions outstanding at such time and a significant increase in funding costs. During these periods, conditions in the ABS market adversely affected the Group's ability to sell receivables on a favorable or timely basis. Similar conditions in the future would have an adverse impact on the Group's access to funding, financial position and results of operations. As Financial Services finances a significant portion of the Group's sales of equipment, to the extent Financial Services is unable to access funding on acceptable terms, the Group's sales of equipment would be negatively impacted.
To maintain competitiveness in the capital markets and to promote the efficient use of various funding sources, the Group chose to increase the reserve funds of certain previously-issued ABS transactions. Such optional support may, in the future, be required to maintain credit ratings assigned to certain transactions if loss experiences are higher than anticipated. The provision of additional reserve support could have an adverse effect on the Group's financial position, results of operations and cash flows.

CNH Industrial - Repurchase risk

In connection with the Group's ABS transactions, the Group makes customary representations and warranties regarding the assets being securitized, as disclosed in the relevant offering documents. While no recourse provisions exist that allow holders of asset-backed securities issued by the Group's ABS trusts to require the Group to repurchase those securities, a breach of these representations and warranties could give rise to an obligation to repurchase non-conforming receivables from the trusts. Any future repurchases could have an adverse effect on the Group's financial position, results of operations and cash flows.

CNH Industrial - Regulatory risk

The operations of the Group's Financial Services business are subject, in certain instances, to supervision and regulation by various governmental authorities. These operations are also subject to various laws, as well as to judicial and administrative decisions and interpretations, imposing requirements and restrictions, which among other things:

- regulate credit granting activities, including establishing licensing requirements;
- establish maximum interest rates, finance and other charges;
- regulate customers' insurance coverage;
- require disclosures to customers;
- govern secured and unsecured transactions;
- set collection, foreclosure, repossession and claims handling procedures and other trade practices;
- prohibit discrimination in the extension of credit and administration of loans; and
- regulate the use and reporting of information related to a borrower.

To the extent that applicable laws are amended or construed differently, new laws are adopted to expand the scope of regulation imposed upon such financial services businesses, or applicable laws prohibit interest rates the Group charges from rising to a level commensurate with risk and market conditions, such events could adversely affect Financial Services and the Group's financial position and results of operations.

CNH Industrial - Potential impact of the Dodd-Frank Act

The various requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"), including its many implementing regulations, may substantially affect the origination, servicing and securitization programs of the Groups' Financial Services business. For example, the Dodd-Frank Act strengthens the regulatory oversight of these securities and capital market activities by the SEC and increases the regulation of the ABS markets through, among other things, a mandated risk retention requirement for securitizers, a loan level disclosure requirement for certain securitizers and a direction to the SEC to regulate credit rating agencies and adopt regulations governing these organizations. While the Group will continue to monitor these developments and their impact upon its access to the ABS market, these and future SEC regulations may impact the Group's ability to engage in these activities or increase the effective cost of ABS transactions in the future, which could adversely affect the Group's financial position, results of operations and cash flows.

Other risks

CNH Industrial - CNH Industrial operates and will continue to operate as a company that is resident in the U.K. for tax purposes, other tax authorities may treat CNH Industrial as being tax resident elsewhere

CNH Industrial is not incorporated in the U.K.; therefore, in order to be resident in the U.K. for tax purposes CNH Industrial's central management and control must be located (in whole or in part) in the U.K. The test of central management and control is largely a question of fact based on all the circumstances. Nevertheless, the decisions of the U.K. courts and the published practice of Her Majesty's Revenue & Customs, or HMRC, suggest that CNH Industrial is likely to be regarded as having become U.K.-resident on this basis from the date of its incorporation. This analysis is supported by the competent authority ruling referred to below. Even if CNH Industrial's "central management and control" is in the U.K., it would not be treated as U.K.-resident if (a) CNH Industrial were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) which has a double tax treaty with the U.K.; and (b) that tax treaty allocates exclusive residence to that other jurisdiction.

Even if CNH Industrial's central management and control is in the U.K., CNH Industrial would normally be resident in The Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes because CNH Industrial is incorporated in The Netherlands. Nonetheless, the U.K. and Dutch competent authorities have agreed, following a mutual agreement procedure (as contemplated by The Netherlands-U.K. tax treaty), that CNH Industrial will be regarded as solely resident in the U.K. provided that CNH Industrial operates as planned and provides appropriate required evidence to the U.K. and Dutch competent tax authorities. If the facts upon which the competent authorities issued this ruling change over time, this ruling may be withdrawn and in that case The Netherlands may levy corporate income tax on CNH Industrial and impose withholding taxes on dividends distributed by CNH Industrial.

CNH Industrial's residence for Italian tax purposes is also largely a question of fact based on all the circumstances. For Italian tax purposes, a rebuttable presumption of CNH Industrial's residence in Italy may apply under Italian legislation. However, CNH Industrial has a management and organizational structure such that CNH Industrial should be deemed resident in the U.K. from the date of its incorporation for purposes of the Italy-U.K. tax treaty. Because this analysis is highly factual and may depend on future changes in CNH Industrial's management and organizational structure, there can be no assurance that CNH Industrial's determination of its tax residence will be respected by all relevant tax authorities. Should CNH Industrial be treated as an Italian tax resident, CNH Industrial would be subject to corporate income tax in Italy and may be required to comply with withholding tax on dividends and other distributions (currently at a withholding rate of 26%, subject to any benefits from double taxation treaties or other reliefs or exemptions that may be available to shareholders) and/or reporting obligations under Italian law, which could result in additional costs and expenses.

CNH Industrial - CNH Industrial, as successor to Fiat Industrial, is jointly liable with FCA for certain obligations

CNH Industrial is successor to Fiat Industrial – a company formed as a result of the demerger of Fiat S.p.A. (which, effective October 12, 2014, was merged into Fiat Investments N.V., which at the same time took the name of Fiat Chrysler Automobiles N.V., "FCA") in favor of Fiat Industrial (the "Demerger"). As such, CNH Industrial 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 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 December 31, 2014, the outstanding Liabilities amount to approximately $3.5 billion (of which $3.2 billion consists of bonds guaranteed by FCA). CNH Industrial evaluated as extremely remote the risk of FCA's insolvency and therefore no specific provision has been accrued in respect of the above mentioned potential joint liability.

CNH Industrial - The loyalty voting structure may concentrate voting power in a small number of CNH Industrial's shareholders and such concentration may increase over time

A relatively large proportion of the voting power of CNH Industrial could be concentrated in a relatively small number of shareholders who would have significant influence over the Group. Based on the most recent data EXOR S.p.A. holds a voting interest in CNH Industrial of 39.99% by virtue of its participation in the loyalty voting structure and is thus able to exert a significant influence over the Group.

CNH Industrial - The loyalty voting structure may affect the liquidity of the CNH Industrial's common shares and reduce its share price

CNH Industrial's loyalty voting structure is intended to reward shareholders for maintaining long-term share ownership by granting initial shareholders and persons holding shares continuously for at least three years at any time following the effectiveness of the Merger the option to elect to receive special voting shares. Special voting shares cannot be traded and, immediately prior to the transfer of CNH Industrial's common shares from the CNH Industrial Loyalty Register, any corresponding special voting shares shall be transferred to CNH Industrial for no consideration (*om niet*). This loyalty voting structure is designed to encourage a stable shareholder base and, conversely, it may deter trading by those shareholders who are interested in gaining or retaining special voting shares. Therefore, the loyalty voting structure may reduce liquidity in CNH Industrial's common shares and adversely affect their trading price.

CNH Industrial - The loyalty voting structure may prevent or frustrate attempts by CNH Industrial's shareholders to change CNH Industrial's management and hinder efforts to acquire a controlling interest in the Group, and the market price of CNH Industrial's common shares may be lower as a result

The provisions of CNH Industrial's Articles of Association establishing the loyalty voting structure may make it more difficult for a third party to acquire, or attempt to acquire, control of the Group, even if a change of control is considered favorably by shareholders holding a majority of CNH Industrial's common shares. As a result of the loyalty voting structure, a relatively large proportion of the voting power of CNH Industrial's common shares could be concentrated in a relatively small number of shareholders who would have significant influence over the Group. Such shareholders participating in the loyalty voting structure could effectively prevent change of control transactions that may otherwise benefit CNH Industrial's shareholders.

The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changes in CNH Industrial's management.

C&W GROUP

The following is a summary of the main risks and uncertainties that could potentially have a significant impact on the activities of C&W Group, Inc. (C&W).
Additional risks and uncertainties not presently known to C&W or that C&W currently believes to be immaterial may also adversely affect C&W's business.

C&W – Risks associated with general economic conditions

C&W's success depends, in part, on the basic strength of the real estate markets in which C&W operates. Periods of economic weakness or recession, significantly rising interest rates, declining employment levels, declining demand for commercial real estate, falling real estate values, or the public perception that any of these events may occur, may negatively affect the performance of some or all of C&W's business lines.
These economic conditions can result in a general decline in acquisition, disposition and leasing activity, increase in credit cost and lack of credit availability, as well as a general decline in the value of commercial real estate and rents, which in turn can reduce revenue from property management and valuation fees and commissions derived from property sales, leasing and financing activities and increase volatility of certain business lines, such as capital markets, that generate fees based on the timing, size and pricing of transactions. The performance of the real estate markets depends upon many factors, almost all of which are beyond C&W's control. Any prolonged downturn in the real estate markets could have a significant adverse effect on C&W's ability to generate revenue and profits and on C&W's business as a whole.

C&W – Risks associated with C&W's credit facility

C&W's credit agreement imposes operating and other restrictions on C&W and many of its subsidiaries which may limit or prohibit various activities including: financing ongoing operations, strategic acquisitions, investments, paying dividends or making distributions on or repurchases of capital stock. Failure to meet payments or other obligations under C&W's credit agreement (financial covenants) could lead to increased interest rates.

C&W – Risks associated with seasonality

A significant portion of C&W's revenue is seasonal, which can affect C&W's ability to compare financial condition and consolidated results of operations on a quarter-by-quarter basis. Historically, this seasonality has caused revenue, operating income, net income and cash flows from operating activities to be lower in the first two quarters and higher in the third and fourth quarters of each year. The seasonality of C&W's business makes it more difficult to determine during the course of the year whether C&W's business expectations will be achieved, and to adjust timely to changes in conditions.

C&W – Risks associated with the impairment of C&W's goodwill and other intangible assets

In connection with EXOR's acquisition of Cushman & Wakefield, Inc. in 2007 and as a result of subsequent acquisitions, C&W has significant goodwill and other intangible assets on its books. A significant and sustained decline in future cash flows, a significant adverse change in the economic environment or slower revenue and EBITDA growth rates could result in the recognition of goodwill or other intangible asset impairment charges.

C&W – Risks associated with currency fluctuation

C&W's revenue from non-U.S. operations is denominated primarily in the local currency where the associated revenue was earned while the reporting currency of C&W is the U.S. dollar. Over time, fluctuations in the value of the U.S. dollar relative to the other currencies in which earnings are generated could adversely affect C&W's business, financial condition and operating results. In addition, constantly changing currency exposures and the volatility of currency exchange rates may make it more difficult to perform period-to-period comparisons of reported results of operations.

C&W – Risks associated with litigation

C&W's licensed employees and the licensed employees of C&W's global subsidiaries are subject to statutory due diligence, disclosure and standard-of-care obligations. Failure to fulfill these obligations could result in litigation from parties who purchased, sold or leased properties C&W brokered or managed, as well as any party who may have relied on a valuation by C&W. In addition, C&W hires and supervises third-party contractors to provide certain services for C&W's managed properties. Depending on the terms of the contracts with C&W's clients, C&W may be subject to claims resulting from actions of such third-party contractors that it does not control. Any material claim or litigation could divert senior management's attention and delay implementation of C&W's business strategy, which could ultimately harm C&W's financial condition and results of operations. Some of these litigation risks may be mitigated by insurance maintained by C&W in amounts it believes are appropriate.

C&W – Risks associated with competition

C&W competes across a variety of business disciplines within the commercial real estate services industry. Although many of its competitors are local or regional firms and are substantially smaller than C&W, some of these competitors are larger on a local or regional basis. C&W is also subject to competition from other large national and multi-national firms that have similar service competencies to C&W. In general, there can be no assurance that C&W will be able to compete effectively, to maintain current fee levels or margins, or maintain or increase C&W's market share.

C&W – Risks associated with ability to attract and retain qualified and experienced employees

C&W's continued success is highly dependent upon the efforts of its executive officers and other key employees. If any of C&W's key employees leave and C&W is unable to quickly hire and integrate a qualified replacement, C&W's business, financial condition and results of operations may suffer. In addition, the growth of C&W's business is largely dependent upon C&W's ability to attract and retain qualified personnel in all areas of C&W's business, including brokerage and property management personnel, and competition for key employees among C&W and its competitors is intense. If C&W is unable to attract and retain qualified personnel, C&W's growth may be limited and its business and operating results could suffer.

C&W – Risks associated with operations in multiple jurisdictions with complex and varied tax regimes

C&W operates in many jurisdictions with complex and varied tax regimes and is subject to different forms of taxation resulting in a variable effective tax rate. Adverse tax filings, failure to adequately support tax positions, non-compliance with tax regulations, errors in tax preparation and disagreements with the tax authorities on the application of tax law and tax claims arising from tax audits may result in the disqualification of tax positions taken, tax penalties and could have an adverse effect on C&W's results of operations.

C&W – Risks associated with the protection of C&W's intellectual property

C&W's business depends, in part, on C&W's ability to identify and protect proprietary information and other intellectual property such as C&W's trade and service marks, domain names, client lists and information, business methods and research. C&W's inability to detect unauthorized use or take appropriate or timely steps to enforce C&W's intellectual property rights may have an adverse effect on business and lead to claims against C&W.

C&W - Risks associated with non-compliance with policies and Global Code of Business Conduct

The global nature of C&W's business makes it challenging to communicate the importance of adherence to C&W's policies and Global Code of Business Conduct, to monitor and enforce compliance with its provisions on a worldwide basis and to ensure local compliance with US and UK laws that apply globally in some circumstances (e.g. the Foreign Corrupt Practices Act, the Patriot Act and the UK Bribery Act). Breaches of C&W's Global Code of Conduct could have a material adverse effect.

C&W – Risks associated with the security of C&W's information and technology networks, including personally identifiable and client information

C&W collects and stores sensitive data such as personally identifiable information of C&W's employees, clients and other third parties. The secure processing, maintenance and transmission of this information is critical to C&W's operations. Despite C&W's security measures, C&W's information technology systems may be vulnerable to attacks by hackers or breaches due to employee error, malfeasance or other disruptions. Such events could expose C&W to liability, damage C&W's reputation and adversely affect revenues and competitive position.
Additionally, C&W increasingly relies on third-party data storage providers, including cloud storage solution providers, resulting in less direct control over C&W's data. Such third parties may also be vulnerable to security breaches and compromised security systems, which could adversely affect C&W's.
In order to manage such risks, C&W has recently deployed a third-party Managed Security Service to monitor activity and provide alerts of risky events, a third-party application vulnerability assessment service to monitor client-facing, public-facing, and internal web application vulnerabilities, and a risk assessment program for information technology related service providers. C&W is currently taking steps to increase its ability to prevent, detect, and react to malicious activity intended to misappropriate C&W's data or computing resources.

JUVENTUS FOOTBALL CLUB

Juventus Football Club - Risks connected to general economic conditions

Overall, Juventus' financial position, income statement and cash flows are affected by general economic conditions. However, despite the fact that most of Juventus' income items are tied to long-term contracts, if the situation of weakness and uncertainty which characterizes the Italian and European economy lengthens significantly, the activities, strategies and prospects of Juventus may be negatively affected, particularly in terms of the radio and television rights market, sponsorships, revenues for the new stadium and all sales activities targeting supporters.

Juventus Football Club - Risks connected to the sponsorship market

From a general viewpoint, the crisis which has hit financial markets in recent years and the consequent ongoing recession in Italy are affecting the market of sports sponsorships which currently has a narrower timeframe of promotional and advertising investments. This market scenario in the short term has led to a lower level of long-term sponsorship revenues compared to the past. If the economic crisis should continue, growth in sponsorship revenues may fall below expectations, with the result that Juventus' financial position, income statement and cash flows may be impacted.

Juventus Football Club - Risks connected with the ability to attract "human capital"

Achieving sports and economic results depends on the ability to attract and keep top quality managers, players and technical staff and, therefore, requires payment of salaries in line with those of the main competitors in Italy and Europe. The inability to keep "key people" may have a negative impact on the actual ability to manage and on the Club's growth prospects.

Juventus Football Club - Risks connected to funding requirements

Numerous factors affect Juventus' financial position. In particular, these include the fulfilment of sports and business objectives, as well as trends in general economic conditions and in the markets in which Juventus operates. In accordance with its risk management policy, Juventus has credit facilities in place with a number of premier banking institutions to prevent cash flow shortages from arising. In addition to this, Juventus holds its cash and cash equivalents, if any, as demand deposits or short-term deposits with a suitable number of different banks, to ensure the prompt availability of the funds. Nevertheless, given the current situation of financial markets, the emergence of bank and money market situations that may interrupt normal financial transactions cannot be excluded, which would give rise to cash flow shortages in the event that credit facilities were also restricted.

Juventus Football Club - Risks connected to business sector

Players' registration rights represent Juventus' main factor of production. Sports activities are subject to risks connected to players' physical health and fitness. Injuries and accidents, therefore, can potentially have a significant impact at any time on Juventus' financial position and income statement.
In addition, given that the business also focuses on the commercial exploitation of the trademark, trademark infringement by third parties is another risk Juventus faces. The arrival on the market of a large number of imitation goods bearing the Juventus trademark or the occurrence of events that may impair the market value of the trademark would potentially have an adverse impact on Juventus' financial position, income statement and cash flows. Finally, Juventus is exposed to risks connected with supporter behavior, which may result in fines, sanctions or other punishments being levied on Juventus, and indirectly damage the Club's image, which may lead to a lower stadium turnout and lower merchandising sales.

Juventus Football Club - Risks connected to the Transfer Campaign

Juventus' business and financial performance are affected significantly by the acquisitions and disposals made as part of Transfer Campaigns. The difficulties in correlating the single transactions compared to the Development Plan and guidelines related to sports management defined annually could result in negative impacts on Juventus' financial situation. Moreover, the failure to optimize the bench, which could derive from inclusion in the squad of players who no longer meet the technical and tactical requirements of the team manager and the strategic needs of the sporting director, and who do not agree to transfers, raises the risk of unexpected or excessive costs, which, however, is a risk common to all football clubs.

Juventus Football Club - Risks related to relations with players

Like all its main competitors, Juventus has been faced with a significant increase in salaries and bonuses for players in recent years as well as in the cost of players' registration rights. If the value of players were to continue

increasing at a significant rate, purchasing the registration rights for new players could become more problematic, especially if the value of the Club's players to sell did not increase proportionately.
It cannot be excluded that these trends may continue in future years, affecting Juventus' strategy and the dynamic management of its playing assets, and may have negative effects on Juventus' financial position, income statement and cash flows, as well as on its activities, strategies and prospects.

Juventus Football Club - Risks connected to any unlawful behavior of registered players
As current sports regulations hold football clubs liable for certain behavior of its players, the possibility that Juventus may be fined by sports bodies in the future, for facts beyond its control, with negative effects that may also be significant on the financial position and performance, cannot be ruled out.

Juventus Football Club - Risks connected to radio and television rights
Juventus' revenues are closely tied to proceeds from the sale of radio and television rights, the terms and conditions of those rights, and how such rights are sold. Rules governing the ownership of broadcasting rights to sports events and the distribution of proceeds do not allow for direct management by Juventus and may have a significant impact on the financial position, income statement and cash flows of Juventus. A possible decrease in the rights market or a different application of the new criteria adopted by the *Lega* for the distribution of proceeds from the centralized and collective sale of radio and television rights may lead to a significant reduction of revenues in the future with a negative impact on the financial position, income statement and cash flows of Juventus.
Moreover, for several years now, live streaming and piracy on Internet have caused the loss of income for TV broadcasters which could lead them to change the investments in the sector with a negative impact on the financial position, income statement and cash flow of Juventus.

Juventus Football Club - Risks connected to digital media
Juventus has adopted appropriate procedures and rules of conduct to manage media relations. However, as digital media have become more commonplace, the possibility of an improper use of these procedures and rules by some registered players and/or their relatives, relatives by marriage and attorneys-in-fact, as well as the publication of contents by third parties in general, having a negative impact on the image of Juventus, its Directors, executives and/or registered players, with consequent negative effects on the financial position and performance cannot be ruled out.

Juventus Football Club - Risks connected with management of the company-owned stadium
In the 2011-2012 football season, Juventus became the first club in Serie A to own its own stadium, and since the 2014-2015 season it has also directly managed the fan access control and assistance services ("Stewarding"). This means that Juventus is now responsible for the stadium, with the consequent risks related to the structure of the stadium and management of the surrounding public areas used for parking. This may also lead to unexpected costs, including due to damage or vandalism which is beyond Juventus' control. Activities at the Juventus Stadium could also be suspended following natural disasters and other events beyond Juventus' control with consequent negative impacts on Juventus' financial position, income statement and cash flows.
Lastly, a reduction of supporters and played matches would have a negative effect on Juventus' financial position, income statement and cash flows.

Juventus Football Club - Risks connected to the no-fault liability of football clubs
Under current regulations, football clubs have a no-fault liability in relation to certain acts of their registered players and fans, that may result in sports sanctions and/or monetary fines for the clubs and players. In this regard, despite adopting procedures considered necessary to avoid the infringement of these regulations, Juventus cannot rule out the possibility that facts may occur beyond its control that result in sanctions (including suspension from the field, fines, and bans from competitions), and that cause concern among fans at the stadium, reducing their number with a possible reduction in ticket sales and extraordinary costs, nor can it evaluate the sports, economic and financial-related consequences that may arise. Following these events, the need to consolidate security measures during home matches could arise, with additional costs and expenses for the safety of fans and the company's insurance, and with consequent negative effects on the financial position and performance of Juventus, as well as its operations, strategies and prospects.

Juventus Football Club - Risks connected to fluctuations in interest rates and exchange rate

Juventus uses various forms of funding to assure the cash flow needed for its business. These include credit lines for cash advances and credit commitments, factoring, financial leases, and special purpose loans for mid/long-term investments. Changes in interest rates can raise or lower the cost of servicing these loans. The Company has decided to make use of financial instruments to hedge the risk of fluctuations in interest rates to finance medium-long term investments. Despite this, sudden changes in interest rates could potentially have an adverse impact on the Company's financial position and income due to higher financial expenses on short-term borrowing.
Juventus conducts almost all its purchase and sale transactions in euro. As a result, the Company is not exposed in any significant way to the risk of exchange rate fluctuations.

Juventus Football Club - Risks connected to the missed qualification for sports tournaments

The Company’s financial performance is significantly affected, both directly and indirectly, by the results achieved by the team in the various tournaments it takes part in, especially the UEFA Champions League. Direct entry to the tournament is currently assured to the top two ranking teams in the Serie A Championship, while the third-placed team has the opportunity of qualifying through a preliminary qualifying round. Failure to qualify, even where due to a reduction in the number of participating sides, as well as failure to obtain the UEFA license, including in light of the "Financial Fair Play" rules, could potentially have an adverse impact on the Company’s financial position and performance.

Juventus Football Club - Risks connected to Financial Fair Play

A European-wide licensing system is in place for the admission of football clubs to the club competitions organized by UEFA (UEFA Champions League, UEFA Europe League and UEFA Supercup). Based on this system, only football clubs which prove they satisfy the sporting, infrastructure, personnel and administrative, legal and financial criteria, along with the required title are allowed to participate in European competitions and thus obtain the so-called "UEFA License". The UEFA Club Licensing manual also incorporates Financial Fair Play Regulations.
Financial Fair Play is based on the breakeven result, according to which clubs can participate in European competitions only if they can demonstrate a balance between generated revenues and incurred costs. A short description is given below of the man financial-economic and equity parameters applied by UEFA for admission to its competitions. As of the 2013/2014 Football Season, each club will be required to show it has:

- financial statements certified by an independent auditor demonstrating that the club is a going concern;
- non-negative equity;
- no outstanding amounts due to football clubs, employees and/or social/tax authorities;
- compliance with the Breakeven Rule” i.e., a positive "breakeven result” for three consecutive years prior to that in which the UEFA License is applied for.

The Company has obtained a UEFA license to play in European championships for the 2014-2015 Football Season, however it is not possible to predict if in the future these requirements (or any new requirements approved in the meantime) will be complied with, nor can it be excluded that clubs may be required to have additional funding to meet the requirements needed for the UEFA License. If the Company is not able to meet the above requirements, it may be excluded from participation in European competitions, bearing an adverse impact on its financial position and income statement.

Juventus Football Club - Risks connected to the outcome of pending litigation

With the assistance of its legal advisers, the Company manages and constantly monitors all current disputes and, on the basis of the outcome that can be predicted for them, proceeds, when necessary, with the allocation of specific risk provisions.
Future negative effects, both minor and major, on Juventus’ financial position, income statement and cash flows cannot be excluded on the basis of the current disputes.

Juventus Football Club - Risks connected to tax litigation

Considering the specific nature of the football industry and in particular transactions regulating the Transfer Campaign, which are interpreted in different ways by football clubs and the Financial Administration, claims could be made by the Financial Administration in the future, even concerning a significant amount, with adverse effects on the Company's financial position and performance.

MOTION FOR APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS AND PAYMENT OF DIVIDENDS

Dear Shareholders,

We invite you to approve the separate financial statements for the year ended December 31, 2014 and, considering that the legal reserve is equal to one-fifth of share capital, we motion to pay a dividend of €0.35 to the 222,346,104 ordinary shares currently outstanding, equal to a maximum €77,821,136.40 to be drawn from the profit for the year up to the amount of €51,753,505.66 and from the extraordinary reserve for the remaining maximum amount of €26,067,630.74.

The proposed dividends will become payable on June 24, 2015 (ex-dividend stock market date June 22) and will be paid to the shares of record as of June 23, 2015 (record date).

Turin, April 14, 2015

On behalf of the Board of Directors
Chairman and CEO
John Elkann

Separate Financial Statements at December 31, 2014

EXOR S.p.A. - INCOME STATEMENT

€	Note	2014	2013	Change
Investment income (expenses)				
Dividends from investments	1	**143,462,311**	102,766,167	40,696,144
Gains (losses) on disposals of investments	2	**(4,880,157)**	82,259,433	(87,139,590)
Reversal of impairment loss on investments	3	**8,029,540**	0	8,029,540
Net investment income		**146,611,694**	185,025,600	(38,413,906)
Financial income (expenses)				
Financial expenses from third parties	4	**(99,669,897)**	(88,302,330)	(11,367,567)
Financial expenses from related parties	37	**(1,351,579)**	(1,484,841)	133,262
Financial income from third parties	5	**28,259,452**	29,369,154	(1,109,702)
Financial income from related parties	37	**12,953**	20,530	(7,577)
Gains (losses) on exchange	6	**46,004**	123,445	(77,441)
Net financial expenses		**(72,703,067)**	(60,274,042)	(12,429,025)
Net general expenses				
Personnel costs	7	**(8,424,917)**	(12,297,394)	3,872,477
Purchases of goods and services from third parties	8	**(3,904,172)**	(4,564,408)	660,236
Purchases of goods and services from related parties	37	**(5,290,136)**	(5,407,642)	117,506
Other operating expenses	9	**(959,756)**	(990,727)	30,971
Depreciation and amortization		**(48,720)**	(49,928)	1,208
		(18,627,701)	(23,310,099)	4,682,398
Revenues from third parties		**17,669**	8,332	9,337
Revenues from related parties	37	**523,580**	503,738	19,842
		541,249	512,070	29,179
Net general expenses		**(18,086,452)**	(22,798,029)	4,711,577
Non-recurring other income (expenses) and general expenses	10	**(6,238,421)**	(1,911,995)	(4,326,426)
Indirect taxes				
Non-deductible VAT	11	**(1,279,183)**	(1,609,506)	330,323
Other indirect taxes		**(131,705)**	(5,230)	(126,475)
Indirect taxes		**(1,410,888)**	(1,614,736)	203,848
Profit before income taxes		**48,172,866**	98,426,798	(50,253,932)
Income taxes	12	**3,580,640**	(5,700,768)	9,281,408
Profit for the year		**51,753,506**	92,726,030	(40,972,524)

EXOR S.p.A. - STATEMENT OF COMPREHENSIVE INCOME

€	2014	2013
Profit for the year	**51,753,506**	92,726,030
Other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods		
Gains (losses) on remeasurement of defined benefit plans	**(559,607)**	4,053
Related tax effect	**0**	0
Total other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods, net of tax	**(559,607)**	4,053
Other comprehensive income (loss) that may be reclassified to the income statement in subsequent periods		
Gains (losses) on cash flow hedging instruments	**(11,735,074)**	26,566,855
Gains (losses) on available-for-sale financial assets	**6,083,762**	(21,182,549)
Related tax effect	**2,569,417**	(2,640,377)
Total other comprehensive income (loss) that may be reclassified to the income statement, net of tax	**(3,081,895)**	2,743,929
Total other comprehensive income (loss), net of tax	**(3,641,502)**	2,747,982
Total comprehensive income	**48,112,004**	95,474,012

EXOR S.p.A. - STATEMENT OF FINANCIAL POSITION

€	Note	12/31/2014	12/31/2013	Change
Non-current assets				
Investments accounted for at cost	13	**4,602,746,733**	3,883,401,892	719,344,841
Available-for-sale financial assets	13	**30,084,973**	47,432,695	(17,347,722)
Total		**4,632,831,706**	3,930,834,587	701,997,119
Held-to-maturity financial instruments	14	**26,347,901**	83,455,093	(57,107,192)
Other financial assets		**85,032**	10,478,670	(10,393,638)
Intangible assets		**106,315**	109,635	(3,320)
Property, plant and equipment		**87,217**	116,629	(29,412)
Other receivables		**1,301**	1,301	0
Total Non-current assets		**4,659,459,472**	4,024,995,915	634,463,557
Current assets				
Held-to-maturity financial instruments	14	**25,000,000**	25,687,237	(687,237)
Financial assets held for trading	15	**136,579,494**	87,196,319	49,383,175
Cash and cash equivalents	16	**276,379,578**	585,694,598	(309,315,020)
Other financial assets	17	**5,087,710**	4,157,147	930,563
Tax receivables	18	**6,038,429**	5,974,942	63,487
Financial receivables from related parties	37	**1,086,970**	974,017	112,953
Financial receivables from third parties		**278,485**	279,467	(982)
Trade receivables from related parties	37	**339,739**	354,422	(14,683)
Other receivables	19	**279,198**	505,837	(226,639)
Total Current assets		**451,069,603**	710,823,986	(259,754,383)
Total Assets		**5,110,529,075**	4,735,819,901	374,709,174
Equity				
Share capital	20	**246,229,850**	246,229,850	0
Capital reserves	21	**1,094,170,370**	1,094,170,370	0
Retained earnings and other reserves	22	**2,361,877,283**	2,344,956,089	16,921,194
Treasury stock	24	**(344,119,774)**	(344,119,774)	0
Profit for the year		**51,753,506**	92,726,030	(40,972,524)
Total Equity		**3,409,911,235**	3,433,962,565	(24,051,330)
Non-current liabilities				
Non-convertible bonds	26	**1,599,996,783**	1,199,907,703	400,089,080
Deferred tax liabilities	28	**22,319,466**	25,428,366	(3,108,900)
Provisions for employee benefits	29	**2,898,981**	2,272,534	626,447
Provisions for risks and charges		**0**	2,867,000	(2,867,000)
Other payables	33	**58,616**	205,020	(146,404)
Total Non-current liabilities		**1,625,273,846**	1,230,680,623	394,593,223
Current liabilities				
Non-convertible bonds	26	**24,907,736**	28,596,948	(3,689,212)
Other financial liabilities	30	**45,607,505**	33,678,051	11,929,454
Trade payables and other payables to related parties	37	**186,171**	160,913	25,258
Trade payables to third parties	31	**1,456,469**	1,359,093	97,376
Tax payables	32	**576,211**	4,361,609	(3,785,398)
Other payables	33	**2,609,884**	3,020,081	(410,197)
Bank debt		**18**	18	0
Total Current liabilities		**75,343,994**	71,176,713	4,167,281
Total Equity and Liabilities		**5,110,529,075**	4,735,819,901	374,709,174

EXOR S.p.A. – STATEMENT OF CASH FLOWS

€	Note	2014	2013
Cash and cash equivalents, at beginning of year		**585,694,598**	338,375,314
Cash flows from (used in) operating activities			
Profit for the year		**51,753,506**	92,726,030
Adjustments for:			
(Gains) losses on disposals of investments	2	**(771,040)**	(87,237,891)
Impairment losses (reversals) of investments	3	**(8,029,540)**	0
Expenses on cancellation on EXOR 2007-2017 bonds, 5.375%	4	**32,512,990**	6,464,062
Effective portion of losses on cash flows hedges reclassified to income		**0**	14,915,167
Depreciation and amortization		**48,720**	49,928
Notional cost of EXOR stock option plan	25	**2,206,908**	4,584,575
EXOR share conversion expenses		**0**	(1,890,253)
Deferred income taxes released	12	**(539,482)**	(539,483)
Total adjustments		**25,428,556**	(63,653,895)
Change in working capital:			
Other financial assets, current and non-current		**9,463,075**	4,356,094
Tax receivables, excluding items adjusting profit for the year	18	**(63,487)**	(1,442,130)
Trade receivables from related parties		**14,683**	(21,776)
Other receivables, current and non-current		**226,639**	(4,513)
Other financial receivables		**982**	273,684
Other payables, current and non-current	33	**(556,601)**	505,540
Other financial liabilities, current and non-current		**194,380**	14,949,397
Trade payables and other payables to related parties, excluding items adjusting profit		**25,258**	42,954
Trade payables to third parties		**97,376**	324,116
Tax payables		**(3,785,398)**	3,327,046
Provisions for employee benefits, excluding remeasurements of defined benefit plans recognized in equity		**66,840**	(118,330)
Provisions for risks and charges		**(2,867,000)**	(633,000)
Change in working capital		**2,816,747**	21,559,082
Cash flows from (used in) operating activities		**79,998,809**	50,631,217
Cash flows from (used in) investing activities			
Change in investments in:			
Property, plant and equipment		**(17,254)**	(10,398)
Held-to-maturity financial instruments, current and non-current	14	**57,794,429**	356,031
Financial assets held for trading	15	**(49,383,175)**	89,261,838
Disposal of investments and available-for-sale financial assets		**34,970,651**	387,250,761
Investment acquisitions	13	**(721,978,399)**	0
Disposal of property, plant and equipment		**1,266**	0
Cash flows from (used in) investing activities		**(678,612,482)**	476,858,232
Cash flows from (used in) financing activities			
Change in financial receivables from related parties		**(112,953)**	779,470
Issue of bonds 2014-2024		**648,320,413**	0
Issue of bonds 2013-2020		**0**	197,989,682
Other changes in bonds		**(284,433,535)**	(80,452,223)
Net change in bank debt		**0**	(200,000,005)
Changes in fair value of cash flow hedge derivatives		**0**	(14,915,167)
Dividends paid		**(74,485,945)**	(78,459,323)
Treasury stock purchases		**0**	(105,114,450)
Dividends statute-barred and other net changes		**10,673**	1,851
Cash flows from (used in) financing activities		**289,298,653**	(280,170,165)
Total change in cash and cash equivalents		**(309,315,020)**	247,319,284
Cash and cash equivalents, at end of year		**276,379,578**	585,694,598

EXOR S.p.A. – STATEMENT OF CHANGES IN EQUITY

€	Share capital	Capital reserves	Treasury stock	Earnings reserves	Profit for the year	Fair value reserve	Cash flow hedge reserve	Total Equity
Equity at December 31, 2012	**246,229,850**	**1,096,102,859**	**(239,005,324)**	**2,288,306,942**	**150,494,558**	**24,391,462**	**(46,921,822)**	**3,519,598,525**
Reclassification 2012 profit				150,494,558	(150,494,558)			0
Dividends paid to shareholders (€0.335 per ordinary share, €0.3867 per preferred share, €0.4131 per savings share)				(78,459,323)				(78,459,323)
Treasury stock purchase			(105,114,450)					(105,114,450)
Dividends statute-barred				1,852				1,852
Net increase corresponding to notional cost of EXOR stock option plan				4,352,204				4,352,204
Allocation of preferred and savings shares mandatory conversion expenses		(1,890,255)						(1,890,255)
Total comprehensive income				4,053	92,726,030	(23,822,926)	26,566,855	95,474,012
Net changes during the year	**0**	**(1,890,255)**	**(105,114,450)**	**76,393,344**	**(57,768,528)**	**(23,822,926)**	**26,566,855**	**(85,635,960)**
Equity at December 31, 2013	**246,229,850**	**1,094,170,370**	**(344,119,774)**	**2,364,742,520**	**92,726,030**	**568,536**	**(20,354,967)**	**3,433,962,565**
Reclassification 2013 profit				92,726,030	(92,726,030)			0
Dividends paid to shareholders (€0.335 per ordinary share)				(74,485,945)				(74,485,945)
Dividends statute-barred				10,673				10,673
Net increase corresponding to notional cost of EXOR stock option plan				2,311,938				2,311,938
Total comprehensive income				(559,607)	51,753,506	8,653,179	(11,735,074)	48,112,004
Net changes during the year	**0**	**0**	**0**	**20,003,089**	**(40,972,524)**	**8,653,179**	**(11,735,074)**	**(24,051,330)**
Equity at December 31, 2014	**246,229,850**	**1,094,170,370**	**(344,119,774)**	**2,384,745,609**	**51,753,506**	**9,221,715**	**(32,090,041)**	**3,409,911,235**
Note	20	21	24	22		22	22	

EXOR S.p.A. – NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE COMPANY'S BUSINESS

EXOR S.p.A. is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.39% of share capital.
EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy, with its headquarters located in Turin, Italy, Via Nizza 250.

Additional information is provided in the Report on Operations under "EXOR Group Profile and Key Data".

SIGNIFICANT ACCOUNTING POLICIES

Separate financial statements

The separate financial statements of the EXOR S.p.A. at December 31, 2013 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, in accordance with Regulation 1606/2002 of the European Parliament and Council of July 19, 2002, in addition to provisions implementing article 9 of Legislative Decree 38/2005. The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the IFRS Interpretations Committee, formerly the International Financial Reporting Interpretations Committee ("IFRIC") and before that the Standing Interpretations Committee ("SIC").

The separate financial statements are also prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 of July 27, 2006 and in Consob Communication 6064293 of July 28, 2006, pursuant to article 9, paragraph 3, of Legislative Decree 38 of February 28, 2005.

The financial statements of EXOR S.p.A. are expressed in Euro and are prepared under the historical cost convention, except where the use of fair value is required for the measurement of available-for-sale financial instruments and those held for trading.

The financial statements are prepared on the going concern assumption as the directors have in fact assessed that despite operating in a difficult economic and financial environment no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern.

Format of the separate financial statements

EXOR S.p.A. presents the separate income statement using a classification based on the nature of the revenues and expenses, with the presentation of the following items that are characteristic of the company's activities taking preference: investment income (expenses) and financial income (expenses), including the effects of recurring and non-recurring transactions.
In the separate statement of financial position, the current/non-current distinction has been adopted for the presentation of assets and liabilities.

In view of the significance of the amounts, the "non-recurring other income (expenses) and general expenses" are presented separately from "net general expenses" that are recurring and include any non-financial exceptional or non-recurring income and costs such as termination incentives, consulting fees for extraordinary investment acquisition and disposal transactions, special bonuses to directors and employees and defendant legal fees. Moreover, indirect taxes and duties are also presented separately.

The statement of comprehensive income presents the total profit or loss recognized in the income statement and increases or decreases in reserves.

The separate statement of cash flows is presented using the indirect method, which reconciles cash and cash equivalents at the beginning and the end of the year.

The statement of financial position and income statement balances generated by transactions with related parties are shown separately in the financial statement formats and commented in Note 37.

The year-end closing date is December 31 of each year and covers a period of 12 months.

The Euro is the company's functional currency and presentation currency.

In the notes, unless otherwise indicated, the figures are expressed in thousands of Euro.

Standards, amendments and interpretations adopted from January 1, 2014

On May 12, 2011, the IASB issued: IFRS 10 – *Consolidated Financial Statements*, IFRS 11 – *Joint Arrangements* and IFRS 12 – *Disclosure of Interests in Other Entities (*subsequently amended on June 28, 2012). As a consequence the IASB also amended IAS 27 – *Consolidated and Separate Financial Statements* which was renamed IAS 27 – *Separate Financial Statements*. The new IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in the separate financial statements, including the additional disclosures required. The standard confirms that investments in subsidiaries, joint ventures and associates are accounted for at either cost or fair value. The same accounting treatment is to be applied for each category of investment. If an entity elects to measure investments at fair value in its consolidated financial statements, it is required to use the same method of measurement in the separate financial statements. There are no effects on the separate financial statements from the adoption of IAS 27 – *Separate Financial Statements.*

On December 16, 2011, the IASB issued certain amendments to IAS 32 – *Financial Instruments: Presentation* to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively. There are no effects on the separate financial statements from the adoption of these amendments.

On May 29, 2013, the IASB issued an amendment to IAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The amendments were applied retrospectively starting from January 1, 2014. There are no effects on the separate financial statements from the adoption of these amendments.

On June 27, 2013, the IASB issued amendments to IAS 39 – *Financial Instruments: Recognition and Measurement, entitled Novation of Derivatives and Continuation of Hedge Accounting*. The amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. The amendments were applied retrospectively starting from January 1, 2014. There are no effects on the separate financial statements from the adoption of these amendments.

The company adopted IFRIC 21 – *Levies an Interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets*. The interpretation sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. There is no effect on the separate financial statements from the application of this interpretation.

Standards, amendments and interpretations not yet effective and not early adopted

In November 2013, the IASB published narrow scope amendments to IAS 19 – *Employee Benefits* entitled "*Defined Benefit Plans: Employee Contributions*". These amendments apply to contributions from employees or third parties to defined benefit plans in order to simplify their accounting in specific cases. The amendments are effective, retrospectively, for annual periods beginning on or after July 1, 2014 with earlier application permitted. No significant effect is expected from the first time adoption of these amendments.

In December 2013, the IASB issued *Annual Improvements to IFRSs 2010 – 2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle*. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – *Share-based Payments*, the disclosure on judgment used in the aggregation of operating segments in IFRS 8 – *Operating Segments,* the identification and disclosure of a related party transaction that arises when a management entity provides key management personnel service to a reporting entity in IAS 24 – *Related Party Disclosures,* the extension of the exclusion from the scope of IFRS 3 – *Business Combinations* to all types of joint arrangements and to clarify the application of certain exceptions in IFRS 13 – *Fair*

Value Measurement. The improvements are effective for annual periods beginning on or after January 1, 2015. No significant effect is expected from the adoption of these amendments.

In addition, at the reporting date, the European Union had not yet completed the process for endorsement of the following standards and amendments:

- In May 2014, the IASB issued an amendment to IAS 16 – *Property, Plant and Equipment* and to IAS 38 – *Intangible Assets*. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. These amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted.

- In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers*. 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. This new revenue recognition model defines a five step process to achieve this objective. The updated guidance also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. The standard is effective for annual periods beginning on or after January 1, 2017, and requires either a full or modified retrospective application.

- In July 2014 the IASB issued IFRS 9 – *Financial Instruments*. The improvements introduced by the new standard includes 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 application permitted.

- In August 2014, the IASB issued amendments to IAS 27 – *Separate Financial Statements*. The amendments reinstate the option of using the equity method to account for investments in subsidiaries, joint ventures and associates in separate financial statements. The amendments are applicable retrospectively for annual periods beginning on or after January 1, 2016 with earlier application permitted.

- In September 2014 the IASB issued the *Annual Improvements to IFRSs 2012-2014 Cycle*.

- In December 2014 the IASB issued amendments to IAS 1 - *Presentation of Financial Statements* as part of its major initiative to improve presentation and disclosure in financial reports. The amendments make clear that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments are effective for annual periods beginning on or after January 1, 2016 with early application permitted.

The company will adopt these new standards, amendments and interpretations according to the date of application and will evaluate their impacts once the process for endorsement is completed by the European Union.

Investments accounted for at cost

Investments accounted for at cost include investments in subsidiaries, associates and other companies stated at cost.
Subsidiaries are entities over which the company has control. Control is achieved when the company has valid rights which give it the ability to use its power over the investee to affect the amount of the investor's returns.

Associates are enterprises over which the company has significant influence, as defined in IAS 28 – *Investments in Associates and Joint Ventures*, but not control or joint control over the financial and operating policies.

Investments in other companies include financial assets that are non-current and not destined for trading.

Under the cost method, investments are tested for impairment annually or more frequently whenever there is an indication of impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute.
If any such evidence exists, the carrying amount is reduced to its recoverable amount, usually determined on the basis of the higher of the value in use and fair value less costs to sell. Such impairment is recognized in the income statement.

For investments listed on open markets, evidence of impairment is a significant and prolonged decline in the market prices to below the cost of a subsidiary or associate, together with its continuing negative operating performance.
When the company's share of losses of a company exceeds the carrying amount of the investment, the carrying amount is reduced to nil and the share of further losses is recognized in a liability provision only to the extent that the entity has incurred legal or constructive obligations on behalf of the company.

At the end of each reporting period, the company assesses whether there is any objective evidence that an impairment loss of an investment recognized in prior years may no longer exist or may have decreased. When, subsequently, the impairment loss no longer exists or decreased, a reversal is recognized in the income statement up to the cost of the investment.
A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence.

The mandatory convertible securities issued by FCA in December 2014 and mandatorily convertible into FCA shares on December 15, 2016, subscribed by EXOR to preserve its ownership interest in the subsidiary, was recorded at cost, as an integral part of the investment in FCA.
Additional details on the features of the financial instrument are provided in Note 13.

Available-for-sale financial assets

These are measured at fair value which coincides, for listed investments, with the market price on the last day of the period. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).
Gains and losses on available-for-sale financial assets are recognized directly in other comprehensive income, net of the relative deferred taxes, until the financial asset is disposed of or is determined to be impaired. When the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to the income statement for the period; when the asset is impaired, accumulated losses are recognized in the income statement.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is recognized in the income statement for the period.

Financial assets held for trading

Financial assets held for trading include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.

Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated, if appropriate, at the year-end exchange rate; the fair value adjustment is recorded with a corresponding entry in the income statement.

Held to maturity financial instruments

Held-to-maturity securities are assets with fixed or determinable payments and fixed maturities that the company has the positive intention and ability to hold to maturity.
Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of held-to-maturity investments has been sold or reclassified before their maturity, except sales or reclassifications that:

a) are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;

b) occur after the company has received substantially all of the financial asset's original principal through ordinary scheduled payments or prepayments;

c) are attributable to an isolated event that is beyond the company's control, is non-recurring and could not have been reasonably anticipated by the company.

Securities held with the intent to keep them in portfolio until maturity are recorded and measured at amortized cost, using the effective interest rate method, the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.

Other financial assets

Other financial assets, except for derivative instruments, are initially recognized at fair value, which generally coincides with the acquisition cost including incidental charges. Other financial assets are subsequently measured at amortized cost using the effective interest rate method, less provision for impairment on amounts considered uncollectible.
The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Intangible assets

Other intangible assets

Other purchased and internally-generated intangible assets are recognized as assets in accordance with IAS 38 – *Intangible Assets*, where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.
Such assets are measured at purchase or manufacturing cost and amortized on a straight-line basis over their estimated useful lives (considered five years), if the assets have a finite useful life.

Whenever necessary, intangible assets with a finite useful life are tested for impairment.

Property, plant and equipment

Property, plant and equipment are initially recognized at acquisition or production cost, including costs directly attributable to the purchase and bringing the assets into use, and presented net of accumulated depreciation and impairment losses, if any.
Subsequent expenditures are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred.
Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Class	Depreciation rate
Telephone equipment	20%
Furniture	12%
Sundry equipment	15%
Office machines	20%

The estimated useful lives of depreciable property, plant and equipment are subject to periodic review. In the event of adjustments to the initial estimates, the relative depreciation rates are changed.

Trade receivables and payables

Receivables are recognized at amortized cost using the effective interest method and measured at net realizable value, that is, less provision for impairment for amounts considered uncollectible. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Payables are recognized at amortized cost.

Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions, is recognized as a deduction from equity and, therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as changes in equity.

Employee benefits

Defined benefit plans

The present value of a defined benefit obligation and the related current service cost for defined benefit pension plans and other long-term benefits are determined on an actuarial basis using the projected unit credit method. Under this method, the company attributes benefits to periods in which the obligation to provide post-employment benefits arises. That obligation arises when employees render services.

The present value of the defined benefit obligation is measured by using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible. Financial assumptions are based on market estimates that are known at the balance sheet date regarding the period in which the obligations will be settled.

The fair value of plan assets is deducted from the present value of the obligation in determining the amount recognized in the statement of financial position. This fair value is estimated, where possible, by referring to the available market price of the assets. Where no market price is available, the fair value of plan assets is estimated using a valuation technique.

The components of defined benefit cost are recognized as follows:

- remeasurement components of the obligation, including actuarial gains and losses, are recognized immediately in other comprehensive income;
- service costs are recognized in the income statement;
- net interest on the defined benefit liability is recognized under financial expenses in the income statement.

Remeasurement components recognized in other comprehensive income cannot be reclassified to the income statement in a subsequent period.

The scheme underlying the Employee leaving entitlements of Italian companies was classified as a defined benefit plan until December 31, 2006. The legislation regarding this scheme and leading to this classification was amended by Law 296 of December 27, 2006 (the 2007 Budget Law) and subsequent decrees and regulations issued in the first part of 2007. In view of these changes, and with specific reference to those regarding companies with at least 50 employees, this scheme only continues to be classified as a defined benefit plan in the financial statements for those benefits accruing up to December 31, 2006 (and not yet settled by the balance sheet date), while after that date the scheme is classified as a defined contribution plan. Since EXOR S.p.A. has less than 50 employees, employee leaving entitlements are calculated using the customary actuarial method established in IAS 19 and adopted in prior years, except for the exclusion of the pro rata application of the service rendered for employees who transfer the entire amount accrued to a supplementary pension fund. Consequently, for those who transfer the entire amount accrued to a supplementary pension fund, the company records the contribution paid as an expense and no additional obligation is recognized.

Post-employment plans other than pensions

The company provides certain post-employment defined benefits, mainly health care plans. The method of accounting and the frequency of valuations of such benefits are similar to those used for defined benefit pension plans.

Share-based compensation

Share-based compensation plans that may be settled by the delivery of shares are measured at fair value at the grant date. This fair value is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement. The compensation component arising from stock option plans linked to shares of EXOR S.p.A., whose beneficiaries are employees of other companies, is recorded as a capital contribution in favor of the subsidiaries in which the beneficiaries of the stock option plans are employees; consequently, the compensation component is recognized as an increase in the relative value of the investments, with a corresponding entry recorded directly in equity.

Share-based compensation plans that may be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in the income statement.

Provisions

The company records provisions when it has an obligation, legal or constructive, to a third party, when it is probable that an outflow of company resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.
The provisions are reviewed at every reporting date and adjusted to reflect the best current estimate.
Changes in estimates are reflected in the income statement in the period in which the change occurs.

Debt

Interest-bearing debt is initially recognized at cost which corresponds to the fair value of the amount received including directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.
Debt is classified in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks. All derivative financial instruments are measured in accordance with IAS 39 at fair value.
Derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.
When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge (hedge of the exposure to changes in fair value), in which the effects of the hedge are recognized in the income statement.
- Cash flow hedge (hedge of the exposure to variability in future cash flows), in which the effective portion of a gain or loss in fair value is recognized directly in other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in Other comprehensive income is recognized in the income statement immediately.
- Hedge of a net Investment (hedge of a net investment in a foreign operation), in which the effective portion of the gain or loss on the derivative financial instrument is recognized in other comprehensive income and the ineffective portion is recorded in the income statement.

If hedge accounting does not apply, the gains or losses from measuring the derivative financial instrument at fair value are immediately recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when the paying company approves distribution, that is, when the right to receive the dividends is established. Dividends in kind are measured at the fair value of the underlying securities at the payment date.
Financial income and expenses are recorded on a prorated basis according to the rate of the effective return.
Revenues from the performance of services are recognized over the period in which the services will be provided.

Costs are recorded on the accrual basis.

Income taxes

Current income taxes are calculated according to the tax laws in force.
Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to other comprehensive income, in which case the related income tax effect is recognized directly in other comprehensive income. Provisions for income taxes that could arise on the distribution of a

subsidiary's undistributed profits are only made where there is a current intention to distribute such profits. Other taxes not based on income, such as property taxes and capital taxes, are included in operating expenses.

Deferred taxes are provided using the full liability method. They are calculated on all temporary differences between the tax base of an asset or liability and the carrying amounts in the separate financial statements, except for those arising from non-tax-deductible goodwill and for those related to investments in subsidiaries where reversal will not take place in the foreseeable future. Deferred tax assets relating to the carryforward of unused tax losses and tax credits, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.
Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which the temporary differences will reverse. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other tax receivables and payables in a specific line under non-current assets or liabilities.

Use of estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on elements known when the financial statements are prepared, on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates.
Estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the income statement in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The situation caused by the present economic and financial crisis has required assumptions to be made regarding future performance which are characterized by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted.

The critical measurement processes and key assumptions used by the company in applying IFRS which may have significant effects on the amounts recognized in the separate financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future relate to the measurement of investments and available-for-sale financial assets.

Instead, there are no critical or significant issues in relation to the estimates used for employee benefits, taxes or provisions, in view of their limited level of materiality.

RISK MANAGEMENT

The maximum theoretical exposure to credit risk for EXOR at December 31, 2014 is represented by the carrying amount of financial assets presented in the financial statements. The company seeks to mitigate such risks by investing a large part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their creditworthiness.

With regard to the issue of non-convertible bonds for Japanese yen 10 billion during 2011, to protect itself against fluctuations in the €/Yen exchange rate EXOR put into place a cross currency swap with a leading credit institution as a result of which EXOR will pay a fixed rate of 6.012% on the nominal value in Euro (about €83 million) for the entire term of the loan.

Some available-for-sale financial assets, assets held for trading, cash and financial liabilities are denominated in currencies other than Euro and have been adjusted to the year-end exchange rate.

Liquidity risk, financing needs and cash flows are managed with the aim of optimizing financial resources. In particular, outgoing cash flows from current operations are basically financed by incoming flows from ordinary business activities.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used. In this sense, EXOR operates so that it has financial resources available by issuing bonds and securing irrevocable credit lines with expiration dates and amounts consistent with its investment plans.

EXOR assesses and manages its exposure to fluctuations in interest rates in accordance with its financial management policies and uses derivative financial instruments to fix some of the financing obtained at a pre-set interest rate; in particular, the risks associated with fluctuations in interest rate are only managed using cross currency swap derivative financial instruments as indicated above.

EXOR is subject to income taxes in Italy; during the course of its ordinary operations EXOR may also be subject to controls by the Italian tax authorities. Even though the company considers that the tax estimates are reasonable, any disputes related thereto may have an adverse effect also on earnings.

NOTES RELATING TO THE MOST SIGNIFICANT ITEMS IN THE INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

1. Dividends from investments

Dividends amount to €143,462 thousand (€102,766 thousand in 2013) and were received from the following companies:

€ thousand	2014	2013
CNH Industrial N.V.	**73,385**	82,559
EXOR S.A.	**70,000**	20,000
Rho Immobiliare Fund	**0**	139
Other	**77**	68
Total dividends	**143,462**	102,766

2. Gains (losses) on disposals of investments

In 2014 the gains amount to €5,771 and refer entirely to the disposal of listed securities recorded in available-for-sale financial assets. The losses total €10,651 thousand and include €5,651 thousand relating the agreement between EXOR and Alpitour in which both companies agreed to settle the pending disputes and every other potential future controversy by way of a novatory agreement and €5,000 thousand on the sale of the remaining investment held in Alpitour (7.17%).

In 2013, the gains amounted to €87,238 thousand and derived from the sale of the Irish-registered fund, The Black Ant Value Fund, whereas the losses amounted to €4,978 thousand and referred to the adjustment of the Deferred Price on the sale of Alpitour in 2012 following disputes that arose with the buyer relating to events prior to its sale.

3. Reversal of impairment loss on investments

These amount to €8,030 thousand and refer to the entire reinstatement of the carrying amount of Fiat preferred shares written down in 2001, which had not been fully reinstated in subsequent years. This amount was allocated to the CNH Industrial investment for €4,188 thousand and the FCA investment for €3,842 thousand, following the same criteria used for the recognition of the demerger of Fiat Industrial S.p.A. from Fiat S.p.A., that is, on the basis of the proportion of the opening prices on January 3, 2011, the first day of trading of Fiat Industrial S.p.A. shares.

4. Financial expenses from third parties

€ thousand	2014	2013	Change
Interest on bonds	**63,414**	59,793	3,621
Interest on bank debt	**370**	2,533	(2,163)
Interest rate hedge expenses	**0**	3,788	(3,788)
Bank commissions	**2,434**	1,977	457
Expenses on held-to-maturity securities	**363**	407	(44)
Financial expenses on securities held for trading:			
- Losses on shares and securities trading	**324**	128	196
- Fair value adjustments	**232**	953	(721)
- Other expenses (b)	**20**	537	(517)
Total recurring financial expenses	**67,157**	70,116	(2,959)
Loss on cancellation of EXOR 2007/2017 bonds (a)	**32,513**	6,464	26,049
Non-recurring expenses for the closing of interest rate hedging transactions on the early extinguishment of total loans of €200 million	**0**	11,722	(11,722)
Total non-recurring financial expenses	**32,513**	18,186	14,327
Total financial expenses from third parties	**99,670**	88,302	11,368

(a) The non-recurring loss comes from the difference between the average per unit purchase price of €113.01 and the nominal amount of €100 on nominal €250 million of bonds cancelled in 2014. In 2013 the non-recurring loss arose from the difference between the average per unit purchase price of €110.77 and the nominal amount of €100 on nominal €60 million of bonds.

5. Financial income from third parties

€ thousand	2014	2013	Change
Interest income and other income on held-to-maturity securities	**11,545**	9,755	1,790
Interest income on receivables from banks	**11,340**	11,151	189
Income on securities held for trading:			
- Fair value adjustments	**2,555**	1,083	1,472
- Gains on shares and bonds trading	**1,269**	3,613	(2,344)
- Interest on fixed-rate securities	**1,101**	659	442
Interest from others and sundry income	**449**	2,513	(2,064)
Income on interest rate hedges	**0**	595	(595)
Total financial income from third parties	**28,259**	29,369	(1,110)

6. Gains (losses) on exchange

€ thousand	2014	2013	Change
Losses on exchange, realized	**(129)**	**(21)**	(108)
Gains on exchange, realized	**175**	**144**	31
Total Gains (losses) on exchange	**46**	123	(77)

7. Personnel costs

These amount to €8,425 thousand (€12,297 thousand in 2013), with a net decrease of €3,872 thousand. Details are as follows:

€ thousand	2014	2013	Change
Salaries and expenses for similar services	**4,844**	7,476	(2,632)
Social security contributions	**1,178**	1,148	30
Employee leaving entitlement, other long-term benefit plans and defined benefit plans in addition to payments of plan contributions	**253**	268	(15)
Notional cost of EXOR long-term incentive plans (a)	**1,641**	2,902	(1,261)
Other personnel costs (b)	**509**	503	6
Total personnel costs	**8,425**	12,297	(3,872)

(a) Additional information is provided in Note 25.
(b) Includes €181 thousand (€173 thousand in 2013) of costs referring to related parties.

The decrease of €3,872 thousand is attributable to the reorganization begun in 2014 and the lower notional cost of EXOR long-term incentive plans due to options that were forfeited following this reorganization and failure to reach the performance targets linked to the change in EXOR's NAV compared to the change in the MSCI World Index in Euro established in the May 2012 Company Performance Stock Option plan.

At the end of 2014, the number of employees is 35, unchanged compared to December 31, 2013.
The average number of employees in 2014 was 33, summarized by category as follows:

	2014	2013
Managers	**3**	3
Middle management	**17**	18
Clerical staff	**10**	11
Messengers	**3**	3
Average number of employees	**33**	35

Compensation policies

The overall compensation is composed of a fixed and a variable portion, as well as additional benefits.
The fixed compensation is connected with the responsibilities of the person's role, the level of individual expertise and the experience acquired. Variable compensation is established by the individuals performing the evaluations on a discretionary basis.

The additional benefits, mainly in reference to staff with management responsibilities, include supplementary pension plans, health care plans, death and disability insurance coverage, loyalty bonuses and, where provided, the use of a company car.
Additional information on employee benefits is presented in Note 29.

8. Purchases of goods and services from third parties

These amount to €3,904 thousand and decreased by €660 thousand compared to 2013 (€4,564 thousand). Details are as follows:

€ thousand	2014	2013	Variazioni
Sundry consulting and services	**1,135**	1,318	(183)
Computer system	**519**	556	(37)
Directors' liability insurance	**332**	415	(83)
Telephone and postal expenses	**298**	224	74
Securities' listing fees	**287**	204	83
Travel, entertainment and transport expenses	**225**	220	5
Bank and financial commissions	**194**	188	6
Shareholders' meetings' fees (a)	**151**	277	(126)
Notary fees (a)	**146**	376	(230)
Compensation to control bodies, excluding the board of statutory auditors	**109**	112	(3)
Sundry costs	**508**	674	(166)
Total purchases of goods and services from third parties	**3,904**	4,564	(660)

(a) The expenses for 2013 included the fees relating to the special shareholders' meetings for the mandatory conversion of preferred and savings shares into ordinary shares.

9. Other operating expenses

These total €960 thousand (€991 thousand in 2013). Details are as follows:

€ thousand	2014	2013	Change
Donations	**610**	770	(160)
Association dues	**160**	146	14
Sundry expenses	**190**	75	115
Total other operating expenses	**960**	991	(31)

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

In 2014 the net non-recurring expense balance of €6,238 thousand refers to costs for the early cancellation of a collaboration contract (€3,167 thousand), legal defense fees in the proceedings relating to the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005 (€405 thousand), tax consulting fees (€561 thousand) and other consulting fees (€66 thousand).
The line item also includes €2,057 thousand relating to expenses for the non-recoverability of the interest earned on the Deferred Price under the agreement signed on June 30, 2014 with Alpitour and non-recurring income of €18 thousand.

In 2013 the net non-recurring expense balance amounted to €1,912 thousand and were related to employee reduction plans (€234 thousand), legal defense fees in the proceedings relating to the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005 (€919 thousand), tax consulting fees (€583 thousand) and other consulting fees (€176 thousand).

11. Indirect taxes – Non-deductible VAT

In 2014 the prorated amount of non-deductible VAT was 99% (100% in 2013). Non-deductible VAT was €1,279 thousand in 2014 and €1,610 thousand in 2013.

12. Income taxes

The taxable income calculated in accordance with tax regulations generates a negative taxable income of approximately €5 million. The tax benefit recorded in the income statement (€539 thousand) refers to the release of deferred taxes in respect of the taxation for the year on one-fifth of the gain realized in 2011 on the sale of the building in Corso Matteotti 26, deferred over five years, net of other taxes due.

Income taxes also include the separate tax of €394 thousand referring to Controlled Foreign Companies (CFC) paid in 2014 and the release of IRES current taxes for €3,436 thousand, set aside in 2013 and not paid due to the utilization of the gross operating profit of the foreign companies under the national and world tax consolidation procedure.

Deferred tax assets have not been booked on tax losses (€253 million, in total) and on the deductible temporary differences represented mainly by the cash flow hedge reserve given that, currently, the probability of recovery against future taxable income is not assured.

Considering that the IRAP taxable base is negative, the following table shows the reconciliation between pre-tax profit and taxable income for IRES purposes.

€ thousand	2014	2013
Pre-tax profit	**48,173**	98,427
Increases:		
- 1/5 of the gain on the sale of the building realized in 2011	**1,962**	1,962
- temporary differences (a)	**76,304**	63,619
- loss on sale of Alpitour	**5,000**	0
- deferred Price adjustment on sale of Alpitour	**5,369**	2,184
- permanent differences	**3,180**	1,288
Total increases	**91,815**	69,053
Decreases:		
- 95% of dividends received	**(136,289)**	(97,496)
- deductions of temporary differences	**(8,276)**	(3,029)
- deductions of permanent differences	**(445)**	(4,452)
Total decreases	**(145,010)**	(104,977)
Taxable income (loss)	**(5,022)**	62,503
Tax losses utilized		(50,002)
Taxable		12,501
Tax 27.5%		3,436

(a) Mainly includes net interest expenses non-deductible in the year.

For the years up to December 31, 2009, the ordinary terms of the statute of limitations for tax purposes have expired.

13. Investments accounted for at cost and available-for-sale financial assets

€ thousand	12/31/2014 % of class of shares	12/31/2014 Amount	12/31/2013 % of class of shares	12/31/2013 Amount	Change
Investments accounted for at cost					
Fiat Chrysler Automobiles N.V. - common shares	29.25	**1,328,502**	30.05	1,324,660	3,842
Fiat Chrysler Automobiles N.V. - special voting shares	91.90	**0**		0	0
Fiat Chrysler Automobiles N.V. - mandatory convertible bonds maturing 12/15/2016, 7.875%	n/a	**711,210**		0	711,210
Fiat Chrysler Automobiles N.V.		**2,039,712**		1,324,660	715,052
CNH Industrial N.V. - common shares	27.07	**1,694,530**	27.18	1,690,342	4,188
CNH Industrial N.V. - special voting shares	77.33	**0**	77.33	0	0
CNH Industrial N.V.		**1,694,530**		1,690,342	4,188
EXOR S.A.	100.00	**746,495**	100.00	746,390	105
Juventus Football Club S.p.A.	63.77	**95,688**	63.77	95,688	0
Arenella Immobiliare S.r.l.	100.00	**26,050**	100.00	26,050	0
Emittenti Titoli S.p.A.	6.43	**272**	6.43	272	0
Investments accounted for at cost		**4,602,747**		3,883,402	719,345
Available-for-sale financial assets					
Rho Immobiliare Fund	n/a	**11,330**	n/a	11,653	(323)
Other listed securities	n/a	**18,755**	n/a	32,236	(13,481)
Alpitour S.p.A.		**0**	9.85	3,544	(3,544)
Available-for-sale financial assets		**30,085**		47,433	(17,348)
Total		**4,632,832**		3,930,835	701,997

The changes during the year are as follows:

€ thousand	Balance at 12/31/2013	Changes in 2014 Increases	Changes in 2014 Decreases	Changes in 2014 Other changes	Balance at 12/31/2014
Investments accounted for at cost					
Fiat Chrysler Automobiles N.V. - common shares	1,324,660			3,842	**1,328,502**
Fiat Chrysler Automobiles N.V. - special voting shares	0				**0**
Fiat Chrysler Automobiles N.V. - mandatory convertible bonds maturing 12/16/2016, 7.875%	0	711,210			**711,210**
Fiat Chrysler Automobiles N.V.	1,324,660	711,210	0	3,842	**2,039,712**
CNH Industrial N.V. - common shares	1,690,342			4,188	**1,694,530**
CNH Industrial N.V. - special voting shares	0				**0**
CNH Industrial N.V.	1,690,342	0	0	4,188	**1,694,530**
EXOR S.A.	746,390			105	**746,495**
Juventus Football Club S.p.A.	95,688				**95,688**
Arenella Immobiliare S.r.l.	26,050				**26,050**
Emittenti Titoli S.p.A.	272				**272**
Investments accounted for at cost	3,883,402	711,210	0	8,135	**4,602,747**
Available-for-sale financial assets					
Rho Immobiliare Fund	11,653			(323)	**11,330**
Other listed securities	32,236	10,768	(32,236)	7,987	**18,755**
Alpitour S.p.A.	3,544		(3,544)		**0**
Total available-for-sale financial assets	47,433	10,768	(35,780)	7,664	**30,085**
Total	3,930,835	721,978	(35,780)	15,799	**4,632,832**

The changes during the year are described below:

Investments accounted for at cost

Fiat Chrysler Automobiles N.V. On October 12, 2014 the merger of Fiat S.p.A. with and into Fiat Investments N.V. became effective and at that time Fiat Investments N.V. was renamed Fiat Chrysler Automobiles N.V. (FCA) and became the holding company for the Fiat Chrysler Group. In connection with the merger, FCA issued 1,167,181,255 common shares for allotment to Fiat shareholders on the basis of the merger exchange ratio of one FCA common share for each Fiat ordinary share.

The next day, FCA common shares commenced trading on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario (MTA).
Furthermore, in connection with the merger, FCA issued 408,941,767 special voting shares (not admitted for trading) to eligible Fiat shareholders who elected to participate in FCA's loyalty voting program.

EXOR, with its 375,803,870 Fiat ordinary shares, received 375,803,870 FCA common shares (31.26% of the class of stock) and the same number of FCA special voting shares which, together with the above common shares, brought EXOR's holding to 46.65% of the voting rights.

The special voting shares have a par value of €0.01 and carry one vote (like the common shares). They cannot be traded on the stock market, have only one voting right and the right to receive the par value in the event of liquidation, but subordinate to the common shares.
They can be obtained solely by entitled shareholders against an equal number of common shares held for at least three years and recorded in a special register.
If a legitimated shareholder decides to trade the common shares recorded in the special register (that is to say, the common shares used to obtain the special voting shares), that shareholder shall be required to offer (with no consideration) the special voting shares to FCA and all the voting rights connected with such special shares will be suspended.

Since the shares cannot be disposed of, sold, transferred, pledged or subject to liens, a fair value is attributed of zero. Therefore, the new investment in FCA (common shares and special shares) has the same value as the preceding investment in Fiat S.p.A.

The exchange of Fiat S.p.A. with newly issued FCA shares was recorded at the same value, besides being neutral from a fiscal standpoint.

Subsequent to the merger, the exercise of stock options and a capital increase carried out by FCA with qualified investors (issue of 65,000,000 ordinary shares) resulted in the dilution of EXOR's interest in FCA. At December 31, 2014 EXOR holds 29.25% of common shares and 44.37% of the voting rights.

The increase of €3,842 thousand regards EXOR's share of the total reinstatement of the carrying amount of Fiat preferred shares written down in 2001 and not completely reinstated. Additional details are provided in Note 3.

Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 12/15/2016, 7.875%. On December 15 2014, EXOR subscribed to a nominal $886 million of mandatory convertible securities issued by FCA for an investment of €711.2 million.
The bonds pay a coupon of 7.875% per annum and will be mandatorily converted into FCA shares on December 15, 2016, unless converted earlier at the option of the holder or FCA or upon the occurrence of certain specified events in accordance with their terms.
The investment preserves EXOR's ownership interest in FCA without any diluting effects.
Considering such intention and the explicitness of the context in which EXOR already owns an interest in FCA, the mandatory convertible securities have been measured at cost, as an integral part of the FCA investment.

CNH Industrial N.V. The increase of €4,188 thousand regards EXOR's share of the total reinstatement of the carrying amount of Fiat preferred shares written down in 2001 and not completely reinstated. Additional details are provided in Note 3.

EXOR S.A. The investment increased by €105 thousand after accounting for €112 thousand of the 2014 portion of long-term incentive plans, relating to EXOR S.A. employees and subsidiaries, and the reversal of the cost recorded in 2012 and 2013 for €7 thousand for the 8,000 options that expired during the course of the current year.

A comparison between the carrying amounts and trading prices of listed investments is as follows:

		Carrying amount		Trading price December 30, 2014	
	Number	Per share (€)	Total (€/000)	Per share (€)	Total (€/000)
Fiat Chrysler Automobiles N.V. - common shares	375,803,870	3.535	1,328,502	9.652	**3,627,259**
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016	8,860,000	80.272 (a)	711,210	88.104 (b)	**780,601**
			2,039,712		**4,407,860**
CNH Industrial N.V.	366,927,900	4.618	1,694,530	6.721	**2,466,122**
Juventus Football Club S.p.A.	642,611,298	0.149	95,688	0.219	**140,732**
Total			**3,829,930**		**7,014,714**

(a) Issued in nominal amounts of $100, translated at the exchange rate of 1.2457.
(b) Trading price of $106.967, translated at the exchange rate of 1.2141.

Furthermore:
- there are no equity investments requiring the assumption of an unlimited responsibility for their obligations (art. 2361, paragraph 2 of the Italian Civil Code);
- there are no equity investments held as collateral for financial liabilities and contingent liabilities.

The following list of investments held by EXOR S.p.A. presents the additional disclosures required by the Italian Civil Code (art. 2427, paragraph 5) and Consob (Communication 6064293 of July 28, 2006).

	Share capital			EXOR investment				Equity	Profit (loss)
	Number of shares	Par value	Amount	Number of shares/quotas	% ownership of Share cap.	Per share €	Carrying amount €/000	€/000	€/000
Fiat Chrysler Automobiles N.V. (the Netherlands) common shares	1,284,919,505	€ 0.01	12,849,195	375,803,870	29.25	3.54	1,328,502		
Fiat Chrysler Automobiles N.V. (the Netherlands) shares with special voting rights	408,941,767	€ 0.01	4,089,418	375,803,870	91.90		0		
	1,693,861,272		16,938,613						
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016, 7.875%				8,860,000		80.27	711,210		
							2,039,712	13,425,000 (a)	568,000 (a)
CNH Industrial N.V. (the Netherlands) common shares	1,355,319,640	€ 0.01	13,553,196	366,927,900	27.07	4.62	1,694,530		
CNH Industrial N.V. (the Netherlands) shares with special voting rights	474,474,276	€ 0.01	4,744,743	366,927,900	77.33		0		
	1,829,793,916		18,297,939				1,694,530	6,208,000 (a)	690,000 (a)
EXOR S.A. (Luxembourg)	1,110,742	€ 150	166,611,300	1,110,742	100.00	672.07	746,495	3,100,484 (b)	87,697 (b)
Juventus Football Club S.p.A. (Turin)	1,007,766,660	-	8,182,133	642,611,298	63.77	0.15	95,688	35,500 (c)	(6,700) (c)
Arenella Immobiliare S.r.l. (Turin)	1	-	150,000	1	100.00	-	26,050	26,151 (b)	204 (b)

(a) Data taken from the consolidated financial statements at December 31, 2014.
(b) Data taken from the statutory financial statements at December 31, 2014.
(c) Data taken from the half-yearly financial report at December 31, 2014.

Available-for-sale financial assets

The decrease in the Rho Immobiliare Fund of €323 thousand reflects the fair value adjustment of the carrying amount at year end.

The net decrease in other listed securities of €13,481 thousand reflects disposals of €32,236 thousand, investments of €10,768 thousand and the positive fair value adjustment at the end of the year of €7,987 thousand.

Alpitour S.p.A. On June 30, 2014 an agreement was reached between EXOR and Alpitour in which both companies agreed to settle the pending disputes and every other potential future controversy by way of a novatory agreement. According to the terms of the agreement, EXOR waived the Deferred Price (residual amount of €7.5 million, net of accruals set aside) and any performance-related earn-out payment.
At the same time EXOR sold the remaining stake held in Alpitour (7.17%) for consideration of €5 million, recording a loss for the same amount, also taking into account the fair value adjustment effected in the prior year.

14. Held-to-maturity financial instruments - current and non-current

€ thousand	12/31/2014	12/31/2013
Non-current assets	**26,348**	83,455
Current assets	**25,000**	25,687
Total	**51,348**	109,142

These are represented by bonds issued by leading counterparties with maturities between 2015 and 2017. The bonds are recorded and measured at amortized cost.

15. Financial assets held for trading - current

€ thousand	12/31/2014	12/31/2013	Change
Bonds	**66,073**	19,732	46,341
Mutual funds	**70,506**	67,464	3,042
Total	**136,579**	87,196	49,383

The net change of €49,383 thousand reflects the management strategy for the securities portfolio and the investment of financial resources.
The bonds are measured at year-end at fair value using the market price translated, where appropriate, at the year-end rate.
Mutual funds are measured at year-end at fair value using the most recent price available.
Changes in fair value are recognized in the income statement under financial income (expenses) from third parties.

16. Cash and cash equivalents - current

€ thousand	12/31/2014	12/31/2013	Change
Bank deposits	**251,380**	180,695	70,685
Time deposits	**25,000**	405,000	(380,000)
Total cash and cash equivalents	**276,380**	585,695	(309,315)

These represent current account bank balances in Euro and currencies other than Euro, repayable on demand and cash deposited at leading credit institutions.
The associated credit risks should be considered limited since the counterparties are leading bank institutions.

17. Other financial assets - current

Other financial assets - current amount to €5,088 thousand (€4,157 thousand at December 31, 2013) and mainly consist of interest earned and accrued at December 31, 2014 on FCA mandatory convertible securities, bonds in portfolio and time deposits.

18. Tax receivables - current

These amount to €6,038 thousand (€5,975 thousand at December 31, 2013) and relate to taxes receivable from the tax authorities for the current and for the prior years carried forward.

The change in receivables from the tax authorities during 2014 is summarized as follows:

€ thousand	
Balances at December 31, 2013	**5,975**
Used for compensation of withholding taxes	(700)
Sale of receivables to Group companies	(1,662)
Tax balance	(219)
Excess VAT paid on account	24
IRPEF tax advance on leaving entitlement revaluation	3
Receivables arising during the year (withholdings paid)	2,623
Other changes	(6)
Balances at December 31, 2014	**6,038**

19. Other receivables

Other receivables amount to €279 thousand (€506 thousand at December 31, 2013) and mainly refer to prepaid insurance premiums.

20. Equity - Share capital

At December 31, 2014, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850 and consists of 246,229,850 ordinary shares with a par value of €1.

At December 31, 2014, share capital includes €2,667 thousand deriving from transfers of revaluation reserves carried out in the past which, in the event of distribution, would form part of the taxable income of the company.
The directors have the right, for a period of five years from the date of the resolution passed on May 30, 2013, to increase, one or more times, also in divisible form, the share capital up to an amount of €500,000,000 as well as to issue convertible bonds, with the corresponding capital increase to service the conversion, up to €1,000,000,000 but each time for an amount that does not exceed the limit set by law.
Share capital may also be increased by a contribution in kind or receivables.
The ordinary shares are registered shares.

Pursuant to art. 26 of the bylaws, the profit of each year is appropriated as follows:
- 5% to the legal reserve until it reaches one-fifth of share capital;
- the remaining profit to the shares, as dividends, unless otherwise resolved by the shareholders' meeting.

The board of directors, during the course of the year, to the extent that it considers it appropriate and possible in relation to the results of operations, may resolve to pay interim dividends for the same year.

In accordance with art. 27 of the bylaws, dividends that are not claimed within five years of the date they become payable will be statute-barred and become the property of the company and appropriated to the extraordinary reserve.

In accordance with art. 29 of the bylaws, in the event of a wind-up, the assets of the company shall be distributed equally among the shares.

EXOR aims to maintain an adequate level of capitalization which allows it to generate a satisfactory economic return for its shareholders and guarantee economic access to external sources of financing.

EXOR constantly monitors changes in the consolidated debt level of the Holdings System in relation to the current asset value of its investments and the dividend flows from the operating investment holdings. A very prudent approach is adopted with regard to the use of financial leveraging.

21. Equity – Capital reserves

€ thousand	12/31/2014	12/31/2013	Change
Additional paid-in capital	**604,053**	604,053	0
Extraordinary reserve	**458**	458	0
Merger surplus	**88,261**	88,261	0
Share exchange difference	**401,398**	401,398	0
Total capital reserves	**1,094,170**	1,094,170	0

22. Equity - Retained earnings and other reserves

€ thousand	12/31/2014	12/31/2013	Change
Revaluation reserve Law 408/90	**243,894**	243,894	0
Revaluation reserve Law 413/91	**2,586**	2,586	0
Revaluation reserve Law 74/52	**157**	157	0
Revaluation reserve Law 576/75	**32,107**	32,107	0
Revaluation reserve Law 72/83	**64,265**	64,265	0
Legal reserve	**49,246**	49,246	0
Fair value reserve	**9,222**	569	8,653
Stock option reserve	**12,003**	11,197	806
Cash flow hedge reserve	**(32,090)**	(20,355)	(11,735)
Reserve for purchase of treasury stock	**450,000**	449,296	704
Extraordinary reserve	**875,945**	858,398	17,547
Additional paid-in capital	**153,332**	153,332	0
Merger surplus	**309,260**	309,260	0
Difference on exchange ratio	**188,761**	188,761	0
Retained earnings	**3,189**	2,243	946
Total retained earnings and other reserves	**2,361,877**	2,344,956	16,921

The composition of Other comprehensive income (losses) recognized directly in equity included in the statement of comprehensive income is as follows:

€ thousand	2014	2013
Effective portion of gains (losses) on cash flow hedges arising during the year	**(11,735)**	11,903
Effective portion of gains (losses) on cash flow hedges reclassified to the income statement	**0**	14,664
Effective portion gains (losses) on cash flow hedges	**(11,735)**	26,567
Gains (losses) on remeasurement of available-for-sale financial assets arising during the year	**7,663**	1,780
Gains (losses) on remeasurement of available-for-sale financial assets reclassified to the income statement	**(1,580)**	(22,963)
Gains (losses) on remeasurement of available-for-sale financial assets	**6,083**	(21,183)
Gains (losses) on the remeasurement of defined benefit plans	**(560)**	4
Gains (losses) on the remeasurement of defined benefit plans	**(560)**	4
Tax effect on Other comprehensive income	**2,570**	(2,640)
Total Other comprehensive income (losses), net of tax	**(3,642)**	2,748

The tax effect in 2014 is as follows:

€ thousand	Gross amount	Tax benefit (expense)	Net amount
Effective portion of gains (losses) on cash flow hedges	(11,735)		(11,735)
Gains (losses) on remeasurement of available-for-sale financial assets	6,083	2,570	8,653
Gains (losses) on remeasurement of defined benefit plans	(560)		(560)
Total Other comprehensive income (losses)	**(6,212)**	**2,570**	**(3,642)**

23. Equity reserves available and distributable

Disclosures required by art. 2427, 7-*bis* of the Italian Civil Code on the equity reserves available and distributable are as follows:

€ thousand	Balance at 12/31/2014	Possibility of use	Amount available
Capital reserves:			
Additional paid-in capital (a)	**604,053**	A,B,C	**604,053**
Extraordinary reserve	**458**	A,B,C	**458**
Merger surplus	**88,261**	A,B,C	**88,261**
Share exchange difference	**401,398**	A,B,C	**401,398**
Earnings reserves:			
Revaluation reserve Law 74/52 (b)	**157**	A,B,C	**157**
Revaluation reserve Law 576/75 (b)	**32,107**	A,B,C	**32,107**
Revaluation reserve Law 72/83 (b)	**64,265**	A,B,C	**64,265**
Revaluation reserve Law 408/90 (b)	**243,894**	A,B,C	**243,894**
Revaluation reserve Law 413/91 (b)	**2,586**	A,B,C	**2,586**
Legal reserve	**49,246**	B	**-**
Extraordinary reserve (c)	**875,945**	A,B,C	**531,825**
Paid-in-capital (a)	**153,332**	A,B,C	**153,332**
Share exchange difference	**188,761**	A,B,C	**188,761**
Merger surplus	**309,260**	A,B,C	**309,260**
Retained earnings	**3,189**	A,B,C	**3,189**
Reserve for purchase of treasury stock	**450,000**	A,B,C	**450,000**
Stock option reserve	**12,003**	-	**-**
Cash flow hedge reserve	**(32,090)**	-	**-**
Fair value reserve	**9,222**	-	**-**
Total	**3,456,047**		**3,073,546**

A: For capital increases; B: For coverage of losses; C: For distribution to shareholders.

(a) Since the legal reserve is equal to one-fifth of share capital at December 31, 2013, the reserve is distributable (art. 2431 of the Italian Civil Code).
(b) The revaluation reserves may be used for bonus increases of share capital. If used to cover losses, they must be later replenished, if not, then no dividends can be paid. They may not be used to set up the reserve for the purchase of treasury stock. The monetary revaluation reserves can be reduced only by resolution of the shareholders' meeting and in observance of the prescriptions indicated in art. 2445, paragraphs 2 and 3 of the Italian Civil Code.
(c) The reserve is freely distributable except for the portion corresponding to the amount of treasury stock in portfolio.

In the years 2011, 2012 and 2013, no reserves were used to absorb losses.

At December 31, 2014, tax-deferred reserves are recorded for a total of €345,041 thousand, of which €2,032 thousand relates to the legal reserve and €343,009 thousand relates to monetary revaluation reserves; the latter, if distributed, form part of the taxable income of the company. The tax-deferred revaluation reserves Law 408/90, Law 413/91 and Law 576/75, recorded for a total of €261,647 thousand in equity of the merged company IFIL S.p.A., were replenished at December 31, 2009 in the equity of EXOR S.p.A. by using part of the Merger surplus reserve and the Share exchange difference.

24. Equity - Treasury stock

During 2014 there were no purchases and/or disposals of treasury stock.
At December 31, 2014 EXOR holds the following treasury stock:

		Amount		% of
	No. of shares	Per share (€)	Total (€ thousand)	class
Ordinary shares	23,883,746	14.41	344,120	9.70
Balance at December 31, 2014			**344,120**	

25. Long-term incentive plans

Stock Option Plan 2008-2019

The Stock Option Plan EXOR 2008-2019 has a maximum of 15,000,000 options corresponding to a maximum of 3,975,000 EXOR ordinary shares, exercisable at a price of €19.97 per EXOR share. The Plan grants the recipients free options on treasury stock purchased by the company or by companies in the Holdings System in accordance with existing laws. The Plan does not provide for the issue of new shares so there are no dilutive effects on share capital.

An analysis of the changes in the stock options granted under the EXOR plan 2008-2019 is as follows:

	Number of options granted	Number of ordinary shares exercisable
Balance at December 31, 2013	**7,123,000**	**1,887,595**
Options forfeited	(636,000)	(168,540)
Options exercised	(375,000)	(99,375)
Balance at December 31, 2014	**6,112,000**	**1,619,680**

The 375,000 options exercised did not require the sale of treasury stock but the payment of the difference between the strike price (€19.97) and the fair value of the stock at the exercise date for a total equivalent amount of €1,027 thousand.

The total cost of the 6,112,000 options outstanding at December 31, 2014 is equal to €11,237 thousand, divided as follows:

€ thousand	Number of options granted	Number of ordinary shares exercisable	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer of EXOR S.p.A.	3,000,000	795,000	6,329	1,232
Key employees (at the grant date) of EXOR S.p.A. and other similar persons	2,812,000	745,180	4,382	652
Total EXOR S.p.A.	5,812,000	1,540,180	10,711	1,884
Key employees (at the grant date) of EXOR S.A. and other subsidiaries in the Holdings System	300,000	79,500	526	66
Total	**6,112,000**	**1,619,680**	**11,237**	**1,950**

The cost referring to the year, recorded in the stock option reserve, amounts to €1,950 thousand of which €1,232 thousand is classified as compensation to the Chairman and Chief Executive Officer and €652 thousand as personnel costs. The cost relating to key employees of EXOR S.A. and other companies in the Holdings System (€66 thousand) was recognized as an increase in the carrying amount of the investment held in EXOR S.A.

The cost relating to 2013 amounted to €2,117 thousand of which €1,232 thousand was classified as compensation to the Chairman and Chief Executive Officer, €819 thousand as personnel costs and €66 thousand as an increase in the carrying amount of the investment held in EXOR S.A.

Long-term incentive plans

The EXOR shareholders' meeting held on May 29, 2012 approved an Incentive Plan pursuant to art. 114-*bis* of Legislative Decree 58/98, proposed by the board of directors on April 6, 2012.

The plan is intended as an instrument for long-term incentive and is in two parts: the first is a stock grant and the second is a stock option:

- under the first part of the Plan, denominated "Long Term Stock Grant", a total of 400,000 rights will be granted to 31 recipients; this will allow 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;

under the second part of the Plan, denominated "Company Performance Stock Options", a total of 3,000,000 options will be granted to the recipients; this will allow them to purchase a corresponding number of EXOR ordinary shares. The vesting period of the options is from 2014 to 2018 in annual lots of the same number that will become exercisable from the time they vest until 2021, subject to reaching performance targets and continuation of 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 recipients. The Chairman and Chief Executive Officer of the company, John Elkann, is the recipient of the Company Performance Stock Options. The other recipients could be about 15 employees of EXOR S.p.A. and/or Companies in the Holdings System, who hold key positions in the company organization and are identified by the Chairman and Chief Executive Officer of EXOR S.p.A.
In 2014, as the target was not reached, the options forfeit refer to 20% of the options granted and another 788,732 options as a result of a recipient who left the company.

The Plans are serviced by treasury stock and therefore will have no diluting effects since there will be no issue of new shares.

The "Long Term Stock Grant" is composed as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
EXOR S.p.A. employees and other similar persons			
- Balance at December 31, 2013	339,456		
- Options forfeit	(180,790)		
- Balance at December 31, 2014	158,666	3,076	543
EXOR S.A. employees	8,000	155	28
Total	**166,666**	**3,231**	**571**

The cost referring to the year for this plan, recorded in the stock option reserve, amounts to €571 thousand including €543 thousand classified as personnel costs. The cost relating to the employee of EXOR S.A. (€28 thousand) is recognized as an increase in the carrying amount of the investment held in EXOR S.A.
The cost relating to 2013 amounted to €1,079 thousand, including €1,051 thousand classified as personnel costs and €28 thousand as an increase in the carrying amount of the investment held in EXOR S.A.

The composition of the "Company Performance Stock Option" of May 2012 is as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer of EXOR S.p.A.			
- Balance at December 31, 2013	750,000		
- Options forfeit	(150,000)		
- Balance at December 31, 2014	600,000	2,166	361
Key employees (at the grant date) of EXOR S.p.A. and other similar persons			
- Balance at December 31, 2013	1,720,732		
- Options forfeit	(975,132)		
- Balance at December 31, 2014	745,600	2,644	447
Total EXOR S.p.A.	1,345,600	4,810	808
Key employees (at the grant date) of EXOR S.A.			
- Balance at December 31, 2013	40,000		
- Options forfeit	(8,000)		
- Balance at December 31, 2014	32,000	113	19
Total	**1,377,600**	**4,923**	**827**

The cost referring to the year for this plan, recorded in the stock option reserve, amounts to €827 thousand including €361 thousand classified as compensation to the Chairman and Chief Executive Officer and €447 thousand as personnel costs. The cost relating to the key employee of EXOR S.A. (€19 thousand) was recognized as an increase in the carrying amount of the investment in EXOR S.A.
The cost relating to 2013 amounted to €1,507 thousand including €451 thousand classified as compensation to the Chairman and Chief Executive Officer, €1,032 thousand as personnel costs and €24 thousand as an increase in the carrying amount of the investment held in EXOR S.A.

26. Non-convertible bonds

Issue date	Maturity date	Issue price	Coupon	Rate	Currency	Nominal value (000)	Equivalent amount (€/000)	Balance at 12/31/2014 (a)	Balance at 12/31/2013 (a)
6/12/2007	12/6/2017	99.554	Annually	Fixed 5.375%	€	440,000	440,000	**452,098**	708,349
10/16/2012	10/16/2019	98.136	Annually	Fixed 4.75%	€	150,000	150,000	**149,411**	149,033
12/11/2013	12/11/2020	99.053	Annually	Fixed 3.375%	€	200,000	200,000	**199,165**	198,915
8/10/2014	8/10/2024	100.090	Annually	Fixed 2.5%	€	650,000	650,000	**652,104**	0
7/12/2012	1/31/2025	97.844	Annually	Fixed 5.25%	€	100,000	100,000	**102,803**	102,656
5/9/2011	5/9/2031	100.000	Semiannually	Fixed 2.80% (b)	Yen	10,000,000	68,856	**69,324** (c)	69,552
Total								**1,624,905**	1,228,505

(a) Including the current portion of €24,908 thousand at December 31, 2014 and €28,597 thousand at December 31, 2013.
(b) Equivalent fixed rate in Euro is 6.012%.
(c) Nominal value of Japanese Yen 10 billion aligned to the December 31, 2014 exchange rate, equal to Yen /€145.23.

In October 2014 non-convertible 2014-2024 bonds were issued for a nominal amount of €500 million at the issue price of 99.329% with a fixed coupon of 2.5% per year; in December the issue was reopened and increased by another nominal amount of €150 million at the issue price of 102.613%.

During 2014 EXOR bought back on the market, through a tender offer, a total nominal amount of €254.2 million of non-convertible 2007-2017 bonds; a nominal amount of €250 million was cancelled and the remaining amount of €4.2 million was held in portfolio.
Following this and the previous year's cancellation (€60 million), the original nominal amount of €750 million now totals €440 million.
The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and provide for periodic disclosure.
The 2011-2031 bonds also establish other covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies. Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds.
Standard events of default are envisaged in the case of serious non-fulfillment such as failure to pay interest. These covenants were complied with at December 31, 2014.
Finally, a change of control of EXOR would give the bondholders the right to ask for early redemption of the bonds.

Standard & Poor's rated the bond issues "BBB+", in line with the current rating of EXOR S.p.A.'s long-term debt.

EXOR intends to repay the bonds in cash at maturity using available liquid resources. However EXOR may from time to time buy back bonds on the market also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, EXOR's financial situation and other factors which could affect such decisions.

27. Bank debt – current and non-current

At the end of 2014 EXOR does not have any debt exposures with banks.
At December 31, 2014, the company has credit lines for €1,020.3 million, of which €595.3 million is revocable and €425 million is irrevocable. The expiration dates of such irrevocable credit lines are as follows:

€ million	
Within 1 year	80
From 2 to 5 years	345
Total	**425**

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.
In the event of a change of control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €325 million.

28. Deferred tax liabilities

Deferred income taxes originated from temporary differences between the carrying amount and the fiscally recognized amount of the investments "carried at cost" and held as "available-for-sale" and the tax-deferral of two-fifths of the gain realized in 2011 on the sale of the building in Corso Matteotti 26.

The changes during the year are as follows:

€ thousand	To equity	To income statement	Total
Balance at December 31, 2013			**25,428**
Tax deferral of one-fifth of the gain on the sale of the building in Corso Matteotti		(539)	**(539)**
Provision (release) relating to the fair value increase (decrease/sale) of:			
- Rho Immobiliare Fund	(382)		**(382)**
- Other listed available-for-sale securities	(2,188)		**(2,188)**
Changes during the year	**(2,570)**	**(539)**	**(3,109)**
Balance at December 31, 2014			**22,319**

29. Provisions for employee benefits

€ thousand	12/31/2014	12/31/2013	Change
Employee leaving entitlements	**2,751**	2,147	604
Other provisions for employees	**148**	126	22
Total provisions for employee benefits	**2,899**	2,273	626

Details of the changes during 2014 and 2013 are as follows:

	2014			2013		
€ thousand	Employee leaving entitlements	Other provisions for employees	Total	Employee leaving entitlements	Other provisions for employees	Total
Balance at beginning of year	**2,147**	**126**	**2,273**	2,275	120	2,395
Current service cost	**169**	**11**	**180**	182	11	193
Financial expenses	**67**	**6**	**73**	68	6	74
Actuarial (gains) losses	**420**	**22**	**442**	(87)	1	(86)
Benefits paid	**(52)**	**(17)**	**(69)**	(291)	(12)	(303)
Balance at end of year	**2,751**	**148**	**2,899**	2,147	126	2,273

The analysis of employee benefits is as follows.

Employee leaving entitlements
The provision for employee leaving entitlements represents benefits payable to employees under Italian law (amended by Law 296/06) accrued and which will be paid to employees when they leave the company. Under certain conditions, employees may receive a partial advance on those benefits when they are still in the company's employ. This is an unfunded defined benefit plan, as the benefits have already been almost entirely earned, with the sole exception of the revaluation.
For those employees who have asked, the portion of employee leaving entitlements accruing from January 1, 2007 has been transferred to a complementary pension plan chosen by the employees and these therefore fall under defined contribution plans.
For those employees who did not elect the transfer, the calculation of employee leaving entitlements, including the portion accruing, will be made according to the usual actuarial method.

Besides employee leaving entitlements, established by art. 2120 of the Italian Civil Code, EXOR S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans and defined contribution pension plans) under company or individual supplementary agreements, described below.

Termination benefits
This is a fixed amount in addition to employee leaving entitlements which will be paid at the time and in relation to the termination of the employment relationship, at the expected retirement age on the basis of the existing legislation when the agreement was signed in December 1999: at the age of 65 for men and at the age of 60 for women. Any raising of the retirement age for whatsoever reasons will have no effect on the payment of these benefits. In the eventuality of the termination of employment for whatsoever reason prior to the legal retirement age indicated above, the benefits shall be paid for the amount accrued up to the date of termination of employment, in proportion to the years of service since January 1, 2000. No interest or revaluations of any sort accrues on the amount.

Health care plans
Health care plans, historically offered to management staff, have been extended to all employees since the end of 2007 and require the payment of defined contributions to external funds and entities which pay the health care benefits.

Pension plans
The pension plans are for employees categorized as managers and are covered by company agreements and regulations.
They are "defined contribution" plans and provide for the payment of contributions to external, legally independent funds with assets management autonomy.
The plans provide for a contribution by the employer and a contribution by the employee plan participant, also by conferring a part of his/her employee leaving entitlement.
The liabilities for contributions payable are included in "Other payables". The contribution cost for the period accrues on the basis of the service rendered by the employee and is recognized in personnel costs.

Other benefits
Other benefits include loyalty bonuses payable to all employees.
Loyalty bonuses accrue and are paid after a certain number of years of service (25, 30, 35 and 40 years).

Other information
The actuarial calculations required to determine the liability of defined benefit plans are performed by an independent actuary at the end of each year. At December 31, 2014 and December 31, 2013, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2014	12/31/2013
Discount rate	**1.50%**	3.20%
Expected remuneration increase rate	**1.5-3.00%**	2.0-3.50%
Cost-of-living increase	**1.50%**	2.00%

In addition to the above financial indexes, account has also been taken of all the demographic assumptions relating to the probability of events such as death, disability, dismissal and retirement of the employees.

30. Other financial liabilities - current

€ thousand	12/31/2014	12/31/2013	Change
Fair value of cash flow hedge derivatives	**44,900**	32,997	11,903
Commissions on undrawn credit lines	**378**	350	28
Payables to shareholders and other financial payables	**329**	331	(2)
Total other financial liabilities - current	**45,607**	33,678	11,929

31. Trade payables to third parties

These amount to €1,456 thousand (€1,359 thousand at December 31, 2013) and refer to trade payables to suppliers due within one year.

32. Tax payables

These total €576 thousand (€4,362 thousand at December 31, 2013) and mainly refer to IRPEF withholding taxes payable.

33. Other payables – current and non-current

	12/31/2014		12/31/2013	
€ thousand	Non-current	Current	Non-current	Current
Payable to INPS for Solidarity Fund under M.D. 158 of 4/28/2000	**59**	**156**	205	270
Payable to employees		**1,594**		1,881
Contributions payable		**566**		588
Sundry		**294**		281
Total other payables	**59**	**2,610**	205	3,020

Under Ministerial Decree 158 of April 28, 2000, a "Solidarity Fund to support earnings, employment, reconversion and professional requalification of employees in the credit sector" was set up at INPS which enjoys separate financial and asset management. The Fund, in exceptional situations, pays benefits to support earnings at the request of the employer until the right is accrued for a retirement or old age pension within a period of 60 months from the date of cessation of the employment relationship.
The above liabilities (in total €215 thousand, of which €156 thousand is current and €59 thousand non-current) represent the special contribution that EXOR will have to pay to cover the extraordinary benefits payable to former employees, including the related contribution.

34. Fair value measurement

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs to the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

Levels used in the hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the company can access at the measurement date;

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the assets and liabilities.

Assets and liabilities that are measured at fair value on a recurring basis

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2014:

€ thousand	Note	Level 1	Level 2	Level 3 (a)	Total
Assets at fair value					
Non-current assets					0
Available-for-sale financial assets	13	18,755		11,330	30,085
Current assets					0
Financial assets held for trading	15	136,471		108	136,579
Other financial assets					0
Total assets		**155,226**	**0**	**11,438**	**166,664**
Liabilities at fair value					
Current liabilities					0
Other financial liabilities	30		44,900		44,900
Total liabilities		**0**	**44,900**	**0**	**44,900**

(a) This refers to the Rho Immobiliare Fund (€11,330 thousand) and mutual funds (€108 thousand).

In 2014, there were no transfers between Levels in the fair value hierarchy.

When market quotations are not available for measuring the fair value of financial assets available-for-sale and held for trading, the market rates have been used, adjusted where necessary to take into account the credit quality of the counterparty, as well as the fund quotations (NAV) provided by the managers of the same funds.
The fair value of other financial liabilities that are composed of derivative financial instruments is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular, the fair value of cross currency swaps is determined using the discounted cash flow method, by taking the prevailing exchange rates and interest rates at the balance sheet date, adjusted, where necessary, to take into account EXOR's credit quality.

Details regarding changes in Level 3 are the following:

€ thousand	Balance at 12/31/2013	Gains (losses) recognized in Income statement	Gains (losses) recognized in Equity	Increase	Decrease		Balance at 12/31/2014
Available-for-sale investments	15,197	(5,000)	6,133		(5,000)	(a)	11,330
Financial assets held for trading	99	12			(3)		108
Total assets	15,296	(4,988)	6,133	0	(5,003)		**11,438**

(a) Sale of Alpitour S.p.A.

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

The nominal value of cash and cash equivalents usually approximates fair value due to the short duration of these instruments which include mainly bank current accounts and time deposits.
For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from the carrying amount, it is assumed that the carrying amount is a reasonable approximation of the fair value. In particular, the carrying amount of trade receivables and payables and other current assets and liabilities approximates their fair value.

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

€ thousand	Note	12/31/2014 Carrying amount	Fair value	12/31/2013 Carrying amount	Fair value
Financial assets					
Held-to-maturity investments	14	51,348	54,731	109,142	116,511
Other financial assets	17	5,173	5,173	14,636	12,507
Total assets		**56,521**	**59,904**	**123,778**	**129,018**
Financial liabilities					
Non-convertible bonds	26	1,624,905	1,778,713	1,228,505	1,321,085
Other financial liabilities	30	707	707	681	681
Total liabilities		**1,625,612**	**1,779,420**	**1,229,186**	**1,321,766**

Held-to-maturity investments are represented by bonds issued by leading counterparties, are quoted on active markets and therefore their fair value is categorized in Level 1.
Non-convertible bonds are listed in active markets and their fair value is measured with reference to year-end quoted prices and therefore classified within Level 1 of the fair value hierarchy, with the exception of the unlisted Japanese yen bond issue (nominal equivalent amount at December 31, 2014 equal to €68,856 thousand) maturing in 2031 classified in Level 2 of the fair value hierarchy, whose fair value was measured by using a discounted cash flow model.

35. Additional information on financial instruments and financial risk management policies

The following tables present the carrying amounts and the relative income (expenses) deriving from each category of asset and liability classified in accordance with IAS 39.

€ thousand	12/31/2014 Carrying amount	Income	Expenses
Financial assets			
At fair value through income statement:			
- held for trading	136,579	4,973	566
- designated initially			
Derivative instruments designated as hedges			
Held-to-maturity investments	51,348	11,545	363
Cash and receivables	282,917	11,855	
Available-for-sale assets	30,085		
Total	**500,929**	**28,373**	**929**
Financial liabilities			
At fair value through income statement:			
- held for trading			
- designated initially			
Derivative instruments designated as hedges	44,900	74	
Amortized cost	1,599,997		95,927
Debt	25,759		4,156
Financial guarantees			
Total	**1,670,656**	**74**	**100,083**

€ thousand	12/31/2013 Carrying amount	Income	Expenses
Financial assets			
At fair value through income statement:			
- held for trading	87,196	5,355	1,597
- designated initially			
Derivative instruments designated as hedges			
Held-to-maturity investments	109,142	9,755	407
Cash and receivables	601,627	11,938	
Available-for-sale assets	47,433	139	
Total	**845,398**	**27,187**	**2,004**
Financial liabilities			
At fair value through income statement:			
- held for trading			
- designated initially			
Derivative instruments designated as hedges	32,997	2,222	15,510
Amortized cost	1,199,908		66,257
Debt	29,353		5,995
Financial guarantees			
Total	**1,262,258**	**2,222**	**87,762**

36. Information on financial risks

Credit risk

The maximum nominal exposure to credit risk to which EXOR S.p.A. is exposed at December 31, 2014 is represented by the carrying amounts of financial assets in the financial statements. Nevertheless, the company seeks to mitigate such risk by investing a part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their credit quality.

At December 31, 2014 and December 31, 2013, there are no financial assets past due and not written down and provisions for receivables impairment.

Liquidity risk

Outgoing flows from current operations are funded mostly by incoming flows from ordinary activities and cash availability.

Liquidity risk could thus arise only in the event of investment decisions in excess of cash availability which are not preceded by sufficient liquidation of assets or by the availability of suitable sources of funding that can be readily used.

In this sense, EXOR S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

The details of residual contract maturities for all financial liabilities which fall under the application of IAS 39 are indicated in the table below.

The table is prepared on the basis of the allocation of the remaining cash flows from existing contracts, including principal and interest; with regard to variable-rate loans, the most recent fixed coupon rate with the bank counterparty was used for the projection of future maturities, taking into account the effect of hedge transactions.

€ thousand	2014 Within 6 months or until canceled	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	Total
Non-convertible bonds						
EXOR bonds EXOR 2017	23,650		487,300			**510,950**
EXOR bonds EXOR 2019		7,125	21,375	157,125		**185,625**
EXOR bonds EXOR 2020		6,750	20,250	213,500		**240,500**
EXOR bonds EXOR 2024		16,250	48,750	48,750	698,750	**812,500**
EXOR bonds EXOR 2025	5,250		15,750	10,500	126,250	**157,750**
EXOR bonds EXOR 2031	2,506	2,506	15,036	10,024	135,994	**166,066**
Non-current bank debt						**0**
Current bank debt						**0**
Trade payables and other payables to related parties	143					**143**
Trade payables and other payables to third parties	1,456					**1,456**
Trading and derivative financial instruments designated as hedges	44,900					**44,900**
Total	**77,905**	**32,631**	**608,461**	**439,899**	**960,994**	**2,119,890**

€ thousand	2013 Within 6 months or until canceled	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	Total
Non-convertible bonds						
EXOR bonds EXOR 2017	36,741		793,773			**830,514**
EXOR bonds EXOR 2019		7,125	21,375	164,250		**192,750**
EXOR bonds EXOR 2020		6,750	20,250	13,500	206,750	**247,250**
EXOR bonds EXOR 2025	5,250		15,750	10,500	131,500	**163,000**
EXOR bonds EXOR 2031	2,506	2,506	15,036	10,024	141,006	**171,078**
Non-current bank debt						**0**
Current bank debt						**0**
Trade payables and other payables to related parties	75					**75**
Trade payables and other payables to third parties	1,359					**1,359**
Trading and derivative financial instruments designated as hedges	32,997					**32,997**
Total	**78,928**	**16,381**	**866,184**	**198,274**	**479,256**	**1,639,023**

At December 31, 2014, the company has lines of credit for €1,020.3 million, of which €425 million is irrevocable.

The expiration dates of the lines of credit are as follows:

€ million	Lines extended	Of which, irrevocable
Within 1 year	595.3	0.0
From 2 to 5 years	425.0	425.0
Total	**1,020.3**	**425.0**

Market risk

EXOR S.p.A. is principally exposure to currency, interest rate and price risks.

Currency risk

A portion of available-for-sale financial assets (€18,755 thousand), financial assets held for trading (€109 thousand) and cash and cash equivalents at December 31, 2014 (€238 thousand) are denominated in currencies other than Euro. All securities are adjusted to year-end exchange rates.

In 2011, EXOR S.p.A. issued non-convertible bonds for Japanese yen 10 billion. The 20-year bonds pay a 2.80% coupon in Japanese yen.
To protect itself against fluctuations in the €/yen exchange rate, EXOR put in place a cross currency swap on the bonds with a leading credit institution as a result of which the company will pay a fixed rate of 6.012% on the nominal value in euro (about €83 million) for the entire term of the loan.

Interest rate risk
The analysis of debt by interest rate shows that the rates are between 0.305% and 6.012% for the current year (between 0.110% and 6.012% in 2013).

A sensitivity analysis was performed on the financial instruments exposed to interest rate risk at the date of the preparation of the financial statements. The analysis assumes that the exposure for variable-rate liabilities at the end of the year has remained unchanged for the entire year. The assumptions used for the model are as follows:
- for debt: a symmetrical change of 50 basis points was applied
- for interest rate swaps: the fair value was remeasured applying a parallel and symmetrical shift of 50 basis points to the current interest rate curve at the reporting date

The effects of an increase or decrease of 50 basis points in the interest rates would be the following:

€ thousand	**12/31/2014** Income statement	**12/31/2014** Equity	12/31/2013 Income statement	12/31/2013 Equity
+50 bsp				
Cash and cash equivalents	**1,382**		2,928	
Financing				
Hedging instruments				
-50 bsp				
Cash and cash equivalents	**(1,382)**		(2,928)	
Financing				
Hedging instruments				

Price risk
EXOR S.p.A. is exposed to price risk originating from investments in the capital of other companies that are held for trading or for strategic purposes; such investments are classified in the following categories:
- investments accounted for at cost
- available-for-sale financial assets
- financial assets held for trading

Sensitivity analysis for price risk
Considering price risk exposure at the reporting date, if the prices of securities, classified as available-for-sale financial assets and financial assets held for trading had been 5% higher or lower, the available-for-sale securities reserve would be €1,520 thousand higher or lower and the amount recognized in the income statement relating to securities held for trading would be €6,828 thousand higher or lower.

37. Transactions with related parties

The board of directors' meeting held on November 12, 2010, pursuant to Consob Regulation 17221 of March 12, 2010, adopted the "Procedures for Transactions with Related Parties", which went into effect on January 1, 2011, posted on the corporate website at www.exor.com. Such procedures are described in the Annual Report on Corporate Governance, also available on the corporate website.

With regard to the year 2014, the transactions between EXOR S.p.A. and the related parties identified in accordance with IAS 24 have been carried out as set forth in existing laws, on the basis of reciprocal economic gain.

Receivables and payables are not guaranteed and will be settled in cash.

Losses have not been recognized during the year on uncollectible or doubtful receivables on amounts due from related parties.
A summary of the statement of financial position and income statement balances generated by transactions with related parties carried out during 2014 is presented below. All amounts are expressed in thousands of Euro.

Counterparty	Financial receivables		Trade receivables	Trade payables and other payables
Arenella Immobiliare S.r.l.	1,087	(a)		
Fondazione Agnelli			56	
Holdings System			149	
Juventus Football Club S.p.A.			25	
FCA			2	143
Directors and statutory auditors for other receivables			108	
Statutory auditors for compensation to be received				43
Total transactions with related parties	**1,087**		**340**	**186**
Total current assets	451,070		451,070	
Total current liabilities				75,344
% incidence of total transactions with related parties to total of statement of financial position line items	**0.24%**		**0.08%**	**0.25%**

Information regarding dividends received (€143,462 thousand) is provided in Note 1.

Counterparty	Financial expenses		Financial income		Purchases of goods and services		Revenues (c)
Holdings System	1,352	(b)					169
Juventus Football Club S.p.A.					57		25
FCA					545		
Giovanni Agnelli e C. S.a.p.az.							40
Fondazione Agnelli							56
Arenella Immobiliare S.r.l.			13	(a)			30
Cushman & Wakefield LLP					10		
Compensation to directors, corporate boards and committees:							
- Chairman					3,593	(d)	
- Board of directors					150		90
- Special fees to directors					500		
- Internal control committee					35		
- Compensation and nominating committee					35		
- Strategy committee					200		
- Directors' expense reimbursements					20		
Board of statutory auditors					145		
Cost recoveries from statutory auditors							6
Directors for other revenues							107
Total transactions with related parties	**1,352**		**13**		**5,290**		**523**
Total transactions with third parties	99,670		28,259		3,904		18
Total of income statement line items	**101,022**		**28,272**		**9,194**		**541**
% incidence of total transactions with related parties to total of income statement line items	**1.34%**		**0.05%**		**57.54%**		**96.67%**

The most important transactions are commented below and refer to the notes in the preceding summary tables:

a) In October 2012 EXOR granted a loan to the subsidiary Arenella Immobiliare S.r.l. for a maximum €5 million; due on December 31, 2014, the loan was renewed to December 31, 2015, bearing interest calculated on the 3-month Euribor plus a 1% spread to December 31, 2014, reduced to 0.30% for 2015.

At December 31, 2014 the loan amounted to €1,087 thousand, including financial income earned for €37 thousand (of which €13 thousand relates to the year 2014).

b) At the end of June 2013 the subsidiary EXOR S.A. extended EXOR S.p.A. a loan for a maximum amount of €700 million originally due July 1, 2014 and renewed to July 1, 2015; at the end of April 2014 this loan was drawn for €400 million bearing interest calculated on the 1-month Euribor plus a 0.5% spread. This loan was repaid in full at the end of December, including interest for €1,352 thousand.

c) Compensation waived by the corporate boards (€90 thousand), performance of services (€408 thousand), compensation for posts on corporate boards (€25 thousand).

d) Special compensation for €2 million and the notional cost of the EXOR stock option due the Chairman and the Chief Executive Officer for €1,593 thousand.

The information regarding compensation to the directors and statutory auditors of the company, also through subsidiaries, is contained in the Compensation Report according to art. 123-*ter* of the TUF.

38. Fees charged by the independent auditors (art. 149 – *duodecies* of Consob Regulation 11971 of May 14, 1999, as amended)

The professional services provided to EXOR S.p.A. by the independent auditors in 2014 are the following:

€ thousand	Service provider	EXOR S.p.A.	
Type of services			
Audit	Reconta Ernst & Young S.p.A.	53	
Attestation services	Reconta Ernst & Young S.p.A.	40	(a)
Total		**93**	

(a) Confirmation of financial ratios and issuance of the Comfort Letter for the 2014 bond issues of €650 million.

39. Net financial position

In accordance with the provisions of Consob Communication 6064293 of July 28, 2006, the composition of the net financial position of EXOR S.p.A. is provided below.

€ thousand	12/31/2014	12/31/2013	Change
Non-current held-to-maturity financial instruments (a)	**26,348**	83,455	(57,107)
Cash and cash equivalents	**276,379**	585,695	(309,316)
Non-current other financial assets, with third parties	**85**	456	(371)
Other financial assets held for trading	**136,579**	87,196	49,383
Current held-to-maturity financial instruments	**25,000**	25,687	(687)
Financial receivables from third parties	**278**	279	(1)
Financial receivables from related parties	**1,087**	974	113
Current other financial assets with third parties	**5,088**	4,157	931
Total financial assets	**470,844**	787,899	(317,055)
Non-current debt with third parties	**(1,599,997)**	(1,199,908)	(400,089)
Current debt with third parties	**(70,515)**	(62,275)	(8,240)
Total financial liabilities	**(1,670,512)**	(1,262,183)	(408,329)
Net financial position	**(1,199,668)**	(474,284)	(725,384)
- with related parties	**1,087**	974	113
- with third parties	**(1,200,755)**	(475,258)	(725,497)

(a) These are bonds issued by leading counterparties listed on active and open markets which the company, intends, and is able, to hold until their natural repayment date as an investment of a part of its available cash, in order to receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.
Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the company should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

40. Approval of the separate financial statements and authorization for publication

The separate financial statements at December 31, 2014 were approved by the board of directors on April 14, 2015 which authorized their publication, together with the independent auditors' report and the board of statutory auditors' report, in accordance with the law.

Turin, April 14, 2015

On behalf of the Board of Directors
The Chairman and CEO
John Elkann

Attestation of the Separate Financial Statements According to art. 154-*bis*, Paragraph 5, of Legislative Decree 58/98

We, the undersigned, John Elkann, Chairman and Chief Executive Officer, and Enrico Vellano, the executive responsible for the preparation of the financial reports of EXOR S.p.A. attest to, also pursuant to the provisions of art. 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:

- the adequacy with respect to the company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the separate financial statements at December 31, 2014.

We also attest that:

- the separate financial statements:
  - have been prepared in accordance with applicable International Financial Reporting Standards recognized by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council, of July 19, 2002;
  - correspond to the amounts shown in the accounts, books and records;
  - provide a fair and correct interpretation of the financial conditions, results of operations and cash flows of the issuer;
- the Report on Operations includes a reliable operating and financial review of the issuer, as well as a description of the principal risks and uncertainties to which it is exposed.

Turin, April 14, 2015

The Chairman and CEO
John Elkann

Executive responsible for the preparation
of the Company's financial reports
Enrico Vellano

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Building a better working world

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Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated January 27, 2010
(Translation from the original Italian text)

To the Shareholders
of EXOR S.p.A.

1. We have audited the financial statements of EXOR S.p.A. as of December 31, 2014 and for the year then ended, comprising the income statement, the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of EXOR S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated April 11, 2014.

3. In our opinion, the financial statements of EXOR S.p.A. at December 31, 2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of EXOR S.p.A. for the year then ended.

Reconta Ernst & Young S.p.A.
Sede Legale: 00198 Roma - Via Po, 32
Capitale Sociale € 1.402.500,00 i.v.
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Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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4. The Directors of EXOR S.p.A. are responsible for the preparation, in accordance with the applicable laws and regulations, of the Report on Operations and the Report on Corporate Governance published in the section "Corporate Governance" of EXOR S.p.A.'s website. Our responsibility is to express an opinion on the consistency with the financial statements of the Report on Operations and of the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance, as required by law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) in the Report on Corporate Governance, are consistent with the financial statements of EXOR S.p.A. at December 31, 2014.

Turin, April 16, 2015

Reconta Ernst & Young S.p.A.
Signed by: Stefania Boschetti, partner

This report has been translated into the English language solely for the convenience of international readers

Consolidated Financial Statements at December 31, 2014

CONSOLIDATED INCOME STATEMENT (*)

€ million	Note	2014	2013 (a)	Change
Net revenues	1	**122,246**	113,362	8,884
Cost of sales	2	**(104,424)**	(95,929)	(8,495)
Selling, general and administrative costs	3	**(9,353)**	(9,137)	(216)
Research and development costs	4	**(3,200)**	(2,838)	(362)
Other income (expenses)	5	**118**	(6)	124
Result from investments:				
- Share of profit (loss) of investments accounted for using the equity method	6	**224**	215	9
- Other income (expenses) from investments	6	**(18)**	62	(80)
Result from investments		**206**	277	(71)
Gains (losses) on the disposal of investments	7	**(6)**	1,517	(1,523)
Restructuring costs	8	**(195)**	(69)	(126)
Other unusual income (expenses)	9	**(430)**	(574)	144
Earnings before interest and taxes (EBIT)		**4,962**	6,603	(1,641)
Financial income (expenses)	10	**(2,685)**	(2,495)	(190)
Profit before taxes		**2,277**	4,108	(1,831)
Income taxes	11	**(1,001)**	319	(1,320)
Profit from continuing operations		**1,276**	4,427	(3,151)
Profit (loss) from Discontinued Operations		**0**	0	0
Profit for the year		**1,276**	4,427	(3,151)
Profit attributable to:				
- Owners of the parent		**323**	2,085	(1,762)
- Non-controlling interests		**953**	2,342	(1,389)
Earnings per share	13			
Basic earning per share attributable to owners of the parent (in €)		1.46	9.34	(7.88)
Diluted earning per share attributable to owners of the parent (in €)		1.44	9.33	(7.89)

(*) The Group no longer reports Trading Profit as a supplementary performance assessment measure.
Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated income statement are presented in the specific income statement provided on the following pages and are further described in Note 39.

(a) Reference should be made to the section New standards and amendments effective from January 1, 2014 for the effects arising from the retrospective application of IFRS 11; the comparative figures included in the notes refer to retrospectively adjusted data.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	Note	2014	2013 (a)
PROFIT FOR THE YEAR (A)	28	1,276	4,427
Other comprehensive income that will not be reclassified to the income statement in subsequent periods:			
Gains (losses) on remeasurement of defined benefit plans		**(658)**	2,792
Share of gains/(losses) on remeasurement of defined benefit plans for equity accounted entities		**(4)**	(10)
Related tax effect		**113**	172
Total Other comprehensive income that will not be reclassified to the income statement in subsequent periods, net of tax (B1)		(549)	2,954
Other comprehensive income that may be reclassified to the income statement in subsequent periods			
Gains (losses) on cash flow hedging instruments		**(465)**	297
Gains (losses) on available-for-sale financial assets		**76**	(1,416)
Exchange differences on translating foreign operations		**1,974**	(1,358)
Share of other comprehensive income (loss) of investments accounted for using the equity method		**39**	(127)
Related tax effect		**120**	(59)
Total Other comprehensive income that may be reclassified to the income statement in subsequent periods, net of tax (B2)		1,744	(2,663)
Total other comprehensive income, net of tax (B) = (B1) + (B2)		**1,195**	291
TOTAL COMPREHENSIVE INCOME (A)+(B)		2,471	4,718
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		740	903
Non-controlling interests		1,731	3,816

(a) Reference should be made to the section New standards and amendments effective from January 1, 2014 for the effects arising from the retrospective application of IFRS 11; the comparative figures included in the notes refer to retrospectively adjusted data.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

€ million	Note	12/31/2014	12/31/2013 (a)	Change
Non-current assets				
Intangible assets	14	**28,786**	24,736	4,050
Property, plant and equipment	15	**32,198**	28,514	3,684
Investments and other financial assets:				
- Investments accounted for using the equity method	16	**2,274**	2,102	172
- Other investments and financial assets	16	**1,385**	1,337	48
Total Investments and other financial assets		**3,659**	3,439	220
Leased assets under operating leases	17	**1,251**	769	482
Defined benefit plan assets	29	**131**	137	(6)
Deferred tax assets	11	**4,916**	4,120	796
Other non-current assets		**96**	93	3
Total Non-current assets		**71,037**	61,808	9,229
Current assets				
Inventories	18	**18,343**	15,740	2,603
Trade receivables	19	**3,757**	3,756	1
Receivables from financing activities	20	**21,522**	19,594	1,928
Other financial receivables		**2**	6	(4)
Current tax receivables	21	**615**	579	36
Other current assets	22	**4,095**	3,848	247
Current financial assets:				
- Current investments	24	**36**	35	1
- Current securities	24	**1,145**	828	317
- Other financial assets	25	**684**	724	(40)
Total Current financial assets		**1,865**	1,587	278
Cash and cash equivalents	26	**29,243**	26,169	3,074
Total Current assets		**79,442**	71,279	8,163
Assets held for sale	27	**30**	33	(3)
Total Assets		**150,509**	133,120	17,389
Equity				
Issued capital and reserves attributable to owners of the parent	28	**7,995**	6,947	1,048
Non-controlling interests	28	**14,326**	13,989	337
Total Equity		**22,321**	20,936	1,385
Provisions				
Employee benefits	29	**12,074**	10,293	1,781
Other provisions	30	**13,735**	11,900	1,835
Total Provisions		**25,809**	22,193	3,616
Financial debt				
Asset-backed financing	31	**11,660**	11,429	231
Other financial debt	31	**48,529**	42,150	6,379
Total Financial debt		**60,189**	53,579	6,610
Other liabilities				
Other financial liabilities	25	**987**	239	748
Trade payables	32	**24,884**	22,594	2,290
Current tax payables		**534**	643	(109)
Deferred tax liabilities	11	**604**	555	49
Other liabilities	33	**15,181**	12,360	2,821
Total Other liabilities		**42,190**	36,391	5,799
Liabilities held for sale	27	**0**	21	(21)
Total Equity and Liabilities		**150,509**	133,120	17,389

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated statement of financial position are presented in the specific consolidated statement of financial position provided on the following pages and are further described in Note 39.

(a) Reference should be made to the section New standards and amendments effective from January 1, 2014 for the effects arising from the retrospective application of IFRS 11; the comparative figures included in the notes refer to retrospectively adjusted data.

CONSOLIDATED STATEMENT OF CASH FLOWS (*)

€ million	Note	2014	2013 (a)
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	26	**26,169**	22,822
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:			
Profit for the year		**1,276**	4,427
Amortization and depreciation	14-15	**5,863**	5,485
(Gains) losses on disposal of:			
Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)		**(19)**	17
Investments		**(11)**	(1,539)
Expenses on cancellation of EXOR 2007-2017 bonds		**33**	6
Other non-cash items	40	**458**	521
Dividends received		**166**	219
Change in provisions		**1,177**	569
Change in deferred taxes		**(119)**	(1,628)
Change in items due to buy-back commitments and GDP vehicles	40	**266**	171
Change in operating lease items	40	**(443)**	(157)
Change in w orking capital		**466**	1,488
TOTAL		**9,113**	9,579
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Investments in:			
Property, plant and equipment and intangible assets	14-15	**(9,516)**	(9,111)
Investments in consolidated subsidiaries		**(48)**	7
Other investments		**(103)**	(251)
Investments in financial assets made by EXOR and by subsidiaries in the Holdings System	16	**(16)**	(555)
Proceeds from the sale of:			
Property, plant and equipment and intangible assets		**107**	100
Other investments		**31**	5
Proceeds from the disposal of financial assets by EXOR and by subsidiaries in the Holdings System		**109**	2,444
Net change in financial receivables		**(890)**	(2,271)
Net change in current securities		**(311)**	(320)
Other changes		**223**	(58)
TOTAL		**(10,414)**	(10,010)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Issuance of bonds	31	**7,353**	3,892
Repayment of bonds	31	**(2,150)**	(1,753)
Other changes in bonds		**(284)**	(80)
Issuance of medium-term borrow ings	31	**6,892**	5,300
Repayment of medium-term borrow ings	31	**(8,007)**	(4,715)
Net change in other financial debt and other financial assets/liabilities	31	**27**	2,715
Issuance of Mandatory Convertible Securities and other share issuances		**2,383**	
Cash Exit Rights follow ing the merger of Fiat into FCA		**(417)**	
Increases in share capital of subsidiaries		**160**	7
(Purchase) sale of treasury stock		**0**	(105)
Dividends paid by EXOR S.p.A.		**(74)**	(78)
Dividends paid by subsidiaries		**(211)**	(188)
Acquisition of non-controlling interests	40	**(2,691)**	(48)
Distribution of certain tax obligations of the VEBA Trust		**(45)**	(6)
Other changes		**(26)**	(31)
TOTAL		**2,910**	4,910
Translation exchange differences		**1,465**	(1,132)
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**3,074**	3,347
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	26	**29,243**	26,169

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated statement of cash flows are presented in the specific consolidated statement of cash flows provided on the following pages.

(a) Reference should be made to the section New standards and amendments effective from January 1, 2014 for the effects arising from the retrospective application of IFRS 11; the comparative figures included in the notes refer to retrospectively adjusted data.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million	Share capital	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available-for-sale financial assets reserve	Defined benefit plans remeasurement reserve	Cumulative share of OCI of investments accounted for using the equity method	Total Owners of the parent	Non-controlling interests	Total
Equity at December 31, 2012, as reported	**246**	**(239)**	**125**	**5,335**	**(51)**	**211**	**1,546**	**0**	**(9)**	**7,164**	**14,504**	**21,668**
IAS 19 revised adoption effect				**(157)**		**15**		**(853)**		**(995)**	**(4,171)**	**(5,166)**
IFRS 11 adoption effect				**0**		**(5)**		**(2)**	**7**	**(0)**	**0**	**(0)**
Equity at January 1, 2013	**246**	**(239)**	**125**	**5,178**	**(51)**	**221**	**1,546**	**(855)**	**(2)**	**6,169**	**10,333**	**16,502**
Changes in equity for 2013												
Share-based payments				16						16	19	35
Purchase of treasury stock		(105)								(105)		(105)
Capital increases										0	4	4
Dividends paid				(78)						(78)	(202)	(280)
Total comprehensive income for the year				2,085	74	(359)	(1,421)	565	(42)	903	3,816	4,719
Effect of the change in the percentage ownership of consolidated companies (a)				56	1	(1)		(1)	(2)	53	(31)	22
Effect of the change in the percentage ownership of companies accounted for using the equity method				1						1		1
Other changes				(11)						(11)	51	40
Total changes	0	(105)	0	2,069	75	(360)	(1,421)	565	(44)	779	3,656	4,435
Equity at December 31, 2013	**246**	**(344)**	**125**	**7,247**	**24**	**(139)**	**125**	**(290)**	**(46)**	**6,947**	**13,989**	**20,936**

€ million	Share capital	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available-for-sale financial assets reserve	Defined benefit plans remeasurement reserve	Cumulative share of OCI of investments accounted for using the equity method	Total Owners of the parent	Non-controlling interests	Total
Equity at December 31, 2013, as reported	**246**	**(344)**	**125**	**7,247**	**24**	**(131)**	**125**	**(288)**	**(57)**	**6,947**	**13,989**	**20,936**
IFRS 11 adoption effect						**(8)**		**(2)**	**11**	**0**		**0**
Equity at January 1, 2014	**246**	**(344)**	**125**	**7,247**	**24**	**(139)**	**125**	**(290)**	**(46)**	**6,947**	**13,989**	**20,936**
Changes in equity for 2014												
Share-based payments				11						11	10	21
Capital increase by subsidiaries										0	616	616
Mandatory Convertible Securities											1,322	1,322
Dividends paid				(74)						(74)	(248)	(322)
Total comprehensive income for the year				323	(103)	575	78	(156)	23	740	1,731	2,471
Purchase of shares in subsidiaries				478	10	51		(151)		388	(3,053)	(2,665)
Distribution of certain tax obligations of the VEBA Trust											(45)	(45)
Effect of the change in the percentage ownership of consolidated companies (b)				(13)	(2)	1		13	2	1	(4)	(3)
Other changes				(18)						(18)	8	(10)
Total changes	0	0	0	707	(95)	627	78	(294)	25	1,048	337	1,385
Equity at December 31, 2014	**246**	**(344)**	**125**	**7,954**	**(71)**	**488**	**203**	**(584)**	**(21)**	**7,995**	**14,326**	**22,321**
Note	**28**	**28**									**28**	

(a) Of which €34 million relates to the CNH Industrial Group and €22 million to the C&W Group.
(b) Of which €26 million relates to the CNH Industrial Group, -€43 million to the FCA Group and €4 million to the C&W Group.

CONSOLIDATED INCOME STATEMENT
pursuant to Consob Resolution 15519 of July 27, 2006

€ million	Note	2014 Total	2014 Of which Related parties	2013 Total	2013 Of which Related parties
	39				
Net revenues		**122,246**	**2,998**	113,362	2,613
Cost of sales		**(104,424)**	**1,661**	(95,929)	(1,888)
Selling, general and administrative costs		**(9,353)**	**(120)**	(9,137)	(91)
Research and development costs		**(3,200)**	**(1)**	(2,838)	(2)
Other income (expenses)		**118**	**42**	(6)	33
Result from investments:					
- Share of the profit (loss) of investments accounted for using the equity method		**224**	**224**	215	215
- Other income (expenses) from investments		**(18)**	**7**	62	56
Result from investments		**206**		277	
Gains (losses) on the disposal of investments		**(6)**		1,517	
Restructuring costs		**(195)**		(69)	
Other unusual income (expenses)		**(430)**		(574)	
EARNINGS BEFORE INTEREST AND TAXES (EBIT)		**4,962**		6,603	
Financial income (expenses)		**(2,685)**	**(34)**	(2,495)	(25)
Profit before taxes		**2,277**		4,108	
Income taxes		**(1,001)**		319	
Profit from continuing operations		**1,276**		4,427	
Profit (loss) from Discontinued Operations		**0**		0	
Profit for the year		**1,276**		4,427	
Profit attributable to:					
- Owners of the parent		**323**		2,085	
- Non-controlling interests		**953**		2,342	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
pursuant to Consob Resolution 15519 of July 27, 2006

€ million	Note 39	12/31/2014 Total	12/31/2014 Of which Related parties	12/31/2013 Total	12/31/2013 Of which Related parties
Non-current assets					
Intangible assets		**28,786**		24,736	
Property, plant and equipment		**32,198**		28,514	
Investments and other financial assets:					
- Investments accounted for using the equity method		**2,274**	**2,274**	2,102	2,102
- Other investments and financial assets		**1,385**	**65**	1,337	46
Total Investments and other financial assets		**3,659**		3,439	
Leased assets under operating leases		**1,251**		769	
Defined benefit plan assets		**131**		137	
Deferred tax assets		**4,916**		4,120	
Other non-current assets		**96**		93	
Total Non-current assets		**71,037**		61,808	
Current assets					
Inventories		**18,343**		15,740	1
Trade receivables		**3,757**	**381**	3,756	279
Receivables from financing activities		**21,522**	**157**	19,594	136
Other financial receivables		**2**		6	
Current tax receivables		**615**		579	
Other current assets		**4,095**	**12**	3,848	10
Current financial assets:					
- Current investments		**36**		35	
- Current securities		**1,145**		828	
- Other financial assets		**684**		724	
Total Current financial assets		**1,865**		1,587	
Cash and cash equivalents		**29,243**		26,169	
Total Current assets		**79,442**		71,279	
Assets held for sale		**30**		33	
Total Assets		**150,509**		133,120	
Equity					
Issued capital and reserves attributable to owners of the parent		**7,995**		6,947	
Non-controlling interests		**14,326**		13,989	
Total Equity		**22,321**		20,936	
Provisions					
Employee benefits		**12,074**	**24**	10,293	9
Other provisions		**13,735**	**13**	11,900	17
Total Provisions		**25,809**		22,193	
Financial debt					
Asset-backed financing		**11,660**		11,429	
Other financial debt		**48,529**		42,150	
Total Financial debt		**60,189**	**155**	53,579	**421**
Other liabilities					
Other financial liabilities		**987**		239	
Trade payables		**24,884**	**569**	22,594	560
Current tax payables		**534**		643	
Deferred tax liabilities		**604**		555	
Other liabilities		**15,181**	**149**	12,360	162
Total Other liabilities		**42,190**		36,391	
Liabilities held for sale		**0**		21	
Total Equity and Liabilities		**150,509**		133,120	

CONSOLIDATED STATEMENT OF CASH FLOWS
pursuant to Consob Resolution 15519 of July 27, 2006

€ million	2014 Total	2014 Of which Related parties	2013 Total	2013 Of which Related parties
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	26,169		22,822	
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:				
Profit for the year	1,276		4,427	
Amortization and depreciation	5,863		5,485	
(Gains) losses on disposal of:				
Property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)	(19)		17	
Investments	(11)		(1,539)	
Expenses on cancellation of EXOR 2007-2017 bonds	33		6	
Other non-cash items:	458		521	
Dividends received	166	166	219	219
Change in provisions	1,177		569	
Change in deferred taxes	(119)		(1,628)	
Change in items due to buy-back commitments and GDP vehicles	266		171	2
Change in items due to operating lease transactions	(443)		(157)	
Change in working capital	466	(108)	1,488	81
TOTAL	9,113	58	9,579	300
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:				
Investments in:				
Property, plant and equipment and intangible assets	(9,516)		(9,111)	
Investments in consolidated subsidiaries	(48)		7	
Other investments	(103)	(19)	(251)	(190)
Investments in financial assets made by EXOR and by subsidiaries in the Holdings System	(16)		(555)	(58)
Proceeds from the sale of:				
Property, plant and equipment and intangible assets	107		100	
Other investments	31		5	
Proceeds from the disposal of financial assets by EXOR and by subsidiaries in the Holdings System	109		2,444	
Net change in financial receivables	(890)	(21)	(2,271)	12
Change in current securities	(311)		(320)	
Other changes	223		(58)	
TOTAL	(10,414)	(40)	(10,010)	(236)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:				
Issuance of bonds	7,353		3,892	
Repayment of bonds	(2,150)		(1,753)	
Other changes in bonds	(284)		(80)	
Issuance of medium-term borrowings	6,892		5,300	201
Repayment of medium-term borrowings	(8,007)	(266)	(4,715)	
Net change in other financial debt and other financial assets/liabilities	27		2,715	
Issuance of Mandatory Convertible Securities and other share issuances	2,383		0	
Cash Exit Rights following the merger of Fiat into FCA	(417)		0	
Increases in share capital of subsidiaries	160		7	
(Purchase) sale of treasury stock	0		(105)	
Dividends paid by EXOR S.p.A.	(74)	(42)	(78)	(44)
Dividends paid by subsidiaries	(211)		(188)	
Acquisition of non-controlling interests	(2,691)		(48)	
Distribution of certain tax obligations of the VEBA Trust	(45)		(6)	
Other changes	(26)		(31)	
TOTAL	2,910	(308)	4,910	157
Translation exchange differences	1,465		(1,132)	
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	3,074		3,347	
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	29,243		26,169	

EXOR GROUP - NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE ACTIVITIES OF THE GROUP

EXOR S.p.A. is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.39% of share capital.
EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy; its head office is located in Turin, Italy, Via Nizza 250.

EXOR S.p.A. and its subsidiaries (the "Group") operate in the automotive industry, in agricultural equipment and construction equipment, commercial vehicles, real estate services and professional football.

Further information is provided under "EXOR Group Profile and Key Data" in the Report on Operations.

The consolidated financial statements of the EXOR Group are presented in millions of Euro, which is the functional and presentation currency of the Group.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the consolidated financial statements

The consolidated financial statements of the EXOR Group at December 31, 2014 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, in addition to the provisions issued in implementation of article 9 of Legislative Decree 38/2005.
The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the IFRS Interpretations Committee, formerly the International Financial Reporting Interpretations Committee ("IFRIC") and before that the Standing Interpretations Committee ("SIC").

The 2014 consolidated financial statements have been prepared under the historical cost method, modified as required for the measurement of certain financial instruments, as well as on a going concern basis. In this respect, despite operating in a still difficult economic and financial environment, the Group's assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern.

Format of the consolidated financial statements

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 Fiat and CNH Industrial Groups, and is consistent with international practice in the automotive and capital goods sectors.

The Group also presents a subtotal for EBIT, which is defined as "Earnings before Interest and Taxes" and includes revenues, costs, income and expenses directly attributable to recurring or non-recurring operations.

The definition "unusual" adopted by the EXOR Group differs from the definition provided in the Consob Communication of July 28, 2006, according to which unusual and/or atypical transactions are those which – because of their significance or materiality, the nature of the counterparty, the object of the transaction, the method for determination of the transfer price or the timing of the event (e.g., near year-end) – could give rise to doubts regarding the accuracy/completeness of the information in the financial statements, conflicts of interest, the proper safeguarding of corporate assets or protection of non-controlling interests.

For the statement of financial position, a mixed format has been selected to present current and non-current assets and liabilities, as permitted by IAS 1.
More specifically, the EXOR Group's consolidated financial statements include both industrial and financial services companies that are part of the FCA and CNH Industrial Groups.
The investment portfolios of the financial services companies of FCA and CNH Industrial Groups are included in current assets, as the investments will be realized in their normal operating cycle.

However, the financial services companies of the FCA and CNH Industrial Groups only obtain a portion of their funding from the market: the remainder is obtained from FCA and CNH Industrial through their treasury companies (included within the industrial companies), which provide funding both to industrial companies and financial services companies in the groups, as the need arises.
This financial service structure within the FCA and CNH Industrial Groups does not allow the separation of financial liabilities funding the financial services operations (whose assets are reported within current assets) and those funding the industrial operations.
Presentation of financial liabilities as current or non-current based on their date of maturity, also at the EXOR level, would not facilitate a meaningful comparison with financial assets, which are categorized on the basis of their normal operating cycle.
However disclosure as to the due date of the financial liabilities is provided in the notes.

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.

In connection with the requirements of Consob Resolution 15519 of July 27, 2006 relating to the format of the financial statements, specific supplementary income statement, statement of financial position and statement of cash flows formats have been added that indicate significant related party transactions so as not to compromise an overall reading of the statements.

New standards and amendments effective from January 1, 2014

The following new standards and amendments that are applicable from January 1, 2014 were adopted by the Group for the purpose of the preparation of the consolidated financial statements.

IFRS 11 – Joint arrangements

The Group adopted IFRS 11, as amended as of January 1, 2014. The adoption of this standard required the reclassification of investments previously classified as jointly controlled entities under IAS 31 - *Interests in joint ventures*, as either "joint operations" (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or "joint ventures" (if the Group has rights only to the net assets of an arrangement). The classification focuses on the rights and obligations of the arrangements, as well as their legal form. Under the new standard, joint ventures are accounted for under the equity method while joint operations are accounted for by recognizing the Group's share of assets, liabilities, revenues and expenses (these interests would have previously been accounted for using the equity method under IAS 31).

As a result of the IFRS 11 retrospective application, the interest in Sevel S.p.A., a joint arrangement with PSA-Peugeot and the interests in Fiat India Automobiles Limited, a joint arrangement with Tata Motor, are classified as joint operations. Therefore, the Group recognized its share of assets, liabilities, revenues and expenses instead of recognizing its interest in the net assets of the entities under the equity method. The Group's interests in joint arrangements which were classified as jointly controlled entities under IAS 31 and have been reclassified as joint ventures under IFRS 11 continue to be accounted for using the equity method. The reclassification of these interests had no impact on these interim consolidated financial statements.

The impacts of the adoption of IFRS 11 on the comparative figures are set out below:

Effects on income statement

€ million	2013 Amounts previously reported	2013 IFRS 11 adoption effect	2013 Amounts as restated
Net revenues	113,740	(378)	113,362
Cost of sales	(96,359)	430	(95,929)
Selling, general and administrative costs	(9,124)	(13)	(9,137)
Research and development costs	(2,833)	(5)	(2,838)
Other income (expenses)	(15)	9	(6)
Result from investments:			0
- Share of profit (loss) of investments accounted for using the equity method	227	(12)	215
- Other income (expenses) from investments	63	(1)	62
Result from investments	290	(13)	277
Gains (losses) on the disposal of investments	1,517		1,517
Restructuring costs	(69)		(69)
Other unusual income (expenses)	(574)		(574)
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	6,573	30	6,603
Financial income (expenses)	(2,472)	(23)	(2,495)
Profit before taxes	4,101	7	**4,108**
Income taxes	326	(7)	319
Profit from continuing operations	4,427	0	**4,427**
Profit (loss) from Discontinued Operations	0		0
Profit for the year	4,427	0	**4,427**
Profit attributable to:			
- Owners of the parent	2,085		2,085
- Non-controlling interests	2,342		2,342

Effects on statement of comprehensive income

€ million	2013 Amounts previously reported	2013 IFRS 11 adoption effect	2013 Amounts as restated
Impact of IFRS 11 on components of statement of comprehensive income:			
Other comprehensive income that may be reclassified to the income statement in subsequent periods:			
Gains (losses) on remeasurement of defined benefit plans	2,794	(2)	2,792
Other comprehensive income that may be reclassified to the income statement in subsequent periods:			
Exchange differences on translating foreign operations	(1,346)	(12)	(1,358)
Share of other comprehensive income (loss) of investments accounted for using the equity method	(141)	14	(127)

Effects on statement of cash flows

€ million	2013 Amounts previously reported	2013 IFRS 11 adoption effect	2013 Amounts as restated
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**22,813**	**9**	**22,822**
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	9,551	28	9,579
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:	(10,042)	32	(10,010)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	4,961	(51)	4,910
TRANSLATION EXCHANGE DIFFERENCES	(1,130)	(2)	(1,132)
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	3,340	7	3,347
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**26,153**	**16**	**26,169**

Effects on statement of financial position

€ million	At December 31, 2013 Amounts previously reported	IFRS 11 adoption effect	Amounts as restated	At January 1, 2013 Amounts previously reported	IFRS 11 adoption effect	Amounts as restated
Non-current assets						
Intangible assets	24,731	5	24,736	24,327	8	24,335
Property, plant and equipment	28,125	389	28,514	26,858	433	27,291
Investments and other financial assets:						
- Investments accounted for using the equity method	2,275	(173)	2,102	2,105	(130)	1,975
- Other investments and financial assets	1,372	(35)	1,337	3,295	(38)	3,257
Total Investments and other financial assets	3,647	(208)	3,439	5,400	(168)	5,232
Leased assets under operating leases	769		769	624		624
Defined benefit plan assets	137	0	137	133	0	133
Deferred tax assets	4,110	10	4,120	2,967	10	2,977
Other non-current assets	93		93	89		89
Total Non-current assets	61,612	196	**61,808**	60,398	283	**60,681**
Current assets						
Inventories	15,692	48	15,740	14,133	64	14,197
Trade receivables	3,618	138	3,756	4,303	113	4,416
Receivables from financing activities	19,594	0	19,594	18,938	(7)	18,931
Other financial receivables	6	0	6	4		4
Current tax receivables	558	21	579	553	30	583
Other current assets	3,827	21	3,848	3,368	33	3,401
Current financial assets:						
- Current investments	35	0	35	32	0	32
- Current securities	828	0	828	492	0	492
- Other financial assets	724		724	641	0	641
Total Current financial assets	1,587	0	1,587	1,165	0	1,165
Cash and cash equivalents	26,153	16	26,169	22,813	9	22,822
Total Current assets	71,035	244	**71,279**	65,277	242	**65,519**
Asset held for sale	33		33	87	0	87
Total Assets	132,680	440	**133,120**	125,762	525	**126,287**
Equity						
Issued capital and reserves attributable to owners of the parent	6,947		6,947	6,169	0	6,169
Non-controlling interests	13,989		13,989	10,333	0	10,333
Total Equity	20,936	0	**20,936**	16,502	0	**16,502**
Provisions						
Employee benefits	10,232	61	10,293	13,673	60	13,733
Other provisions	11,894	6	11,900	11,466	(8)	11,458
Total Provisions	22,126	67	**22,193**	25,139	52	**25,191**
Financial debt						
Asset-backed financing	11,269	160	11,429	10,149	112	10,261
Other financial debt	41,898	252	42,150	39,929	334	40,263
Total Financial debt	53,167	412	**53,579**	50,078	446	**50,524**
Other liabilities						
Other financial liabilities	239		239	342	0	342
Trade payables	22,652	(58)	22,594	21,423	(2)	21,421
Current tax payables	643		643	467		467
Deferred tax liabilities	555		555	1,040		1,040
Other liabilities	12,341	19	12,360	10,771	29	10,800
Total Other liabilities	36,430	(39)	**36,391**	34,043	27	**34,070**
Liabilities held for sale	21	0	21	0	0	0
Total Equity and Liabilities	132,680	440	**133,120**	125,762	525	**126,287**

IFRS 10 – Consolidated Financial Statements

IFRS 10, as amended, builds on existing principles by identifying a single control model applicable to all entities, including "structured entities". The standard also provides additional guidance to assist in the determination of control where this is difficult to assess.

In accordance with the transition provision in IFRS 10, the Group reassessed the conclusion on control of its investees on January 1, 2014 without reporting any significant effect on the adoption of the new standard.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12, as amended, is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, structured entities and other unconsolidated entities.

Other than the modifications to the disclosures, the adoption of the new standard did not have any effect on these consolidated financial statements.

Amendments to IAS 32 – Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the application of certain offsetting criteria for financial assets and financial liabilities and are required to be applied retrospectively. There was no significant effect on the consolidated financial statements from the application of these amendments.

Amendments to IAS 36 – Impairment of assets – Recoverable Amount Disclosures for Non-Financial Assets
The adoption of these amendments, which address the disclosure of information about the recoverable amount of impaired assets if the recoverable amount is based on fair value less cost of disposal, had no effect on the consolidated financial statements. The application of these amendments will result in expanded disclosure in the notes to future consolidated financial statements when there is an impairment that is based on fair value less cost of disposal.

Amendments to IAS 39 – Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
These amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. There was no significant effect on the consolidated financial statements from the application of these amendments.

IFRIC 21 – Levies an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets
The interpretation sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. There was no significant effect on the consolidated financial statements from the application of this interpretation.

New standards, amendments and interpretations not yet effective
In November 2013, the IASB published narrow scope amendments to IAS 19 – *Employee benefits* entitled "*Defined Benefit Plans: Employee Contributions*". These amendments apply to contributions from employees or third parties to defined benefit plans in order to simplify their accounting in specific cases. The amendments are effective, retrospectively, for annual periods beginning on or after July 1, 2014 with earlier application permitted. No significant effect is expected from the first time adoption of these amendments.

In December 2013, the IASB issued *Annual Improvements to IFRSs 2010 – 2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle*. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – *Share-based payments*, the disclosure on judgment used in the aggregation of operating segments in IFRS 8 – *Operating Segments,* the identification and disclosure of a related party transaction that arises when a management entity provides key management personnel service to a reporting entity in IAS 24 – *Related Party disclosures,* the extension of the exclusion from the scope of IFRS 3 – *Business Combinations* to all types of joint arrangements and to clarify the application of certain exceptions in IFRS 13 – *Fair Value Measurement.* The improvements are effective for annual periods beginning on or after January 1, 2015. No significant effect is expected from the adoption of these amendments.
In May 2014, the IASB issued amendments to IFRS 11 – *Joint arrangements: Accounting for acquisitions of interests in joint operations*, clarifying the accounting for acquisitions of an interest in a joint operation that constitutes a business. The amendments are effective, retrospectively, for annual periods beginning on or after January 1, 2016 with earlier application permitted. No significant effect is expected from the adoption of these amendments.

In May 2014, the IASB issued an amendment to IAS 16 – *Property, Plant and Equipment* and to IAS 38 – *Intangible Assets.* The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. These amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted. The Group is currently evaluating the method of implementation and impact of this amendment on its consolidated financial statements.

In May 2014, the IASB issued IFRS 15 – *Revenue from contracts with customers*. 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. This new revenue recognition model defines a five step process to achieve this objective. The updated guidance also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. The standard is effective for annual periods beginning on or after January 1, 2017. The Group is currently evaluating the method of implementation and impact of this standard on its consolidated financial statements.

In July 2014 the IASB issued IFRS 9 – *Financial Instruments*. The improvements introduced by the new standard includes 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 application permitted. The Group is currently evaluating the impact of this standard on its consolidated financial statements.

In September 2014, the IASB issued narrow amendments to IFRS 10 – *Consolidated Financial Statements* and IAS 28 – *Investments in Associates and Joint Ventures* (2011). The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments will be effective, prospectively, for annual periods commencing on or after January 1, 2016.

In September 2014 the IASB issued the *Annual Improvements to IFRSs 2012-2014 cycle*, a series of amendments to IFRSs.

In December 2014 the IASB issued amendments to IAS 1 – *Presentation of Financial Statements* as part of its major initiative to improve presentation and disclosure in financial reports. The amendments make clear that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments are effective for annual periods beginning on or after January 1, 2016 with early application permitted.

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 December 31, 2014 are the following:

		12/31/2014		12/31/2013	
		Percentage of consolidation			
Company/Group	Country	Group's ownership interest	Non-controlling interest's ownership interest	Group's interest	Non-controlling interest's ownership interest
FCA Group	The Netherlands	29.25%	70.75%	30.90%	69.10%
CNH Industrial Group	The Netherlands	27.42%	72.58%	27.96%	72.04%
C&W Group	USA	83.06%	16.94%	82.40%	17.60%
Juventus Football Club S.p.A.	Italy	63.77%	36.23%	63.77%	36.23%
EXOR S.A.	Luxembourg	100.00%	-	100.00%	-
EXOR Capital Ltd	Ireland	100.00%	-	100.00%	-
EXOR Inc.	USA	100.00%	-	100.00%	-
EXOR N.V.	The Netherlands	100.00%	-	100.00%	-
EXOR SN LLC	USA	100.00%	-	-	-
Ancom USA Inc.	USA	100.00%	-	100.00%	-
Arenella Immobiliare S.r.l.	Italia	100.00%	-	100.00%	-

At December 31, 2014 the EXOR Group includes more than 600 subsidiaries consolidated line-by-line by the FCA, CNH Industrial and C&W Groups; a complete list of the companies of the Group is provided in the “List of EXOR Group Companies at December 31, 2014”.
Certain minor subsidiaries are excluded from consolidation on a line-by-line basis and are accounted for using the equity method or at cost. Their aggregate assets and revenues represent less than 1% of the Group’s respective amounts for each period and at each date presented within the consolidated financial statements.

Non-controlling interests

Total non-controlling interests at December 31, 2014 amount to €14,326 million (€13,989 million at December 31, 2013) and are detailed in Note 28.

The most important change refers to the FCA Group which, from the beginning of 2014 controls 100% of FCA US LLC ("FCA US") previously denominated Chrysler Group LLC. On January 1, 2014, FCA North America Holdings LLC ("FCA NA") previously denominated Fiat North America LLC, a wholly-owned subsidiary of FCA, and the VEBA Trust announced that they had entered into an agreement ("Equity Purchase Agreement") under which FCA NA agreed to acquire the VEBA Trust's 41.5% interest in FCA US, which included an approximate 10% interest in FCA US subject to previously exercised options that were subject to ongoing litigation, for cash consideration of $3,650 million (€2,691 million) as follows:

- a special distribution of U.S.$1,900 million (€1,404 million) paid by FCA US to its members, which served to fund a portion of the transaction, wherein FCA NA directed its portion of the special distribution to the VEBA Trust as part of the purchase consideration; and
- an additional cash payment by FCA NA to the VEBA Trust of $1,750 million (€1,287 million).

On the transaction date, the previously exercised options for the approximate 10% interest in FCA US that were settled in connection with the Equity Purchase Agreement had an estimated fair value at the transaction date of $302 million (€223 million), which resulted in a corresponding gain in other unusual income (expenses). These options were historically carried at cost, which was zero, in accordance with the guidance in paragraphs AG80 and AG81 of IAS 39 as the options were on shares that did not have a quoted market price in an active market and as the interpretation of the formula required to calculate the exercise price on the options was disputed and was subject to ongoing litigation. Upon consummation of the transactions contemplated by the Equity Purchase Agreement, the fair value of the underlying equity and the estimated exercise price of the options, at that point, became reliably estimable. The Group classified this item in other unusual income (expenses) because it relates to options held in relation to the acquisition of a non-controlling interest and is expected to occur infrequently.

Concurrent with the closing of the acquisition on January 21, 2014, FCA US and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America ("UAW") executed and delivered a contractually binding and legally enforceable Memorandum of Understanding ("MOU") to supplement FCA US's existing collective bargaining agreement. Under the MOU, the UAW committed to use the best efforts to cooperate in the continued roll-out of FCA US's World Class Manufacturing ("WCM") programs and to actively assist in the achievement of FCA US's long-term business plan.
In consideration for these legally enforceable commitments, FCA US agreed to make payments to a UAW-organized independent VEBA Trust totaling $700 million (€518 million at the transaction date) to be paid in four equal annual installments. Considering FCA US's non-performance risk over the payment period as of the transaction date and its unsecured nature, this payment obligation had a fair value of $672 million (€497 million) as of the transaction date.

The FCA Group considered the terms and conditions set forth in the above mentioned agreements and accounted for the Equity Purchase Agreement and the MOU as a single commercial transaction with multiple elements. As such, the fair value of the consideration paid discussed above, which amounts to $4,624 million (€3,411 million at the transaction date), including the fair value of the previously exercised disputed options, was allocated to the elements obtained by FCA and FCA US. Due to the unique nature and inherent judgment involved in determining the fair value of the UAW's commitments under the MOU, a residual value methodology was used to determine the portion of the consideration paid attributable to the UAW's commitments as follows:

€ million	
Special distribution from FCA US	1,404
Cash payment from FCA NA	1,287
Fair value of the previously exercised options	223
Fair value of financial commitments under the MOU	497
Fair value of total consideration paid	**3,411**
Less the fair value of an approximately 41.5% non-controlling ownership interest in FCA US	(2,916)
Consideration allocated to the UAW's commitments	**495**

The fair value of the 41.5% non-controlling ownership interest in FCA US acquired by FCA from the VEBA Trust (which includes the approximately 10% pursuant to the settlement of the previously exercised options discussed above) was determined using the valuation methodology discussed above.
The residual of the fair value of the consideration paid of $670 million (€495 million) was allocated to the UAW's contractually binding and legally enforceable commitments to FCA US under the MOU.

The effects of changes in ownership interests in FCA US were as follows:

€ million	Transaction date
Carrying amount of non-controlling interest acquired	3,976
Less: consideration allocated to the acquisition of the non-controlling interest	(2,916)
Additional net deferred tax assets	251
Effect on equity attributable to the owners of the FCA Group	**1,311**
Effect on equity of the EXOR Group	**383**

In accordance with IFRS 10 – *Consolidated Financial Statements*, equity reserves were adjusted to reflect the change in the ownership interest in FCA US through a corresponding adjustment to equity attributable to the parent. As the transaction described above resulted in the elimination of the non-controlling interest in FCA US, all items of comprehensive income previously attributed to the non-controlling interest were recognized in equity reserves.
Accumulated actuarial gains and losses from the remeasurement of the defined benefit plans of FCA US totaling €1,248 million has been recognized since the consolidation of FCA US in 2011. As of the transaction date, €518 million, which is approximately 41.5% of this amount, had been recognized in non-controlling interest. In connection with the acquisition of the non-controlling interest in FCA US, this amount was recognized as an adjustment to the equity reserve for remeasurement of defined benefit plans.

With respect to the MOU entered into with the UAW, the Group recognized €495 million ($670 million) in other unusual expenses in the income statement. The first $175 million installment under the MOU was paid on January 21, 2014, which was equivalent to €129 million at that date, and is reflected in the operating section of the statement of cash flows. The remaining outstanding obligation pursuant to the MOU as of December 31, 2014 of €417 million ($506 million), which includes €7 million ($9 million) of accreted interest, is recorded in other current liabilities in the statement of financial position. The second installment of $175 million (approximately €151 million at that date) to the VEBA Trust was made on January 21, 2015.

The Equity Purchase Agreement also provided for a tax distribution from FCA US to its members under the terms of FCA US Group's Limited Liability Company Operating Agreement (as amended from time to time, the "LLC Operating Agreement") in the amount of approximately $60 million (€45 million) to cover the VEBA Trust's tax obligation. As this payment was made pursuant to a specific requirement in FCA US's LLC Operating Agreement, it is not considered part of the multiple element transaction.

Significant restrictions in relation to the Group's interest in FCA US

The investment in FCA US is held through the FCA Group which is subject to several restrictions that limit its ability to access and use assets or settle liabilities in relation to its interest in FCA US.
Financing arrangements outstanding may limit the FCA Group's ability to allocate capital between Group entities or may restrict its ability to receive dividends or other restricted payments from FCA US. In particular, FCA's existing syndicated credit facility currently imposes restrictions, with certain exceptions, that limit FCA's capability to extend guarantees or loans to FCA US.
In addition, FCA US's Senior Credit Facilities are secured by a senior priority security interest in substantially all of FCA US's assets and the assets of its U.S. subsidiary guarantors, subject to certain exceptions.
The collateral includes 100% of the equity interests in FCA US's U.S. subsidiaries and 65% of the equity interests in its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors.
In addition, FCA US's Secured Senior Notes are secured by security interests junior to the Senior Credit Facilities in substantially all of FCA US's assets and the assets of its U.S. subsidiary guarantors, including 100% of the equity interests in FCA US's U.S. subsidiaries and 65% of the equity interests in certain of its non U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors.

These security interests cover almost all of FCA's assets. In addition, these debt instruments include covenants that restrict FCA US's ability to make certain distributions or purchase or redeem its capital stock, prepay certain other debt, encumber assets, incur or guarantee additional indebtedness, incur liens, transfer and sell assets or engage in certain business combinations, enter into certain transactions with affiliates or undertake various other business activities as well as the requirement to maintain borrowing base collateral coverage and a minimum liquidity threshold.

Change in the scope of consolidation
In 2014 there were no significant changes in the scope of consolidation.

Acquisitions or disposals during the year
CNH Industrial
On November 26, 2014, CNH Industrial completed the acquisition of substantially all of the assets of Miller-St. Nazianz, Inc. ("Miller"), a leading manufacturer of precision spraying equipment, for total consideration of $106 million. The results of the acquired business for the period from the acquisition date are included in the accompanying consolidated financial statements and are reported in the Agricultural Equipment segment.
Of the $106 million purchase price, $12 million was attributable to accounts receivable, $18 million to inventory, $16 million to property, plant and equipment, $8 million to goodwill, $62 million to other intangible assets and $10 million to liabilities assumed. Any subsequent changes to the fair value of the assets and liabilities will be recorded as adjustments to those assets and liabilities and the residual amounts will be allocated to goodwill in 2015.
Goodwill generated from the business acquisition is primarily attributable to access to Miller technology and expected synergies from geographic and network expansion, utilization of powertrain engines in Miller sprayers and cost savings as a result of increased purchasing power and operational synergies. Goodwill of $8 million is deductible for tax purposes.

C&W Group
On December 31, 2014 C&W Group acquired 100% of the outstanding stock of Massey Knakal Realty Services ("Massey Knakal"), a premier investment sales firm and one of the leaders in New York for midsized office, retail and apartment building sales, which is expected to reinforce C&W Group's Capital Markets presence in the New York Tri-State region. The total purchase price of the Massey Knakal acquisition was approximately $92.7 million, consisting of $74.4 million paid at closing and ten promissory notes issued by C&W Group to the order of Massey Knakal Realty Holdings, LLC, in an aggregate principal amount equal to $26 million payable after the ninth anniversary of the closing date. The promissory notes, which bear no interest, were valued at $18.3 million as of the closing date using the discounted cash flow method.
The final purchase price is subject to certain adjustments depending on the finalization of the audit of Massey Knakal's financial statements for the year ended December 31, 2014. The parties agreed to finalize such adjustments within 120 days after the closing date
At December 31, 2014 the goodwill arising from the acquisition is $65.4 million.
In these consolidated financial statements only the statement of financial position has been consolidated, while the acquisition costs of $2.4 million are recorded in the income statement under selling, general and administrative costs.

Subsidiaries
Subsidiaries are entities over which the Group has control. Control is achieved when the Group has power over the investee, when it is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.
The Group considers all the facts and circumstances in determining whether it controls an entity when it owns less than the majority of the voting rights or similar rights of the entity.
The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control, as indicated in paragraph 7 of IFRS 10.
Subsidiaries are consolidated on a line-by-line basis from the date on which control is achieved by the Group until the date that control ceases. Equity attributable to non-controlling interests and non-controlling interests in the profit (loss) of consolidated subsidiaries are presented separately from the interests of the owners of the parent in the statement of financial position and income statement respectively. Losses applicable to non-controlling interests that exceed the minority's interests in the subsidiary's equity are allocated against the non-controlling interests.
Changes in the Group's ownership interests in a subsidiary that do not result in the Group losing control over the subsidiary are accounted for as an equity transaction. The carrying amounts of the equity attributable to owners of

the parent and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid or received in the transaction is recognized directly in the equity attributable to the owners of the parent.
If the Group loses control of a subsidiary, a gain or loss is recognized in the income statement and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Any gains or losses recognized in other comprehensive income in respect of the measurement of the assets of the subsidiary are accounted for as if the subsidiary had been sold (i.e. reclassified to the income statement or transferred directly to retained earnings as required by other IFRS).
The fair value of any investment retained in the former subsidiary at the date when control is lost shall be regarded as the fair value on initial recognition of a financial asset in accordance with IAS 39 – *Financial instruments: recognition and measurement* or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture.

Joint ventures
Joint ventures are entities in which the Group has contractually agreed sharing of control of an arrangement or whereby a contractual arrangement exists whereby two or more parties undertake an economic activity that is subject to joint control. Investments in joint ventures are accounted for using the equity method from the date that joint control commences until the date that joint control ceases.

Associates
Associates are entities over which the Group has significant influence, as defined in IAS 28 – *Investments in Associates*, but not control or joint control over the financial and operating policies. Investments in associates are accounted for using the equity method from the date that significant influence commences until the date it ceases. When the Group's share of losses of an associate, if any, exceeds the carrying amount of the associate in the Group's statement of financial position, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

Investments in other companies
Investments in other companies that are available-for-sale financial assets are measured at fair value, when this can be reliably determined. Gains or losses arising from changes in fair value are recognized directly in other comprehensive income until the assets are sold or impaired; at that time the cumulative other comprehensive income is recognized in the income statement.
Investments in other companies for which fair value is not available are stated at cost less any impairment losses.
Dividends received from investment in other companies are included in other income (expenses) from investments.

Transactions eliminated in consolidation
All significant intragroup balances and transactions and any unrealized gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealized gains and losses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in those entities.

Foreign currency transactions
The functional currency of the Group's entities is the currency of their primary economic environment. In individual companies, transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Consolidation of foreign entities
All assets and liabilities of foreign consolidated companies with a functional currency other than the Euro are translated using the closing rates at the date of the statement of financial position. Income and expenses are translated into Euro at the average exchange rate for the period. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment. Average exchange rates for the period are used to translate the cash flows of foreign subsidiaries in preparing the statement of cash flows.

Goodwill, assets acquired and liabilities assumed arising from the acquisition of entities with a functional currency other than the Euro are recognized in the consolidated financial statements in the functional currency and translated at the exchange rate at the acquisition date. These balances are translated at subsequent balance sheet dates at the relevant exchange rate.
The principal exchange rates used in 2014 and 2013 to translate the foreign currency financial statements of foreign entities into Euro are the following:

	At December 31, 2014		At December 31, 2013	
	Average	**At 12/31/2014**	Average	At 12/31/2013
U.S. dollar	**1.329**	**1.214**	1.328	1.379
Brazilian real	**3.121**	**3.221**	2.867	3.258
Chinese renmimbi	**8.187**	**7.536**	8.164	8.349
Serbian dinar	**117.247**	**120.958**	113.096	114.642
Polish zloty	**4.184**	**4.273**	4.197	4.154
Argentine peso	**10.782**	**10.382**	7.263	8.988
Pound sterling	**0.806**	**0.779**	0.849	0.834
Swiss franc	**1.215**	**1.202**	1.231	1.228
Canadian dollar	**0.906**	**0.864**	0.971	0.940
Turkish lira	**0.457**	**0.429**	0.524	0.466

Business combinations

Business combinations are accounted for by applying the acquisition method of accounting in accordance with IFRS 3 - Business Combinations.
When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in the income statement. Changes in the equity interest in the acquiree that have been recognized in other comprehensive income in prior reporting periods are reclassified to the income statement as if the equity interest had been disposed.

Date of reference

The investments are consolidated using the financial statements as of December 31, EXOR's year-end closing date, which covers a 12-month period, or accounting data prepared as of the same date (whenever the closing date is different from EXOR's), adjusted, where necessary, to conform with the accounting principles of the Group.

Intangible assets

Purchased and internally-generated intangible assets are recognized as assets where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.
Intangible assets are initially recognized at purchase or manufacturing cost. Purchase cost is represented by the fair value of consideration given to acquire the asset and any direct cost incurred to make the asset available for use.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives consist principally of brands which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Goodwill arising on business combinations is initially measured at cost as established at the acquisition date. Goodwill is not amortized, but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.
On the loss of control of a previously acquired entity, any outstanding goodwill balance is included in the determination of the gain or loss on disposal.
Brands with indefinite useful lives are not amortized, but are tested for impairment annually or more frequently whenever there is an indication that the asset may be impaired by comparing the carrying amount with the recoverable amount.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognized at purchase or production cost less amortization and cumulative impairment losses. Amortization is calculated on a systematic basis over the asset's useful life and begins when the asset is available for use.

- Development costs are recognized as an asset when the development costs can be measured reliably and the technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalized development costs include all direct and indirect costs that may be directly attributed to the development process. Capitalized development costs are amortized on a straight-line basis from the start of production over the expected life cycle of the product, and on average as follows:

	Number of years
Automobiles	5-6
Trucks and buses	4-8
Agricultural and Construction Equipment	5
Powertrain	8-12

  Research and all other development costs which do not meet the above criteria are expensed as incurred.
- Players' registration rights are recognized at cost, including auxiliary expenses, and discounted to present value. They are amortized on a straight-line basis over the duration of the contracts the company has signed with the individual football players.
- Other intangible assets with a finite useful life are recorded at purchase or production cost and amortized on a straight-line basis over their estimate useful lives. Other intangible assets recognized subsequent to the acquisition of a company are recorded separately from goodwill if their fair value can be measured reliably.

Whenever necessary, intangible assets with a finite useful life are tested for impairment.

Property, plant and equipment

Cost

Property, plant and equipment is initially recognized at cost which comprises the purchase price, any costs directly attributable to bringing the assets to the location and condition necessary to be capable of operating in the manner intended by management and any initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Self-constructed assets are initially recognized at production cost. Subsequent expenditures and the cost of replacing parts of an asset are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalized, the carrying amount of the parts that are replaced is recognized in the income statement.

Borrowing costs that are directly attributable to the acquisition, construction or production of property, plant or equipment or an intangible asset that is deemed to be a qualifying asset are capitalized. All other borrowing costs are expensed when incurred.

Assets held under finance leases, which provide the Group with substantially all the risks and rewards of ownership, are recognized as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of position within financial debt. The assets are depreciated by the method and at the rates indicated below depending on the nature of the leased assets.
Leases under which the lessor retains substantially all the risks and rewards of ownership of the leased assets are classified as operating leases. Operating lease expenditures are expensed on a straight-line basis over the lease terms.

Depreciation
Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	2.5%-10%
Plant, machinery and equipment	3%-33%
Other assets	3%-33%

Land is not depreciated.

Impairment of assets
Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or more frequently, if there is an indication that an asset may be impaired. The Group assesses at the end of each reporting period whether there is any indication that its intangible assets (including development costs) and its property, plant and equipment may be impaired.
If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount, that is, the higher of fair value less costs of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In assessing the value in use of an asset, the estimated future cash flows are discounted to their present value using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the recoverable amount is lower than the carrying amount.
Impairment of property plant and equipment and intangible assets arising from transactions that are only incidentally related to the ordinary activities of the Group and that are not expected to occur frequently, are recognized under other unusual expenses.
Where an impairment loss for assets, other than goodwill, subsequently no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. The reversal of an impairment loss is recognized in in the income statement immediately.

Financial instruments
Presentation
Financial instruments held by the Group are presented in the consolidated financial statements as described in the following paragraphs.
Investments and other non-current financial assets comprise investments in unconsolidated companies and other non-current financial assets (held-to-maturity securities, non-current loans and receivables and other non-current available-for-sale financial assets).
Current financial assets, as defined in IAS 39 include trade receivables, receivables from financing activities (retail financing, dealer financing, lease financing and other current loans to third parties), current securities and other financial assets (which include derivative financial instruments stated at fair value), as well as cash and cash equivalents.
In particular, cash and cash equivalents include cash at banks, units in money market funds and other money market securities that are readily convertible into cash and are subject to an insignificant risk of changes in value.
Current securities include short-term or marketable securities which represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents. Current securities include both available-for-sale and held-for-trading securities.
Financial liabilities refer to debt, which includes asset-backed financing, and other financial liabilities (which include derivative financial instruments stated at fair value), trade payables and other payables.

Measurement

Trade receivables and trade payables

Receivables are recognized at amortized cost using the effective interest method and measured at net realizable value, that is, less the provision for impairment of amounts considered uncollectible. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.
Payables are recognized at amortized cost.
Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Financial assets and financial liabilities

Financial assets other than investments, as well as financial liabilities, are accounted for in accordance with IAS 39. The classification of financial assets in the following categories determines the subsequent measurement which is the following:

- financial assets held for trading - HFT;
- held-to-maturity investments – HTM;
- loans and receivables – L&R;
- available-for-sale financial assets – AFS.

Financial assets held for trading are measured at fair value. Gains and losses arising from changes in the fair value of held-for-trading financial instruments are included in the income statement for the period.

Held-to-maturity i*nvestments* are assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. They are recognized on the basis of the settlement date and, on initial recognition, are measured at acquisition cost, including transaction costs. They are subsequently measured at amortized cost, using the effective interest method, the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.
Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of such investments has been sold or reclassified before their maturity, except sales or reclassifications that:

- are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;
- occur after the Group has received substantially all of the financial asset's original principal through ordinary scheduled payments or prepayments;
- are attributable to an isolated event that is beyond the Group’s control, is non-recurring and could not have been reasonably anticipated by the Group.

Loans and receivables which are not held by the Group for trading (loans and receivables originating in the ordinary course of business), held-to-maturity securities and equity investments whose fair value cannot be determined reliably, are measured, to the extent that they have a fixed term, at amortized cost, using the effective interest method. When the financial assets do not have a fixed term, they are measured at acquisition cost. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates.

Available-for-sale f*inancial assets* are measured at fair value. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).

Gains and losses on available-for-sale financial assets are recognized directly in other comprehensive income until the financial asset is disposed of or impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to the income statement for the period in financial income and expenses; when the asset is impaired, accumulated losses are recognized in the income statement.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, any impairment loss is included in the income statement for the period.

Except for derivative instruments, loans and other financial payables are recognized initially at cost, represented by fair value net of incidental charges.
Loans and financial payables are subsequently measured at amortized cost using the effective interest method, taking into account the costs of issue and every discount or premium, if any, on settlement of the instrument.

Financial assets and liabilities hedged against changes in fair value (fair value hedges) are measured in accordance with hedge accounting principles (see next paragraph): gains and losses arising from remeasurement at fair value, due to changes in the respective hedged risk, are recognized in the income statement and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument.

Derivative financial instruments
Derivative financial instruments are used for economic hedging purposes, in order to reduce currency, interest rate and market price risks (primarily related to commodities and securities). In accordance with IAS 39, all derivative financial instruments are measured at fair value.
Derivative financial instruments qualify for hedge accounting only when there is formal designation and documentation of the hedging relationship at the inception of the hedge, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.
When derivative financial instruments qualify for hedge accounting, the following accounting treatments apply:
- *Fair value hedge* (hedge of the exposure to changes in fair value) in which the effects of the hedge are recognized in the income statement;
- *Cash flow hedge* (hedge of the exposure to variability in future cash flows) in which the effective portion of a gain or loss in fair value is recognized directly in other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in other comprehensive income is recognized in the income statement immediately;
- *Hedge of a net investment* (hedges of a net investment in a foreign operation) in which the effective portion of the gain or loss on the derivative financial instrument is recognized in other comprehensive income and the ineffective portion is recorded in the income statement.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately in the consolidated income statement.

Transfers of financial assets
The Group derecognizes financial assets when, and only when, the contractual rights to the cash flows arising from the asset are no longer held or if it transfers the financial asset. In case of a transfer of financial asset:
- if the Group transfers substantially all the risks and rewards of ownership of the financial asset, it derecognizes the financial asset and recognizes separately as assets or liabilities any rights and obligations created or retained in the transfer;
- if the Group retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognize the financial asset;

- if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it determines whether it has retained control of the financial asset. In this case:
- if it has not maintained control, it derecognizes the financial asset and recognizes separately as assets and liabilities any rights and obligations created or retained in the transfer;
- if it has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

On derecognition of financial assets, the difference between the carrying amount of the asset and the consideration received or receivable for the transfer of the asset is recognized in the income statement.

Inventories

Inventories of raw materials, semi-finished products and finished goods (including assets sold with a buy-back commitment) are stated at the lower of cost and net realizable value, cost being determined on a first in-first-out (FIFO) basis. The measurement of inventories includes the direct costs of materials, labor and indirect costs (variable and fixed). A provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.

The measurement of production systems construction contracts is based on the stage of completion determined as the proportion of cost incurred at the balance sheet date to the estimated total contract cost. These items are presented net of progress billings received from customers. Any losses on such contracts are fully recorded in the income statement when they are known.

Employee benefits

Defined contribution plans

Costs arising from defined contribution plans are expensed as incurred.

Defined benefit plans

The Group's net obligations are determined separately for each plan by estimating the present value of future benefits that employees have earned in the current and prior periods, and deducting the fair value of any plan assets. The present value of the defined benefit obligation is measured using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible and attributes benefits to periods in which the obligation to provide post-employment benefits arise by using the Projected Unit Credit Method. Plan assets are recognized and measured at fair value.

When the net obligation is a potential asset, the recognized amount is limited to the present value of any economic benefits available in the form of future refunds or reductions in future contributions to the plan (asset ceiling).

The components of the defined benefit cost are recognized as follows:

- the service costs are recognized in the income statement by function and presented in the relevant line items (cost of sales, selling, general and administrative costs, research and development costs, etc.);
- the net interest on the defined benefit liability or asset is recognized in the income statement as financial income (expenses), and is determined by multiplying the net liability (asset) by the discount rate used to discount obligations taking into account the effect of contributions and benefit payments made during the year;
- the remeasurement components of the net obligations, which comprise actuarial gains and losses, the return on plan assets (excluding interest income recognized in the income statement) and any change in the effect of the asset ceiling are recognized immediately in other comprehensive income. These remeasurement components are not reclassified in the income statement in a subsequent period.

Past service costs arising from plan amendments and curtailments are recognized immediately in the income statement within other unusual income (expenses). Gains and losses on the settlement of a plan are recognized in the income statement within other unusual income (expenses) when the settlement occurs.

Other long-term employee benefits

The Group's obligations represent the present value of future benefits that employees have earned in return for their service during the current and prior periods. Remeasurement components on other long-term employee benefits are recognized in the income statement in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of i) when the Group can no longer withdraw the offer of those benefits and ii) when the Group recognizes costs for a restructuring.

Post-employment plans other than pensions

The Group provides certain post-employment defined benefits, mainly healthcare plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

Share-based compensation

Share-based compensation plans that are be settled by the delivery of shares are measured at fair value at the grant date. This fair value is expensed over the vesting period of the plan with a corresponding increase in equity. Periodically, the Group reviews its estimate of the benefits expected to vest through the plan and recognizes any difference in estimate in the income statement, with a corresponding increase or decrease in equity.
Share-based compensation plans that are be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in the income statement.

Provisions

Provisions are recognized when the Group has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.
Changes in estimates of provisions are reflected in the income statement in the period in which the change occurs.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions are recognized as a deduction from equity. Therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized in equity.

Revenue recognition

Revenue is recognized if it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue can be reliably measured.

Revenue from sale of vehicles and service parts is recognized when the risks and rewards of ownership are transferred to the customer, the sales price is agreed or determinable and collectability is reasonably assured. For vehicles, this generally corresponds to the date when the vehicles are made available to dealers, or when the vehicle is released to the carrier responsible for transporting vehicles to dealers.
Revenues are recognized net of discounts, allowances and returns, as well as costs for sales incentive programs and customer bonuses, determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognized. The Group's sales incentive programs include incentives offered to dealers and retail customers, and granting of retail financing at a significant discount to market interest rates. These costs are recognized at the time of sale of the vehicle.

New vehicle sales with a buy-back commitment, or through the Guarantee Depreciation Program ("GDP") under which the Group guarantees the residual value or otherwise assumes responsibility for the minimum resale value of the vehicle, are not recognized at the time of delivery but are accounted for similar to an operating lease when it is probable that the vehicle will be bought back. Vehicles sold with a buy-back commitment are accounted for as inventories if the agreements usually have a short-term buy-back commitment; they are accounted for as property, plant and equipment if agreements usually have a long-term buy-back commitment.
The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) at the end of the buy-back period is depreciated on a straight-line basis over the same agreement period. The initial sale price received is recognized in liabilities as a down payment.

The difference between the initial sale price and the buy-back price is recognized as rental revenue on a straight-line basis over the term of the operating lease.
Assets sold under a buy-back commitment that are initially recognized in property, plant and equipment are reclassified to inventories at the end of the agreement term if they are held for sale. The proceeds from the sale of such assets are recognized as revenues.

Revenues from services and from construction contracts are recognized by reference to the stage of completion.

Revenues also include lease rentals recognized over the contractual term of the lease on a straight-line basis as well as interest income from financial services companies.

Revenues from services (contracts for extended warranties, maintenance, sponsorships) are recognized over the period during which the service is provided. In particular, revenues for real estate services are recognized when persuasive evidence of an arrangement exists, services have been rendered, the amount is fixed or determinable and collectability is reasonably assured unless there are contingencies that impact revenue recognition. The existence of any significant future contingencies results in the delay of revenue recognition for the contingent amounts until such contingencies are satisfied. Certain reimbursements (primarily employment costs and other charges) in connection with facilities and property management operations are recognized as revenues when the underlying reimbursable costs are incurred.

Revenues from matches, radio and television rights, media revenues and season ticket sales are recognized on an accrual basis, that is, when the relative match is played.

Cost of sales

The costs are recognized on the accrual basis.
Cost of sales comprises:

- the cost of manufacturing products and the acquisition cost of purchased merchandise which has been sold. It includes all directly attributable material and production costs and all overheads directly related to production and/or the performance of services. These include the depreciation of property, plant and equipment and the amortization of intangible assets relating to production and writedowns of inventories, freight and insurance costs relating to deliveries to dealers and agency fees in the case of direct sales and provisions made to cover the estimated cost of product warranties;
  - expenses which are directly attributable to the financial services businesses, including the interest expenses related to their financing as a whole and provisions for risks and writedowns of assets;
  - expenses that are directly attributable to the generation of revenue for real estate services including employment costs for employees who perform the underlying services that ultimately generate revenues and reimbursed costs relating to managed properties, in addition to costs for players' wages and technical staff, amortization and impairment losses on players' registration rights, operating and maintenance costs of sports facilities as well as all the costs incurred for sports events.

Government grants

Government grants are recognized in the financial statements when there is reasonable assurance of the Company's compliance with the conditions for receiving such grants and that the grants will be received. Government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to offset.
The benefit of a government loan at a below-market rate of interest is treated for accounting purposes as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying amount of the loan (fair value plus transaction costs) and the proceeds received, and it is accounted for in accordance with the policies used for the recognition of government grants.

Taxes

Income taxes include all taxes based upon the taxable profits of the Group. Income taxes are provided by each consolidated company on the basis of a reasonable estimate of the definition of taxable income for tax purposes, in accordance with existing laws in the individual countries in which the Group operates and takes into account tax credit entitlement.
Current and deferred taxes are recognized as income or expense and included in the income statement for the period, except tax arising from a business combination or a transaction or event which is recognized, in the same or a different period, either in other comprehensive income or directly in equity.

Deferred taxes are accounted for under the full liability method.

Deferred tax liabilities are recognized for all taxable temporary differences between the carrying amounts of assets or liabilities and their tax base, except to the extent that the deferred tax liabilities arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit, or for differences related to investments in subsidiaries where reversal will not take place in the foreseeable future.
Deferred tax assets and liabilities are measured at the substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to the period when the asset is realized or liability is settled.

Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.
The Group recognizes deferred tax assets associated with the deductible temporary differences on investments in subsidiaries only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Provisions for income taxes that could arise on the distribution of a subsidiary's undistributed profits are only made where there is a current intention to distribute such profits.
The Group recognizes deferred tax liabilities associated with the existence of a subsidiary's undistributed profits, except when it is able to control the timing of the reversal of the temporary difference and it is probable that this temporary difference will not reverse in the foreseeable future.

The Group reassesses unrecognized deferred tax assets at the end of each year and recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current income taxes and deferred taxes are offset when they relate to the same taxation authority and there is a legally enforceable right of offset.

Other taxes not based on income, such as property taxes and capital taxes, are included in other income (expenses).

Dividends

Dividends payable by the Group are reported as a movement in equity in the year in which they are approved by the shareholders' meeting.

Earnings per share

Basic earnings per share are calculated by dividing the profit (loss) attributable to owners of the parent entity by the weighted average number of shares outstanding during the year. For diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming conversion of all shares having a potential dilutive effect.

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), real estate services (C&W Group) and professional football (Juventus Football Club). EXOR S.p.A. and the subsidiaries of the Holdings System primarily carry out 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, C&W Group, 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.
In some cases, and for the purpose of providing clearer and more precise disclosure, the Group's notes specifically report FCA and CNH Industrial's representations, making reference to their specific operating segments.

FCA has identified seven reportable segments: four regional mass-market vehicle segments (NAFTA, LATAM, APAC and EMEA), Ferrari, Maserati and the Components segment. In particular, the regional mass-market vehicle reportable segments deal with the design, engineering, development, manufacturing, distribution and sale of passenger cars, light commercial vehicles and related parts and services in specific geographic areas: NAFTA (U.S., Canada, Mexico and Caribbean islands), LATAM (South and Central America), APAC (Asia and Pacific countries) and EMEA (Europe, Middle East and Africa).
FCA operates with Ferrari and Maserati in the design, engineering, development, manufacturing, distribution and sale of luxury sport cars. FCA also manufactures and sells components and production systems for the automotive segment with Magneti Marelli, Teksid and Comau which, which did not meet the quantitative thresholds required in IFRS 8 and are therefore presented within the reportable segment “Components”.

CNH Industrial has the following five operating segments: Agricultural Equipment, Construction Equipment, Commercial Vehicles, Powertrain and Financial Services.

The income statement and statement of financial position by segment are reported in Note 35.

Use of estimates

The consolidated financial statements and the relative notes are prepared in accordance with IFRS which require the use of estimates, judgments and assumptions that affect the carrying amount of assets and liabilities, the disclosures relating to contingent assets and liabilities and the amounts of income and expense reported for the period. The estimates and associated assumptions are based on elements that are known when the financial statements are prepared, on historical experience and on any other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed periodically and if the items subject to estimates do not perform as assumed then the actual results could differ from the estimates, which would require adjustment accordingly.
The effects of any changes in estimate are recognized in the income statement in the period in which the adjustment is made, or also in future periods if the revision affects both current and future periods.

The following are the critical measurement processes and key assumptions and estimates which may have significant effects on the amounts recognized in the consolidated financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future:

- measurement of identifiable assets and liabilities acquired in a business combination;
- recoverable amount of non-current assets: specifically, non-current assets include property, plant and equipment, goodwill and other intangible assets with indefinite useful lives, other intangible assets, equity investments and other financial assets. The Group periodically reviews the carrying amount of non-current assets held and used and that of assets held for sale when events and circumstances warrant such a review. For goodwill and intangible assets with indefinite useful lives such analysis is carried out at least annually and when events and circumstances warrant such a review. The analysis of the recoverable amount of non-current assets is usually performed using estimates of future expected cash flows from the use or disposal of the asset and a suitable discount rate in order to calculate present value. When the carrying amount of a non-current asset is impaired, the Group records an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to the cash flows included in its most recent business forecasts. The estimates and assumptions described reflect the Group’s current available knowledge as to the expected future development of the businesses and are based on an assessment of the future development of the markets and the automotive industry, which remain subject to a high degree of uncertainty due to the continuation of the economic difficulties in most countries of the Eurozone and its effects on the industry;
- the recoverability of deferred tax assets which takes into consideration future taxable income arising on the most recent budgets and plans, prepared by using the same criteria described for testing the impairment of assets and goodwill. Moreover, the Group estimates the impact of the reversal of taxable temporary differences on earnings and it also considers the period over which these assets could be recovered. These estimates and assumptions are subject to a high degree of uncertainty, in particular with regard to the future performance in the Eurozone. Therefore changes in current estimates due to unanticipated events could have a significant impact on the Group’s consolidated financial statements;

- pension plans and other post-retirement benefits are measured on an actuarial basis which takes into consideration parameters of a financial nature such as the discount rate and the return on plan assets, the rates of salary increases and the rates of healthcare cost increases and the likelihood of potential future events estimated by using demographic assumptions such as mortality rates, dismissal and retirement rates. The discount rates used refer to high-quality corporate bonds in the respective market of reference. The return on plan assets is given by interest, dividends and other revenue derived from the plan assets, together with realized and unrealized gains or losses on the plan assets, less any costs of administering the plan and less any tax payable by the plan itself (other than those included in the actuarial assumptions used to measure the defined benefit obligation). Rates of salary increases reflect the Group's long-term actual expectation in the reference market and inflation trends. Trends in healthcare costs are developed on the basis of historical experience, the near-term outlook for costs and likely long-term trends;
- allowance accounts adjusting assets (receivables and inventories);
- dealer and customers incentives offered for the purchase of vehicles;
- estimated costs for product warranties;
- measurement of share-based compensation;
- residual values of assets leased out under operating lease arrangements or sold with a buy-back commitment;
- contingent liabilities particularly referring to disputes and legal proceedings;
- measurement of investments and certain financial assets whose fair value is determined on the basis of appraisals by independent experts.

1. Net revenues

Net revenues amount to €122,246 million in 2014 (€113,362 million in 2013). The composition is as follows:

€ million	2014	%	2013	%	Change
Sales of goods	113,813	93.1%	105,870	93.4%	7,943
Contract revenues	1,184	1.0%	1,007	0.9%	177
Commission and service fees and reimbursed costs for managed properties	2,144	1.8%	1,879	1.7%	265
Other services	2,800	2.3%	2,395	2.1%	405
Interest income from customers and other financial income of financial services companies	1,032	0.8%	949	0.8%	83
Lease installments from assets under operating leases and buy-backs	700	0.6%	623	0.5%	77
Television and radio rights and media revenues	156	0.2%	160	0.1%	(4)
Sponsorships and advertising	41	0.0%	42	0.0%	(1)
Season tickets and ticket office sales	41	0.0%	37	0.0%	4
Other	335	0.4%	400	0.4%	(65)
Total Net revenues	**122,246**	**100.0%**	**113,362**	**100.0%**	8,884

In 2014 net revenues include €95,491 million referring to the FCA Group (€85,921 million in 2013), €24,327 million to the CNH Industrial Group (€25,284 million in 2013), €2,144 million to C&W Group (€1,880 million in 2013) and €297 million Juventus Football Club (€277 million in 2013).
The analysis by geographical area is presented in Note 36.

2. Cost of sales

In 2014 the cost of sales amounts to €104,424 million (€95,929 million in 2013) and includes the following:

€ million	2014	2013	Change
Cost of sales	103,666	95,211	8,455
Interest cost and other financial expenses from financial services companies	758	718	40
Total Cost of sales	**104,424**	**95,929**	8,495

The contribution by segment is presented in Note 35.

3. Selling, general and administrative costs

Selling, general and administrative costs amount to €9,353 million in 2014 (€9,137 in 2013).
Selling costs mainly consist of marketing, advertising, and sales personnel costs.
General and administrative costs mainly consist of administration expenses which are not attributable to sales, manufacturing or research and development functions.

4. Research and development costs

The composition of research and development costs is as follows:

€ million	2014	2013	Change
Research and development costs expensed during the year	1,736	1,689	47
Writeoff of costs previously capitalized	91	24	67
Amortization of capitalized development costs	1,373	1,125	248
Total Research and development costs	**3,200**	**2,838**	362

5. Other income (expenses)

Other income (expenses) consists of operating expenses not attributable to specific functional areas, such as accruals to various provisions and indirect taxes and duties, net of other income arising from trading operations, which is not attributable to the ordinary operations of the sale of goods and services. Net other income of the Group in 2014 totals €118 million (net other expenses of €6 million in 2013).

6. Result from investments

The composition is as follows:

€ million	2014	2013	Change
Share of the profit of investments accounted for using the equity method	**224**	215	9
Other income (expenses) from investments			
Dividends from investments	11	70	(59)
Impairment reversals (losses)	(31)	(7)	(24)
Other income and accruals to provisions on investments	2	(1)	3
Total other income (expenses) from investments	**(18)**	62	(80)
Total Result from investments	**206**	**277**	(71)

7. Gains (losses) on the disposal of investments

The composition is as follows:

€ million	2014	2013	Change
Gains on disposal of investments	7	1,543	(1,536)
Losses on disposal of investments	(13)	(26)	13
Total Gains (losses) on disposal of investments	**(6)**	**1,517**	(1,523)

In 2013 gains on the disposal of investments mainly included the net gain realized on the disposal of the entire investment in SGS of €1,534 million.

8. Restructuring costs

Restructuring costs amount to €195 million in 2014 (€69 million in 2013). They primarily include restructuring costs recorded by the CNH Industrial Group of €145 million (€40 million in 2013) and net costs booked by the FCA Group of €50 million (€28 million in 2013).

The restructuring costs of the CNH Industrial Group include $103 million (€78 million) for actions to reduce selling, general and administrative costs and the residual amount to complete the manufacturing product specialization programs and the efficiency program announced in July 2014, under which $46 million (€35 million) was recorded for expenses relating to the closure of a 60% joint venture in China and $43 million (€32 million) to the re-alignment of the dealer networks in EMEA and the closure of a plant in Calhoun, Georgia (USA).

9. Other unusual income (expenses)

In 2014 other unusual expenses stand at €430 million (expenses of €574 million in 2013) and comprise net expenses of €30 million (€58 million in 2013) recorded by the CNH Industrial Group, €390 million (€499 million in 2013) by the FCA Group, €7 million (€13 million in 2013) by C&W Group and €4 million (€4 million in 2013) by the Holdings System.

Other unusual income (expenses) include expenses of €495 million recognized for the execution of the UAW MOU entered into by FCA US on January 21, 2014, partially offset by income of €223 million on the remeasurement to fair value of the previously exercised options for approximately a 10% interest in FCA US in connection with the Equity Purchase Agreement, expenses of €15 million relating to the compensation costs as a result of the resignation of the former chairman of Ferrari S.p.A. and an exchange loss of €151 million recognized as a result of the FCA Group's change in the exchange rate used to measure its Venezuelan subsidiary's net monetary assets in U.S. dollars based on the first quarter 2014 developments related to the foreign exchange process in Venezuela.

10. Financial income (expenses)

In addition to specific lines of the income statement, the analysis below also presents the net financial income (expenses) and the interest income of financial services companies included in net revenues of €1,032 million in 2014 (€949 million in 2013) in addition to the interest cost and other financial charges of financial services companies included in cost of sales of €758 million in 2014 (€718 million in 2013). A reconciliation to the income statement is provided as follows:

€ million	2014	2013	Change
Interest income from banks	200	181	19
Interest income from securities	20	20	
Sundry interest and other financial income	86	71	15
Total Interest and other financial income	306	272	34
Interest income from customers and other financial income of financial services companies	1,032	949	83
Gains on disposal of securities	26	5	21
Gains on disposals of investments	0	22	(22)
Total Financial income	**1,364**	1,248	116
Less: Interest income from customers and other financial income of financial services companies	(1,032)	(949)	(83)
Financial income, excluding financial services companies	**332**	299	33
Interest expenses on bonds	1,612	1,391	221
Interest expenses from banks	680	547	133
Commission expenses	33	41	(8)
Interest expenses and other financial expenses	653	903	(250)
Total Interest and other financial expenses	2,978	2,882	96
Writedowns of financial assets	202	199	3
Losses on disposal of securities	6	6	0
Net interest expenses on employees benefits provisions	392	433	(41)
Total Interest and other financial expenses	**3,578**	3,520	58
Net (income) expenses from derivative financial instruments and exchange rate differences	197	(8)	205
Total Financial expenses	**3,775**	3,512	263
Less: Interest expenses and other financial expenses of financial services companies	(758)	(718)	(40)
Financial expenses, excluding financial services companies	**3,017**	2,794	223
Net financial income (expenses), excluding financial services companies	**(2,685)**	**(2,495)**	(190)

11. Income taxes

Income taxes recognized in the income statement consist of the following:

€ million	2014	2013	Change
Current taxes:			
- IRAP	93	88	5
- Other taxes	1,040	1,184	(144)
Total Current taxes	**1,133**	1,272	(139)
Deferred taxes for the period:			
- IRAP	30	11	19
- Other taxes	(139)	(1,624)	1,485
Total Deferred taxes	**(109)**	(1,613)	1,504
Taxes relating to prior periods	**(23)**	22	(45)
Total Income taxes	**1,001**	**(319)**	1,320

Total tax expense for the year ended December 31, 2014 amounts to €1,001 million. Total tax income of €319 million was recorded in 2013 and included a €1,500 million one-time recognition of deferred tax assets related to tax loss carryforwards and temporary differences within the NAFTA segment.

The reconciliation between the income taxes recognized in the consolidated financial statements and the theoretical income taxes, calculated on the basis of the theoretical tax rate in effect in Italy, is as follows:

€ million		2014	2013
Theoretical income taxes		626	1,130
Tax effect on:			
Recognition and utilization of previously unrecognized deferred tax assets		(200)	(1,771)
Permanent differences		(92)	(477)
Deferred tax assets not recognized and writedowns		361	428
Differences between foreign tax rates and the theoretical Italian tax rate and tax holidays		201	235
Taxes relating to prior years		(23)	22
Other differences		3	15
Total Income taxes, excluding IRAP		**877**	(418)
	Effective tax rate	**38.6%**	n.a.
IRAP (current and deferred)		123	99
Total income taxes		**1,001**	**(319)**

For a better understanding of the reconciliation between the tax expense recognized in the consolidated financial statements and the theoretical tax expense, IRAP, which has a taxable basis different from profit before taxes, is excluded from the above effective tax rate calculation because it would create distortions between one year and the next. As a result, the theoretical taxes have been determined by applying the tax rate in Italy (IRES at 27.5% in 2014 and in 2013) to the profit before taxes.

In 2014 the Group's effective tax rate is equal to 38.6%. The difference between the theoretical and effective tax rate is largely due to unrecognized deferred tax assets on temporary differences and tax losses that arose during the year of €361 million (€428 million in 2013), mainly relating to the FCA Group and originating during the year in EMEA, partially offset by the utilization of tax loss carryforwards of €173 million that had not been recognized in the past.

In 2013 the Group's effective tax rate was not representative since the Group recognized a net tax benefit even though it had a consolidated net profit.
In particular in 2013 the theoretical and effective tax of the Group differed primarily due to the recognition of previously unrecognized deferred tax assets related to FCA US of €1,500 million. Excluding such effect the theoretical tax rate of the Group in 2013 would have been 26.3%.
The difference was also influenced by other effects arising from the utilization of tax loss carryforwards for which deferred tax assets had not been recognized in the past.

At December 31, 2014, the deferred tax asset balance consists of deferred tax assets less deferred tax liabilities of the individual consolidated companies, where these may be offset.

The amounts recognized are as follows:

€ million	12/31/2014	12/31/2013	Change
Deferred tax assets	4,916	4,120	796
Deferred tax liabilities	(604)	(555)	(49)
Total	**4,312**	**3,565**	747

In 2014 net deferred taxes increased by €747 million mainly as a result of the following:
- €113 million for the recognition of previously unrecognized deferred tax assets and the recognition of deferred tax assets on temporary differences originating during the year, net of the reversal of deferred taxes relating to prior years;
- €166 million for the recognition of deferred tax assets directly in equity;
- €214 million for translation differences and other changes;
- €252 million for the acquisition of the remaining 41.5% interest in FCA US.

The significant components of deferred tax assets and liabilities and their changes during the years ended December 31, 2014 and 2013 are as follows:

€ million	**12/31/2013**	Recognized in income statement	Recognized in equity	Changes in the scope of consolidation	Translation differences and other changes	**12/31/2014**
Deferred tax assets arising from:						
- Provisions	3,711	597		4	1,130	5,442
- Provision for employee benefits	1,552	61	45		241	1,899
- Intangible assets	511	(64)			14	461
- Inventories	432	56			24	512
- Allowances for doubtful accounts	276	(1)			1	276
- Impairment of financial assets	260	(18)			(10)	232
- Other	1,521	(877)	50	(4)	1,477	2,167
Total Deferred tax assets	8,263	(246)	95	0	2,877	**10,989**
Deferred tax liabilities arising from:						
- Accelerated depreciation	(1,746)	(155)			(1,269)	(3,170)
- Capitalization of development costs	(1,762)	(193)		2	(434)	(2,387)
intangibles	(755)	32		16	(705)	(1,412)
- Provision for employee benefits	(32)	3				(29)
- Other	(910)	(112)	71	(16)	(56)	(1,023)
Total Deferred tax liabilities	(5,205)	(425)	71	2	(2,464)	**(8,021)**
Deferred tax assets arising from tax loss carryforwards	4,736	854	(15)		180	**5,755**
Unrecognized deferred tax assets	(4,229)	(70)	15		(127)	**(4,411)**
Total Deferred tax assets, net of Deferred tax liabilities	**3,565**	113	166	2	466	**4,312**

€ million	**12/31/2012**	Recognized in income statement	Recognized in equity	Changes in the scope of consolidation	Translation differences and other changes	**12/31/2013**
Deferred tax assets arising from:						
- Provisions	3,631	472		2	(394)	3,711
- Provision for employee benefits	1,486	166	14		(114)	1,552
- Intangible assets	582	(71)				511
- Inventories	401	39			(8)	432
- Allowances for doubtful accounts	250	42			(16)	276
- Impairment of financial assets	240	69			(49)	260
- Other	1,724	(222)	3	2	14	1,521
Total Deferred tax assets	8,314	495	17	4	(567)	**8,263**
Deferred tax liabilities arising from:						
- Accelerated depreciation	(1,679)	(161)			94	(1,746)
- Capitalization of development costs	(1,516)	(305)			59	(1,762)
- Brands, trademarks and other	(907)	51		(17)	118	(755)
- Provision for employee benefits	(40)	6			2	(32)
- Other	(866)	34	(56)	(2)	(20)	(910)
Total Deferred tax liabilities	(5,008)	(375)	(56)	(19)	253	**(5,205)**
Deferred tax assets arising from tax loss carryforwards	4,352	469	(21)	7	(71)	**4,736**
Unrecognized deferred tax assets	(5,743)	1,020	13		481	**(4,229)**
Total Deferred tax assets, net of Deferred tax liabilities	**1,915**	1,609	(47)	(8)	96	**3,565**

The decision to recognize deferred tax assets is made for each company in the Group by critically assessing whether conditions exist for the future recoverability of such assets by taking into account recent forecasts from budgets and plans.

At December 31, 2014, the Group has deferred tax assets on deductible temporary differences of €10,989 million (€8,263 million at December 31, 2013) of which €701 million is not recognized (€634 million at December 31, 2013). At December 31, 2014, the Group also has theoretical tax benefits on tax loss carryforwards of €5,755 million (€4,736 million at December 31, 2013) of which €3,710 million is unrecognized (€3,595 million at December 31, 2013). At December 31, 2014 net deferred tax assets includes the amount of €2,045 million in respect of benefits on unused tax loss carryforwards (€1,141 million at December 31, 2013).

Deferred taxes have not been provided on the undistributed earnings of subsidiaries since the Group is able to control the timing of the distribution of these reserves and where it is probable that they will not be distributed in the foreseeable future.

Total deductible and taxable temporary differences and accumulated tax losses at December 31, 2014, together with the amounts for which deferred tax assets have not been recognized, analyzed by year of expiration, are as follows:

		Year of expiry					
€ million	**Total at 12/31/2014**	2015	2016	2017	2018	Beyond 2018	Unlimited / Indeterminable
Temporary differences and tax losses relating to State taxation (IRES in the case of Italy)							
- Deductible temporary differences	34,005	11,675	3,145	2,694	2,668	13,798	25
- Taxable temporary differences	(23,131)	(1,353)	(2,642)	(2,554)	(2,559)	(10,951)	(3,071)
- Tax losses	19,736	104	187	184	412	4,236	14,613
- Temporary differences and tax losses for which deferred tax assets have not been recognized	(15,861)	(687)	(488)	(366)	(462)	(1,895)	(11,963)
Temporary differences and tax losses relating to State taxation	**14,749**	9,739	202	(42)	59	5,188	(396)
Temporary differences and tax losses relating to local taxation (IRAP in the case of Italy)							
- Deductible temporary differences	19,412	5,040	1,958	1,857	1,773	8,767	17
- Taxable temporary differences	(17,682)	(531)	(1,945)	(1,908)	(1,899)	(8,437)	(2,962)
- Tax losses	3,890	4	6	42	344	2,595	900
- Temporary differences and tax losses for which deferred tax assets have not been recognized	(1,847)	(160)	(97)	(124)	(354)	(414)	(699)
Temporary differences and tax losses relating to local taxation	**3,773**	4,353	(78)	(133)	(136)	2,511	(2,744)

12. Other information by nature of expenses

Personnel costs amount to €15,305 million in 2014 (€14,647 million in 2013).
The Group has an average number of employees of 318,562 in 2014 (305,963 employees in 2013).

13. Earnings per share

		2014	2013
Profit attributable to owners of the parent	€ million	**323**	2,085
Average number of outstanding shares		**222,346,104**	223,168,648
Basic earnings per share	€	**1.459**	9.343
Diluted earnings per share	€	**1.444**	9.326

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.

14. Intangible assets

The composition is as follows:

€ million	12/31/2014	12/31/2013	Change
Goodwill, brands, trademarks and other intangible assets with indefinite useful lives	17,009	15,051	1,958
Other intangible assets	11,777	9,685	2,092
Total Intangible assets	**28,786**	**24,736**	4,050

Goodwill, Brands, Trademarks and Other intangible assets with indefinite useful life

Changes during 2014 are the following:

€ million	12/31/2013	Additions	Change in the scope of consolidation	Impairment losses	Translation differences and other changes	12/31/2014
Goodwill						
Original cost	13,032	49	0		1,571	14,652
Accumulated impairment losses	(965)		0	0	(68)	(1,033)
Net carrying amount	12,067	49	0	0	1,503	13,619
Brands, trademarks and other intangible assets with indefinite useful lives						
Original cost	3,030	5	0		407	3,442
Accumulated impairment losses	(46)		0		(6)	(52)
Net carrying amount	2,984	5	0	0	401	3,390
Goodwill, brands, trademarks and other intangible assets with indefinite useful lives	**15,051**	54	0	0	1,904	**17,009**

Additions include goodwill of €49 million ($65.4 million) recorded by C&W Group on the acquisition of Massey Knakal Realty Services on December 31, 2014.
In 2014 translation differences total €1,500 million and refer mainly to changes in the U.S. dollar/Euro rate.

Changes during 2013 were the following:

€ million	12/31/2012	Additions	Change in the scope of consolidation	Impairment losses	Translation differences and other changes	12/31/2013
Goodwill						
Original cost	13,525	6	(1)		(498)	13,032
Accumulated impairment losses	(982)		23	0	(6)	(965)
Net carrying amount	12,543	6	22	0	(504)	12,067
Brands, trademarks and other intangible assets with indefinite useful lives						
Original cost	3,165	1	0		(136)	3,030
Accumulated impairment losses	(48)		0		2	(46)
Net carrying amount	3,117	1	0	0	(134)	2,984
Goodwill, brands, trademarks and other intangible assets with indefinite useful lives	**15,660**	**7**	**22**	**0**	**(638)**	**15,051**

Goodwill

Goodwill and other assets are allocated to individual cash-generating units by the subsidiaries and associates on the basis of their procedures, methods and assumptions in accordance with IAS 36. This allocation, presented in the following table, is considered representative also for the consolidated financial statements.

€ million	12/31/2014	12/31/2013	Change
NAFTA	8,350	7,330	1,020
APAC	1,085	968	117
LATAM	517	461	56
EMEA	233	208	25
Ferrari	786	786	0
Components	52	51	1
Other activities	36	35	1
FCA Group	**11,059**	9,839	1,220
Agricultural Equipment	1,404	1,239	165
Construction Equipment	484	426	58
Commercial Vehicles	50	53	(3)
Powertrain	1	1	0
Financial Services	112	101	11
CNH Industrial Group	**2,051**	1,820	231
C&W (goodwill on the acquisition of C&W Group - Group's share)	354	310	44
Subsidiaries of C&W Group	122	65	57
C&W Group	**476**	375	101
Fiat S.p.A.	14	14	0
CNH Industrial N.V.	19	19	0
Holdings System	**33**	33	0
Total Goodwill	**13,619**	**12,067**	1,552

FCA Group

Goodwill mainly includes goodwill on the acquisition of FCA US of €10,185 million (€8,967 million at December 31, 2013) and certain interests of Ferrari S.p.A. of €786 million.

Goodwill is allocated to operating segments or to CGUs within the operating segments as appropriate.

In accordance with IAS 36, goodwill is not amortized and is tested for impairment annually, or more frequently, if facts or circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the carrying amount and the recoverable amount of each CGU to which goodwill has been allocated. The recoverable amount of a CGU is the higher of its fair value less costs of disposal and its value in use.

The assumptions used in this process represent management's best estimate for the period under consideration.

Goodwill allocated to the NAFTA segment represents approximately 75.5% of the Group's total Goodwill, which also includes the carrying amount of the Group's brands. The estimate of the value in use of the NAFTA segment for purposes of performing the annual impairment test was based on the following assumptions:

- the expected future cash flows of NAFTA covering the period from 2015 through 2018 have been derived from the Group Business Plan presented in May 2014. More specifically, in making the estimates, expected EBITDA for the periods under consideration was adjusted to reflect the expected capital expenditure and monetary contributions to pension plans and other post-employment benefit plans. These cash flows relate to the CGU in its condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Volumes and sales mix used for estimating the future cash flow are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends and segment, brand and model share for the NAFTA segment over the period considered.
- The expected future cash flows include a normalized terminal value used to estimate the future results beyond the time period explicitly considered.

This terminal value was calculated by applying an EBITDA margin of the average of the expected EBITDA for 2015-2018 to the average 2015-2018 expected revenues used in calculating the expected EBITDA. The terminal value was then adjusted by a normalized amount of investments determined assuming a steady state business and by expected monetary contributions to pension plans and post-employment benefit plans.

- Pre-tax expected future cash flows have been estimated in U.S. dollars, and discounted using a pre-tax discount rate. The base WACC of 16.4% (16% in 2013) used reflects the current market assessment of the time value of money for the period being considered and the risks specific to the segment under consideration. The WACC was calculated using the Capital Asset Pricing Model ("CAPM") technique in which the risk-free rate has been calculated by referring to the yield curve of long-term U.S. government bonds and the beta coefficient and the debt/equity ratio have been extrapolated by analyzing a group of comparable companies operating in the automotive sector. Additionally, to reflect the uncertainty of the current economic environment and future market conditions, the cost of the equity component of the WACC was progressively increased by a 100 basis point risk premium for the years 2016 and 2017, 90 basis points for 2018 and 100 basis points in the terminal value.

The value in use estimated as above was determined to be in excess of the book value of the net capital employed (inclusive of goodwill and brands allocated to the NAFTA segment) by approximately €100 million at December 31, 2014.

Impairment tests for goodwill allocated to other segments were based on the expected future cash flows covering the period from 2015 through 2018. The assumptions used to determine the pre-tax WACCs and the risk premiums were consistent with those described above for the NAFTA segment. Discounted cash flows were measured in U.S. dollars using a pre-tax base WACC of 16.6% (14.9% in 2013), 18% (22.3% in 2013) and 16.4% (17.9% in 2013) for the APAC, LATAM and EMEA segments, respectively. The results of the impairment tests for APAC, LATAM and EMEA resulted in a positive outcome reflecting a surplus of the value in use over the book value.
A sensitivity analysis was performed by increasing the base WACC used above for each of those regions by 50 basis points, which resulted in a surplus of the carrying amount over the value in use for the APAC, LATAM and EMEA segments.

In addition, the goodwill recorded within the Ferrari operating segment was tested for impairment. The expected future cash flows are the operating cash flows taken from the estimates included in the 2015 budget and the expected business performance, taking account of the uncertainties of the global financial and economic situation, extrapolated for subsequent years by using the specific medium/long-term growth rate for the sector equal to 1% (1% in 2013). These cash flows were then discounted using a post-tax discount rate of 8.2% (8.4% in 2013). The recoverable amount of the CGU was significantly higher than its carrying amount. Furthermore, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that the carrying amount of the goodwill within the Ferrari operating segment will continue to be recoverable, even in the event of difficult economic and market conditions.

CNH Industrial Group
The most significant goodwill refers to Agricultural Equipment (68% of the total) and Construction Equipment (24% of the total). The impairment test of such goodwill is performed at the cash-generating unit level, the segment level. The recoverable amount of the cash generating units is determined by CNH using multiple valuation methodologies, relying largely on an income approach but also incorporating value indicators from a market approach.

CNH Industrial uses the income approach to calculate the recoverable amount of a cash-generating unit on the basis of the present value of estimated future cash flows. The income approach is dependent on several critical management assumptions, including estimates of future sales, gross margins, operating costs, income tax rates, terminal value growth rates, capital expenditures, changes in working capital requirements and the weighted average cost of capital (discount rate). Discount rate assumptions include an assessment of the risk inherent in the future cash flows of the respective cash-generating units.

CNH Industrial used the following discount rates before taxes at December 31, 2014 and December 31, 2013:

	2014	2013
Agricultural Equipment	17.4%	17.4%
Construction Equipment	14.3%	15.4%
Commercial Vehicles	22.6%	20.2%

Expected cash flows used under the income approach are developed in conjunction with CNH Industrial's budgeting and forecasting processes. CNH Industrial uses nine years of expected cash flows for the Agricultural Equipment and Construction Equipment cash-generating units and four years of expected cash flows for the Financial Services cash-generating unit as management believes that these periods generally reflect the underlying market cycles for its businesses. Under the market approach, CNH Industrial estimates the recoverable amount of the Agricultural Equipment and Construction Equipment cash-generating units using revenue and EBITDA multiples and estimates the recoverable amount of the Financial Services cash-generating unit using book value, tangible book value and interest margin multiples. The multiples are derived from comparable publicly-traded companies with similar operating and investment characteristics as the respective cash-generating units. The guideline company method makes use of market price data of corporations whose stock is actively traded in a public, free and open market, either on an exchange or over-the counter basis. Although it is clear no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same, or a similar, line of business or be subject to similar financial and business risks, including the opportunity for growth.

A terminal value is included at the end of the projection period used in the discounted cash flow analyses in order to reflect the remaining value that each cash-generating unit is expected to generate. The terminal value represents the present value in the last year of the projection period of all subsequent cash flows into perpetuity. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity. The terminal value growth rate for the Agricultural Equipment cash-generating unit was 1% in 2014 and 2013, respectively, and for Construction Equipment was 3% in 2014 and 2013, respectively. The terminal value growth rate for Financial Services was 1.5% in 2014 and 2013, respectively.

As of December 31, 2014, the estimated recoverable amount, calculated using the above method, of the Agricultural Equipment and Financial Services cash-generating units substantially exceeded the respective carrying values. The Construction Equipment cash-generating unit's excess of recoverable amount over carrying value was approximately 7%. A 0.8% increase in the discount rate, holding all other assumptions constant, or a further decline in market demand for construction equipment could result in an impairment loss in future reporting periods.
The results obtained for the Commercial Vehicles and related sensitivity analyses confirmed the absence of an impairment loss.
Finally, the estimates and budget data to which the above mentioned parameters have been applied are those determined by CNH Industrial Group management based on past performance and expectations of developments in the markets in which the CNH Industrial Group operates. Estimating the recoverable amount of cash generating units requires discretion and the use of estimates by management. The CNH Industrial Group cannot guarantee that there will be no goodwill impairment in future periods. Circumstances and events, which could potentially cause further impairment losses, are constantly monitored by the CNH Industrial Group.

C&W Group
Goodwill recognized on the acquisition of C&W Group and other acquisitions by C&W Group is deemed representative of the aggregate of the expected future economic benefits from the investment not susceptible of separate identification.
Goodwill and other intangible assets with an indefinite useful life are not amortized, but are tested by C&W Group for impairment annually, at October 1st, or more frequently if events or changes in circumstances indicate that they might be impaired.

For the purpose of impairment testing, goodwill and trademarks are allocated to C&W Group's CGUs, which are identified as the geographic regions, as the geographic regions for Group represent (1) the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets and (2) the lowest level within C&W Group at which these assets are monitored for internal management purposes.

The aggregate carrying amounts of goodwill and trademarks with indefinite lives allocated to each CGU at December 31, 2014 are as follows:

(€ million)	United States	Canada	Latin America	Mexico	EMEA	Asia Pacific	Total
Goodwill (Group's share and non-controlling interests)	265	41	19	4	171	50	550
Trademarks (a)	107	19	7	2	65	10	210
Total at December 31, 2014	**373**	**60**	**25**	**5**	**236**	**61**	**760**
Goodwill (Group's share and non-controlling interests)	186	40	16	3	151	45	441
Trademarks	95	17	6	1	57	9	185
Total at December 31, 2013	**281**	**57**	**22**	**4**	**208**	**54**	**626**

(a) Excludes the Massey Knakal tradename of €3 million which is not tested for impairment but amortized over one year.

The recoverable amount of a CGU to which goodwill and trademarks are allocated is the greater of its value in use and its fair value less costs of disposal. In connection with the 2014 annual impairment assessment, the value in use exceeded the fair value less costs of disposal for the CGUs Canada, Latin America, Mexico and Asia Pacific, with the exception of the EMEA and U.S. where the fair value less costs of disposal was higher than the value in use.
Consequently, the impairment test did not determine impairment losses that should be recorded in the consolidated financial statements.

As part of the annual assessment, the estimated value in use and fair value less costs of disposal for each of the CGUs were determined with assistance from an independent appraisal firm.

The region specific risk premiums were determined based on various country risk premiums that were weighted by revenue per country.
The long-term growth rates were based on the long-term outlook for the CGUs relative to the industry and the respective economies as a whole.
In addition, the C&W Group's projected cash flow information used in the discounted cash flow method was developed through assumptions with respect to its expected future revenue and EBITDA margins, related cash taxes, capital expenditures and broker retention.

Value in use

To determine the value in use, the discounted cash flow method required a number of key assumptions as follows:

	USA	CANADA	SOUTH AMERICA	MEXICO	EMEA	ASIA PACIFIC
Specific CGU assumptions						
Discount rate	12.0%	12.0%	14.1%	13.5%	12.8%	13.0%
Long-term growth rate	3.0%	3.0%	4.0%	3.0%	3.0%	4.0%
Region specific risk premium	0.0%	0.0%	2.2%	1.6%	0.7%	1.0%
General assumptions						
Terminal value model	Constant (Gordon Growth Formula)					

Under the discounted cash flow method, cash flows were projected for each of the CGUs, along with an estimate of a terminal year value, all of which was discounted back to October 1, 2014, based on the discount rate assumption. The fourth quarter 2014 revenue and EBITDA assumptions were based upon C&W Group's most recent forecast available as of the assessment date (the "November" full-year 2013 forecast), while the 2015-2017 assumptions were developed in connection with C&W Group's strategic plan that was approved on February 3, 2015.

The discounted cash flow method utilized was substantially the same as that used in 2013, with the exception of South America and Asia Pacific, as it relates to the terminal value calculation which is based on the Gordon growth model in 2014 as opposed to the Fading growth model in 2013.

Fair value less costs of disposal

The valuation methodology to determine the fair value less costs of disposal of each CGU is based on a weighting of the indicated enterprise value amounts as determined under both the income approach (discounted cash flow method) and the market approach methods.
The key assumptions used to estimate fair value are the following:

	USA	CANADA	SOUTH AMERICA	MEXICO	EMEA	ASIA PACIFIC
Specific CGU assumptions						
Discount rate	12.8%	12.8%	14.9%	14.4%	13.6%	13.8%
Entity specific risk premium	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Region specific risk premium	0.0%	0.0%	2.2%	1.6%	0.7%	1.0%
Long-term growth rate	3.0%	3.0%	4.0%	3.0%	3.0%	4.0%
Terminal value model - Fading (F) / Gordon Growth (GG)	F	F	GG	F	F	GG
General assumptions						
Competitive advantage period (years)	3					
Control premium	15.0%					
Equity risk premium	6.0%					
Cost to sell	2.0%					

The discount rates were established through the assessment of a number of inputs, including the initial cost of equity, entity and region specific risk premiums, regional cost of debt, the region specific tax rates and debt to equity ratios.
The EBITDA and revenue multiples for 2014 and 2015 were determined through an assessment of the guideline company multiples and taking into account local country adjustments. The control premium, equity risk premium and the cost to dispose assumptions were all determined based on recent activity and trends in the market.

Under the market approach, the multiple assumptions in these calculations were derived from data publicly available relating to the guideline companies, including information relating to their revenue and EBITDA historical performance as well as the performance expected in 2014, 2015 and 2016.

The key assumptions used to determine the value in use and fair value less costs of disposal represent management's best assessment of future trends in the real estate industry and are based on both external sources and internal sources, including historical data.
The estimated values in use and fair values less costs of disposal are particularly sensitive to changes in the discount rate and the projected cash flow information assumptions. However, C&W Group believes that any reasonably possible change in the key assumptions on which the recoverable amount of each of the CGUs is based would not cause the CGU'S carrying amount to exceed its recoverable amount.

Brands, trademarks and other intangible assets with indefinite useful lives

The composition by reporting segment is as follows:

€ million	12/31/2014	12/31/2013	Change
FCA Group	2,953	2,600	353
CNH Group	194	169	25
C&W Group	213	185	28
Juventus F.C.	30	30	0
Total Brands, trademarks and other intangible assets with indefinite useful lives	**3,390**	**2,984**	406

Brands of the **FCA Group** are almost entirely attributable to the NAFTA segment. The amount of €2,953 million recognized at December 31, 2014 (€2,600 million at December 31, 2013) chiefly comprises the Chrysler, Jeep, Dodge, Ram and Mopar brands. These rights are protected legally through registration with government agencies and through the continuous use in commerce. As these rights have no legal, contractual, competitive or economic term that limits their useful lives, they are classified as intangible assets with indefinite useful lives, and are therefore not amortized.

The carrying amount of brands is tested annually and the FCA Group recognizes an impairment loss if the carrying amount exceeds the recoverable amount. The principal assumptions used in the calculation of the value in use of the NAFTA cash-generating unit are presented above.

With regard to the **CNH Industrial Group**, brands, trademarks and other intangible assets with indefinite useful lives are mainly attributable to Agricultural Equipment and Construction Equipment and consist of acquired trademarks and similar rights which have no legal, contractual, competitive or economic factors that limit their useful lives. For the purposes of impairment testing, these assets were attributed to the respective cash-generating units without the need for any recognition of impairment.

With regard to **C&W Group**, brands, trademarks and other intangible assets with indefinite useful lives include the value of the "Cushman & Wakefield" trademark, equal to €210 million at December 31, 2014, and the value attributed to the Massey Knakal tradename which will be amortized over one year. C&W Group intends to continuously renew the trademark since it is deemed to have an indefinite useful life because it is expected to contribute to cash flows indefinitely and, therefore, is not amortized but tested annually for impairment.

Other intangible assets

Changes in 2014 are the following:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	**Total**
Balance at December 31, 2013						
Original cost	7,716	7,751	3,005	1,440	289	20,201
Accumulated amortization and impairment	(3,634)	(4,088)	(1,671)	(968)	(155)	(10,516)
Net carrying amount	**4,082**	**3,663**	**1,334**	**472**	**134**	**9,685**
Changes during the year (original cost)						
Additions	1,628	1,147	381	170	70	3,396
Disposals	(8)	(72)	(38)	(17)	(41)	(176)
Change in the scope of consolidation	(146)	148	13	32	0	47
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	320	221	242	84	0	867
Total	**1,794**	**1,444**	**598**	**269**	**29**	**4,134**
Changes during the year (accumulated amortization and impairment)						
Amortization	(701)	(673)	(261)	(118)	(53)	(1,806)
Impairment losses	(56)	(45)	0	0	(2)	(103)
Disposals	6	56	33	14	26	135
Change in the scope of consolidation	141	(141)	(12)	12	0	0
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	(51)	(69)	(71)	(77)	0	(268)
Total	**(661)**	**(872)**	**(311)**	**(169)**	**(29)**	**(2,042)**
Balance at December 31, 2014						
Original cost	9,510	9,195	3,603	1,709	318	24,335
Accumulated amortization and impairment	(4,295)	(4,960)	(1,982)	(1,137)	(184)	(12,558)
Net carrying amount	**5,215**	**4,235**	**1,621**	**572**	**134**	**11,777**

In 2014 new development costs were capitalized for €2,775 million, of which €2,267 million by FCA Group consisting primarily of material costs and personnel related expenses relating to engineering, design and development focused on content enhancement of existing vehicles, new models and powertrain programs in the NAFTA and EMEA regions.

In order to reflect the new product strategy the FCA Group wrote down development costs for a total of €75 million in 2014 (€250 million in 2013), primarily in the EMEA and NAFTA regions.
Positive translation differences principally reflect foreign exchange gains of €482 million in 2014 related to changes in the U.S. dollar against the Euro.

The amortization of development costs are reported in the income statement as research and development costs.

Changes in other intangible assets in 2013 were the following:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	Total
Balance at December 31, 2012						
Original cost	5,971	7,367	2,813	1,404	283	17,838
Accumulated amortization and impairment	(2,829)	(3,808)	(1,427)	(957)	(142)	(9,163)
Net carrying amount	**3,142**	**3,559**	**1,386**	**447**	**141**	**8,675**
Changes during the year (original cost)						
Additions	1,675	938	238	144	72	3,067
Disposals	(5)	(317)	(19)	(35)	(66)	(442)
Change in the scope of consolidation	201	(3)	1	41	0	240
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	(126)	(234)	(28)	(114)	0	(502)
Total	**1,745**	**384**	**192**	**36**	**6**	**2,363**
Changes during the year (accumulated amortization and impairment)						
Amortization	(557)	(569)	(253)	(109)	(49)	(1,537)
Impairment losses	(120)	(130)	0	0	0	(250)
Disposals	1	298	18	30	36	383
Change in the scope of consolidation	(142)	0	0	(11)	0	(153)
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	13	121	(9)	79	0	204
Total	**(805)**	**(280)**	**(244)**	**(11)**	**(13)**	**(1,353)**
Balance at December 31, 2013						
Original cost	7,716	7,751	3,005	1,440	289	20,201
Accumulated amortization and impairment	(3,634)	(4,088)	(1,671)	(968)	(155)	(10,516)
Net carrying amount	**4,082**	**3,663**	**1,334**	**472**	**134**	**9,685**

In 2013 new development costs were capitalized for €2,613 million.

In 2013, to reflect the new product strategy the FCA Group wrote down certain development costs by €250 million. This amount mainly includes €151 million for the EMEA segment, €32 million for the LATAM segment and €65 million for Maserati in connection with development costs on new Alfa Romeo, Fiat and Maserati products, which had been switched to new platforms considered technologically more appropriate. Writedowns of development costs have been recognized as other unusual expenses for €226 million.

Negative translation differences of €217 million in 2013 principally reflected foreign exchange losses related to the changes in the U.S. dollar and Brazilian real against the Euro, partially offset by the appreciation of the Polish Zloty against the Euro.

15. Property, plant and equipment

Changes in property, plant and equipment in 2014 are the following:

€ million	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at December 31, 2013							
Original cost	1,130	9,462	44,589	1,893	2,886	2,660	62,620
Accumulated depreciation and impairment	(9)	(3,590)	(28,339)	(443)	(1,714)	(11)	(34,106)
Net carrying amount	**1,121**	**5,872**	**16,250**	**1,450**	**1,172**	**2,649**	**28,514**
Changes during the year (original cost)							
Additions	14	876	3,353	597	337	1,536	6,713
Disposals	(9)	(128)	(1,330)	(108)	(62)	(10)	(1,647)
Change in the scope of consolidation	1	21	40	0	(4)	8	66
Translation differences and other changes	44	402	1,751	4	206	145	2,552
Reclassified to/from assets held for sale	(1)	(42)	(39)	0	(1)	0	(83)
Other changes	23	64	1,041	(293)	50	(1,250)	(365)
Total	**72**	**1,193**	**4,816**	**200**	**526**	**429**	**7,236**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	0	(351)	(3,451)	(188)	(256)	0	(4,246)
Impairment losses	0	(6)	(27)	(11)	0	0	(44)
Disposals	2	115	1,296	41	60	(3)	1,511
Change in the scope of consolidation	0	(5)	(5)	0	5	0	(5)
Translation differences and other changes	0	(89)	(742)	1	(84)	0	(914)
Reclassified to/from assets held for sale	(1)	31	37	0	1	0	68
Other changes	(3)	(4)	(42)	114	15	(2)	78
Total	**(2)**	**(309)**	**(2,934)**	**(43)**	**(259)**	**(5)**	**(3,552)**
Balance at December 31, 2014							
Original cost	1,202	10,655	49,405	2,093	3,412	3,089	69,856
Accumulated depreciation and impairment	(11)	(3,899)	(31,273)	(486)	(1,973)	(16)	(37,658)
Net carrying amount	**1,191**	**6,756**	**18,132**	**1,607**	**1,439**	**3,073**	**32,198**
of which leased under finance leases	*5*	*1,408*	*347*		*2*		*1,762*

Additions of €6,713 million in 2014 mainly relate for €5,415 million to the car mass-market operations of the FCA Group as well as to the ongoing construction of the new LATAM plant in Pernambuco (Brazil) and for €1,269 million to Agricultural Equipment, Construction Equipment and Commercial Vehicles of the CNH Industrial Group.

In 2014 impairment losses of €33 million primarily relate to the EMEA segment of the FCA Group.

Positive translation differences of €1,639 million in 2014 mainly reflect the strengthening of the U.S. dollar against the Euro.

In 2014 other changes primarily consist of the reclassification of prior year balances for advances and tangible asset in progress to the respective categories when the assets were acquired and entered service, as well as the reclassification to inventory of assets sold with a buy-back commitment that are held for sale at the agreement expiry date

Changes in property, plant and equipment in 2013 were the following:

€ million	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at December 31, 2012							
Original cost	958	8,776	41,623	1,561	2,707	3,528	59,153
Accumulated depreciation and impairment	(10)	(3,418)	(26,536)	(335)	(1,553)	(10)	(31,862)
Net carrying amount	**948**	**5,358**	**15,087**	**1,226**	**1,154**	**3,518**	**27,291**
Changes during the year (original cost)							
Additions	5	663	2,848	600	170	2,349	6,635
Disposals	(5)	(37)	(1,149)	0	(98)	(22)	(1,311)
Change in the scope of consolidation	3	17	240	0	5	4	269
Translation differences and other changes	(63)	(357)	(1,519)	(5)	(121)	(190)	(2,255)
Reclassified to/from assets held for sale	(2)	(30)	(64)	0	(2)	0	(98)
Other changes	234	430	2,610	(263)	225	(3,009)	227
Total	**172**	**686**	**2,966**	**332**	**179**	**(868)**	**3,467**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	0	(337)	(3,378)	(206)	(231)	0	(4,152)
Impairment losses	0	0	(84)	(28)	0	0	(112)
Disposals	0	21	1,099	0	81	(1)	1,200
Change in the scope of consolidation	0	0	(148)	0	(4)	0	(152)
Translation differences and other changes	0	106	779	1	60	0	946
Reclassified to/from assets held for sale	1	25	49	0	2	0	77
Other changes	0	13	(120)	125	(69)	0	(51)
Total	**1**	**(172)**	**(1,803)**	**(108)**	**(161)**	**(1)**	**(2,244)**
Balance at December 31, 2013							
Original cost	1,130	9,462	44,589	1,893	2,886	2,660	62,620
Accumulated depreciation and impairment	(9)	(3,590)	(28,339)	(443)	(1,714)	(11)	(34,106)
Net carrying amount	**1,121**	**5,872**	**16,250**	**1,450**	**1,172**	**2,649**	**28,514**
of which leased under finance leases	*5*	*143*	*353*		*1*		*502*

Additions of €6,635 million in 2013 mainly referred for €5,110 million to the car-mass market operations of the FCA Group, as well as to the ongoing construction of the new LATAM plant in Pernambuco, and for €1,444 million to the Agricultural Equipment, Construction Equipment and Commercial Vehicles segments of the CNH Industrial Group.

In 2013 impairment losses of €84 million referred to the FCA Group and €28 million to the CNH Industrial Group. Impairment losses of €30 million of the FCA Group related to assets in the cast iron business unit of the Components segment as a result of an expected reduction in these activities compared to the previous expectations, due to the increasing use of aluminum in the production of the automotive engine blocks instead of cast iron and €54 million refers to the streamlining of architectures and models associated with the EMEA region's refocused product strategy. These impairments, which are due to a structural change in the market, were fully recognized in unusual expenses.

Negative translation differences of €1,286 million in 2013 mainly reflected the changes of the U.S. dollar and the Brazilian real against the Euro.

In 2013 other changes primarily consisted of the reclassification of prior year balances for advances and tangible assets in progress to the respective categories when the assets were acquired and entered service, as well as the reclassification to inventory of assets sold with a buy-back commitment that are held for sale at the agreement expiry date. With reference to land, other changes also included approximately €214 million which is the fair value of the land donated to the FCA Group by the State of Pernambuco (Brazil) at the end of the year following the FCA Group's commitment to build a new industrial unit.

At December 31, 2014 property, plant and equipment of the FCA Group, excluding FCA US, pledged as security for debt, mainly refer to assets that are legally owned by suppliers but are recognized in the consolidated financial statements in accordance with IFRIC 4 - *Determining Whether an Arrangement Contains a Lease* with the corresponding recognition of a finance lease payable. The composition is as follows:

€ million	12/31/2014	12/31/2013
Land and industrial buildings pledged as security for debt	1,019	103
Plant and machinery pledged as security for debt and other commitments	648	310
Other assets pledged as security for debt and other commitments	3	5
Property plant and equipment pledged as security for debt	**1,670**	**418**

Information on the assets of FCA US subject to liens are set out in Note 31 in the consolidated financial statements.

At December 31, 2014, CNH Industrial Group has land and industrial buildings of €77 million (€73 million at December 31, 2013) pledged as security for debt. Moreover, plant, machinery and equipment of €81 million (€75 million at December 31, 2013) and other assets of €1 million (zero at December 31, 2013) are pledged as security for debt and other commitments; these relate to suppliers' assets recognized in the consolidated financial statements in accordance with IFRIC 4, with the simultaneous recognition of a finance lease payable.

Moreover, at December 31, 2014 real estate mortgaged for a loan from the Istituto per il Credito Sportivo to Juventus FC S.p.A. for the construction of the new stadium amounts to a maximum value of €120 million.

At December 31, 2014, the Group had contractual commitments for the acquisition of property, plant and equipment amounting to $2,590 million ($1,789 million at December 31, 2013).

Recoverability of non-current assets of the FCA Group

Non-current assets include property, plant and equipment, goodwill and intangible assets with definite and indefinite useful lives. The Group periodically reviews the carrying amount of non-current assets and that of assets to be disposed when events and circumstances warrant such a review. Impairment testing is performed by comparing the carrying amount and the recoverable amount of each cash-generating unit ("CGU"). The recoverable amount is the higher of the CGUs fair value less costs of disposal and their value in use. In assessing the value in use, the pre-tax estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU. The analysis of the recoverable amount of non-current assets is performed at least annually for CGUs to which goodwill or intangible assets with indefinite useful lives have been allocated. For a discussion on impairment testing on goodwill arising from the FCA US acquisition and intangible assets with an indefinite useful life, reference should be made to Note 14.

For the other CGUs, the same analysis is performed when events and circumstances indicate that an asset may be impaired. At December 31, 2013 and 2014, due to the continued decline in car demand on the European market, impairment tests relating to EMEA net assets were performed on two levels.

Firstly, the recoverable amounts of the assets of specific EMEA CGUs were tested, identified as plant, machinery and equipment as well as the associated intangible assets dedicated to the production of specific platforms and powertrains. This impairment analysis led to the recognition of impairment on development costs of €47 million (€151 million in 2013) and on other tangible assets of €25 million (€55 million in 2013).

In 2013 a similar process was carried out also for specific CGUs within the Components operating segment and for the Maserati CGU, leading to the recognition of an impairment of property, plant and equipment for €2 million and an impairment of development costs of €65 million, respectively.

Secondly, following the above mentioned decline in demand, at December 31, 2013 and 2014, the FCA Group deemed necessary to test the recoverable amount of the net capital employed pertaining to the EMEA operating segment as a whole, by determining its value in use with the following assumptions:

- the reference scenario was based on the 2014-2018 strategic business plan presented in May 2014 and the consistent projections for 2019;
- the expected future cash flows, represented by the projected EBIT before result from investments, gains (losses) on the disposal of investments, restructuring costs, other unusual income (expenses), depreciation and amortization and reduced by expected capital expenditure, include a normalized future result beyond the time period explicitly considered used to estimate the terminal value. This normalized future result was assumed substantially in line with 2017-2019 amounts. The long-term growth rate was set at zero;
- the expected future cash flows were discounted using a pre-tax WACC of 10.3% (12.2% in 2013). This WACC reflects the current market assessment of the time value of money for the period being considered and the risks specific to the EMEA region. The WACC was calculated by referring to the yield curve of 10-year European government bonds, to FCA's cost of debt, and other factors.

The recoverable amount of the EMEA operating segment thus determined was higher than the carrying amount. Furthermore, a sensitivity analysis was performed by simulating two different scenarios: a) WACC was increased by 1% for 2018, 2% for 2019 and 3% for Terminal Value, b) cash flows were reduced by estimating the impact of a 1.7% decrease in the European car market demand for 2015, a 7.5% decrease for 2016 and a 10% decrease for 2017-2019 as compared to the base assumptions. In all scenarios the recoverable amount was higher than the carrying amount.

The estimates and assumptions described above reflect the Group's current available knowledge as to the expected future development of the businesses and are based on an assessment of the future development of the markets and the automotive industry, which remain subject to a high degree of uncertainty due to the continuation of the economic difficulties in most countries of the Eurozone and its effects on the industry. More specifically, considering the uncertainty, a future worsening in the economic environment in the Eurozone that is not reflected in these Group assumptions, could result in actual performance that differs from the original estimates, and might therefore require adjustments to the carrying amounts of certain non-current assets in future periods.

16. Investments and other financial assets

The composition is the following:

€ million	12/31/2014	12/31/2013	Change
Investments in joint ventures	1,732	1,611	121
Investments in associates	504	450	54
Investments in unconsolidated subsidiaries	37	41	(4)
Investments accounted for using the equity method	**2,274**	2,102	172
Investments at fair value with changes directly in other comprehensive income	367	385	(18)
Investments at fair value	**367**	385	(18)
Investments at cost	**45**	34	11
Total Investments	**2,686**	2,521	165
Non-current financial receivables	**344**	288	56
Other securities	**629**	630	(1)
Total Investments and other financial assets	**3,659**	**3,439**	220

Investments in joint ventures

Changes in 2014 and 2013 are the following:

€ million	12/31/2013	Revaluations (Impairment losses)	Acquisitions and capitalizations	Disposals	Change in the scope of consolidation	Translation differences	Other changes	12/31/2014
Investments in joint ventures	**1,611**	184	18	0	2	59	(143)	**1,732**

€ million	12/31/2012	Revaluations (Impairment losses)	Acquisitions and capitalizations	Disposals	Change in the scope of consolidation	Translation differences	Other changes	12/31/2013
Investments in joint ventures	**1,640**	202	68	0	(37)	(105)	(157)	**1,611**

Revaluations and impairment losses include the Group's share of the profit or loss for the year of investments accounted for using the equity method.

The composition of investments in joint ventures is as follows:

€ million		12/31/2014		12/31/2013
Investments in joint ventures				
FCA Bank (formerly FGA Capital S.p.A.)	50.00%	894	50.00%	839
Tofas - Turk Otomobil Fabrikasi A.S.	37.90%	299	37.90%	240
Naveco (Nanjing Iveco Motor Co.) Ltd.	50.00%	177	50.00%	172
Turk Traktor Ve Ziraat Makineleri A.S.	37.50%	88	37.50%	91
GAC Fiat Chrysler Automobiles Co. Ltd	50.00%	45	50.00%	85
Other		229		184
Total Investments in joint ventures		**1,732**		**1,611**

FCA Bank is a 50/50 joint venture with Crédit Agricole Consumer Finance S.A. FCA Bank operates in 14 European countries including Italy, France, Germany, UK and Spain and provides retail and dealer financing and long-term rental services in the automotive sector, directly or through its subsidiaries as a partner of the FCA Group's car mass-market brands and for Maserati. In July 2013 the FCA Group reached an agreement with Crédit Agricole to extend the term of that joint venture through to December 31, 2021. Under the agreement, FCA Bank will continue to benefit from the financial support of the Crédit Agricole Group while continuing to strengthen its position as an active player in the securitization and debt markets.

Summarized financial information relating to FCA Bank in 2014 and 2103 is the following:

€ million	12/31/2014	12/31/2013
Financial assets	14,604	14,484
Other assets	2,330	2,079
Financial debt	14,124	13,959
Other liabilities	896	802
Equity	1,914	1,802
Net assets attributable to owners of the parent	**1,899**	**1,788**
Group's share of net assets	950	894
Elimination of unrealized gains and other adjustments	(56)	(55)
Carrying amount of joint venture in FCA	**894**	**839**

€ million	2014	2013
Interest and similar income	737	752
Interest and similar expenses	(373)	(381)
Income tax expense	(74)	(76)
Profit from continuing operations	182	172
Profit for the year	182	172
Profit attributable to owners of the parent (A)	**181**	**170**
FCA's share of profit	91	85
Elimination of unrealized gains and other adjustments	0	0
FCA's share of profit in joint venture	**91**	**85**
Other gains and losses attributable to owners of the parent (B)	12	(1)
Total Other gains and losses attributable to owners of the parent (A+B)	**193**	**169**

Tofas Turk Otomobil Fabrikasi A.S. is listed on the İstanbul Stock Exchange (“ISE”) and is classified as a joint venture by the FCA Group and the other partner which each have a shareholding of 37.9%. At December 31, 2014 the fair value of the FCA Group’s interest in Tofas is €1,076 million (€857 million at December 31, 2013)

Naveco (Nanjing Iveco Motor Co.) Ltd is a 50/50 joint venture between Iveco S.p.A. and Nanjing Automotive Corporation, a subsidiary of the SAIC Group) which designs, produces and sells the Daily model and light trucks.

Turk Traktor Ve Ziraat Mkineleri A.S. is a listed company (37.5% by CNH Industrial and 37.5% by Koc Holding) for the production of tractors under the Case IH Agriculture and New Holland Agriculture brands, and import and distribution of agricultural equipment in Turkey. At December 31, 2014 the fair value of CNH Industrial's interest in Turk Traktor is $659 million (€543 million).

There are no restrictions on the ability of the joint ventures to transfer funds to the FCA Group in the form of cash dividends, or to repay loans or advances made by the entity, that have a material impact on the Group's liquidity.

Investments in associates

The composition is as follows:

€ million		12/31/2014		12/31/2013
Investments in associates				
Almacantar S.A.	38.29%	282	38.29%	225
CNH Capital Europe S.a.s.	49.90%	91	49.90%	78
RCS MediaGroup S.p.A.	16.73%	74	16.40%	87
Other		57		60
Total Investments in associates		**504**		**450**

The key financial position and income statement date of Almacantar for 2014 and 2013:

	12/31/2014		12/31/2013	
	£ million	€ million	£ million	€ million
Non-current assets	773.0	992	642.9	771
Current assets	62.4	80	92.3	111
Payables	252.4	324	234.5	281
Other liabilities	9.7	12	10.5	13
Net revenues	17.1	21	17.2	20
Profit before taxes	83.6	104	86.6	102
Comprehensive income	83.1	103	91.0	107

The Group's interest in RCS MediaGroup S.p.A. (RCS) amounts to €74 million (€87 million at December 31, 2013); listed on the Italian stock exchange, the fair value at December 31, 2014 is €81 million (€115 million at December 31, 2013).

Investments at fair value

The composition is as follows:

€ million	12/31/2014	12/31/2013	Change
Investments at fair value with changes directly in other comprehensive income			
Banca Leonardo S.p.A.	60	76	(16)
The Economist Group	40	37	3
Banijay Holding S.A.S.	41	37	4
Sequana S.A. Group	15	25	(10)
Fin. Priv. S.r.l.	14	14	0
Assicurazioni Generali S.p.A.	3	3	0
Other	194	193	1
Total Investments at fair value with changes directly in other comprehensive income	**367**	**385**	**(18)**

The decrease in the investment in Banca Leonardo is due to the negative fair value adjustment of €11 million (with recognition in equity) and the reimbursement of reserves of €5 million.

The increase in the investment in Banijay Holding arises from the positive fair value adjustment of €4 million (with recognition in equity).

The increase in the investment in The Economist Group is attributable to the positive fair value adjustment of €3 million (with recognition in equity).

At June 30, 2014 the investment in Sequana was adjusted to fair value on the basis of the per share trading price at that date (€4.08 per share) for a total of €7 million. The negative fair value reserve recognized in equity was at the same time reclassified to the income statement, as set out in IAS 39, deeming the capital

increase operation and the trend of the share price determining factors in evaluating the existence of an impairment such as to justify the recognition in the income statement of a correction of the investment value for a total expense of €27 million.
On July 26, 2014 EXOR S.A. subscribed to Sequana's share capital increase for a total payment of €11 million and in the following months sold on the market 3,158,313 shares for a total equivalent amount of €9 million, recording a net loss of €1 million.
The total impairment charge recognized in the income statement in 2014 is €31 million and includes the fair value adjustment in 2014 of €11 million and the reclassification to the income statement of the fair value reserve at December 31, 2013 of €20 million.
At December 31, 2014 the remaining 5,537,687 shares were measured at fair value on the basis of the per share trading price at December 31, 2014 (€2.64 per share), recording an additional correction in value of €4 million owing to the continual reduction in the share's trading price.

Non-current financial receivables
Non-current financial receivables mainly consist of amounts held on deposit or otherwise pledged to secure obligations under various commercial agreements, as well as letters of credit and other agreements.

Other securities
Other securities amount to €629 million (€630 million at December 31, 2013) and mainly comprise:
- for €392 million (€382 million at December 31, 2013), the value of the Irish-registered fund managed by Black Ant Group LLC, which principally invests in equity and credit instruments;
- for €13 million, the value of the investment in Perella Weinberg Funds (€47 million at December 31, 2013);
- for €12 million, the value of the investment in the RHO Immobiliare Fund.

The net increase in The Black Ant Value Fund of €10 million is due to the positive fair value adjustment of €29 million, partially offset by the redemption of 142,500 shares, according to the agreements signed and taking into account the positive performance recorded during 2013, for a total equivalent amount of €19 million. The redemption resulted in a net gain of €5 million relating to the realization of a part of the fair value reserve. At December 31, 2014 the positive fair value adjustment recognized in equity amounts to €121 million.

The net decrease in the Perella Weinberg Funds of €34 million is due principally to the redemption of the NoCo B and Perella Weinberg Real Estate I Funds, respectively, for $29 million (€21 million) and €20 million, partially offset by investments during the period of €1 million and the positive fair value adjustment of €6 million. The net gain realized of €13 million refers to the realization of a part of the fair value reserve. At December 31, 2014 the fair value adjustment recorded in equity is a negative €1 million.

17. Leased assets under operating leases

Changes in leased assets under operating leases in 2014 and 2013 are the following:

€ million	**12/31/2013**	Additions	Depreciation	Translation differences	Disposals and other changes	**12/31/2014**
Gross carrying amount	975	769	0	131	(380)	1,495
Depreciation and impairment	(206)	(1)	(120)	(16)	99	(244)
Net carrying amount assets leased under operating leases	**769**	768	(120)	115	(281)	**1,251**

€ million	**12/31/2012**	Additions	Depreciation	Translation differences	Disposals and other changes	**12/31/2013**
Gross carrying amount	816	485	0	(52)	(274)	975
Depreciation and impairment	(192)	0	(106)	9	83	(206)
Net carrying amount assets leased under operating leases	**624**	485	(106)	(43)	(191)	**769**

18. Inventories

The composition of inventories is the following:

€ million	12/31/2014	12/31/2013	Change
Raw materials, supplies and finished goods	16,037	14,266	1,771
Assets sold with a buy-back commitment and GDP vehicles	2,128	1,342	786
Gross amount due from customers for contract work	178	132	46
Total Inventories	**18,343**	**15,740**	2,603

Inventories of the FCA Group amount to €12,467 million (€10,278 million at December 31, 2013) and inventories of the CNH Industrial Group total €5,881 million (€5,464 million at December 31, 2013), net of intercompany eliminations of €4 million (€2 million at December 31, 2013).

Inventories increased by €2,603 million as a result of a higher level of finished products following the volume growth in the NAFTA, EMEA and Maserati segments in addition to positive translation differences primarily related to the strengthening of the U.S. dollar against the Euro.

At December 31, 2014 inventories of the CNH Industrial Group include assets which are no longer subject to operating lease arrangements or buy-back commitments for €233 million (€146 million at December 31, 2013).

At December 31, 2014 inventories include those measured at net realizable value (estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale) amounting to €3,179 million (€2,622 million at December 31, 2013).

In 2014 the amount of inventory writedowns recognized as an expense is €689 million (€614 million in 2013), while amounts recognized as income from the reversal of writedowns on items sold during the year are not significant.

Construction contracts, net of advances, are as follows:

€ million	12/31/2014	12/31/2013	Change
Gross amount due from customers for contract work, as an asset	178	132	46
Less: Amount due to customers for contract work, as a liability	(247)	(207)	(40)
Construction contracts, net of advances on contract work	**(69)**	**(75)**	6

19. Trade receivables

The composition by reporting segment is the following:

€ million	FCA	CNH Industrial	C&W Group	Juventus F.C.	Eliminations and Adjustments	Consolidated
Trade receivables at December 31, 2014	2,564	868	350	50	(75)	**3,757**
Trade receivables at December 31, 2013	2,544	988	262	31	(69)	**3,756**
Change	20	(120)	88	19	(6)	1

The analysis of trade receivables by due date is as follows:

€ million	12/31/2014	12/31/2013	Change
Due within one year	3,746	3,684	62
Due between one and five years	9	69	(60)
Due beyond five years	2	3	(1)
Total Trade receivables	**3,757**	**3,756**	1

Trade receivables at December 31, 2014 are shown net of allowances for doubtful accounts of €503 million (€535 million at December 31, 2013).

Changes in these allowances, which are calculated on the basis of historical losses on receivables, are as follows in 2014:

€ million	12/31/2013	Provision	Use and other changes	12/31/2014
Allowances for doubtful accounts	**535**	78	(110)	**503**

20. Receivables from financing activities

Receivables from financing activities amount to €21,522 million at December 31, 2014 (€19,594 million at December 31, 2013) and include the following:

€ million	12/31/2014	12/31/2013	Change
Dealer financing	10,050	8,880	1,170
Retail financing	10,118	9,093	1,025
Finance leases	1,135	1,409	(274)
Other	219	212	7
Total Receivables from financing activities	**21,522**	**19,594**	1,928

Receivables from financing activities are shown net of allowances for doubtful accounts determined on the basis of specific insolvency risks. At December 31, 2014, the allowance accounts total €611 million (€646 million at December 31, 2013). Changes in the allowance accounts in 2014 are the following:

€ million	12/31/2013	Provision	Use and other changes	12/31/2014
Allowances on Receivables from financing activities	**646**	94	(129)	**611**

Receivables for dealer financing are typically generated by sales of vehicles, and are generally managed under dealer network financing programs as a component of the portfolio of the financial services companies. These receivables are interest bearing, with the exception of an initial limited, non-interest bearing period. The contractual terms governing the relationships with the dealer networks vary from segment to segment and country to country, although payment terms range from two to six months.

Receivables for retail financing by the CNH Industrial Group amount to €9,079 million and by the FCA Group €1,039 million.

Finance lease receivables refer to vehicles leased out under finance lease arrangements, mainly by the FCA Group's Ferrari and Maserati segments and by the CNH Industrial Group's Commercial Vehicles, Agricultural Equipment and Construction Equipment. The interest rate implicit in the lease is determined at the commencement of the lease for the whole lease term and is in line with prevailing market interest rates.

Finance lease receivables, gross of an allowance of €194 million at December 31, 2014 (€235 million at December 31, 2013), may be analyzed as follows:

€ million	Due within one year	Due between one and five years	Due beyond five years	Total
Receivables for future minimum lease payments	662	905	66	1,633
Less: unrealized interest income	(119)	(181)	(12)	(312)
Present value of future minimum lease payments at December 31, 2014	**543**	**724**	**54**	**1,321**
Receivables for future minimum lease payments	791	1,157	92	2,040
Less: unrealized interest income	(152)	(237)	(15)	(404)
Present value of future minimum lease payments at December 31, 2013	**639**	**920**	**77**	**1,636**

No contingent rents were recognized as finance lease income during 2014 or 2013 and unguaranteed residual values at December 31, 2014 and 2013 are not significant.

Receivables from financing activities may be analyzed by due date as follows:

€ million	12/31/2014	12/31/2013	Change
Due within one year	13,433	12,378	1,055
Due between one and five years	7,777	7,082	695
Due beyond five years	312	134	178
Total Receivables from financing activities	**21,522**	**19,594**	1,928

21. Current tax receivables

At December 31, 2014 current tax receivables amount to €615 million (€579 million at December 31, 2012). The analysis by due date is the following:

€ million	12/31/2014	12/31/2013	Change
Due within one year	541	395	146
Due between one and five years	37	141	(104)
Due beyond five years	37	43	(6)
Total Current tax receivables	**615**	**579**	36

22. Other current assets

Other current assets amount to €4,095 million (€3,848 million at December 31, 2013) and mainly consist of other tax receivables for VAT and other indirect taxes of €2,048 million, receivables from employees of €214 million and accrued income and prepaid expenses of €689 million.

The analysis of current receivables (excluding accrued income and prepaid expenses by due date is the following:

€ million	12/31/2014	12/31/2013	Change
Due within one year	3,083	2,878	205
Due between one and five years	276	278	(2)
Due beyond five years	47	66	(19)
Total Other current receivables	**3,406**	**3,222**	184

23. Transfers of financial assets

The **FCA Group** transfers certain of its financial, trade and tax receivables, mainly through factoring transactions.
At December 31, 2014, the carrying amount of transferred financial assets not derecognized and the related liabilities are as follows:

€ million	Trade receivables	Receivables from financing activities	Current tax receivables	Total
At December 31, 2014				
Carrying amount of the assets transferred and not derecognized	37	407	25	**469**
Carrying amount of the related liabilities	(37)	(407)	(25)	**(469)**
At December 31, 2013				
Carrying amount of the assets transferred and not derecognized	283	440	33	**756**
Carrying amount of the related liabilities	(283)	(440)	(33)	**(756)**

At December 31, 2014, the FCA Group has receivables and bills due after that date which were transferred without recourse and which were accordingly derecognized amounting to €4,511 million (€3,603 million at December 31, 2013). The transfers relate to trade receivables and other receivables for €3,676 million

(€2,891 million at December 31, 2013) and financial receivables for €835 million (€712 million at December 31, 2013). These amounts include receivables of €2,611 million (€2,177 million at December 31, 2013), mainly due from the sales network, transferred to joint venture financial services companies (FCA Bank).

The **CNH Industrial Group** transfers a number of its financial, trade and tax receivables under securitization programs or factoring transactions

At December 31, 2014, the carrying amount of such transferred financial assets and the related liability and the respective fair values are as follows:

€ million	Trade receivables	Receivables from financing activities	Other financial assets	Total
At December 31, 2014				
Carrying amount of assets	353	11,227	1,022	12,602
Carrying amount of the related liabilities	(353)	(9,816)	(1,022)	(11,191)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	353	11,279	1,022	12,654
Fair value of the liabilities	(353)	(9,815)	(1,022)	(11,190)
Net position	(0)	1,464	(0)	**1,464**
At December 31, 2013				
Carrying amount of assets	424	10,186	931	11,541
Carrying amount of the related liabilities	(424)	(9,324)	(931)	(10,679)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	424	10,202	931	11,557
Fair value of the liabilities	(424)	(9,338)	(931)	(10,693)
Net position	0	864	0	**864**

Other financial assets also include cash with a pre-determined use restricted to the repayment of securitization debt.

The CNH Industrial Group discounts receivables without recourse having due dates after December 31, 2014 amounting to €539 million (€791 million at December 31, 2013), of which €482 million (€756 million at December 31, 2013) relates to trade receivables and other receivables and €57 million (€35 million at December 31, 2013) refers to receivables from financing activities.

24. Current financial assets

The composition is as follows:

€ million	12/31/2014	12/31/2013	Change
Current investments	**36**	35	1
Bonds held-to-maturity	28	29	(1)
Bonds available-for-sale	30	91	(61)
Bonds and mutual funds held for trading	1,087	708	379
Current securities	**1,145**	828	317
Other financial assets	**684**	724	(40)
Total Current financial assets	**1,865**	**1,587**	278

Bonds are issued by leading counterparties, listed on active and open markets and include the current portion of bonds held to maturity. The increase of €317 million is largely due to net investments of the Holdings System in funds held for trading (€347 million).

Other current financial assets represent the fair value of derivative financial instruments analyzed in the next note.

25. Other financial assets and Other financial liabilities

The line items mainly consist of the fair value measurement of derivative financial instruments. They also include some collateral deposits held in connection with derivative transactions and payables.

€ million	12/31/2014 Positive fair value	12/31/2014 Negative fair value	12/31/2013 Positive fair value	12/31/2013 Negative fair value
Fair value hedges				
Interest rate risk - Interest rate swaps	113	(1)	126	(2)
Currency risks			2	(1)
Interest rate and currency risk - Combined interest rate and currency swaps		(41)	15	
Total Fair value hedges	**113**	**(42)**	**143**	**(3)**
Cash flow hedges				
Currency risks - Forward contracts, Currency swaps and Currency options	283	(614)	375	(89)
Interest rate risk - Interest rate swaps	1	(13)	3	(12)
Interest rate and currency risk - Combined interest rate and currency swaps	60	(52)	9	(54)
Commodity price risk - Commodity swaps	4	(16)	6	(6)
Total Cash flow hedges	**348**	**(695)**	**393**	**(161)**
Derivatives for trading	**185**	**(250)**	**168**	**(75)**
Collateral deposits	**38**		**20**	
Total Other financial assets and Other financial liabilities	**684**	**(987)**	**724**	**(239)**

The fair value of derivative financial instruments is calculated 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 calculated by taking the prevailing exchange rate and interest rates in the two currencies at the balance sheet date;
- the fair value of currency options is calculated using appropriate valuation techniques and market parameters at the balance sheet date (in particular exchange rates, interest rates and volatility rates);
- the fair value of interest rate swaps and forward rate agreements is calculated using the discounted cash flow method;
- the fair value of derivatives hedging interest rate risk and currency risk is calculated using the exchange rate at the balance sheet date and the discounted cash flow method;
- the fair value of derivatives hedging commodity price risk is calculated using the discounted cash flow method, taking (if available) the market parameters at the balance sheet date (and in particular the future price of the underlying and interest rates);
- the fair value of equity swaps is determined using market prices at the balance sheet date.

The overall change in other financial assets (from €724 million at December 31, 2013 to €684 million at December 31, 2014) and in other financial liabilities (from €239 million at December 31, 2013 to €987 million at December 31, 2014) is mostly due to fluctuations in exchange rates, interest rates, commodity prices during the year and the settlement of the instruments which matured during the year.

As other financial assets and liabilities primarily consist of hedging derivatives, the change in their value is compensated by the change in the value of the hedged items.

The item derivatives for trading primarily refers to:

- derivative contracts entered for purposes of hedging receivables and payables subject to exchange rate risk and/or interest rate risk, which do not qualify for hedge accounting;
- one embedded derivative in a bond issue in which the yield is determined as a function of trends in the inflation rate and related hedging derivative, which converts the exposure to floating rate. The total value of the embedded derivative is offset by the value of the hedging derivative.

The notional amount of derivative financial instruments outstanding at December 31, 2014 and 2013 is the following:

€ million	12/31/2014	12/31/2013	Change
Currency risk management	25,054	18,436	6,618
Interest rate risk management	6,542	6,763	(221)
Interest rate and currency risk management	2,322	1,538	784
Commodity price risk management	550	481	69
Other derivative financial instruments	14	14	0
Total notional amount	**34,482**	**27,232**	7,250

An analysis of outstanding derivatives by due date, based on their notional amounts, is as follows:

(€ million)	Due within one year	Due between one and five years	Due beyond five years	Total
12/31/2014				
Currency risk management	22,357	2,697		25,054
Interest rate risk management	1,253	5,012	277	6,542
Interest rate and currency risk management	726	1,513	83	2,322
Commodity price risk management	491	59		550
Other derivatives			14	14
Total notional amount	**24,827**	**9,281**	**374**	**34,482**
12/31/2013				
Currency risk management	17,408	1,028		18,436
Interest rate risk management	1,732	4,679	352	6,763
Interest rate and currency risk management		1,455	83	1,538
Commodity price risk management	458	23		481
Other derivatives	0		14	14
Total notional amount	19,598	7,185	449	**27,232**

Cash flow hedges

In relation to the derivative financial instruments put in place in 2014, the Group has reclassified a portion of the losses previously recognized for €132 million (gains of €216 million in 2013), net of the tax effect, from gains and losses in other comprehensive income to the income statement. Such amounts have been recorded in the following lines of the income statement:

€ million	12/31/2014	12/31/2013	Change
Currency risk			
Increase (Decrease) in net revenues	64	137	(73)
Decrease (Increase) in cost of sales	6	57	(51)
Financial income (expenses)	(180)	59	(239)
Result from investments	(13)	17	(30)
Interest rate risk			
Decrease (Increase) in cost of sales	(8)	(13)	5
Result from investments	(3)	(4)	1
Financial income (expenses)	(13)	(29)	16
Commodity price risk			
Decrease (Increase) in cost of sales	(2)	(1)	(1)
Taxes - income (expenses)	13	(12)	25
Ineffectiveness - overhedges	4	5	(1)
Net gains (losses) on cash flow hedges recognized in the income statement	**(132)**	**216**	(348)

The effects recognized in the income statement mainly relate to currency risk management and, to a lesser extent, to hedges regarding commodity price risk management and the cash flows that are exposed to an interest rate risk.

The Group's policy for managing currency risk normally requires hedging of projected future cash flows from trading activities which will occur within the following twelve months, and from orders acquired (or contracts in progress), regardless of their due dates. The hedging effect arising from this and recorded in the cash flow hedge reserve will be recognized in the income statement, mainly during the following year.

Derivatives relating to interest rate and currency risk management are treated as cash flow hedges and are entered into for the purpose of hedging bonds issued in foreign currencies. The amount recorded in the cash flow hedge reserve is recognized in the income statement according to the timing of the flows of the underlying bonds.

Fair value hedges

The gains and losses arising from the measurement of interest rate and currency derivatives (mostly for managing currency risk) and interest rate derivatives (for managing the interest rate risk) recognized in accordance with fair value hedge accounting and the gains and losses arising from the respective hedged items are set out in the following table:

€ million	12/31/2014	12/31/2013	Change
Currency risk			
Net gains (losses) on qualifying hedges	(53)	19	(72)
Fair value changes in hedged items	53	(19)	72
Interest rate risk			
Net gains (losses) on qualifying hedges	6	4	2
Fair value changes in hedged items	(5)	(1)	(4)
Net gains (losses) on fair value hedges recognized in the income statement	**1**	**3**	(2)

26. Cash and cash equivalents

The composition is the following:

€ million	12/31/2014	12/31/2013	Change
Cash in hand and at banks and post offices	15,119	14,665	454
Cash with a pre-determined use	809	672	137
Money market securities	13,315	10,832	2,483
Total Cash and cash equivalents	**29,243**	**26,169**	3,074

Cash and cash equivalents 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.

The FCA Group holds a subsidiary which operates in Venezuela whose functional currency is the U.S. dollar. Pursuant to certain Venezuelan foreign currency exchange control regulations, the Central Bank of Venezuela centralizes all foreign currency transactions in the country. Under these regulations, the purchase and sale of foreign currency must be made through the Centro Nacional de Comercio Exterior en Venezuela ("CENCOEX") from January 1, 2014 (CADIVI until December 31, 2013). The cash and cash equivalents denominated in VEF amount to €123 million (VEF 1,785 million) at December 31, 2014 and €270 million (VEF 2,347 million) at December 31, 2013. The reduction, in Euro terms, is largely due to the adoption of the SICAD I rate at March 31, 2014 for the conversion of VEF denominated monetary items.

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

At December 31, 2014 the CNH Industrial Group has approximately €806 million (€668 million at December 31, 2013) of cash with a pre-determined use restricted principally to the repayment of debt to service securitizations and about €87 million held by a Venezuelan subsidiary.

27. Assets and liabilities held for sale

Assets and liabilities held for sale consisted of buildings allocated to the LATAM and Components segments as well as certain minor investments within the EMEA segment of the FCA Group in addition to buildings and factories mainly attributable to the Financial Services and Agricultural Equipment segments.

28. Equity

Share capital

At December 31, 2014, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850 and consists of 246,229,850 ordinary shares with a par value of €1.

At December 31, 2014, share capital includes €2,667 thousand deriving from transfers of revaluation reserves carried out in the past which, in the event of distribution, would form part of the taxable income of the company.

The directors have the right, for a period of five years from the date of the resolution passed on May 30, 2013, to increase, one or more times, also in divisible form, the share capital up to an amount of €500 million as well as to issue convertible bonds, with the corresponding capital increase to service the conversion, up to €1,000 million but each time for an amount that does not exceed the limit set by law.
Share capital may also be increased by a contribution in kind or receivables.
The ordinary shares are registered shares.

Treasury stock

At December 31, 2014, EXOR holds 23,883,746 ordinary shares of treasury stock (9.7% of the class), at the average cost per share of €14.41, for a total amount of €344.1 million (unchanged compared to December 31, 2013).

Dividends paid

In 2014 EXOR S.p.A. paid dividends from the profit for 2013 in the amount €0.335 per share to the 223,346,104 ordinary shares outstanding for a total of €74 million.

Other comprehensive income

The composition of other comprehensive income in the statement of comprehensive income is as follows:

€ million	**12/31/2014**	12/31/2013
Other comprehensive income that will not be reclassified to the income statement:		
Gains (losses) on remeasurement of defined benefit plans	(658)	2,792
Share of gains (losses) on remeasurement of defined benefit plans relating to investments accounted for using the equity method	(4)	(10)
Total Other comprehensive income that will not be reclassified to the income statement, net of tax (B1)	**(662)**	2,782
Other comprehensive income that may be reclassified to the income statement:		
Effective portion of gains (losses) on cash flow hedges arising during the year	(596)	514
Effective portion of gains (losses) on cash flow hedges reclassified to the income statement	131	(217)
Gains (losses) on cash flow hedges	**(465)**	297
Gains (losses) on remeasurement of available-for-sale financial assets arising during the	64	176
Gains (losses) on fair value of available-for-sale financial assets reclassified to the income statement	12	(1,592)
Gains (losses) on fair value of available-for-sale financial assets	**76**	(1,416)
Exchange differences on translating foreign operations arising during the year	1,974	(1,358)
Exchange differences on translating foreign operations reclassified to the income statement		0
Exchange differences on translating foreign operations	**1,974**	(1,358)
Share of other comprehensive income of investments accounted for using the equity method arising during the year	18	(111)
Share of other comprehensive income of investments accounted for using the equity method reclassified to the income statement	21	(16)
Share of other comprehensive income of investments accounted for using the equity method	**39**	(127)
Total other comprehensive income that may be reclassified to the income statement, net of tax (B2)	**1,624**	(2,604)
Total other comprehensive income, before tax effect (B1) + (B2) = (B)	**962**	178
Tax effect	**233**	113
Total other comprehensive income, net of tax	**1,195**	291

With reference to the defined benefit plans of the Group, the gains and losses arising from remeasurement mainly include actuarial gains and losses arising during the period, the return on plan assets (net of interest income recognized in the income statement) and any changes in the effect of the asset ceiling. These gains and losses are offset against the related net liabilities or assets for defined benefit plans (see Note 29).

The tax effect relating to other comprehensive income is as follows:

	12/31/2014			**12/31/2013**		
€ million	**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	(662)	113	(549)	2,782	172	2,954
Effective portion of gains (losses) on cash flow hedges	(465)	120	(345)	297	(59)	238
Gains (losses) on remeasurement of available-for-sale financial	76	3	79	(1,416)	(2)	(1,418)
Exchange gains (losses) on translating foreign operations	1,974	0	1,974	(1,358)	2	(1,356)
Share of other comprehensive income of investments accounted for using the equity method	39	(3)	36	(127)		(127)
Total other comprehensive income	**962**	**233**	**1,195**	**178**	**113**	**291**

Non-controlling interests

The composition of non-controlling interests is as follows:

€ million	%	Capital and reserves	Profit (loss)	Total
At December 31, 2014				
FCA Group	70.75%	9,327	451	9,778
CNH Industrial Group	72.58%	3,990	500	4,490
C&W Group	16.94%	36	9	45
Juventus Football Club S.p.A.	36.23%	20	(7)	13
Total		**13,374**	**952**	**14,326**
At December 31, 2013				
FCA Group	69.10%	8,455	1,661	10,116
CNH Industrial Group	72.04%	3,132	685	3,817
C&W Group	17.60%	33	4	37
Juventus Football Club S.p.A.	36.23%	27	(8)	19
Total		**11,647**	**2,342**	**13,989**

The change relating to non-controlling interests of the FCA Group mainly refers to the increase of €1,322 million due to the issue of mandatory convertible securities, the capital increase by FCA for €601 million in December 2014, offset by the reduction of €3,053 million arising principally from the acquisition of the 41.5% interest in FCA US from the VEBA Trust.

Mandatory convertible securities were issued on December 16, 2014 by FCA and recognized in financial liabilities calculated as the present value of the coupon payments due less allocated transaction costs and, for the difference, in equity.

Share-based compensation

EXOR S.p.A. stock option plans

EXOR S.p.A. stock option plans include the Stock Option Plan EXOR 2008-2019 approved in 2008 and the Long-Term Incentive Plan approved in 2012.

Stock option Plan EXOR 2008-2019

The Stock Option Plan EXOR 2008-2019 provides for a maximum number of 15,000,000 options corresponding to a maximum number of 3,975,000 EXOR ordinary shares at the price of €19.97 per EXOR share. The Plan grants the beneficiaries free options on treasury stock purchased by the Company or by Companies in the Holdings System in accordance with existing laws. The Plan does not provide for the issue of new shares so there are no dilutive effects on share capital.

An analysis of the changes in the stock options granted is as follows:

€ thousand	Number of options granted	Number of ordinary shares exercisable	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer EXOR S.p.A.	3,000,000	795,000	6,329	1,232
Key employees (at grant date) and other similar staff of the companies in the Holdings System	3,112,000	824,680	4,908	718
Total	**6,112,000**	**1,619,680**	**11,237**	**1,950**

In 2014, 636,000 options were forfeited, corresponding to 168,540 EXOR ordinary shares, and 375,000 options were exercised corresponding to 99,375 EXOR ordinary shares. The exercise of the 375,000 options did not require the sale of treasury stock but the payment of the differential between the strike price (€19.97) and the fair value of the share at the exercise date, for an amount of €1,027 thousand.

The cost relating to 2014 is classified for €1,232 thousand as compensation to the Chairman and Chief Executive Officer and for €718 thousand as personnel costs with a contra-entry to the stock option reserve.
The cost referring to 2013 was €2,117 thousand and was classified for €1,232 thousand as compensation to the Chairman and Chief Executive Officer and for €885 thousand as personnel costs.

Long-Term Incentive Plan

The EXOR shareholders' meeting held on May 29, 2012 approved an Incentive Plan pursuant to art. 114-bis of Legislative Decree 58/98, proposed by the board of directors on April 6, 2012.

The Plan is intended as an instrument for long-term incentive and is in two parts: the first is a stock grant and the second is a stock option:

- under the first part of the Plan, denominated "Long-Term Stock Grant", a total of 400,000 rights will be granted to 31 beneficiaries; this will allow 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;
- under the second part of the Plan, denominated "Company Performance Stock Option", a total of 3,000,000 options will be granted to the beneficiaries; this will allow them to purchase a corresponding number of EXOR ordinary shares. The vesting period of the options is from 2014 to 2018 in annual lots of the same number that will become exercisable from the time they vest until 2021, subject to reaching performance targets and continuation of 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 Chairman and Chief Executive Officer of the company is the beneficiary of the Company Performance Stock Options. The other beneficiaries could be about 15 employees of EXOR S.p.A. and/or Companies in the Holdings System, who hold key positions in the company organization and are identified by the Chairman and Chief Executive Officer of EXOR S.p.A. In 2014, as the target was not reach, the options forfeited refer to 20% of the options granted and another 788,732 options as a result of a beneficiary who left the company.

The Plans are serviced by treasury stock and therefore will have no dilutive effects since there will be no issue of new shares.

The composition of the Long-Term Stock Grant plan is as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Key employees and other similar staff of the companies in the Holdings System	**166,666**	**3,231**	**571**

The composition of the "Company Performance Stock Option" Plan is as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer EXOR S.p.A.	600,000	2,166	361
Key employees (at grant date) and other similar staff of the companies in the Holdings System	777,600	2,757	466
Total	**1,377,600**	**4,923**	**827**

In 2014, 180,790 options of the Long-Term Stock Grant plan and 1,133,132 options of the "*Company Performance Stock Option*" plan were forfeited. The decrease in the number of options is attributable to the reduction in staff and the failure to reach the performance targets linked to the change in EXOR's NAV, which was lower than the change in the MSCI World Index in Euro.

The cost referring to 2014 for the two plans is classified for €361 thousand as compensation to the Chairman and Chief Executive Officer and €1,037 thousand as personnel costs with a contra-entry to the stock option reserve.

The cost referring to 2013 for the two plans totaled €2,586 thousand and is classified for €451 thousand as compensation to the Chairman and Chief Executive Officer and €2,135 thousand as personnel costs with a contra-entry to the stock option reserve.

C&W Group stock option plans

Cushman & Wakefield has two separate stock option plans, the “Employee Stock Purchase Plan Option” and the “Management Option” plan that have been in place since 2007, and two additional incentive plans, the “Equity Incentive Plan” and the “Long-Term Incentive Plan for Employees” approved in 2010 and 2011.
The awards under these plans, except for awards under the Long-Term Incentive Plan for Employees, which are cash-settled, meet the requirements to be classified as equity awards.

Employee Stock Purchase Plan Options

In connection with the Employee Stock Purchase Plan Options, employees could purchase shares or convert existing shares into new shares. For each four shares acquired, either through purchase or conversion, the employee was granted one option to purchase an additional share at the fair value of such shares on the date of the option grant. The options had a service requirement of three years and met the requirements to be classified as an equity award. At the grant date, the options and underlying shares were valued by an independent appraisal using the Black-Scholes option pricing model. The resulting option value was multiplied by the number of options outstanding to determine the total cost of the options.

Management Options

From April 1, 2008 through 2011, certain executives of C&W Group were granted stock options classified as EBITDA Options and EBITDA Margin Options. The options are performance based and the exercise price for all options was equal to the share price at the grant date. The EBITDA Options and the EBITDA Margin Options will vest over the terms of the employment contracts if certain EBITDA or EBITDA Margin targets are achieved. For each executive, there are a base number of options, and an additional number of Target 1 and Target 2 options. The EBITDA and EBITDA Margin targets for each classification were predetermined at the grant date. Further, the number of Target 1 options or Target 2 options that vest was based on the EBITDA or EBITDA Margin achieved by the Company, such that if the actual EBITDA or EBITDA Margin fell between the Base Option Target and the Target 1 EBITDA or EBITDA Margin, a percentage of the Target 1 EBITDA or EBITDA Margin options would vest. The options met the requirements to be classified as an equity award; the estimated fair value of the stock option awards is computed using the Black-Scholes model.

Equity Incentive Plan (EIP)

In December 2010, C&W Group approved the Cushman & Wakefield Equity Incentive Plan (“EIP”)”. In accordance with the terms of the plan, awards may be granted to any employee, member of the board of directors or independent contractor based on prior performance and/or a demonstrated potential for future long-term value at the discretion of the Compensation Committee of the board of directors. Each non-qualified option converts into one share of the company’s common stock on exercise and the options carry neither rights to dividends nor voting rights. Options vesting may be based on continued service or achievement of specified performance criteria, or a combination of both.

Long-Term Incentive Plan for Employee (LTIE)

In January 2011, the Cushman & Wakefield Long-Term Incentive Plan for Employees (“LTIE”) was approved to attract, retain and reward designated employees and drive the performance of the Company on a global basis.
In accordance with the terms of the plan, awards may be granted to high performing agents, brokers, appraisers and key salaried employees to align their interests with the successful global operations of the Company. Awards distributed under the LTIE include phantom stock units, which will be indexed to the value of the company’s stock and paid in cash, or, in very limited cases and at the discretion of the Company, in shares, based on the fair value of C&W Group stock. The awards generally vest ratably over a four year period, including the initial measurement year.

The data summarizing the stock option plans are as follows:

	Grant date	Number of options granted	Vesting date or period	Exercise price at grant date	Term of options	Outstanding at December 31, 2014
Employee Stock Purchase Plan Options						
Tranche 1	12/14/2005	11,166	1/1/2008	$548	10 years	2,826
Total Employee Stock Purchase Plan Options		**11,166**				**2,826**
Management Options						
Non-performance based options						
Grant 3	12/1/2010	374	2012-2014	$1,465	10 years	374
Grant 4	3/3/2011	16,000	2012-2015	$1,510	10 years	16,000
Grant 5	12/16/2013	15,000	2014-2017	$1,440	10 years	15,000
		31,374				**31,374**
Performance based options (EBITDA and EBITDA Margin)						
Tranche 1	4/1/2007	13,450	2007-2011	$1,259	10 years	840
Total Performance Based Options		**13,450**				**840**
Total Management Options		**44,824**				**32,214**
Total options		**55,990**				**35,040**

The Employee Stock Purchase Plan Options outstanding at December 31, 2014 and 2013 have a weighted average exercise price of $548.02, and weighted average remaining contractual lives of about 1 and 2 years, respectively. The Management Options outstanding at December 31, 2014 and 2013 have weighted average exercise prices of $1,470.87 and $1,470.82, respectively, and weighted average remaining contractual lives of about 7 and 8 years, respectively.

Changes during 2014 are the following:

	12/31/2014			
	Employee Plan		Management Options	
	Number of options	average exercise price	Number of options	average exercise price
Outstanding at 1/1/2014	**3,279**	**$548.02**	**32,506**	**$1,470.82**
Granted during the period				
Exercised during the period	(308)	$548.02		
Forfeited during the period	(145)	$548.02	(292)	$1,465.00
Outstanding at 12/31/2014	**2,826**	**$548.02**	**32,214**	**$1,470.87**
Exercisable at 12/31/2014	**2,826**	**$548.02**	**15,089**	**$1,487.36**

C&W Group recorded total compensation expense of $10.5 million (€8 million) in 2014 ($6.7 million equal to €5 million in 2013) for all its share-based payment plans, of which $10.3 million ($6.5 million in 2013) were from plans accounted for as equity-settled, share-based payment transactions.

Restricted Stock
At December 31, 2014 the number of outstanding unvested shares of the restricted stock plans is 6,040 (6,386 at December 31, 2013).

Phantom Stock Units
At December 31, 2014 the number of outstanding phantom stock units relating to the LTIE incentive plans was 222 (319 at December 31, 2013).

FCA Group stock option plans

At December 31, 2014 and at December 31, 2013 the FCA Group has in place the following share-based compensation plans relating to managers of the Group companies and the Chief Executive Officer of FCA.

Stock option plans linked to Fiat and CNH Industrial ordinary shares

On July 26, 2004, the board of directors granted the Chief Executive Officer, as a part of his variable compensation in that position, options to purchase 10,670,000 Fiat ordinary shares at a price of €6.583 per share. Following the demerger of CNH Industrial, from Fiat, the beneficiary had the right to receive one ordinary Fiat share and one ordinary CNH Industrial share for each original option, with the option exercise price remaining unchanged. The options were fully vested and they were exercisable at any time until January 1, 2016. The options were exercised in total in November 2014 and the beneficiary received 10,670,000 shares of FCA since the options were exercised after the Merger, in addition to 10,670,000 CNH Industrial shares.

On November 3, 2006, the Fiat board of directors approved (subject to the subsequent approval of shareholders obtained on April 5, 2007), the "November 2006 Stock Option Plan", an eight-year stock option plan, which granted certain managers of the Group and the Chief Executive Officer of Fiat the right to purchase a specific number of Fiat ordinary shares at a fixed price of €13.37 each. More specifically, the 10,000,000 options granted to employees and the 5,000,000 options granted to the Chief Executive Officer had a vesting period of four years, with an equal number vesting each year, were subject to achieving certain predetermined profitability targets (Non-Market Conditions or "NMC") in the reference period and were exercisable from February 18, 2011. An additional 5,000,000 options were granted to the Chief Executive Officer of Fiat that were not subject to performance conditions but also had a vesting period of four years with an equal number vesting each year and were exercisable from November 2010. The ability to exercise the options was also subject to specific restrictions regarding the duration of the employment relationship or the continuation of the position held. Following the demerger of CNHI, the beneficiaries had the right to receive one ordinary Fiat share and one ordinary CNH Industrial share for each original option, with the option exercise price remaining unchanged.

With specific reference to the options under the November 2006 Stock Option Plan, for which vesting was subject to the achievement of pre-established profitability targets, only the first tranche of those rights had vested as the profitability targets originally established for the 3-year period 2008-2010 were not met.

Changes in the stock option plans in place at December 31, 2014 are the following:

	Rights granted to managers		Rights granted to Chief Executive Officer	
	Number of options	Average exercise price (€)	Number of options	Average exercise price (€)
Outstanding shares at the beginning of the year	**1,240,000**	**13.37**	**6,250,000**	**13.37**
Granted during the period				
Forefeited during the period				
Exercised during the period	(1,139,375)	13.37	(6,250,000)	13.37
Expired during the period	(100,625)	13.37		
Outstanding at 12/31/2014	**0**	**0**	**0**	**0**
Exercisable at 12/31/2014	**0**		**0**	0

Stock Grant plans linked to Fiat S.p.A. shares

On April 4, 2012, the shareholders resolved to approve the adoption of a Long-Term Incentive Plan (the "Retention LTI Plan"), in the form of stock grants.

As a result the FCA Group granted the Chief Executive Officer 7 million rights, which represented an equal number of Fiat ordinary shares. The rights vest ratably, one third on February 22, 2013, one third on February 22, 2014 and one third on February 22, 2015, subject to the requirement that the Chief Executive Officer remains in office.

The Plan is to be serviced through the issuance of new shares. The FCA Group has the right to replace, in whole or in part, bonus shares with a cash payment calculated on the basis of the official price of those shares published by Borsa Italiana S.p.A. on the date of vesting.

Nominal costs of €2 million were recognized in 2014 for this plan (€6 million in 2013).

Changes in the Retention LTI plan are as follows:

	2014		2013	
	Number of Fiat shares	Weighted average fair value at grant date (€)	Number of Fiat shares	Weighted average fair value at grant date (€)
Outstanding shares unvested at the beginning of the year	**4,666,667**	**4.205**	**7,000,000**	**4.205**
Granted				
Forfeited				
Vested	**(2,333,333)**	4.205	**(2,333,333)**	4.205
Outstanding shares unvested at the end of the year	**2,333,334**	**4.205**	**4,666,667**	**4.205**

Share-Based Compensation Plans Issued by FCA US

Four share-based compensation plans have been issued by FCA US: the FCA US Restricted Stock Unit Plan ("RSU Plan"), the Amended and Restated FCA US Directors' Restricted Stock Unit Plan ("Directors' RSU Plan"), the FCA US Deferred Phantom Share Plan ("DPS Plan") and the FCA US 2012 Long-Term Incentive Plan ("2012 LTIP Plan").

The fair value of each unit issued under the four share-based compensation plans is based on the fair value of FCA US's membership interests. Each unit represents an "FCA US Unit," which is equal to 1/600th of the value of a FCA US membership interest. Since there is no publicly observable trading price for FCA US membership interests, fair value was determined using a discounted cash flow methodology. This approach, which is based on projected cash flows of FCA US, is used to estimate the FCA US enterprise value. The fair value of FCA US's outstanding interest bearing debt as of the measurement date is deducted from FCA US's enterprise value to arrive at the fair value of equity. This amount is then divided by the total number of FCA US Units, as determined above, to estimate the fair value of a single FCA US Unit.

The significant assumptions used in the contemporaneous calculation of fair value at each issuance date and for each period included the following:

- four years of annual projections prepared by management that reflect the estimated after-tax cash flows a market participant would expect to generate from operating the business;
- a terminal value which was determined using a growth model that applied a 2% long-term growth rate to projected after-tax cash flows of FCA US beyond the four-year window. The long-term growth rate was based on internal projections of FCA US, as well as industry growth prospects;
- an estimated after-tax weighted average cost of capital of 16% in 2014, and ranging from 16% to 16.5% in both 2013 and 2012;
- projected worldwide factory shipments ranging from approximately 2.6 million vehicles in 2013 to approximately 3.4 million vehicles in 2018.

On January 21, 2014, FCA acquired the VEBA Trust's remaining interest in FCA US. The implied fair value of FCA US resulting from this transaction, along with certain other factors, was used to corroborate the fair value determined at December 31, 2013 using a discounted cash flow methodology.

As of December 31, 2014, 29,400,000 units are authorized to be granted for the RSU Plan, Directors' RSU Plan and 2012 LTIP Plan. There is no limit on the number of phantom shares of FCA US ("Phantom Shares") authorized under the DPS Plan. Upon adoption of the 2012 LTIP Plan, there were no further grants made under the RSU Plan and DPS Plan.

The documents governing FCA US's share-based compensation plans contain anti-dilution provisions which provide for an adjustment to the number of FCA US Units granted under the plans in order to preserve, or alternatively prevent the enlargement of, the benefits intended to be made available to the holders of the awards should an event occur that impacts the capital structure.
There were no capital structure changes in 2013 or 2012 that required an anti-dilution adjustment. During 2014, two transactions occurred that diluted the fair value of equity and the per unit fair value of a FCA US Unit based on the discounted cash flow methodology:

- the $1,900 million (€1,404 million) distribution paid to its members, on January 21, 2014, which served to fund a portion of the transaction whereby Fiat acquired the VEBA Trust's remaining ownership interest in FCA US;
- the prepayment of the VEBA Trust Note on February 7, 2014 that accelerated tax deductions that were being passed through to the FCA US's members.

As a result of these dilutive events and pursuant to the anti-dilution provisions in the share-based compensation plans, the FCA US's Compensation Committee approved an anti-dilution adjustment factor to increase the number of outstanding FCA US Units (excluding Performance Share Units granted under the 2012 LTIP Plan ("LTIP PSUs")) in order to preserve the economic benefit intended to be provided to each participant. The value of the outstanding awards immediately prior to the dilutive events is equal to the value of the adjusted awards subsequent to the dilutive events. No additional expense was recognized as a result of this modification during 2014. For comparative purposes, the number of FCA US Units and all December 31, 2013, and 2012 fair value references have been adjusted to reflect the impact of the dilutive transactions and the anti-dilution adjustment.

Restricted Stock Unit Plans issued by FCA US
During 2009, the U.S. Treasury's Office of the Special Master for Troubled Asset Relief Program Executive Compensation (the "Special Master") and FCA US's Compensation Committee approved the FCA US Restricted Stock Unit Plan ("RSU Plan"), which authorized the issuance of Restricted Stock Units ("RSUs") to certain key employees. RSUs represent a contractual right to receive a payment in an amount equal to the fair value of one FCA US Unit, as defined in the RSU plan. Originally, RSUs granted to FCA US's employees in 2009 and 2010 vested in two tranches. In September 2012, FCA US's Compensation Committee approved a modification to the second tranche of RSUs. The modification removed the performance condition requiring an IPO to occur prior to the award vesting. Prior to this modification, the second tranche of the 2009 and 2010 RSUs were equity-classified awards. In connection with the modification of these awards, FCA US determined that it was no longer probable that the awards would be settled with FCA US's company stock and accordingly reclassified the second tranche of the 2009 and 2010 RSUs from equity-classified awards to liability-classified awards. As a result of this modification, additional compensation expense of €12 million was recognized during 2012. RSUs granted to employees generally vest if the participant is continuously employed by FCA US through the third anniversary of the grant date. The settlement of these awards is in cash.

In addition, during 2009, FCA US established the Directors' RSU Plan. In April 2012, FCA US's Compensation Committee amended and restated the FCA US 2009 Directors' RSU Plan to allow grants having a one-year vesting term to be granted on an annual basis. Director RSUs are granted to FCA US non-employee members of the FCA US board of directors. Prior to the change, Director RSUs were granted at the beginning of a three-year performance period and vested in three equal tranches on the first, second, and third anniversary of the date of grant, subject to the participant remaining a member of the FCA US board of directors on each vesting date. Under the plan, settlement of the awards is made within 60 days of the Director's cessation of service on the board of directors and awards are paid in cash; however, upon completion of an IPO, FCA US has the option to settle the awards in cash or shares. The value of the awards is recorded as compensation expense over the requisite service periods and is measured at fair value.
The liability resulting from these awards is measured and adjusted to fair value at each reporting date. The expense recognized in total for both the RSU Plan and the Directors RSU Plan for the year ended December 31, 2014 was approximately €6 million (€14 million in 2013). Total unrecognized compensation expense at December 31, 2014 and at December 31, 2013 for both the RSU Plan and the Directors RSU Plan was less than €1 million.

Changes in 2014 and 2013 are the following:

	2014		2013 Adjusted per Anti-Dilution	
	Restricted Stock Units	Weighted average fair value at grant date (€)	Restricted Stock Units	Weighted average fair value at grant date (€)
Outstanding shares unvested at the beginning of the year	**4,792,279**	**3.64**	**6,143,762**	**3.35**
Granted			209,258	5.75
Vested	(3,361,366)	3.48	(1,268,303)	2.01
Forfeited	(96,211)	4.46	(292,438)	4.05
Outstanding shares unvested at the end of the year	**1,334,702**	**4.84**	**4,792,279**	**3.64**

During 2009, the Special Master approved the FCA US Deferred Phantom Share Plan ("DPS Plan") which authorized the issuance of Phantom Shares. Under the DPS Plan, Phantom Shares were granted to certain key employees as well as to the Chief Executive Officer in connection with his role as a member of the FCA US board of directors. The Phantom Shares vested immediately on the grant date and were settled in cash in three equal annual installments. At December 31, 2014, there were no outstanding awards under the DPS Plan.
The expense recognized in connection with the DPS Plan in 2014 was less than €1 million (€2 million in 2013).

Changes in 2014 and 2013 are the following:

	2014		2013 Adjusted per Anti-Dilution	
	Phantom shares	Weighted average fair value at grant date (€)	Phantom shares	Weighted average fair value at grant date (€)
Outstanding shares at the beginning of the year	**413,521**	**3.49**	**1,957,494**	**2.07**
Granted and vested				
Settled	(413,521)	3.61	(1,543,973)	1.64
Outstanding shares at the end of the yea	**0**	**0**	**413,521**	**3.49**

2012 Long-Term Incentive Plan of FCA US
In February 2012, the Compensation Committee of FCA US adopted the 2012 LTIP Plan. The 2012 LTIP Plan covers senior FCA US executives (other than the Chief Executive Officer). It is designed to retain talented professionals and reward their performance through grants of phantom equity in the form of restricted Share Unit s ("LTIP RSUs") and Performance Share Units LTIP PSUs. LTIP RSUs may be granted annually, while LTIP PSUs are generally granted at the beginning of a three-year performance period. The Compensation Committee of FCA US also has authority to grant additional LTIP PSUs awards during the three-year performance period. The LTIP RSUs vest over three years in one-third increments on the anniversary of their grant date, while the LTIP PSUs vest at the end of the three-year performance period only if FCA US meets or exceeds certain three-year cumulative financial performance targets. Concurrent with the adoption of the 2012 LTIP Plan, the Compensation Committee of FCA US established financial performance targets based on FCA US's consolidated financial results for the three-year performance period, ending December 31, 2014. If FCA US does not fully achieve these targets, the LTIP PSUs will be deemed forfeited. LTIP RSUs and LTIP PSUs represent a contractual right to receive a payment in an amount equal to the fair value of one FCA US Unit, as defined in the LTIP Plan. Once vested, LTIP RSUs and LTIP PSUs will be settled in cash or, in the event FCA US conducts an IPO, in cash or shares of publicly traded stock, at the Compensation Committee's discretion. Settlement will be made as soon as practicable after vesting, however in any case no later than March 15 of the year following vesting. Vesting of the LTIP RSUs and LTIP PSUs may be accelerated in certain circumstances, including upon the participant's death, disability or in the event of a change of control.

In light of the publication of the 2014-2018 FCA Business Plan and in recognition of FCA US's performance for the 2012 and 2013 performance years, the Compensation Committee, on May 12, 2014, approved an amendment to outstanding LTIP PSU award agreements, subject to participant consent, to modify outstanding LTIP PSUs by closing the performance period for such awards as of December 31, 2013. Participants were notified of this modification on or about May 30, 2014, and all plan participants subsequently consented to the amendment. The modification provides for a payment of the LTIP PSUs granted under the 2012 LTIP Plan representing two-thirds of the original LTIP PSU award based on the unadjusted December 31, 2013 per unit fair value of €7.62 ($10.47). To receive the LTIP PSU payment, a participant must remain an employee up to the date the LTIP PSUs are paid, which is expected to occur on or before March 15, 2015. As a result, compensation expense was reduced by approximately €16 million ($21 million) during the year ended December 31, 2014.

The expense recognized in connection with these plans in 2014 was €6 million (€36 million in 2013). Total unrecognized compensation expenses at December 31, 2014 were approximately €2 million. These expenses will be recognized over the remaining service periods based upon the assessment of the performance conditions being achieved.

Changes in 2014 and 2013 are the following:

	2014		2013 Adjusted per Anti-Dilution	
	LTIP RSUs	Weighted average fair value at grant date (€)	LTIP RSUs	Weighted average fair value at grant date (€)
Outstanding shares at the beginning of the year	**3,500,654**	**4.73**	**2,341,967**	**4.46**
Granted			2,113,234	5.32
Vested	(1,407,574)	4.81	(798,310)	4.45
Forfeited	(104,020)	4.91	(156,237)	4.78
Outstanding shares at the end of the year	**1,989,060**	**5.41**	**3,500,654**	**4.73**

	2014		2013 Adjusted per Anti-Dilution	
	LTIP RSUs	Weighted average fair value at grant date (€)	LTIP RSUs	Weighted average fair value at grant date (€)
Outstanding shares at the beginning of the year	**8,417,511**	**5.64**	**8,419,684**	**5.78**
Granted	5,556,503	7.62	587,091	7.15
Vested				
Forfeited	(8,653,474)	5.89	(589,264)	5.77
Outstanding shares at the end of the year	**5,320,540**	**8.62**	**8,417,511**	**5.64**

<u>CNH Industrial Group stock option plans</u>
In connection with the merger of Fiat Industrial S.p.A. and CNH Global N.V. with and into CNH Industrial N.V., effective as of September 29, 2013 CNH Industrial N.V. assumed the sponsorship of the Fiat Industrial Long-Term Incentive Plan (the “Fiat Industrial Plan”), the CNH Global N.V. Equity Incentive Plan (the “CNH EIP”) and the CNH Global N.V. Directors’ Compensation Plan (“CNH DCP”).

At December 31, 2014 CNH Industrial’s equity awards are governed by several plans: (i) CNH Industrial N.V. Directors’ Compensation Plan (“CNH Industrial DCP”); (ii) CNH Industrial N.V. Equity Incentive Plan (“CNH Industrial EIP”); (iii) CNH Global N.V. Directors’ Compensation Plan (“CNH DCP”); (iv) CNH Global N.V. Equity Incentive Plan (“CNH EIP”); and, (v) Fiat Industrial Long-Term Incentive Plan (“Fiat Industrial Plan”).
CNH Industrial recognized total share-based compensation expense in 2014 and 2013 of €37 million and €35 million, respectively, and recognized a total tax benefit relating to share-based compensation expense of €8 million and €7 million, respectively.

CNH Industrial N.V. Directors' Compensation Plan ("CNH Industrial DCP")

On September 9, 2013 the CNH Industrial DCP was approved by the shareholders and adopted by the board of directors of CNH Industrial N.V.

This plan provides for the payment of the following to eligible members of the CNH Industrial N.V. Board in the form of cash, and/or common shares of CNH Industrial N.V., and/or options to purchase common shares of CNH Industrial N.V., provided that such members do not receive salary or other employment compensation from CNH Industrial N.V. or Fiat S.p.A. (which, effective October 12, 2014, was merged into Fiat Chrysler Automobiles N.V., "FCA"), and their subsidiaries and affiliates:

- $125,000 retainer fee for each Non-Executive Director;
- an additional $25,000 for each member of the Audit Committee and $35,000 for the Audit Committee Chairman;
- an additional $20,000 for each member of every other Board committee and $25,000 for the committee chairman.

Each quarter of the CNH Industrial DCP year, the eligible directors elect the form of payment of their fees. If the elected form is common shares, the eligible director will receive as many common shares as equal to the amount of fees the director elects to be paid in common shares, divided by the fair market value of a CNH Industrial N.V. common share on the date that the quarterly payment is made. Common shares issued to the eligible director vest immediately upon grant. If an eligible director elects to receive all or a portion of fees in the form of a stock option, the number of common shares underlying the stock option is determined by dividing (i) by (ii) where (i) equals the U.S. dollar amount of the quarterly payment that the eligible director elects to receive in the form of stock options multiplied by four and (ii) the fair market value of the common shares on the date that the quarterly payment is made. The CNH Industrial DCP defines fair market value, as applied to each ordinary share, to be equal to the average of the highest and lowest sale price of a CNH Industrial N.V. common share during normal trading hours on the last trading day of each plan quarter in which sales of common shares on the New York Stock Exchange are recorded. Stock options granted as a result of such an election vest immediately, but shares purchased under options cannot be sold for six months following the date of exercise. Stock options terminate upon the earlier of: (1) ten years after the grant date; or (2) six months after the date an individual ceases to be a director.

At December 31, 2014 there were 200,000 common shares authorized for issuance under the CNH Industrial DCP. In 2014, 31,563 stock options were issued under the CNH Industrial DCP at a weighted average exercise price of $9.19 per share and weighted average fair value of $2.72 per share.

CNH Industrial N.V. Equity Incentive Plan ("CNH Industrial EIP")

In the Annual General Meeting held on April 16, 2014, shareholders approved the adoption of the CNH Industrial Equity Incentive Plan ("EIP"), an umbrella program defining the terms and conditions for any subsequent long-term incentive program. The plan grants equity awards to any current or prospective executive director, officer or employee of, or service provider to, CNH Industrial, subject to the terms and conditions established by the Compensation Committee. The EIP authorizes 25 million common shares over a five-year period, of which a maximum of 7 million would be authorized for awards to executive directors. These shares may be newly issued shares or treasury shares. The EIP will terminate at, and no more awards will be permitted to be granted thereunder ten years after its adoption by the board of directors of CNH Industrial N.V. The termination of the EIP will not affect previously granted awards.

The following paragraphs describe the new grants occurred during 2014.

<u>Performance Share Units</u>

In 2014, CNH Industrial issued to its Chief Executive Officer and selected key employees approximately 12 million Performance Share Units (PSUs) with financial performance goals covering a five-year period from January 1, 2014 to December 31, 2018. The performance goals include a performance condition as well as a market condition, with each weighted at 50% and paying out independently of the other. Half of the award will vest if the performance condition is met; whereas the other half, which is based on the market condition, has a payout scale ranging from 0% to 150%. Accordingly, the total number of shares that will eventually be granted may vary from the original estimate of 12 million shares. One third of total grant will vest in February 2017, a cumulative two-thirds in February 2018, and a cumulative 100% in February 2019 if the respective financial goals for 2014 to 2016, 2014 to 2017 and 2014 to 2018 are achieved.

The fair values of the awards that are contingent upon the achievement of the performance condition were measured using stock prices on respective grant dates adjusted for the present value of future dividends that employees will not receive during the vesting period. The weighted average fair value for the PSUs that were issued in 2014 based on the performance condition is $9.48 per share.

The fair values of the awards that are based on the market condition were calculated using the Monte Carlo Simulation model. The weighted average fair value for the awards that were issued in 2014 is $8.19 per share. As a significant majority of the awards were issued on June 9 and 25, 2014, the key assumptions utilized to calculate the grant-date fair values for awards issued on these two grant dates are listed below:

	Key assumptions for awards issued on	
	June 9, 2014	June 25, 2014
Grant date stock price (in $)	10.88	10.19
Expected Volatility (%)	44.5	44.1
Dividend yield (%)	2.6	2.7
Risk-free rate (%)	1.69	1.68

The expected volatility is based on a weighted average of historical volatility experienced by the common shares of CNH Global N.V., Fiat Industrial S.p.A. and CNH Industrial N.V. over a five-year period ending on the grant date. The expected dividend yield was based on CNH Industrial's historical dividend payout as management expected the dividend payout for future years to be consistent. The risk-free interest rate was based on the yields of five-year U.S. Treasury bonds.

Changes in performance-based share units are the following:

	2014	
	Number of shares	Weighted average fair value at grant date ($)
Outstanding shares at the beginning of the year		
Granted	12,237,960	8.84
Forfeited	(136,200)	8.72
Vested		
Outstanding shares at the end of the year	**12,101,760**	**8.84**

Restricted Share Units

In 2014, CNH Industrial issued to selected employees approximately one million shares of Restricted Share Units (RSUs) with a weighted average fair value of $9.21 per share. These shares will vest in three equal tranches over a three-year period. The fair value of the award is measured using the stock price on the grant date adjusted for the present value of future dividends that employees will not receive during the vesting period.

Additionally, CNH Industrial issued 3 million restricted share units to the Chairman of CNH Industrial N.V., in June 2014. These shares are service based and will vest in five tranches at the end of each year. The weighted average fair value of these shares is $10.41 per share, measured using the stock price on the grant date adjusted for the present value of future dividends that the Chairman will not receive during the vesting period. The first tranche of 750 thousand shares vested on December 31, 2014 and were exercised on February 23, 2015.

Changes during the year are as follows:

	2014	
	Number of shares	Weighted average fair value at grant date ($)
Outstanding shares unvested at the beginning of the year		
Granted	4,283,859	10.05
Forfeited	(21,720)	9.4
Vested	(750,000)	10.88
Outstanding shares unvested at the end of the year	**3,512,139**	**9.88**

CNH Global Directors' Compensation Plan ("CNH DCP")

This plan stipulates the right for directors of former CNH Global to be compensated in the form of cash, and/or common shares of CNH Global N.V., and/or options to purchase common shares of CNH Global N.V. On September 29, 2013, CNH Industrial N.V. assumed the sponsorship of the CNH DCP in connection with the Merger. Stock options issued under the CNH DCP were converted using the CNH Global exchange ratio of 3.828 CNH Industrial N.V. shares for each CNH Global N.V. common share and exercisable for common shares of CNH Industrial N.V. on September 29, 2013. As of December 31, 2014, approximately 143 thousand stock options from the CNH DCP were still outstanding. The CNH DCP was terminated effective as of the Merger and no new equity awards will be issued under the CNH DCP.

CNH Global Equity Incentive Plan ("CNH EIP")

This plan provides for grants of stock options, restricted share units and performance share units to former officers and employees of CNH Global. On September 29, 2013, CNH Industrial N.V. assumed the sponsorship of the CNH EIP in connection with the Merger. CNH Industrial can not issue any new equity awards under the CNH EIP; however, CNH Industrial is required to issue shares under the CNH EIP to settle the exercise or vesting of the existing equity awards.

On September 29, 2013, outstanding stock options, unvested restricted share units and performance share units under the CNH EIP became exercisable or convertible for common shares of CNH Industrial N.V. The number of shares of outstanding equity awards was increased and the exercise price of stock options reduced to take into account the CNH Global exchange ratio of 3.828 CNH Industrial N.V. shares for each CNH Global N.V. common share. The conversion did not change the aggregate fair value of the outstanding equity awards and, therefore, resulted in no additional share-based compensation expense in 2013.

Stock option plan

In September 2012, approximately 2,680 thousand performance-based stock options (at target award levels) were issued under the CNH EIP (the "2012 Grant"). Upon the achievement of CNH Global's 2012 target performance objective, approximately four million options were granted. These options vested in three equal tranches in February 2012, 2013 and 2014. Options granted under the CNH EIP have a contractual life of five years from the initial vesting date.

No stock options were issued in 2014 and 2013 under the CNH EIP.

The following table summarizes outstanding stock options under the CNH EIP:

	At December 31, 2014			At December 31, 2013	
Exercise Price (in $)	Number of options outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price ($)	Number of options outstanding	Weighted average exercise price ($)
2.92 – 5.00	13,688	0.1	2.92	495,631	2.92
5.01 – 10.00	5,873,839	2.4	8.09	6,522,657	8.03
10.01 – 15.00	4,974,025	2.2	10.15	5,603,457	10.16
Total	**10,861,552**			**12,621,745**	

Changes during the year in stock option plans are as follows:

	2014		2013	
	Number of shares	Weighted average exercise price ($)	Number of shares	Weighted average exercise price ($)
Outstanding at the beginning of the year	**12,621,745**	**8.77**	**17,666,452**	**10.57**
Anti-dilution adjustment for special dividend			3,796,997	8.70
Granted			171,575	8.77
Forfeited	(222,861)	9.64	(390,612)	9.36
Exercised	(1,398,229)	6.51	(8,277,318)	8.45
Expired	(139,103)	10.35	(345,349)	11.04
Outstanding at the end of the year	**10,861,552**	**9.03**	**12,621,745**	**8.77**
Exercisable at the end of the year		**9.07**	**6,731,719**	**8.23**

The Black-Scholes pricing model was used to calculate the fair value of stock options for the 2012 Grant. As part of the 2012 Grant, options issued in 2013 had the same per share fair value.

Performance Share Units

In 2012, CNH Global issued several grants of performance-based share units. These shares were originally designed to cliff vest in February 2015 based on the achievement of their respective performance targets of CNH Global. In the context of the Merger, the performance targets for these awards had been deemed to be met and the outstanding shares continued to vest in February 2015 when employees have provided the required service.

Awards that were modified in the same manner included the third tranche of several performance-based share units issued prior to 2012 which were scheduled to vest in February 2015 upon the achievement of certain performance targets of CNH Global.

Overall approximately 3 million of performance-based share units were converted to service based restricted shares. This modification did not result in any additional compensation cost in 2014.

The total number of shares granted in 2012 was 520,371 with a weighted average fair value of $10.62 per share. No performance-based shares were granted in 2014 and 2013 under the CNH EIP.

Changes under the CNH EIP are as follows:

	2014		2013	
	Number of shares	Weighted average fair value at grant date ($)	Number of shares	Weighted average fair value at grant date ($)
Outstanding shares unvested at the beginning of the year	**5,615,524**	**7.61**	**7,367,897**	**9.21**
Anti-dilution adjustment for special dividend			1,584,060	7.58
Converted in Restricted Share Units (RSU)	(3,103,937)	7.67		
Granted				
Forfeited			(415,239)	7.54
Vested	(2,511,587)	7.53	(2,921,194)	7.54
Outstanding shares unvested at the end of the year	**0**	**0**	**5,615,524**	**7.61**

Restricted Share Units

In 2012, 723,236 restricted share units were granted under the CNH EIP with a weighted average fair value of $11.40 per share. Restricted share units are service based and vest in three equal installments over three years starting from the grant date. Compensation cost for the restricted share units is recognized on a straight-line basis over the requisite service period for each separate vesting portion of the award as if the award was, in substance, a multiple award.

No restricted shares units were granted in 2014 and 2013 under the CNH EIP.

Changes during the year are as follows:

	2014		2013	
	Number of shares	Weighted average fair value at grant date ($)	Number of shares	Weighted average fair value at grant date ($)
Outstanding shares unvested at the beginning of the year	**930,525**	**7.95**	**1,696,715**	**9.28**
Anti-dilution adjustment for special dividend			363,988	7.64
Converted from Performance Share Units (PSU)	3,103,937	7.67		
Granted				
Forfeited	(240,415)	7.65	(102,703)	7.66
Vested	(602,603)	7.32	(1,027,475)	7.36
Outstanding shares unvested at the end of the year	**3,191,444**	**7.82**	**930,525**	**7.95**

The fair value of performance-based shares and restricted shares under the CNH EIP was based on the market value of CNH Global's common shares on the date of the grant.

Fiat Industrial Plan

In the Annual General Meeting of shareholders held on April 5, 2012, Fiat Industrial S.p.A. shareholders approved the adoption of a Long-Term Incentive Plan (the "Fiat Industrial Plan") consisting of two components (Company Performance LTI and Retention LTI) taking the form of stock grants. According to the Fiat Industrial Plan, Fiat Industrial granted the Chairman of Fiat Industrial 1 million rights as part of the Company Performance LTI and 1.1 million rights as part of the Retention LTI.

On September 29, 2013, CNH Industrial N.V. assumed the sponsorship of the Fiat Industrial Plan. On the Effective Date, the unvested equity awards under the former Fiat Industrial Plan became convertible for common shares of CNH Industrial N.V. on a one-for-one basis.

The conversion did not change the aggregate fair value of the outstanding equity awards and, therefore, resulted in no additional share-based compensation expense in 2013.

1.1 million rights from the Retention LTI have vested ratably over three years on February 22, 2013, 2014 and 2015.

Under the terms of the Long-Term Incentive Plan, the rights to the Company Performance LTI will vest on condition that predetermined financial performance targets for the period from January 1, 2012 to December 31, 2014 are met and on condition that the beneficiary remains in office up to the date of approval of the consolidated Financial Statements at December 31, 2014 by the board of directors; the rights will become exercisable and may be exercised in a single installment subsequent to the date of approval of the consolidated Financial Statements at December 31, 2014 by the board of directors.

In the context of the Merger, upon recommendation of the Compensation Committee, the board of directors of CNH Industrial resolved to consider the performance conditions met for the Chairman's Company performance share units. The units vested on February 1, 2015.

The two awards were settled by issuing new shares.

At December 31, 2014, the contractual terms of the Long-Term Incentive Plan were therefore as follows:

Plan	Beneficiary	Number of shares	Vesting date	Vesting portion
Company Performance LTI	Chairman	1,000,000 (*)	February 1 2015	1,000,000
Retention LTI	Chairman	366,666 (*)	February 22, 2015	366,666

(*) These share units were exercised on February 23, 2015.

29. Provisions for employee benefits

The Group's provisions and net assets for employee benefits are as follows:

€ million	12/31/2014	12/31/2013	Change
Present value of defined benefit obligations:			
Pension plans	30,371	25,716	4,655
Healthcare and life insurance plans	3,300	2,750	550
Other post-employment benefits	1,454	1,394	60
Total present value of defined benefit obligations	**35,125**	29,860	5,265
Fair value of plan assets	(24,608)	(21,049)	(3,559)
Asset ceiling	11	23	(12)
Total net defined benefits plan assets	**10,528**	8,834	1,694
of which:			
Net defined benefit liability	10,648	8,961	1,687
(Defined benefit plan asset)	120	127	(7)
Other provisions for employees and liabilities for share-based payments	1,426	1,332	94
Total Provisions for employee benefits	**12,074**	**10,293**	1,781

The Group provides post-employment benefits for certain of its active employees and retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates and may change periodically.
The Group provides post-employment benefits under defined contribution and defined benefit plans.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions made by an entity, and sometimes by its employees, into an entity, or fund, that is legally separate from the employer from which the employee benefits are paid. The plans are classified by the Group on the basis of the type of benefit provided as follows: pension benefits, and life insurance plans, and other post-employment benefits.
Moreover, Group companies provide post-employment benefits, such as pension or health care benefits, to their employees under defined contribution plans. In this case, the Group pays contributions to public or private insurance plans on a legally mandatory, contractual, or voluntary basis. By paying these contributions the Group fulfills all of its obligations. The Group recognizes the cost for defined contribution plans over the period in which the employee renders service and classifies this by function in cost of sales, selling, general and administrative costs and research and development costs. In 2014 this cost amounts to €1,937 million (€1,805 million in 2013).

Pension benefits

Group companies in the United States and Canada sponsor both non-contributory and contributory defined benefit pension plans. The non-contributory pension plans cover certain hourly and salaried employees. Benefits are based on a fixed rate for each year of service.
Additionally, contributory benefits are provided to certain salaried employees under the salaried employees' retirement plans. These plans provide benefits based on the employee's cumulative contributions, years of service during which the employee contributions were made and the employee's average salary in a certain period preceding retirement.

In the United Kingdom, the Group participates, amongst others, in a pension plan financed by various entities belonging to the Group, called the "Fiat Group Pension Scheme" covering mainly deferred and retired employees.

Liabilities arising from these plans are usually funded by contributions made by Group subsidiaries and, at times by their employees, into legally separate trusts which independently manage the assets servicing the plan from which the employee benefits are paid.
The Group's funding policy for defined benefit pension plans is to contribute the minimum amounts required by applicable laws and regulations. Occasionally, additional discretionary contributions in excess of these legally required are made to achieve certain desired funding levels.

If these funds are overfunded, that is if they present a surplus compared to the requirements of law, the Group companies concerned could be authorized not to contribute to the plan in respect of a minimum performance requirement as long as the fund is in surplus.
In the U.S. these excess amounts are tracked, and the resulting credit balance can be used to satisfy minimum funding requirements in future years. As of December 31, 2014, the combined credit balances for the U.S. and Canadian qualified pension plans was approximately €2.1 billion, the usage of the credit balances to satisfy minimum funding requirements is subject to the plans maintaining certain funding levels.

The Group contributions to funded pension plans for 2015 are expected to be €307 million, of which €262 million relate to FCA US. The expected benefit payments for pension plans are as follow:

€ million	Expected benefit payments
2015	1,925
2016	1,887
2017	1,865
2018	1,842
2019	1,831
2020-2024	8,971

Changes in pension plans are the following:

	12/31/2014				12/31/2013			
€ million	Defined benefit obligation	Fair value of plan assets	Asset ceiling	(Net asset) Net liability obligation	Defined benefit obligation	Fair value of plan assets	Asset ceiling	(Net asset) Net liability obligation
Amounts at January 1	**25,716**	**(20,977)**	**23**	**4,762**	**29,678**	**(22,080)**	**8**	**7,606**
Included in the income statement								
Current service cost	204	0	0	204	311			311
Interest expenses (income)	1,194	(962)	0	232	1,124	(841)		283
Other administrative costs	3	62	0	65	3	42		45
Past service costs (income) and (gains) losses arising from settlements	(13)	28	0	15	(176)	14		(162)
Included in Other comprehensive income								
Actuarial (gains) losses from:								
- demographic assumptions	(210)	0	0	(210)	(30)			(30)
- financial assumptions	2,201	0	0	2,201	(1,980)	(1)		(1,981)
- other	3	0	(18)	(15)	9	2	17	28
Return on assets	0	(1,666)	0	(1,666)		(585)		(585)
Change in the effect of limiting net assets	0	0	3	3			3	3
Exchange differences	3,026	(2,468)	1	559	(1,426)	1,179	(1)	(248)
Other								
Contribution by employer	0	(254)	0	(254)		(502)		(502)
Contribution by plan participants	4	(4)	0	0	11	(11)		0
Benefits paid	(1,764)	1,733	0	(31)	(1,825)	1,809		(16)
Other changes	7	(12)	2	(3)	17	(3)	(4)	10
Amounts at December 31	**30,371**	**(24,520)**	**11**	**5,862**	**25,716**	**(20,977)**	**23**	**4,762**

During 2014, a decrease in discount rates resulted in actuarial losses for the year ended December 31, 2014, while an increase in discount rates resulted in actuarial gains for the year ended December 31, 2013.

In 2014, following the release of new standards by the Canadian Institute of Actuaries, mortality assumptions used for our Canadian benefit plan valuations were updated to reflect recent trends in the industry and the revised outlook for future generational mortality improvements. Generational improvements represent decreases in mortality rates over time based upon historical improvements in mortality and expected future improvements. The change increased the Group's Canadian pension obligations by approximately €41 million. Additionally, retirement rate assumptions used for the Group's U.S. benefit plan valuations were updated to reflect an ongoing trend towards delayed retirement for FCA US employees. The change decreased the Group's U.S. pension and other post-employment benefit obligations by approximately €261 million and €40 million, respectively.

There were no significant plan amendments or curtailments to the Group's pension plans for the year ended December 31, 2014.
The fair value of plan assets by class is as follows:

€ million	12/31/2014 Amount	12/31/2014 quoted market price in an active market	12/31/2013 Amount	12/31/2013 quoted market price in an active market
Cash and cash equivalents	**740**	**616**	578	426
US equity securities	2,422	2,353	2,197	2,184
Non-US equity securities	1,518	1,486	1,588	1,579
Commingled funds	2,009	186	1,560	237
Equity instruments	**5,949**	**4,025**	5,345	4,000
Government securities	3,225	1,053	3,147	1,054
Corporate bonds (including convertible and high-yield bonds)	6,556	37	5,396	71
Other fixed income	1,564	21	689	20
Fixed income securities	**11,345**	**1,111**	9,232	1,145
Private equity funds	1,648	0	1,714	
Commingled funds	5	5		
Mutual funds	462	0	517	
Real estate funds	1,395	0	1,222	
Hedge funds	1,841	0	1,759	
Investment funds	**5,351**	**5**	5,212	0
Insurance contracts and other	**1,135**	**95**	610	72
Total fair value of plan assets	**24,520**	**5,852**	**20,977**	**5,643**

Non-U.S. equity securities are invested broadly in developed international and emerging markets. Debt instruments are fixed income securities which comprise primarily long-term U.S. Treasury and global government bonds, as well as U.S., developed international and emerging market companies' debt securities diversified by sector, geography and through a wide range of market capitalization. Commingled funds include common collective trust funds, mutual funds and other investment entities. Private equity funds include those in limited partnerships that invest primarily in operating companies that are not publicly traded on a stock exchange. Real estate investments includes those in limited partnerships that invest in various commercial and residential real estate projects both domestically and internationally. Hedge fund investments include those seeking to maximize absolute return using a broad range of strategies to enhance returns and provide additional diversification.

The investment strategies and objectives for pension assets primarily in the U.S. and Canada reflect a balance of liability-hedging and return-seeking investment considerations. The investment objectives are to minimize the volatility of the value of the pension assets relative to the pension liabilities and to ensure assets are sufficient to pay plan obligations. The objective of minimizing the volatility of assets relative to liabilities is addressed primarily through asset diversification, partial asset-liability matching and hedging. Assets are broadly diversified across many asset classes to achieve risk-adjusted returns that, in total, lower asset volatility relative to the liabilities. Additionally, in order to minimize pension asset volatility relative to the pension liabilities, a portion of the pension plan assets are allocated to fixed income securities. The Group policy for these plans ensures actual allocations are in line with target allocations as appropriate.

Assets are actively managed, primarily, by external investment managers. Investment managers are not permitted to invest outside of the asset class or strategy for which they have been appointed. The Group uses investment guidelines to ensure investment managers invest solely within the mandated investment strategy. Certain investment managers use derivative financial instruments to mitigate the risk of changes in interest rates and foreign currencies impacting the fair values of certain investments. Derivative financial instruments may also be used in place of physical securities when it is more cost effective and/or efficient to do so.

Plan assets do not include shares of FCA, CNH Industrial or properties occupied by Group companies.

Sources of potential risk in the pension plan assets measurements relate to market risk, interest rate risk and operating risk. Market risk is mitigated by diversification strategies and as a result, there are no significant concentrations of risk in terms of sector, industry, geography, market capitalization, or counterparty. Interest rate risk is mitigated by partial asset–liability matching.
Interest rate increases generally will result in a decline in the fair value of the investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases generally will increase the fair value of the investments in fixed income securities and the present value of the obligations.

The weighted average assumptions used to determine the defined benefit obligations of the pension plans are as follows:

For the **FCA Group**:

	12/31/2014			12/31/2013		
	USA	**Canada**	**UK**	USA	Canada	UK
(in %)						
Discount rate	**4.0**	**3.8**	**4.0**	4.7	4.6	4.5
Future salary increase rate	**n.a.**	**3.5**	**3.0**	3.0	3.5	3.1
Average duration (years)	**11**	**13**	**21**	11	12	21

Discount rates are used in measuring the obligation and the interest expense (income) of net period cost. The Group selects these rates on the basis of the rate on return on high-quality (AA rated) fixed income investments for which the timing and amounts of payments match the timing and amounts of the projected pension and other post-employment plan.

The effect of an increase or decrease of 0.1% in the assumed discount rate, holding all other assumptions constant, would be a decrease of €317 million and increase of €312 million, respectively, in the defined benefit obligations.

For the **CNH Industrial Group**:

(in %)	12/31/2014	12/31/2013
Discount rate	**3.21**	4.05
Future salary increase rate	**3.11**	3.35
Average duration (years)	**13**	12

Weighted-average discount rates are used in measurements of pension and post-retirement benefit obligations and net interest on the net defined benefit liability/asset. The weighted-average discount rates are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled as of the measurement date. The benefit cash flow-matching approach involves analyzing the Group’s projected cash flows against a high quality bond yield curve, mainly calculated using a wide population of AA-graded corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria.

The effect of an increase or decrease of one percentage point in the assumed discount rate, holding all other assumptions constant, would be a decrease of €351 million and increase of €421 million, respectively, in the defined benefit obligations.

For **C&W Group:**

(in %)	UK	Indonesia	India	Philippines
At December 31, 2014				
Discount rate	**3.66**	**8.5**	**8**	**4.54**
Future salary increase rate		**8.0**	**6.0**	**4.1**
At December 31, 2013				
Discount rate	4.37	8.5		
Future salary increase rate		8.0		

As for the C&W Group, the discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of C&W Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The effect of a decrease of 0.5% in the discount rate for UK plans would be an increase in the benefit obligations of €11 million. A one year increase in the member life expectation would be an increase in the benefit obligation of €3 million. The effect of a change in the assumptions of the Asia plans would be a decrease of €0.2 million.

Healthcare and life insurance plans

Liabilities arising from these plans comprise obligations such as healthcare and life insurance granted to employees and retirees in the U.S. and Canada by FCA US companies and those of the Agricultural Equipment and Construction Equipment sectors. CNH Industrial United States employees and Canadian employees hired after January 1, 2001 and January 1, 2002, respectively, are not eligible for post-retirement healthcare and life insurance benefits under the CNH Industrial plans. These benefits may be subject to deductibles, co-payment provisions and other limitations, and CNH Industrial has reserved the right to change or terminate these benefits, subject to the provisions of any collective bargaining agreement. Until December 31, 2006 these plans were fully unfunded; starting in 2007, the CNH Industrial Group began making contributions on a voluntary basis to a separate and independently managed fund established to finance the North American healthcare plans.

The expected benefits for healthcare and life insurance plans are the following:

€ million	Expected benefit payments
2015	196
2016	194
2017	193
2018	190
2019	190
2020-2024	926

Changes in healthcare and life insurance plans are as follows:

€ million	12/31/2014			12/31/2013		
	Defined benefit obligation	Fair value of plan assets	(Net asset) Net liability obligation	Defined benefit obligation	Fair value of plan assets	(Net asset) Net liability obligation
Present value of obligations at January 1	**2,750**	**(72)**	**2,678**	**3,192**	**(69)**	**3,123**
Included in income statement						
Current service cost	28	0	28	29		29
Interest (income) expenses	136	(3)	133	121	(2)	119
Past service costs (income) and (gains) losses arising from settlements	(2)	0	(2)			0
Included in Other comprehensive income						
Actuarial (gains) losses from:						
- demographic assumptions	(72)	0	(72)	(19)		(19)
- financial assumptions	290	0	290	(251)		(251)
- other	(13)	0	(13)	(1)		(1)
Return on assets	0	(5)	(5)		(5)	(5)
Exchange differences	359	(10)	349	(151)	3	(148)
Other						
Contribution by employer	0	0	0		(52)	(52)
Contribution by plan participants	6	0	6	5	(5)	0
Benefits paid	(186)	2	(184)	(185)	59	(126)
Other changes	4	0	4	10	(1)	9
Present value of obligation at December 31	**3,300**	**(88)**	**3,212**	**2,750**	**(72)**	**2,678**

Healthcare and life insurance plans are accounted for on an actuarial basis, which requires the selection of various assumptions. In particular, it requires the use of estimates of the present value of the projected future payments to all participants, taking into consideration the likelihood of potential future events such as healthcare cost increases and demographic experience.

The fair value of plan assets by class is as follows:

€ million	12/31/2014 Amount	12/31/2014 of which have a quoted market price in an active market	12/31/2013 Amount	12/31/2013 of which have a quoted market price in an active market
Cash and cash equivalents	2			
US equity securities				
Non-US equity securities	13	13	12	11
Equity instruments	**13**	**13**	12	11
Government securities	8	4		
Corporate bonds (including convertible and high-yield bonds)	21			
Other fixed income securities	11			
Debt instruments	40	4	0	0
Insurance contracts and other	**33**		60	
Total fair value of plan assets	**88**	**17**	**72**	**11**

The weighted average assumptions used to determine the defined benefit obligations are as follows:

For the **FCA Group:**

(in %)	12/31/2014 USA	12/31/2014 Canada	12/31/2013 USA	12/31/2013 Canada
Discount rate	**4.1**	**3.9**	4.9	4.7
Future salary increase rate			n/a	2.7
Weighted average ultimate health care cost trend rate	**5.0**	**3.6**	5.0	3.6
Average duration (years)	12	16	12	15

The discount rates used by the FCA Group for the measurement of these obligations are based on yields of high-quality (AA-rated) fixed income securities for which the timing and amounts of payments match the timing and amounts of the projected benefit payments.

The effect of an increase or decrease of 0.1% in the discount rate, holding all other assumptions constant, would be a decrease of €28 million and increase of €28 million, respectively, in the benefit obligations at December 31, 2014.

Assumed discount rates used to estimate healthcare cost trend rates have a significant effect on the amount recognized for the relative plans. The effect of a decrease or an increase of one percentage point in the assumed healthcare cost trend rates for the United States and Canada, would be a decrease of €43 million and an increase of €50 million, respectively, in the defined obligations at December 31, 2014

The annual rate of increase in the per capita cost of covered U.S. healthcare benefits assumed for next year and used in the 2014 plan valuation was 6.5% (6.8% in 2013). The annual rate was assumed to decrease gradually to 5% after 2021 and remain at that level thereafter. The annual rate of increase in the per capita cost of covered Canadian healthcare benefits assumed for next year and used in the 2014 plan valuation was 3.3% (3.3% in 2013). The annual rate was assumed to increase gradually to 3.6% in 2017 and remain at that level thereafter.

For the **CNH Industrial Group**:

(in %)	12/31/2014	12/31/2013
Average discount rate	**3.96**	4.67
Future salary increase rate	**3.00**	3.42
Weighted average initial health care cost trend rate	**7.23**	8.19
Weighted average ultimate health care cost trend rate	**5.00**	5.00
Average duration (years)	**13**	12

The weighted-average discount rates are used in measurements of pension and post-retirement benefit obligations and net interest on the net defined benefit liability/asset. The weighted-average discount rates are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled as of the measurement date. The benefit cash flow-matching approach involves analyzing projected cash flows against a high quality bond yield curve, mainly calculated using a wide population of AA-graded corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria.
The discount rates for the remaining obligations are based on benchmark yield data of high-quality fixed income investments for which the timing and amounts of payments approximate the timing and amounts of projected benefit payments.

The weighted-average healthcare trend rate represents the rate at which healthcare costs are assumed to increase. Rates are determined based on CNH Industrial's specific experience, consultation with actuaries and outside consultants, and various trend factors including general and healthcare sector-specific inflation projections from the United States Department of Health and Human Services Health Care Financing Administration for CNH Industrial's U.S. assumptions. The weighted-average initial trend is a short-term assumption based on recent experience and prevailing market conditions. The weighted-average ultimate trend is a long-term assumption of healthcare cost inflation based on general inflation, incremental medical inflation, technology, new medicine, government cost-shifting, utilization changes, aging population, and a changing mix of medical services. CNH Industrial expects to achieve the ultimate healthcare cost trend rate in 2017 and 2018 for US and Canada plans, respectively.

Assumed discount rates and healthcare cost trend rates have a significant effect on the amount recognized in the 2014 financial statements.
The effect of an increase or decrease of one percentage point in the discount rate, holding all other assumptions constant, would be a decrease of €117 million and increase of €134 million, respectively, in the benefit obligations at December 31, 2014.

The effect of an increase or decrease of one percentage point in the assumed healthcare cost trend rates would be an increase of €149 million and decrease of €125 million, respectively, in the healthcare benefit obligations at December 31, 2014.

Other post-employment benefits

Other post-employment benefits include employee benefits granted to Group employees in Europe and comprise, among others, Italian employee leaving entitlements – TFR (obligation amounting to €1,104 million at December 31, 2014 and €1,065 million at December 31, 2013), consisting of the residual obligation for the benefit due to employees of Italian companies until December 31, 2006, having more than 50 employees, and accrued over the employee's working life for the others, and settled when an employee leaves the Group. The schemes included in this item are unfunded.

Changes in the obligations for other post-employment benefits are the following:

€ million	12/31/2014	12/31/2013
Present value of obligation at January 1	**1,394**	1,379
Included in income statement		
Current service cost	37	28
Interest (income) expenses	16	23
Past service costs (income) and (gains) losses arising from settlements	(17)	1
Included in Other comprehensive income		
Actuarial (gains) losses from:		
- demographic assumptions	(2)	(3)
- financial assumptions	117	46
- other	15	25
Exchange differences	2	(4)
Other		
Benefits paid	(107)	(92)
Change in the scope of consolidation	15	21
Other changes	(16)	(30)
Present value of obligation at December 31	**1,454**	**1,394**

The main assumptions used in developing the required estimates for other post-employment benefits include the discount rate, the retirement or employee leaving rate and the mortality rates.

The discount rates used for the measurement of the Italian leaving entitlement obligation are based on yields of high-quality (AA rated) fixed income securities for which the timing and amounts of payments match the timing and amounts of the projected benefit payments. For this plan, the single weighted average discount rate that reflects the estimated timing and amount of the scheme future benefit payments for 2014 is equal to 1.7% (2.8% in 2013). The average duration of the Italian leaving entitlement is approximately 7 years. Retirement or employee leaving rates are developed to reflect actual and projected Group experience and law requirements for retirement in Italy.

As for the FCA Group the effect of an increase or decrease of one percentage point in the discount rate, holding all other assumptions constant, would be a decrease of €49 million and increase of €55 million, respectively, in the benefit obligations at December 31, 2014.

Other provisions for employees

At December 31, 2014, other provisions for employees include other long-term benefits obligations of €1,426 million (€1,311 million at December 31, 2013), representing the expected obligation for benefits as jubilee and long-term disability granted to certain employees by the Group.

30. Other provisions

Changes in other provisions are as follows:

€ million	Beginning balance	Charge	Utilization	Release to income	Translation differences	Change in the scope of consolidation and other changes	Closing balance
At December 31, 2014							
Warranty and technical assistance provision	4,462	3,157	(2,749)	389	420	5	5,684
Restructuring provision	251	138	(158)	(8)	2	(6)	219
Investment provision	17	0	0	0	0	(4)	13
Other risks	7,170	13,031	(12,358)	(339)	506	(191)	7,819
Total Other provisions	**11,900**	16,326	(15,265)	42	928	(196)	**13,735**
At December 31, 2013							
Warranty and technical assistance provision	4,419	2,642	(2,334)	(38)	(230)	3	4,462
Restructuring provision	396	63	(184)	(23)	(2)	1	251
Investment provision	18	0	0	0	(2)	1	17
Other risks	6,625	11,578	(10,530)	(261)	(316)	74	7,170
Total Other provisions	**11,458**	14,283	(13,048)	(322)	(550)	79	**11,900**

The warranty and technical assistance provision represents the best estimate of commitments given by the Group for contractual, legal, or constructive obligations arising from product warranties given for a specified period of time beginning at the date of sale to the end customer. This estimate is principally based on assumptions regarding the lifetime warranty costs of each vehicle and each model year of that vehicle line, as well as historical claims experience for vehicles. Warranty provisions also include management's best estimate of the costs that are expected to be incurred in connection with product defects that could result in a general recall of vehicles, which are estimated by making an assessment of the historical occurrence of defects on a case-by-case basis and are accrued when a reliable estimate of the amount of the obligation can be made.

The restructuring provision at December 31, 2014 consists of termination benefits payable to employees in connection with restructuring plans of €138 million (€160 million in 2013), manufacturing rationalization costs of €33 million (€16 million in 2013) and other costs €54 million (€76 million in 2013).

The provision for other risks represents the amounts provided by the individual companies of the Group in connection mainly with contractual and commercial risks and disputes.
The composition of the provision for other risks is as follows:

€ million	12/31/2014	12/31/2013	Change
Sales incentives	4,859	3,964	895
Legal proceedings and other disputes	920	966	(46)
Commercial risks	722	734	(12)
Environmental risks	61	62	(1)
Indemnities	62	63	(1)
Other provisions for risks and charges	1,195	1,381	(186)
Total Other risks	**7,819**	**7,170**	649

In particular, they refer to:

- sales incentives: this provision offers sales incentives on a contractual basis to the Group's dealer networks, primarily on the basis of a specific cumulative level of sales transactions during a certain period;
- legal proceedings and other disputes: this provision represents management's best estimate of the liability to be recognized by the Group with regard to:
  - legal proceedings arising in the ordinary course of business with dealers, customers, suppliers or regulators (such as contractual or patent disputes);
  - legal proceedings involving claims with active and former employees;
  - legal proceedings involving different tax authorities.

This item also includes provisions for commercial risks, environmental risks, contract indemnities and other estimated product liability costs.
The provisions for other risks at December 31, 2014 refer for €1,056 million to the FCA Group, for €137 million to the CNH Industrial Group and for €2 million to Juventus F.C. S.p.A.

31. Financial debt

The composition of debt is as follows:

€ million	12/31/2014	12/31/2013	Change
Asset-backed financing	**11,660**	11,429	231
Other financial debt:			
Bonds	27,114	21,009	6,105
Borrowings from banks	17,621	14,211	3,410
Payables represented by securities	1,843	4,927	(3,084)
Other financial debt:	1,951	2,003	(52)
Total Other financial debt	**48,529**	42,150	6,379
Total Financial debt	**60,189**	**53,579**	6,610

During 2014 the Group issued bonds of €7,353 million and repaid bonds on maturity of €2,150 million; repayments of medium-/long-term loans and credit facilities amount to approximately €8,007 million, while new medium-/long-term loans secured by the Group total €6,892 million.

Asset backed financing

Asset-backed financing represents the amount of financing received through securitization and factoring transactions which do not meet IAS 39 derecognition requirements and is recognized as an asset in the statement of financial position under current receivables and other current assets (Note 23).

In addition, at December 31, 2014 the Group's assets include current receivables and cash to settle asset-backed financing of €11,660 million (€11,435 million at December 31, 2013) (see Note 23).

Bonds

The bond issues outstanding at December 31, 2014 are as follows:

	Currency	Face value of outstanding bonds (in millions)	Coupon	Maturity	Outstanding amount (in € million)
Bonds issued by EXOR S.p.A.					
Bonds 2007-2017	€	440	5.38%	June 12, 2017	452
Bonds 2012-2019	€	150	4.75%	October 16, 2019	150
Bonds 2013-2020	€	200	3.38%	November 12, 2020	199
Bonds 2014-2024	€	650	2.50%	October 8, 2024	652
Bonds 2012-2025	€	100	5.25%	January 31, 2025	103
Bonds 2011-2031	Yen	10,000	2.80% 6 months	May 9, 2031	69
Total Bonds issued by EXOR S.p.A.					**1,625**
Bonds issued by the FCA Group					
Global Medium Term Notes:					
Fiat Chrysler Finance Europe S.A.	€	1,500	6.875%	February 13, 2015	1,500
Fiat Chrysler Finance Europe S.A.	CHF	425	5.000%	September 7, 2015	353
Fiat Chrysler Finance Europe S.A.	€	1,000	6.375%	April 1, 2016	1,000
Fiat Chrysler Finance Europe S.A.	€	1,000	7.750%	October 17, 2016	1,000
Fiat Chrysler Finance Europe S.A.	CHF	400	5.250%	November 23, 2016	333
Fiat Chrysler Finance Europe S.A.	€	850	7.000%	March 23, 2017	850
Fiat Chrysler Finance North America Inc.	€	1,000	5.625%	June 12, 2017	1,000
Fiat Chrysler Finance Europe S.A.	CHF	450	4.000%	November 22,2017	374
Fiat Chrysler Finance Europe S.A.	€	1,250	6.625%	March 15, 2018	1,250
Fiat Chrysler Finance Europe S.A.	€	600	7.375%	July 9, 2018	600
Fiat Chrysler Finance Europe S.A.	CHF	250	3.125%	September 30, 2019	208
Fiat Chrysler Finance Europe S.A.	€	1,250	6.750%	October 14, 2019	1,250
Fiat Chrysler Finance Europe S.A.	€	1,000	4.750%	March 22, 2021	1,000
Fiat Chrysler Finance Europe S.A.	€	1,350	4.750%	July 15, 2022	1,350
Other					7
Total Global Medium Term Notes					**12,075**
Other bonds:					
FCA US (Secured Senior Notes) (1)	$	2,875	8.000%	June 15, 2019	2,368
FCA US (Secured Senior Notes) (1)	$	3,080	8.250%	June 15, 2021	2,537
Total Other bonds					**4,905**
Hedging effect and amortized cost valuation					**668**
Total Bonds issued by the FCA Group					**17,648**
Bonds issued by the CNH Industrial Group					
Global Medium Term Notes:					
CNH Industrial Finance Europe S.A.	€	1,000	5.250%	March 11, 2015	1,000
CNH Industrial Finance Europe S.A.	€	1,200	6.250%	March 9, 2018	1,200
CNH Industrial Finance Europe S.A.	€	1,000	2.750%	March 18, 2019	1,000
CNH Industrial Finance Europe S.A.	€	700	2.875%	September 27, 2021	700
Total Global Medium Term Notes					**3,900**
Other bonds:					
CNH Capital LLC	$	750	3.875%	November 1, 2015	618
CNH America LLC	$	254	7.250%	January 15, 2016	209
CNH Capital LLC	$	500	6.250%	November 1, 2016	412
CNH Capital LLC	$	500	3.250%	February 1, 2017	412
Case New Holland Inc.	$	1,500	7.875%	December 1, 2017	1,236
CNH Capital LLC	$	600	3.625%	April 15, 2018	494
CNH Capital LLC	$	500	3.375%	July 15, 2019	412
Total Other bonds					**3,793**
Hedging effect and amortized cost valuation					**148**
Total Bonds issued by the CNH Industrial Group					**7,841**
Total Bonds					**27,114**

(1) The Secured Senior Notes of FCA US were issued at par on May 24, 2011 and initially sold in a private placement to qualified institutional buyers and non-US persons as defined by US Securities Act. On December 29, 2011, in accordance with the indenture, FCA US commenced an offer to exchange the original notes outstanding for Secured Senior Notes having substantially identical terms as those originally issued and the same principal amount but did not contain restrictions on transfer. The offer to exchange the original notes expired on February 1, 2012. Substantially all of the original notes were tendered for Secured Senior Notes.

Bonds issued by EXOR S.p.A.

The change in bonds during 2014 is largely due to:

- buyback on the market and through a tender offer for buyback of the non-convertible bonds 2007-2017 for a total nominal amount of €254.2 million and subsequent cancellation for a nominal amount of €250 million;
- issue of non-convertible bonds 2014-2024 for a nominal amount of €500 million at the issue price of 99.329% and a fixed coupon of 2.5% per annum; in December 2014 this issue was reopened for another nominal amount of €150 million, at 102.613% of the nominal amount. At December 31, 2014 the bonds total a nominal amount of €650 million, maturing October 8, 2024, with a fixed coupon of 2.50% per annum.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and provide for periodic disclosure. The 2011-2031 bonds also establish other covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies.

Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Standard events of default are envisaged in the case of serious non-fulfillment such as failure to pay interest. These covenants were complied with at December 31, 2014. Finally, a change of control of EXOR would give the bondholders the right to ask for early redemption of the bonds.

Bonds issued by the FCA Group

Changes in bonds during 2014 are mainly the following:

- issuance of 4.75% notes at par, having a principal of €1 billion and due March 2021 by Fiat Chrysler Finance Europe S.A., under the Global Medium Term Notes. The proceeds will be used for general corporate purposes;
- issuance of two tranches of 4.75% notes at par, having a principal of €1,350 million and due July 2022 by Fiat Chrysler Finance Europe S.A, under the Global Medium Term Notes program, priced at 103.265% of par value;
- issuance of 3.125% notes at par, having a principal of CHF 250 million and due September 2019 by Fiat Chrysler Finance Europe S.A, under the Global Medium Term Notes program, priced at 100% of par value;
- repayment at maturity of bonds having a nominal value of €900 million and of €1,250 million originally issued by Fiat Chrysler Finance Europe S.A.;
- issuance of 8% Secured Senior Notes due 2019 for an additional $1,375 million (€1,133 million), the “2019 Notes”, at an issue price of 108.25% of the aggregate principal amount;
- issuance of 8.25% Secured Senior Notes due 2021 for an additional $1,380 million (€1,137 million), the “2021 Notes”, at an issue price of 110.50% of the aggregate principal amount, which together with the “2019 Notes are collectively referred to as the "Secured Senior Notes.

All the bonds issued by Fiat Chrysler Finance Europe S.A. and Fiat Chrysler Finance North America Inc., are currently governed by the terms and conditions of the Global Medium Term Notes Program. A maximum of €20 billion may be used under this program, of which notes of approximately €12.1 billion have been issued and are outstanding to December 31, 2014 (€11.6 billion at December 31, 2013). The GMTN Program is guaranteed by the FCA Group.

FCA US may redeem, at any time, all or any portion of the Secured Senior Notes on not less than 30 and not more than 60 days’ prior notice mailed to the holders of the Secured Senior Notes to be redeemed:

- prior to June 15, 2015, the 2019 Notes will be redeemable at a price equal to the principal amount of the 2019 Notes being redeemed, plus accrued and unpaid interest to the date of redemption and a “make–whole” premium calculated under the indenture governing the Secured Senior Notes. On and after June 15, 2015, the 2019 Notes are redeemable at redemption prices specified in the 2019 Notes, plus accrued and unpaid interest to the date of redemption. The redemption price is initially 104% of the principal amount of the 2019 Notes being redeemed for the twelve months beginning June 15, 2015, decreasing to 102% for the twelve months beginning June 15, 2016 and to par on and after June 15, 2017;
- prior to June 15, 2016, the 2021 Notes will be redeemable at a price equal to the principal amount of the 2021 Notes being redeemed, plus accrued and unpaid interest to the date of redemption and a “make–whole” premium calculated under the indenture governing Secured Senior Notes. On and after June 15, 2016, the 2021 Notes are redeemable at redemption prices specified in the 2021 Notes, plus

accrued and unpaid interest to the date of redemption. The redemption price is initially 104.125% of the principal amount of the 2021 Notes being redeemed for the twelve months beginning June 15, 2016, decreasing to 102.750% for the twelve months beginning June 15, 2017, to 101.375% for the twelve months beginning June 15, 2018 and to par on and after June 15, 2019.

The bonds issued by Fiat Chrysler Finance Europe S.A. and by Fiat Chrysler Finance North America Inc. impose covenants on the issuer and, in certain cases, on FCA as guarantor, which is standard international practice for similar bonds issued by companies in the same industry sector as the Group: (i) negative pledge clauses which require that, in case any security interest upon assets of the issuer and/or FCA is granted in connection with other bonds or debt securities having the same ranking, such security should be equally and ratably extended to the outstanding bonds; (ii) *pari passu* clauses, under which the bonds rank and will rank *pari passu* with all other present and future unsubordinated and unsecured obligations of the issuer and/or FCA; (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the bonds under certain events of default on other financial instruments issued by the Group's main entities; and (v) other clauses that are generally applicable to securities of a similar type. A breach of these covenants may require the early repayment of the notes. In addition, the agreements for the bonds guaranteed by FCA contain clauses which could require early repayment if there is a change of the controlling shareholder of FCA leading to a resulting ratings downgrade by ratings agencies.

The indenture governing the Secured Senior Notes issued by FCA US includes negative covenants which limit FCA US's ability and, in certain instances, the ability of certain of its subsidiaries to, (i) pay dividends or make distributions of FCA US's capital stock or repurchase FCA US's capital stock; (ii) make restricted payments; (iii) create certain liens to secure indebtedness; (iv) enter into sale and leaseback transactions; (v) engage in transactions with affiliates; (vi) merge or consolidate with certain companies and (vii) transfer and sell assets.

The indenture provides for customary events of default, including but not limited to, (i) non-payment; (ii) breach of covenants in the indenture; (iii) payment defaults or acceleration of other indebtedness; (iv) a failure to pay certain judgments and (v) certain events of bankruptcy, insolvency and reorganization. If certain events of default occur and are continuing, the trustee or the holders of at least 25% in aggregate of the principal amount of the Secured Senior Notes outstanding under one of the series may declare all of the notes of that series to be due and payable immediately, together with accrued interest, if any.
The Secured Senior Notes are secured by liens junior to the Secured Senior Credit Facilities on substantially all of FCA US assets and the assets of its U.S. subsidiary guarantors, as indicated under "Significant restrictions in relation to the Group's interest in FCA US".

Bonds issued by CNH Industrial Group
During 2014 CNH Industrial Group issued the following bonds:
- in the context of the Global Medium Term Note Programme, in March 2014, CNH Industrial Finance Europe S.A. issued a €1,000 million bond at a price of 99.471% of the principal amount, maturing in 2019 and bearing fixed interest at a rate of 2.75% payable annually;
- CNH Industrial Capital LLC issued a $500 million bond, in June 2014, at a price of 99.426% of the principal amount, maturing in 2019 and bearing fixed interest at a rate of 3.375% payable semi-annually;
- in the context of the Global Medium Term Note Programme, in September 2014, CNH Industrial Finance Europe S.A. issued a €700 million bond at a price of 99.22% of the principal amount, maturing in 2021 and bearing fixed interest at a rate of 2.875% payable annually.

The bonds issued by the CNH Industrial Group may contain commitments of the issuer and in certain cases commitments of CNH Industrial N.V. in its capacity as guarantor, which are typical of international practice for bond issues of this type such as, in particular, negative pledge, *pari passu* and cross default clauses. A breach of these commitments can lead to the early repayment of the issued notes. In addition, the bonds guaranteed by CNH Industrial N.V. under the Global Medium Term Note Programme, contain clauses which could lead to early repayment if there is a change of control of CNH Industrial N.V. associated with a downgrading by a ratings agency.

The Group intends to repay the issued bonds 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 bonds, also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

Credit lines

At December 31, 2014 **EXOR S.p.A**. has unused irrevocable credit lines for €425 million (including €80 million due by December 31, 2015 and €345 million after December 31, 2015), in addition to unused revocable credit lines for more than €595 million.

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.
In the event of a change of control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €325 million.

Medium/long-term committed credit lines expiring beyond 12 months currently available to the **FCA Group,** excluding FCA US, are approximately €3.3 billion (€3.2 billion at December 31, 2013), of which €2.1 billion relates to the three-year syndicated revolving credit line due in July 2016 which was undrawn at December 31, 2014 and December 31, 2013.

The operating entities of the FCA Group, excluding FCA US, have committed credit lines available, with residual maturity after twelve months, to fund scheduled investments, of which approximately €0.9 billion was undrawn at December 31, 2014.
FCA has a syndicated credit facility in the amount of €2.1 billion which contains covenants for contracts of this type and size, such as financial covenants (Net Debt/EBITDA and EBITDA/Net Interest ratios related to industrial activities) and negative pledge, *pari passu*, cross default and change of control clauses. The failure to comply with these covenants, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding loans. Similar covenants are contemplated for loans granted by the European Investment Bank for a total of €1.1 billion, in order to support the Group's investments and research and development projects. In addition, the above syndicated credit facility, currently contemplates limits to the capability to extend guarantees or loans to FCA US.

At December 31, 2014 FCA US had a secured revolving credit facility ("Revolving Credit Facility") amounting to approximately €1.1 billion ($1.3 billion), which remains undrawn, maturing in May 2016.

FCA US's Senior Credit Facilities (Senior Credit Agreements), which include the Tranche B Term Facility and the Revolving Credit Facility, are secured by a senior priority security interest in substantially all of FCA US's assets and the assets of its U.S. subsidiary grantors, as indicated under "Significant restrictions in relation to the Group's interest in FCA US".

Furthermore, the Senior Credit Agreements include a number of obligations for FCA US, many of which are customary, including negative covenants such as: (i) limitations on incurrence, repayment and prepayment of indebtedness; (ii) limitations on incurrence of liens; (iii) limitations on making certain payments; (iv) limitations on transactions with affiliates, swap agreements and sale and leaseback transactions; (v) limitations on fundamental changes, including certain asset sales and (vi) restrictions on certain subsidiary distributions. In addition, the Senior Credit Agreements require FCA US to maintain a minimum ratio of "borrowing base" to "covered debt" (as defined in the Senior Credit Agreements), as well as a minimum liquidity of $3.0 billion (€2.5 billion), which includes any undrawn amounts on the Revolving Credit Facility.
The Senior Credit Agreements contain a number of events of default related to: (i) failure to make payments when due; (ii) failure to comply with covenants; (iii) breaches of representations and warranties; (iv) certain changes of control; (v) cross–default with certain other debt and hedging agreements and (vi) failure to pay or post bond for certain material judgments. .

While the Senior Credit Facilities and Secured Senior Notes are outstanding, further distributions of dividends by FCA US will be limited to 50% of FCA US's consolidated net income (as defined in the agreements) from January 2012, less the amount of the January 2014 distribution that was used to pay the VEBA Trust for the acquisition of the remaining 41.5% interest in FCA US not previously owned by FCA.

Available committed credit lines at December 31, 2014 of the **CNH Industrial Group** expiring after twelve months amounts to €2.2 billion (€1.6 billion at December 31, 2013). During the year a €1.75 billion five-year committed multi-currency revolving credit facility replaced the existing €2 billion credit facility. The facility, guaranteed by the parent company with cross-guarantees from each of the borrowers (*i.e.*, CNH Industrial Finance S.p.A., CNH Industrial Finance Europe S.A. and CNH Industrial Finance North America Inc.), envisages typical provisions for contracts of this type and size, such as: financial covenants (Net debt/EBITDA and EBITDA/Net interest ratios relating to Industrial Activities), negative pledges, *pari passu,* cross-default and change of control. The failure to comply with these provisions, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding advances.

On June 27, 2014 **C&W Group** amended its existing $350 million senior secured revolving credit commitment and $150 million senior secured term loan with an outstanding balance of approximately $132 million. The new agreement extended maturity from June 2016 to June 2019 and consists of a $350 million senior unsecured revolving credit facility (the "Revolver") and a $150 million senior unsecured term loan facility (the "Term Loan"). In addition to greater flexibility the credit facility offers improved terms.

At December 31, 2014 **Juventus Football Club** has revocable lines of credit of €359 million, drawn for a total of €203 million.

Borrowings from banks

Borrowings from banks at December 31, 2014 amount to €17,621 million (€14,211 million at December 31, 2013) and refer principally to:

- for €12,751 million (€8,830 million at December 31, 2013) to the FCA Group;
- for €4,567 million (€5,149 million at December 31, 2013) to the CNH Industrial Group;
- for €174 million (€122 million at December 31, 2013) to C&W Group, principally for the amount drawn down on the "Credit Facility" ($190.9 million equal to €157 million) and the promissory note ($18.3 million equal to €15 million);
- for €106 million (€75 million at December 31, 2013) to Juventus F.C.

At December 31, 2014, borrowings from banks of the **FCA Group** include the amount drawn down by FCA US on the Tranche B Term Loan due 2017 and the Tranche B Term Loan due December 2018, for an amount, including accrued interest, respectively, of €2,587 million (€2,119 million at December 31, 2013) and €1,421 million, while the secured revolving credit facility was undrawn.

The Tranche B Term Loan due 2017 of FCA US consists of the Original Tranche B Term Loan of $3.0 billion (€2,471 million) and an additional $250 million (€206 million at December 31, 2014) term loan entered into on February 7, 2014 and is payable in equal quarterly installments of $8.1 million (€6.7 million) commencing on March 2014, with the remaining balance due at maturity in May 2017.
All amounts outstanding under Tranche B Term Loan due 2017 bear interest at FCA US's option at either a base rate plus 1.75% per annum or at LIBOR plus 2.75% per annum, subject to a base rate floor of 1.75% per annum or a LIBOR floor of 0.75% per annum. For the year ended December 31, 2014, interest was accrued based on LIBOR.
The Tranche B Term Loan due 2018 was entered into on February 7, 2014 for $1,750 million (€1,442 million) and is payable in equal quarterly installments of $4.4 million (€3.6 million), commencing June 2014, with the remaining balance due at maturity.
The Tranche B Term Loan due 2018 bears interest, at FCA US's option, either at a base rate plus 1.50% per annum or at LIBOR plus 2.5% per annum, subject to a base rate floor of 1.75% per annum or a LIBOR floor of 0.75% per annum.
FCA US may pre-pay, refinance or re-price the Tranche B Term Loan due 2017 and the Tranche B Term Loan due 2018 without premium or penalty. FCA US also has the option to extend the maturity date of all or a portion of the aforementioned term loans with the consent of the lenders.

Payables represented by securities

At December 31, 2014 the Group's payables include securities totaling €651 million (€703 million at December 31, 2013), which represents FCA US's financial liability to the Canadian Health Care Trust.

FCA issued aggregate notional amount of $2,875 million (€2,293 million) of Mandatory Convertible Securities on December 16, 2014.

The obligation to pay coupons as required by the Mandatory Convertible Securities meets the definition of a financial liability. The fair value amount determined for the liability component at issuance of the Mandatory Convertible Securities was $419 million (€335 million) calculated as the present value of the coupon payments due less allocated transaction costs of $9 million (€7 million) that are accounted for as a debt discount. Subsequent to issuance, the financial liability for the coupon payments is accounted for at amortized cost. At December 31, 2014, the financial liability component was $420 million (€346 million), of which €107 million relates to EXOR's share which was eliminated on consolidation. The liability in respect of non-controlling interests at December 31, 2014 amounts to €239 million.

At December 31, 2013 payables represented by securities included FCA US's financial liability for the VEBA Trust Note of €3,575 million that was repaid in full by FCA US on February 7, 2014 through the issue of Secured Senior Notes of approximately $5 billion (€3.6 billion) which included a principal payment of $4,715 million (€3,473 million) and interest accrued through February 7, 2014. The $4,715 million principal payment consisted of $128 million (€94 million) of interest that was previously capitalized and $4,587 million (€3,379) representing the original face value of the note.

Other financial debt

The composition of other financial debt is the following:

€ million	FCA	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated
Other financial debt at December 31, 2014	1,483	286	21	161	1	(1)	**1,951**
Other financial debt at December 31, 2013	1,699	180		117	29	(22)	**2,003**
Change	(216)	106	21	44	(28)	21	(52)

At December 31, 2014 the FCA Group, excluding FCA US, had outstanding finance lease agreements for industrial buildings, plant machinery and equipment whose overall net carrying amount totals €383 million (€394 million at December 31, 2013), included in property, plant and equipment (Note 15).

Finance lease payables, included in other financial debt, amount to €700 million and comprise the following:

€ million	12/31/2014	12/31/2013	Change
Due within one year	93	72	21
Due between one and five years	348	263	85
Due beyond five years	259	285	(26)
Present value of minimum lease payments	**700**	**620**	80

As discussed in Note 15, finance lease payables also relate to suppliers' assets recognized in the consolidated financial statements in accordance with IFRIC 4.

Debt secured by assets

At December 31, 2014, debt secured by assets of the FCA Group (excluding FCA US) amounts to €777 million (€432 million at December 31, 2013), of which €379 million (€386 million at December 31, 2013) is due to creditors for assets acquired under finance leases while the remaining amount mainly relates to subsidized financing in Latin America.

At December 31, 2014, debt secured by assets of FCA US amounts to €9,881 million (€5,180 million at December 31, 2013), and includes €9,093 million (€4,448 million at December 31, 2013) relating to the Secured Senior Notes and the Senior Credit Facilities and €251 million (€165 million at December 31, 2013) due to creditors for assets acquired under finance leases and other debt and financial commitments of €537 million (€567 million at December 31, 2013).

At December 31, 2014 debt secured by assets of the **CNH Industrial Group** amounts to €124 million (€116 million at December 31, 2013) and are secured by mortgages and other liens on assets of the Group; the amount also includes amounts due to creditors for assets acquired under finance leases of €53 million (€54 million at December 31, 2013). The total carrying amount of assets acting as security for loans totals €158 million (€151 million at December 31, 2013).

In addition, at December 31, 2014, the Group's assets include current receivables to settle asset-backed financing of €11,660 million (€11,435 million at December 31, 2013) (see Note 25).

Group financial debt by due date

An analysis of financial debt by due at December 31, 2014 at December 31, 2013 is as follows:

	12/31/2014				12/31/2013			
	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Asset-backed financing	**5,529**	**6,078**	**53**	**11,660**	6,203	5,114	112	11,429
Other financial debt:								
Bonds	4,057	16,355	6,702	27,114	2,707	14,212	4,090	21,009
Borrowings from banks	5,683	10,854	1,084	17,621	4,504	8,924	783	14,211
Payables represented by securities	828	745	270	1,843	642	1,681	2,604	4,927
Other	1,031	523	397	1,951	1,166	429	408	2,003
Total Other financial debt	**11,599**	**28,477**	**8,453**	**48,529**	9,019	25,246	7,885	42,150
Total Financial debt	**17,128**	**34,555**	**8,506**	**60,189**	**15,222**	**30,360**	**7,997**	**53,579**

Group financial debt by interest rate and currency

The annual interest rates and the nominal currencies of debt at December 31, 2014 are as follows:

€ million	Less than 5%	From 5% to 7.5%	From 7.5% to 10%	From 10% to 12.5%	Greater than 12.5%	Total
Euro	14,805	9,259	1,003	87		25,154
U.S. dollar	15,148	3,282	3,772	9	206	22,417
Brazilian real	1,828	1,549	621	879	1,973	6,850
Canadian dollar	1,503	229	393			2,125
Australian dollar	590					590
Swiss franc	593	686				1,279
Mexican peso		164	233			397
Danish krone	17	1				18
Polish zloty	197	18		9		224
Chinese renminbi	2	500				502
Argentine peso			34		164	198
Pound sterling	216					216
Other	60	85	22	17	35	219
Total Financial debt at 12/31/2014	**34,959**	**15,773**	**6,078**	**1,001**	**2,378**	**60,189**

For further information on the management of interest rate and currency risk in connection with debt reference should be made to Note 37.

Net financial position

The net financial position of the EXOR Group at December 31, 2014 as required by the Consob Regulation issued on July 28, 2006 and in conformity with the ESMA update of the CESR's "Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses", is as follows:

€ million	12/31/2014	12/31/2013	Change
Long-term assets:			
Non-current securities (held-to-maturity)	76	83	(7)
Non-current financial receivables and other financial assets	4	5	(1)
	80	88	(8)
Liquidity:			
Cash and cash equivalents	29,243	26,170	3,073
Investments and current securities (held for trading)	1,145	828	317
	30,388	26,998	3,390
Receivables from financing activities	21,522	19,593	1,929
- of which: from joint venture financial services entities	*58*	*27*	*31*
Other current financial receivables	2	6	(4)
Other financial assets	684	724	(40)
Financial debt	(60,189)	(53,579)	(6,610)
Other financial liabilities	(988)	(238)	(750)
Net financial position	**(8,501)**	**(6,408)**	(2,093)

Receivables from financing activities include the entire portfolio of the consolidated financial services entities of the FCA Group and the CNH Industrial Group, classified as current assets as they will be realized during the normal operating cycle of these companies.

The net financial position excludes non-current financial assets (deposits and receivables) that do not comply with the requisites of the Consob Communication.

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

32. Trade payables

The composition by business segment is the following:

€ million	FCA	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated
Trade payables at 12/31/2014	19,854	4,927	268	16	2	(183)	**24,884**
Trade payables at 12/31/2013	17,207	5,344	196	17	1	(171)	**22,594**
Change	2,647	(417)	72	(1)	1	(12)	2,290

An analysis of trade payables by due date is as follows:

€ million	12/31/2014	12/31/2013	Change
Due within one year	24,873	22,573	2,300
Due between one and five years	10	20	(10)
Due beyond five years	1	1	0
Trade payables	**24,884**	**22,594**	2,290

33. Other liabilities

The composition is as follows:

€ million	12/31/2014	12/31/2013	Change
Advances on buy-back agreements	4,187	2,962	1,225
Indirect tax payables	1,912	1,737	175
Accrued expenses and deferred income	3,502	2,853	649
Payables to personnel	1,185	1,042	143
Social security payables	532	538	(6)
Amounts due to customers for contract work (Note 19)	247	207	40
Other	3,616	3,021	595
Total Other liabilities	**15,181**	**12,360**	2,821

Advances on buy-back agreements refer to agreements entered into by the Group during the year or which still remain effective at the balance sheet date, and relate to assets included in property, plant and equipment. Advances on buy-back agreements consist of the following:

- at the date of the sale, the price received for the product is recognized as an advance in liabilities;
- subsequently, since the difference between the original sales price and the repurchase price is recognized in the income statement as operating lease installments on a straight-line basis over the lease term, the balance represents the remaining lease installments yet to be recognized in income plus the repurchase price.

Indirect tax payables include taxes on commercial transactions accrued by the Brazilian subsidiary, Fiat Chrysler Automoveise Brasil Ltda (FCA Brasil Ltda), for which the company (as well as a number of important industrial groups which operate in Brazil) is awaiting the decision by the Supreme Court regarding its claim alleging double taxation. In March 2007, FCA Brasil Ltda received a preliminary trial court decision allowing the payment of such tax on a taxable base consistent with the Group's position. Since it is a preliminary decision and the amount may be required to be paid to the tax authorities at any time, the difference between the tax payments as preliminary allowed and the full amount determined as required by the legislation still in force is recognized as a liability. Timing for the Supreme Court decision is not predictable.

Deferred income includes the revenues not yet recognized in relation to separately-priced extended warranties and service contracts offered by FCA US. These revenues will be recognized in the income statement over the contract period in proportion to the costs expected to be incurred based on historical information.

Other includes the liability of €417 million arising from the MOU signed between FCA US and the UAW.

An analysis of other liabilities (excluding accrued expenses and deferred income) by due date is as follows:

	12/31/2014				12/31/2013			
€ million	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Other liabilities (excluding Accrued expenses and deferred income)	9,372	2,191	116	11,679	7,745	1,620	142	**9,507**

34. Guarantees granted, commitments and contingent liabilities

Guarantees granted by the FCA Group

At December 31, 2014 the FCA Group has pledged guarantees on the debt or commitments of third parties totaling €27 million (€31 million at December 31, 2013), in addition to guarantees on related party debt for a total of €12 million (€15 million at December 31, 2013).

SCUSA Private-Label Financing Agreement
In February 2013, FCA US had entered into a private-label financing agreement with Santander Consumer USA Inc. (“SCUSA”), an affiliate of Banco Santander (the “SCUSA Agreement”). The new financing arrangement launched on May 1, 2013. Under the Agreement, SCUSA provides a wide range of wholesale and retail financing services to FCA US's dealers and consumers in accordance with its usual and customary lending standards, under the Chrysler Capital brand name. The financing services include credit lines to finance dealers’ acquisition of vehicles and other products that FCA US sells or distributes, retail loans and leases to finance consumer acquisitions of new and used vehicles at independent dealerships, financing for commercial and fleet customers, and ancillary services. In addition, SCUSA will work with dealers to offer them construction loans, real estate loans, working capital loans and revolving lines of credit.

The SCUSA Agreement has a ten-year term, subject to early termination in certain circumstances, including the failure by a party to comply with certain of its ongoing obligations under the SCUSA Agreement. In accordance with the terms of the agreement, SCUSA provided an upfront, nonrefundable payment of €109 million ($150 million), which was recognized as deferred revenue and is amortized over ten years. As of December 31, 2014, €103 million ($125 million) remained in deferred revenue.

From time to time, FCA US works with certain lenders to subsidize interest rates or cash payments at the inception of a financing arrangement to incentivize customers to purchase its vehicles, a practice known as “subvention.” FCA US has provided SCUSA with limited exclusivity rights to participate in specified minimum percentages of certain of its retail financing rate subvention programs. SCUSA has committed to certain revenue sharing arrangements, as well as to consider future revenue sharing opportunities. SCUSA bears the risk of loss on loans contemplated by the SCUSA Agreement. The parties share in any residual gains and losses in respect of consumer leases, subject to specific provisions in the SCUSA Agreement, including limitations on FCA US participation in gains and losses.

Ally Auto Finance Operating Agreement and Repurchase Obligations
In April 2013, the Ally Auto Finance Operating Agreement between Chrysler and Ally Financial Inc. (“Ally”), referred as the “Ally Agreement”, was terminated. Notwithstanding the termination of the Ally Agreement, Ally will continue to provide wholesale and retail financing to FCA US's dealers and retail customers in the U.S. in accordance with its usual and customary lending standards. Dealers and retail customers also obtain funding from other financing sources.
In accordance with the terms of the Ally Agreement, FCA US remained obligated for one year to repurchase Ally-financed U.S. dealer inventory that was acquired on or before April 30, 2013, upon certain triggering events and with certain exceptions, in the event of an actual or constructive termination of a dealer’s franchise agreement, including in certain circumstances when Ally forecloses on all assets of a dealer securing financing provided by Ally. These obligations excluded vehicles that had been damaged or altered, that were missing equipment or that had excessive mileage or an original invoice date that was more than one year prior to the repurchase date.
As of May 1, 2014, FCA US was no longer obligated to repurchase dealer inventory acquired and financed by Ally prior to April 30, 2013.

Other repurchase obligations
In accordance with the terms of other wholesale financing arrangements in Mexico, FCA US is required to repurchase dealer inventory financed under these arrangements, upon certain triggering events and with certain exceptions, including in the event of an actual or constructive termination of a dealer’s franchise agreement. These obligations exclude certain vehicles including, but not limited to, vehicles that have been damaged or altered, that are missing equipment or that have excessive mileage or an original invoice date that is more than one year prior to the repurchase date.
As of December 31, 2014, the maximum potential amount of future payments required to be made in accordance with these other wholesale financing arrangements was approximately €258 million ($313 million) and was based on the aggregate repurchase value of eligible vehicles financed through such arrangements in the respective dealer’s stock. If vehicles are required to be repurchased through such arrangements, the total exposure would be reduced to the extent the vehicles can be resold to another dealer. The fair value of the guarantee was less than €0.1 million at December 31, 2014, which considers both the likelihood that the triggering events will occur and the estimated payment that would be made net of the estimated value of inventory that would be reacquired upon the occurrence of such events. These estimates are based on historical experience.

Arrangements with key suppliers

From time to time, in the ordinary course of our business, FCA enters into various arrangements with key third party suppliers in order to establish strategic and technological advantages. A limited number of these arrangements contain unconditional purchase obligations to purchase a fixed or minimum quantity of goods and/or services with fixed and determinable price provisions.

Future minimum purchase obligations under these arrangements at December 31, 2014 are as follows:

€ million	
2015	**355**
2016	**301**
2017	**222**
2018	**215**
2019	**84**
2020 and beyond	**168**

Guarantees granted by the CNH Industrial Group

At December 31, 2014, the CNH Industrial Group has provided guarantees on the debt or commitments of third parties or unconsolidated subsidiaries, joint ventures and associates totaling €315 million (€372 million at December 31, 2013.

Other commitments and important contract rights of the FCA Group

As part of the Sevel cooperation agreement with Peugeot-Citroen ("PSA"), the FCA Group is party to a call agreement with PSA whereby, from July 1, 2017 to September 30, 2017, the FCA Group will have the right to acquire the residual interest in the Sevel joint operation with effect from December 31, 2017.

FCA is subject to a put contract with Renault relating to its original non-controlling investment of 33.5% in Teksid, now 15.2%. In particular, Renault has the right to exercise a sale option to FCA on its interest in Teksid, in the following cases:

- in the event of non-fulfillment in the application of the protocol of the agreement and admission to receivership or any other redressement procedure;
- in the event Renault's investment in Teksid falls below 15.0 percent or Teksid decides to diversify its activities outside the foundry sector;
- should FCA be the object of the acquisition of control by another car manufacturer.

The exercise price of the option is established as follows:

- for the first 6.5% of the share capital of Teksid, the initial investment price as increased by a specified interest rate; and;
- for the remaining amount of share capital of Teksid, the share of the accounting net equity at the exercise date.

Commitments of C&W Group

C&W Group incurs commitments in connection with contracts to obtain certain services in the normal course of business. Some of these contractual obligations have a remaining term in excess of one year. At December 31, 2014, the aggregate amount of the required future payments in connection with such obligations totals $12 million (€9 million).
These obligations are covered by outstanding letters of credit totaling $10.8 million (€8.9 million) at December 31, 2014 and $11.9 million (€8.6 million) at December 31, 2013.

Commitments of Juventus Football Club S.p.A.

The commitments of Juventus include guarantees received from leading credit institutions for €28 million (€36 million at December 31, 2013) in respect of the liabilities arising from the acquisition of players' registration rights (€18 million), the construction and realization of the infrastructure costs for the Continassa Project (€5 million) and other commitments (€5 million).

Commitments of the Holdings System

Commitments of the Holdings System total €86 million (€38 million at December 31, 2013) and are mainly assumed by the subsidiary EXOR S.A. in connection with the acquisition of investments and other financial assets, described as follows:

– investment commitment for a residual maximum amount of $8 million (€7 million) in the limited partnership NoCo B LP which groups a series of funds managed by Perella Weinberg Partners L.P.;
– investment commitment in the Perella Weinberg Real Estate Fund of €19 million;
– residual investment commitment in BDT Capital Partners of $23 million (€19 million);
– investment commitment in 3G Special Situations Fund IV LP of $50 million (€41 million).

Operating lease contracts

The Group has entered into operating lease contracts for the right to use industrial buildings and equipment with an average term of 10-20 years and 3-5 years, respectively. At December 31, 2013 the total future minimum lease payments under non-cancellable operating lease contracts are as follows:

€ million	12/31/2014	12/31/2013	Change
Due w ithin one year	275	230	45
Due betw een one and five years	716	604	112
Due beyond five years	391	408	(17)
Future minimum lease payments under operating lease contracts	**1,382**	**1,242**	140

During 2014 the Group recorded costs for lease payments of €295 million (€301 million in 2013).

Pending litigation and contingent liabilities

As a global group with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters, dealer and supplier relationships and intellectual property rights. The outcome of any proceedings cannot be predicted with certainty. These proceedings seek 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

At December 31, 2014 contingent liabilities estimated by the Group for which no provisions have been recognized since an outflow of resources is not considered to be probable and contingent liabilities for which a reliable estimate can be made amount to approximately €100 million at December 31, 2014 (unchanged compared to December 31, 2013). Furthermore, contingent assets and expected reimbursement in connection with these contingent liabilities for approximately €10 million (€12 million at December 31, 2013) have been estimated but not recognized.

The Group will recognize the related amounts when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and the amounts can be reliably estimated (see Note 32).

Furthermore, in connection with significant asset divestitures carried out in prior years, the FCA Group provided indemnities to purchasers with the maximum amount of potential liability under these contracts generally capped at a percentage of the purchase price. These liabilities refer principally to potential liabilities arising from possible breaches of representations and warranties provided in the contracts and, in certain instances, environmental or tax matters, generally for a limited period of time. At December 31, 2014, potential obligations with respect to these indemnities were approximately €240 million at December 31, 2014 and 2013. At December 31, 2014 provisions of €58 million (€62 million at December 31, 2013) have been made related to these obligations which are classified as other provisions.

The Group has provided certain other indemnifications that do not limit potential payment and as such, it was not possible to estimate the maximum amount of potential future payments that could result from claims made under these indemnities.

CNH Industrial Group

At December 31, 2014, contingent liabilities estimated by the CNH Industrial Group amount to approximately €34 million (approximately €35 million at December 31, 2013), for which no provisions have been recognized since an outflow of resources is not considered probable at the present time. At December 31, 2014 and 2013, no contingent assets and expected reimbursements have been estimated. When it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the CNH Industrial Group recognizes specific provisions for this purpose in other provisions.

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

Starting January 2011, Iveco and certain of its competitors have been subject to an investigation being conducted by the European Commission into certain business practices of the leading manufacturers of trucks and commercial vehicles in the European Union in relation to possible anti-competitive behavior.

On November 20, 2014, Iveco received a Statement of Objections from the European Commission alleging that Iveco and other companies in the heavy and medium truck industry had breached EU antitrust rules. The Commission indicated that it would seek to impose significant fines on the manufacturers. The Statement of Objections is a formal step in the Commission's investigative process and details the Commission's preliminary view of the conduct of the companies involved.

The Statement of Objections is not a final decision and, as such, it does not prejudice the final outcome of the proceedings. Under the applicable procedural rules, the Commission will review the manufacturers' responses before issuing a decision and any decision would be subject to further appeals.

Iveco is evaluating the Statement of Objections and the documents on the Commission's case file, and intends to issue its response to the Commission in due course and to avail itself of any opportunity allowed by the procedure to clarify its position in this matter. Given the numerous uncertainties in the next stages of the investigation, CNH Industrial is unable to predict the outcome or to estimate the potential fine at this time.

CNH Industrial N.V. is successor to Fiat Industrial S.p.A., the 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 December 31, 2014, the outstanding liabilities amount to approximately $3.5 billion (of which $3.2 billion consists of bonds guaranteed by FCA). CNH Industrial evaluated as extremely remote the risk of FCA's insolvency and therefore no specific provision has been accrued in respect of the above mentioned potential joint liability.

C&W Group

C&W Group and some of its subsidiaries are subject to various pending claims and litigation arising in the ordinary course of business, some of which involve claims for damages that are substantial. Many of these matters are covered by insurance although they may be subject to deductibles or retentions and the amounts being claimed may exceed the available insurance. Although the ultimate liability for these matters is inherently uncertain, based upon information currently available, management believes that the ultimate resolutions of these matters will not have a material adverse effect on our business or financial statements.

Juventus Football Club

On October 1, 2014, the hearing was held at the *Tribunal Arbitral du Sport* (TAS) on the Mutu/Chelsea FC proceeding. On January 21, 2015, the TAS notified the parties of the arbitration award on the dispute, which rejected in full the claims made by Chelsea FC and ordered it to pay court costs. This decision has no effect on the financial statements of Juventus, as Juventus, fully aware of its position, had decided not to allocate any risk provisions for pending litigation.

On October 30, 2014, Nike European Operations Netherlands B.V. (Nike) served Juventus a notice of arbitration to initiate an arbitration for alleged breaches of the sponsorship agreement of November 16, 2001. At the moment no concrete items of proof have been provided in support of Nike's claims. Juventus has filed an appearance in these arbitration proceedings putting forward all its defense arguments. The Arbitration Board has been constituted and has set the various phases of the arbitration, which will end with the hearing of December 2, 3 or 4, 2015.

35. Segment reporting

As reported in the paragraph Segment reporting 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, C&W Group, Juventus Football Club and the Holdings System.

The income statement by segment in 2014 is as follows:

€ million	FCA	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Minor other, eliminations and adjustments	Consolidated
2014							
Segment revenues	**96,090**	**24,808**	**2,145**	**317**		**(1,114)**	**122,246**
Revenues from transactions with other operating segments	(603)	(490)	(1)	(20)		1,114	0
Revenues from external customers	95,487	24,318	2,144	297	0	0	122,246
Cost of sales	(83,146)	(20,204)	(1,890)	(273)		1,089	(104,424)
Selling, general and administrative expenses	(7,084)	(2,072)	(160)	(40)	(25)	28	(9,353)
Research and development costs	(2,537)	(661)	0	(2)	0	0	(3,200)
Other income (expenses)	197	(65)	(5)	(2)	(2)	(5)	118
Result from investments	131	69	0	0	400	(394)	206
Gains (losses) on the disposal of investments	12				(6)	(12)	(6)
Restructuring costs	(50)	(144)				(1)	(195)
Other unusual income (expenses)	(390)	(30)	(7)	0	(4)	1	(430)
Financial income (expenses)	(2,047)	(584)	(5)	(9)	(42)	2	(2,685)
Profit (loss) before taxes	**1,176**	**1,117**	**78**	**(9)**	**321**	**(406)**	**2,277**
Income taxes	(544)	(426)	(25)	(8)	2	0	(1,001)
Profit (loss) for the year	**632**	**691**	**53**	**(17)**	**323**	**(406)**	**1,276**

The income statement by segment in 2013 is as follows:

€ million	FCA	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Minor other, eliminations and adjustments	Consolidated
2013							
Segment revenues	86,624	25,778	1,881	290		(1,211)	113,362
Revenues from transactions with other operating segments	(703)	(494)	(1)	(13)		1,211	0
Revenues from external customers	85,921	25,284	1,880	277	0	0	**113,362**
Cost of sales	(74,326)	(20,897)	(1,643)	(256)		1,193	(95,929)
Selling, general and administrative expenses	(6,702)	(2,230)	(162)	(40)	(27)	24	(9,137)
Research and development costs	(2,236)	(600)		(2)			(2,838)
Other income (expenses)	77	(66)	(10)	(1)	(1)	(5)	(6)
Result from investments	84	102			616	(525)	277
Gains (losses) on the disposal of investments	8	(19)			1,528	0	1,517
Restructuring costs	(28)	(40)	(1)			0	(69)
Other unusual income (expenses)	(499)	(58)	(13)		(3)	(1)	(574)
Financial income (expenses)	(1,987)	(463)	(6)	(8)	(30)	(1)	(2,495)
Profit (loss) before taxes	1,015	1,507	46	(17)	2,083	(526)	4,108
Income taxes	936	(590)	(24)	(5)	2	0	319
Profit (loss) for the year	**1,951**	**917**	**22**	**(22)**	**2,085**	**(526)**	**4,427**

The statement of financial position by segment at December 31, 2014 and 2013 is as follows:

€ million	FCA	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Minor other, eliminations and adjustments	Consolidated
At December 31, 2014							
Intangible assets and property, plant and equipment	49,255	10,513	919	328	1	(32)	60,984
Investments and other financial assets	2,020	568	8	4	7,510	(6,451)	3,659
Other non-current assets	3,661	2,630	52	51	0	0	6,394
Inventories	12,467	5,881	0	0	0	(5)	18,343
Receivables and other current assets	9,496	20,002	506	89	10	(112)	29,991
Current financial assets	761	169	0	0	937	(2)	1,865
Cash and cash equivalents	22,840	5,058	122	5	1,217	1	29,243
Assets held for sale	10	20	0	0	0	0	30
Total Assets	**100,510**	**44,841**	**1,607**	**477**	**9,675**	**(6,601)**	**150,509**
Equity	13,738	6,241	690	36	7,995	(6,379)	22,321
Provisions	20,372	5,260	172	2	3	0	25,809
Financial debt	33,724	24,463	174	233	1,625	(30)	60,189
Trade payables and other liabilities	32,676	8,877	571	206	52	(192)	42,190
Liabilities held for sale		0	0	0	0	0	0
Total Equity and Liabilities	**100,510**	**44,841**	**1,607**	**477**	**9,675**	**(6,601)**	**150,509**
At December 31, 2013							
Intangible assets and property, plant and equipment	42,747	9,436	764	323	0	(20)	53,250
Investments and other financial assets	2,052	550	7	4	5,762	(4,936)	3,439
Other non-current assets	3,008	2,012	48	49	0	2	5,119
Inventories	10,278	5,464	0	0	0	(2)	15,740
Receivables and other current assets	8,850	18,560	379	100	14	(120)	27,783
Current financial assets	815	189	2	0	581	0	1,587
Cash and cash equivalents	19,455	4,705	118	1	1,900	(10)	26,169
Assets held for sale	9	25	0	0	0	(1)	33
Total Assets	**87,214**	**40,941**	**1,318**	**477**	**8,257**	**(5,087)**	**133,120**
Equity	12,584	5,556	584	53	6,947	(4,788)	20,936
Provisions	17,427	4,733	146	5	5	(123)	22,193
Financial debt	30,283	21,714	121	193	1,258	10	53,579
Trade payables and other liabilities	26,899	8,938	468	226	47	(187)	36,391
Liabilities held for sale	21	0	0	0	0	0	21
Total Equity and Liabilities	**87,214**	**40,941**	**1,319**	**477**	**8,257**	**(5,088)**	**133,120**

36. Information by geographical area

The following tables present an analysis of the revenues of the Group in the various geographical markets, irrespective of the origin of the goods and services, and an analysis of the carrying amount of the non-current assets on the basis of their geographical location divided according to the significance of the individual segments.

An analysis of revenues by geographical area is as follows:

€ million	2014	2013	Change
Italy	7,007	6,524	483
North America (previously United States, Canada, Mexico)	54,597	47,550	7,047
Brazil	7,512	8,232	(720)
France	1,708	1,796	(88)
Germany	3,444	3,045	399
Spain	1,101	956	145
UK	1,821	1,443	378
Turkey	1,381	1,268	113
China	6,334	4,444	1,890
Argentina	1,171	1,424	(253)
Australia	1,220	978	242
Rest of the world	8,191	8,261	(70)
FCA Group	**95,487**	**85,921**	9,636
Italy	1,886	1,815	71
United States	5,777	5,955	(178)
Brazil	2,554	3,282	(728)
France	2,234	2,319	(85)
Germany	1,446	1,310	136
Canada	1,246	1,306	(60)
Australia	697	764	(67)
UK	801	754	47
Argentina	416	693	(277)
Spain	635	527	108
Poland	422	379	43
Rest of the world	6,203	6,180	23
CNH Industrial Group	**24,318**	**25,284**	(966)
Italy	22	20	2
United States	1,364	1,190	174
Canada	75	90	(15)
Latin America	99	106	(7)
EMEA (excluding Italy)	397	329	68
Asia	187	145	42
C&W Group	**2,144**	**1,880**	264
Italy	297	277	20
Juventus F.C.	**297**	**277**	20
Total Revenues	**122,246**	**113,362**	8,954

Total non-current assets (excluding financial assets, deferred tax assets, defined benefit assets and rights arising under insurance contracts of the Group) located in Italy and in the Rest of the world total €64,921 million (€56,540 at December 31, 2013) and may be analyzed as follows:

€ million	12/31/2014	12/31/2013	Change
Italy	11,538	10,710	828
North America (previously United States, Canada, Mexico)	30,539	26,689	3,850
Brazil	4,638	2,955	1,683
Poland	1,183	1,277	(94)
Serbia	882	1,007	(125)
Other	2,081	1,535	546
FCA Group	**50,861**	**44,173**	6,688
Italy	2,521	2,314	207
United States	4,556	3,582	974
France	933	867	66
Germany	705	638	67
Brazil	521	488	33
Spain	604	618	(14)
Canada	400	347	53
China	462	390	72
UK	234	194	40
Other	1,359	1,247	112
CNH Industrial Group	**12,295**	**10,685**	1,610
United States	453	347	106
EMEA	237	208	29
Canada	59	55	4
Latin America	31	28	3
Asia Pacific	70	63	7
C&W Group Inc.	**850**	**701**	149
Italy	328	323	5
Juventus F.C.	**328**	**323**	5
Italy	86	107	(21)
United States	42	21	21
Luxembourg	172	225	(53)
Europe	287	305	(18)
Rest of the World	0	0	0
Total Holdings System	**587**	**658**	(71)
Total Non-current assets	**64,921**	**56,540**	8,381

37. Qualitative and quantitative information on financial risks

The Group is exposed to the following financial risks connected with its operations:

- credit risk, arising both from its normal commercial relations with final customers and dealers, and its financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;
- financial market risk (principally relating to exchange rates, interest rates and commodity prices), since the Group operates at an international level in different currencies and uses financial instruments which generate interests. The Group is also exposed to the risk of changes in the price of certain commodities, of some investments in listed and unlisted equity securities and in investment funds.

These risks could significantly affect the Group's financial position and results, and for this reason the Group systematically identifies, and monitors these risks, in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments in accordance with established risk management policies.
Financial instruments held by the funds that manage pension plan assets are not included in this analysis (see Note 29).
The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group. The quantitative data reported in the following does not have any predictive value. In particular the sensitivity analysis on finance market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Credit risk

Credit risk is the risk of economic loss arising from the failure to collect a receivable. Credit risk encompasses the direct risk of default and the risk of a deterioration of the creditworthiness of the counterparty.
A receivable is considered impaired when there is objective evidence that the Group will be unable to collect all amounts due specified in the contractual terms. Objective evidence may be provided by the following factors:

- significant financial difficulties of the counterparty;
- probability that the counterparty will be involved in an insolvency procedure;
- default on installment payments by the counterparty;
- restructuring or renegotiation of open items with the counterparty;
- changes in the payment status of one or more debtors included in a specific risk category;
- other contractual breaches.

The calculation of the amount of the impairment loss is based on the risk of default by the counterparty, which is determined by taking into account all the information available as to the customer's solvency, the fair value of any guarantees received for the receivable and the Group's historical experience.
Dealers and final customers for which the Group provides financing are subject to specific assessments of their creditworthiness under a detailed scoring system; in addition to carrying out this screening process, the Group also obtains financial and non-financial guarantees for risks arising from credit granted. These guarantees are further strengthened where possible by reserve of title clauses on financed vehicle sales to the sales network made by Group financial service companies and on vehicles assigned under finance and operating lease agreements.

The maximum credit risk to which the Group is theoretically exposed at December 31, 2014 is represented by the carrying amounts of financial assets in the financial statements and the nominal value of the guarantees provided on liabilities and commitments to third parties as discussed in Note 34.

FCA Group

Receivables for financing activities amounting to €3,843 million at December 31, 2014 (€3,671 million at December 31, 2013) contain balances totaling €3 million (€21 million at December 31, 2013), which have been written down on an individual basis. Of the remainder, balances totaling €71 million are past due by up to one month (€72 million at December 31, 2013), while balances totaling €31 million are past due by more than one month (€23 million at December 31, 2013). In the event of installment payments, even if only one installment is overdue, the entire receivable balance is classified as overdue.
Trade receivables and other current receivables amounting to €4,810 million at December 31, 2014 (€4,425 million at December 31, 2013) contain balances totaling €19 million (€19 million at December 31, 2013) which have been written down on an individual basis. Of the remainder, balances totaling €248 million are past due by up to one month (€243 million at December 31, 2013), while balances totaling €280 million are past due by more than one month (€376 million at December 31, 2013).
Provided that current securities and cash and cash equivalents consist of balances spread across various primary national and international banking institutions and across money market instruments that are measured at fair value, there was no exposure to sovereign debt securities at December 31, 2014 which might lead to significant repayment risk.

CNH Industrial Group

Receivables for financing activities amounting to $21,472 million (€17,686 million) at December 31, 2014 include balances totaling $128 million (€105 million) that have been written down on an individual basis. Of the remainder, balances totaling $405 million (€334 million) are past due by up to one month, while balances totaling $375 million (€309 million) are past due by more than one month.

Receivables for financing activities amounting to $21,968 million (€15,929 million) at December 31, 2013 included balances totaling $106 million (€77 million) that were written down on an individual basis. Of the remainder, balances totaling $494 million (€358 million) were past due by up to one month, while balances totaling $582 million (€422 million) were past due by more than one month.

In the event of installment payments, even if only one installment is overdue, the whole amount of the receivable is classified as such.

Trade receivables and other current receivables totaling $2,318 million (€1,909 million) at December 31, 2014 include balances totaling $85 million (€70 million) that have been written down on an individual basis. Of the remainder, balances totaling $28 million (€23 million) are past due by up to one month, while balances totaling $239 million (€197 million) are past due by more than one month.

Trade receivables and other current receivables totaling $3,038 million (€2,202 million) at December 31, 2013 included balances totaling $73 million (€53 million) that were written down on an individual basis. Of the remainder, balances totaling $139 million (€101 million) were past due by up to one month, while balances totaling $308 million (€223 million) were past due by more than one month.

The significant decrease in the past due component in receivables from financing activities is primarily attributable to a reduction in EMEA past dues related to the commercial vehicles related portfolio.

C&W Group

C&W Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer; the demographics of C&W Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. This depends on the type of services rendered and knowledge about the quality of the customers.

C&W Group's credit risk is represented by the carrying amount of financial assets at December 31, 2014 recorded in cash and cash equivalents of $148.5 million (€122 million) and commissions receivable of $451.3 million (€372 million).

The carrying amount of financial assets at December 31, 2013 recorded in cash and cash equivalents was $162.4 million (€118 million) and the carrying amount of commissions receivable was $386.4 million (€280 million).

Commissions receivable are presented net of the allowance for impairment losses which, at December 31, 2014, amounts to $14 million (€10 million), and at December 31, 2013 amounted to $13.9 million (€10 million).

At December 31, 2014 the amount of receivables past due and not subject to individual writedown is $451 million (€371 million). Receivables past due less than one month amount to $363 million (€299 million), while receivables past due more than one month total $88 million (€72 million).

At December 31, 2013 the amount of receivables past due and not subject to individual writedown was $386 million (€280 million). Receivables past due less than one month amounted to $227 million (€165 million), while receivables due more than one month totaled $159 million (€115 million).

Juventus Football Club

Juventus Football Club has adopted suitable procedures to minimize its exposure to credit risk. Specifically, receivables due from Italian football clubs are secured through the clearing house system organized by *Lega Nazionale Professionisti Serie A*; receivables due from foreign football clubs are generally secured by bank guarantees or other guarantees issued by the counterparty clubs; fees receivable under contracts for television rights are indirectly secured by *Lega Nazionale Professionisti Serie A* through a minimum guarantee agreement with the advisor Infront Italy.

At December 31, 2014, the amount of receivables past due and not subject to individual writedown is €18 million. Receivables past due less than one month total €16 million, while receivables past due more than one month amount to €2 million.
At December 31, 2013, the amount of receivables past due and not subject to individual writedown was €4 million. Receivables past due less than one month totaled €3 million, while receivables past due more than one month amounted to €1 million.

Holdings System
The maximum theoretical exposure to credit risk at December 31, 2014 by EXOR and the companies in the Holdings System is represented by the carrying amount of the financial assets recorded in the financial statements. They seek to mitigate such risk by investing a good part of their available cash in primary corporate and bank securities issued by leading counterparts selected according to their creditworthiness.
At December 31, 2014 and December 31, 2013, there were no financial assets past due and not written down and allowances for impairment losses.

Liquidity risk
Liquidity risk arises if the Group is unable to obtain the funds needed to carry out its operations under economic conditions. Any actual or perceived limitations on the Group's liquidity may affect the ability of counterparties to do business with the Group or may require additional amounts of cash and cash equivalents to be allocated as collateral for outstanding obligations.

The continuation of a difficult economic situation in the markets in which the Group operates and the uncertainties that characterize the financial markets necessitate special attention to the management of liquidity risk. In that sense, measures taken to generate funds through operations and to maintain a conservative level of available liquidity are important factors for ensuring operational flexibility and addressing strategic challenges over the next few years.

The two main factors that determine the Group's liquidity situation are on the one hand the funds generated by or used in operating and investing activities and on the other the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.
The Group has adopted a series of policies and procedures whose purpose is to optimize the management of funds and to reduce liquidity risk as follows:
- centralizing the management of receipts and payments, where it may be economical in the context of the local civil, currency and fiscal regulations of the countries in which the Group is present;
- maintaining a conservative level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence in the capital markets;
- obtaining adequate credit lines;
- monitoring future liquidity on the basis of business planning.

From an operating point of view the Group manages liquidity risk by monitoring cash flows and keeping an adequate level of funds at its disposal.
Details as to the repayment structure of the Group's financial assets and liabilities are provided in Note 20 – Receivables from financing activities and in Note 31 – Financial debt.
Details of the repayment structure of derivative financial instruments are provided in Note 25.

FCA Group
From an operating point of view, liquidity risk is managed by monitoring cash flows and keeping an adequate level of funds at its disposal. The operating cash flows, main funding operations and liquidity of the FCA Group (excluding FCA US) are centrally managed in the FCA Group's treasury companies with the aim of ensuring effective and efficient management of the Group's funds. These companies obtain funds in the financial markets from various funding sources.
FCA US currently manages its liquidity independently from the rest of the Group. Intercompany financing from FCA US to other Group entities is not restricted other than through the application of covenants requiring that transactions with related parties be conducted at arm's length terms or be approved by a majority of the "disinterested" members of the board of directors of FCA US.

In addition certain of FCA US's finance agreements restrict the distributions which it is permitted to make. In particular, dividend distributions, other than certain exceptions including permitted distributions and distributions with respect to taxes, are generally limited to an amount not to exceed 50% of cumulative consolidated net income (as defined in the agreements) from January 2012 less the amount of the January 2014 distribution that was used to pay the VEBA Trust for the acquisition of the remaining 41.5% interest in FCA US not previously owned by FCA.
FCA has not provided any guarantee, commitment or similar obligation in relation to any of FCA US's financial indebtedness, nor has it assumed any kind of obligation or commitment to fund FCA US.

However, certain bonds issued by FCA and its subsidiaries (other than FCA US and its subsidiaries), include covenants which may be affected by circumstances related to FCA US, in particular in relation to cross-default clauses which may accelerate the repayments in the event that FCA US fails to pay certain of its debt obligations.
The FCA Group believes that the funds currently available to the treasuries of the FCA Group and FCA US, in addition to those that will be generated from operating and financing activities, will enable the FCA Group to satisfy the requirements of its investing activities and working capital needs, fulfill its obligations to repay its debt at the natural due dates and ensure an appropriate level of operating and strategic flexibility.

CNH Industrial Group
Management believes that the funds currently available, together with the funds that will be generated from operating and financing activities, will enable the CNH Industrial Group to satisfy its requirements resulting from its investing activities and its working capital needs and to fulfill its obligations to repay its debts at their natural due date.

C&W Group
In order to support the maximum cash flow demands that peak early in the second quarter of the year and acquisition financing, C&W Group uses a Senior Unsecured Revolving Credit Facility and a Senior Unsecured Term Loan, respectively, of $350 million and $150 million, maturing in June 2019.

Holdings System
EXOR S.p.A. and the companies in the Holdings System fund outgoing cash flows from current operations basically with incoming flows from ordinary business activities and cash availability.
Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used to fund operating and investment activities. In this sense, EXOR operates so that it has irrevocable credit lines available with expiry dates and amounts consistent with its investment plans.

Financial market risks
Currency risk, interest rate risk, commodity price risk, shares and investment funds
Due to the nature of its different businesses, the Group is exposed to a variety of financial market risks such as foreign currency exchange rate risks, commodity price risk and interest rate risk.
Finally, the Group is exposed to the risk of a change in the price of certain equity shares and investment funds.
The Group's exposure to foreign currency exchange rate risk arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.
The Group's exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing the Group's net profit or loss, thereby indirectly affecting the costs and returns of financing and investing transactions.

The Group's exposure to commodity price risk arises from the risk of changes occurring in the price of certain raw materials and energy used in production. Changes in the price of raw materials could have a significant effect on the Group's results by indirectly affecting costs and product margins.

The Group regularly assesses its exposure to financial market risks and manages those risks through the use of derivative financial instruments in accordance with its established risk management policies.
The Group's policies permit derivatives to be used only for managing the exposure to fluctuations in foreign currency exchange rates and interest rates as well as commodities prices connected with future cash flows and assets and liabilities, and not for speculative purposes.
The Group utilizes derivative financial instruments designated as fair value hedges mainly to hedge:

– the foreign currency exchange rate risk on financial instruments denominated in foreign currency;
– the interest rate risk on fixed rate loans and borrowings.

The instruments used for these hedges are mainly interest rate swaps, currency swaps and combined interest rate and foreign currency financial instruments.
The Group uses derivative financial instruments as cash flow hedges for the purpose of pre-determining:

– the exchange rate at which forecasted transactions denominated in foreign currencies will be accounted for;
– the interest paid on borrowings, both to match the fixed interest received on loans (customer financing activity), and to achieve a pre-defined mix of floating versus fixed rate funding structured loans;
– the price of certain commodities.

The exchange rate exposure on forecasted commercial flows is hedged by currency swaps, forward contracts and currency options. Interest rate exposures are usually hedged by interest rate swaps. Exposure to changes in the price of commodities is generally hedged by using commodity swaps and commodity options. Counterparties to these agreements are major and diverse financial institutions. Information on the fair value of derivative financial instruments held at the balance sheet date is provided in Note 25.
The effects of the changes in the assets and liabilities of consolidated companies whose functional currency is different from the Euro are recognized directly in the cumulative translation adjustment reserve, in other comprehensive income (see Note 28).

The following section provides qualitative and quantitative disclosures on the effect that these risks may have. The quantitative data reported below does not have any predictive value. In particular the sensitivity analysis on financial market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.
Financial instruments held by the funds that manage pension plan assets are not included in this analysis.

FCA Group

Currency risk

The FCA Group is exposed to risk resulting from changes in foreign currency exchange rates, which can affect its earnings and equity. In particular:

– where a FCA Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating results of that company. In 2014, the total trade flows exposed to foreign currency exchange rate risk amounted to the equivalent of 15% of the Group's turnover (13% in 2013).
– the principal exchange rates to which the FCA Group is exposed are the following:
  - USD/CAD primarily relating to FCA US's Canadian manufacturing operations;
  - EUR/USD relating to sales in U.S. dollars made by Italian companies (in particular, companies belonging to the Ferrari and Maserati segments) and to sales and purchases in Euro made by FCA US;
  - GBP, AUD, MXN, CHF, CNY, ARS and VEF in relation to sales in the UK, Australian, Mexican, Swiss, Argentinean and Venezuelan markets;
  - PLN and TRY relating to manufacturing costs incurred in Poland and Turkey;
  - JPY mainly in relation to purchase of parts from Japanese suppliers and sales of vehicles in Japan;
  - USD/BRL, EUR/BRL relating to Brazilian manufacturing operations and the related import and export flows.

  Overall trade flows exposed to changes in these exchange rates in 2014 made up approximately 90% of the exposure to currency risk from trade transactions.
– FCA Group's policy is to use derivative financial instruments to hedge a percentage of certain exposures subject to foreign currency exchange rate risk for the upcoming 12 months (including such risk before or beyond that date where it is deemed appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments unless not deemed appropriate.
– FCA Group companies may have trade receivables or payables denominated in a currency different from the functional currency of the company. In addition, in a limited number of cases, it may be convenient from

an economic point of view, or it may be required under local market conditions, for companies to obtain financing or use funds in a currency different from the functional currency of the respective company. Changes in exchange rates may result in exchange gains or losses arising from these situations. The FCA Group's policy is to hedge fully, whenever deemed appropriate, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's functional currency.

- Certain of the FCA Group's subsidiaries are located in countries which are outside of the Eurozone, in particular the U.S., Brazil, Canada, Poland, Serbia, Turkey, Mexico, Argentina, the Czech Republic, India, China and South Africa. As the Group's reference currency is the Euro, the income statements of those entities are converted into Euros using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in Euro.
- The monetary assets and liabilities of consolidated companies which have a reporting currency other than the Euro are translated into Euro at the period-end foreign exchange rate. The effects of these changes in foreign exchange rates are recognized directly in the cumulative translation adjustments reserve, included in other comprehensive income.

The FCA Group monitors its principal exposure to conversion exchange risk, although there was no specific hedging in this respect at the balance sheet dates.
There have been no substantial changes in 2014 in the nature or structure of exposure to foreign currency exchange rate risk or in the FCA Group's hedging policies.

Sensitivity analysis - currency risk

At December 31, 2014 the potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) resulting from a hypothetical, unfavorable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro would have been approximately €1,402 million (€745 million at December 31, 2013). Compared to December 31, 2013, the increase resulting from the change in exchange rates is due to the higher volumes of outstanding derivatives, mainly related to increased exposures.
Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies and treasuries of the FCA Group make use of external borrowings and invest in monetary and financial market instruments.
In addition, the FCA Group companies sell receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments, and the employment of funds, thus negatively impacting the net financial expenses incurred by the FCA Group.
In addition, the financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g. factoring of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating result of those companies and the FCA Group as a whole.

In order to manage these risks, the FCA Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, when available in the market, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit or loss.
In assessing the potential impact of changes in interest rates, the FCA Group segregates fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).
The fixed rate financial instruments used by the FCA Group consist principally of part of the portfolio of the financial services companies (basically customer financing and financial leases) and part of debt (including subsidized loans and bonds).

Sensitivity analysis – interest rate risk

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2014, resulting from a hypothetical 10% change in market interest rates, would have been approximately €100 million (approximately €110 million at December 31, 2013).

Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

A hypothetical 10% change in short-term interest rates at December 31, 2014, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have resulted in increased net financial expenses before taxes, on an annual basis, of approximately €12 million (about €13 million at December 31, 2013).

This analysis is based on the assumption that there is a general and instantaneous change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

In addition, the sensitivity analysis applied to floating rate financial instruments assumes that cash and cash equivalents and other short-term financial assets and liabilities which expire during the projected 12 month period will be renewed or reinvested in similar instruments, bearing the hypothetical short-term interest rates.

Commodity price risk

The FCA Group has entered into derivative contracts for certain commodities to hedge its exposure to commodity price risk associated with buying raw materials and energy or other commodities used in its normal manufacturing operations.

Sensitivity analysis – commodity price risk

In connection with the commodity price derivative contracts outstanding at December 31, 2014, a hypothetical 10% change in the price of the commodities at that date would have caused a fair value loss of about €50 million (about €45 million at December 31, 2013).

CNH Industrial Group

Currency risk

The CNH Industrial Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity. In particular:

- Where a CNH Industrial Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating profit (loss) of that company. In 2014, the total net trade flows exposed to currency risk amounted to the equivalent of approximately 18% of the CNH Industrial Group's turnover (19% in 2013). The principal exchange rates to which the CNH Industrial Group is exposed are the following:
  - USD/EUR, in relation to the production/purchases of Agricultural Equipment and Construction Equipment in the Euro area and to sales in U.S. dollars made by Commercial Vehicles;
  - EUR/GBP, predominately in relation to sales made by Commercial Vehicles on the UK market and purchases made by Agricultural Equipment and Construction Equipment in the Euro area;
  - USD/BRL and EUR/BRL, in relation to production in Brazil and the respective import/export flows;
  - USD/AUD, mainly in relation to sales made by Agricultural Equipment and Construction Equipment in Australia;
  - USD/GBP, in relation to the production/purchases of Agricultural Equipment and Construction Equipment in the UK.

  Overall trade flows exposed to changes in these exchange rates in 2014 made up approximately 72% of the exposure to currency risk from trade transactions.
- It is the CNH Industrial Group's policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecast trading transaction exchange risk exposure for the coming 12 months (including such risk beyond that date where it is believed to be appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments.
- The CNH Industrial Group companies may find themselves with trade receivables or payables denominated in a currency different from the functional currency of the company itself. In addition, in a limited number of cases, it may be convenient from an economic point of view, or it may be required under local market conditions, for companies to obtain financing or use funds in a currency different from their functional currency. Changes in exchange rates may result in exchange gains or losses arising from these

situations. It is the CNH Industrial Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities.

- Certain of the CNH Industrial Group's subsidiaries are located in countries not adopting the U.S. dollar as local currency, such as the members of the European monetary union, the United Kingdom, Brazil, Australia, Canada, India, China, Argentina and Poland. As the CNH Industrial Group's reference currency is the U.S. dollar, the income statements of those countries are converted into U.S. dollars using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in U.S. dollars.
- The assets and liabilities of consolidated companies whose functional currency is different from the U.S. dollar may acquire converted values in U.S. dollar which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognized directly in the Cumulative Translation Adjustments reserve, included in other comprehensive income.

The CNH Industrial Group monitors its principal exposure to translation exchange risk, although there was no specific hedging in this respect at the balance sheet date.
There were no substantial changes in 2014 in the nature or structure of exposure to currency risk or in the CNH Industrial Group's hedging policies.

Sensitivity analysis – currency risk
The potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) held by the CNH Industrial Group at December 31, 2014 resulting from a hypothetical, unfavorable and instantaneous change of 10% in the exchange rates amounts to approximately $255 million ($281 million at December 31, 2013). Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk
The manufacturing companies and treasuries of the CNH Industrial Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, the CNH Industrial Group companies make sales of receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost and return of the various forms of financing, including the sale of receivables, and the employment of funds, causing an impact on the level of net financial expenses incurred by the CNH Industrial Group.
In addition, Financial Services companies provide loans (mainly to customers and dealers), financing themselves primarily using various forms of direct debt or asset-backed financing (e.g. securitization of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating profit or loss of those companies and the CNH Industrial Group as a whole.
In order to manage these risks, the CNH Industrial Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit or loss.

Sensitivity analysis – interest rate
In assessing the potential impact of changes in interest rates, the CNH Industrial Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).
The fixed rate financial instruments used by the CNH Industrial Group consist principally of part of the portfolio of the Financial Services companies (basically customer financing and financial leases) and part of debt (including subsidized loans and bonds).

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2014 resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates, would have been approximately $25 million (approximately $34 million at December 31, 2013).

Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the Financial Services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.
A hypothetical, unfavorable and instantaneous change of 10% in short-term interest rates at December 31, 2014, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately $5 million (approximately $5 million at December 31, 2013).
This analysis is based on the assumption that there is a general and instantaneous change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Commodity price risk

The CNH Industrial Group has entered derivative contracts linked to commodity prices to hedge specific exposures on supply contracts.

Sensitivity analysis – commodity price risk

In the event of a hypothetical, unfavorable and instantaneous change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2014 linked to commodity prices would have been not significant (not significant at December 31, 2013.

Holdings System

Currency risk

At December 31, 2014 a part of the Holdings System's available-for-sale assets, assets held for trading and cash are denominated in currencies other than the Euro. All the securities have been adjusted to the year-end exchange rate.
The currency risk to which EXOR is exposed regards non-convertible bonds in Japanese yen issued in 2011 for Japanese yen 10 billion. The bonds carry a fixed rate in yen of 2.80% and have a term of 20 years.
In order to protect itself from the effects of fluctuations in the €/Yen exchange rate, a cross currency swap was put in place by EXOR with a leading credit institution as a result of which EXOR will pay a fixed rate of 6.012% on the face amount of the bonds in Euro (about €83 million) for the entire term of the bonds.

Sensitivity analysis – currency risk

A hypothetical favorable 10% change in the exchange rates of the main foreign currencies against the Euro would produce a negative effect on profit or loss of more than €5 million and on equity of more than €6 million, while an unfavorable change of 10% would have a positive effect on profit or loss of €6 million and on equity of €8 million.
The effect of a change in exchange rates on equity is mainly attributable to the bonds in Japanese yen issued by EXOR.

Interest rate risk

EXOR has assessed and managed its exposure to fluctuations in interest rates consistently with its management policies and used derivative financial instruments to fix a part of the loans obtained at a pre-determined interest rate.

Sensitivity analysis – interest rate risk

A sensitivity analysis has been performed on the financial instruments exposed to interest rate risk at the balance sheet date. A hypothetical 10% change in interest rates would have an effect on profit or loss of €1.4 million.

Price risk

The Holdings System is exposed to price risk originating from available-for-sale equity investments, investment funds and financial assets held for trading.

Sensitivity analysis – price risk

Considering the exposure to price risk at the balance sheet date, if prices of securities, classified as available-for-sale equity investments and other financial assets held for trading had been 5% higher/lower, the fair value reserve recorded in equity would have been €40 million higher/lower and the amount of fair value recognized in the income statement on securities held for trading would have been €59 million higher/lower.

C&W Group

Currency risk

C&W Group assesses the general foreign currency risk as low because the individual Group entities predominantly execute their operating activities in their respective functional currencies.

To mitigate its foreign currency exposures primarily arising from intercompany transactions the C&W Group uses foreign exchange forward contacts on the major currencies to which it is exposed.

At December 31, 2014, the approximate notional amount is $113 million (€93 million), with a net liability fair value of $0.5 million. At December 31, 2013, the approximate notional amount was $188 million (€137 million) with a net asset fair value of less than €2.1 million.

At December 31, 2014 debt is not subject to currency risk since it is contracted in U.S. dollars.

At December 31, 2013 the currency risk related to debt was limited to the Credit Facility principally: in $AUD for $17 million, in $HKD for $16 million and in $HKD for $16 million.

Sensitivity analysis – currency risk

A 10% strengthening of the U.S. dollar against the relevant foreign currencies would have resulted in a net increase of net income and equity of $0.1 thousand.

Interest rate risk

C&W Group is exposed to interest rate risk associated with the $350 million Senior Unsecured Revolving Credit Facility. C&W Group monitors market conditions and has reviewed possible strategies, such as interest rate swaps and caps, to mitigate this variability. In August 2011, C&W Group entered into an interest rate cap and contemporaneously designated the derivative as a cash flow hedge of the interest rate risk attributable to the future interest payments on the Credit Facility for changes in LIBOR above 1%.

Sensitivity analysis – Interest rate risk

For variable rate liabilities, the sensitivity analysis was prepared assuming that the exposure at year end was the same throughout the year.

An increase or decrease of 100 basis points in interest rates, assuming that all other variables remain constant, at December 31, 2014 would have decreased net income by $2 million (€1.5 million) or increased net income by $0.4 million (€0.3 million).

Juventus Football Club

Interest rate risk

A sensitivity analysis was performed on the financial liabilities of Juventus exposed to interest rate risk (payables due to banks and factoring companies). A hypothetical change of 10% in the interest rates would generate a €0.5 million effect on the result for the year.

Medium and long-term financial liabilities due to Credito Sportivo and Unicredit Leasing S.p.A. are not exposed to interest rate risk since they are, respectively, at a fixed rate and hedged by derivative financial instruments. In particular, an interest rate swap was put in place on April 11, 2011 to hedge the interest rate applicable to the finance lease with Unicredit Leasing; the fair value at December 31, 2014 is a negative €0.3 million.

38. Fair value measurement by hierarchy level

IFRS 13 - *Fair Value Measurement* establishes a hierarchy that categorizes into three levels the inputs to the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement. Levels used in the hierarchy are as follows:

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

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2014.

€ million	Note	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets at fair value:					
Investments at fair value with changes directly in equity	16	195	31	141	367
Non-current securities	16	46		504	550
Current securities	24	30			30
Financial assets at fair value held for trading:					
Current investments	24	35			35
Current securities	24	322	765		1,087
Other financial assets	25	39	641	4	684
Total Assets at 12/31/2014		**667**	**1,437**	**649**	**2,753**
Other financial liabilities	25	(45)	(935)	(8)	**(988)**
Total Liabilities at 12/31/2014		**(45)**	**(935)**	**(8)**	**(988)**

During 2014 an amount of €460 million relating to current securities held for trading was transferred from Level 2 to Level 3 of the fair value hierarchy.

The fair value of other financial assets and liabilities, which mainly include derivative financial instruments, is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment, but also considering the creditworthiness of the counterparty. 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 and interest rates prevailing at the balance sheet date and the discounted expected cash flow method, appropriately adjusted to take into account the creditworthiness.
- 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 estimate of Banca Leonardo was performed by an independent expert who applied the Dividend Discount Model – DDM measurement in the Excess Capital version for private banking activities and the analytical profitability method in the Levered version for the measurement of advisory activities. The investment is classified in Level 3 of the fair value hierarchy. The unobservable inputs used in the measurement techniques to determine fair value are represented by the cost of capital (ke) in the Capital Asset Pricing Model for advisory activities and the long-term growth rate (g rate), the cost of capital and excess capital for private equity banking.

A hypothetical change in the cost of capital would result in a decrease in fair value; a higher g rate would result in an increase in fair value.

The fair value estimate of Banijay Holding was performed by an independent expert who applied the unlevered version of the discounted cash flow model – DCF. The investment is classified in Level 3 of the fair value hierarchy. The unobservable inputs used in the measurement techniques to determine fair value are represented by WACC equal to 9.5%, determined using the Capital Asset Pricing Model as the basis of calculation. A hypothetical increase in WACC would produce a decrease in fair value.

The fair value estimate of The Economist Group was performed by an independent expert who used the current financial position, the performance objectives, the growth prospects and also the stock market performance of the companies used for comparison.

The fair value of the other financial assets available-for-sale and held for trading is determined, when quoted market prices are not available, using the market rates, adjusted when necessary to take into account the creditworthiness of the counterparty. The fair value of private equity funds corresponds to the Net Asset Value (NAV) communicated by the managers of the funds. If at the date of the preparation of the financial statements this information is not available the most recent official NAV is used, but not more than three months prior to the closing date of the financial statements.

The following table presents the changes in Level 3 in 2014:

		Gains (losses) recognized			
€ million	**Balance at 12/31/2013**	In the income statement	In equity	Increase (decrease)	**Balance at 12/31/2014**
Available-for-sale financial assets at fair value:					
Investments at fair value with changes directly in equity	154	(5)	(2)	(6)	141
Non-current securities	501	(18)	51	(30)	504
Financial assets at fair value held for trading:					
Current securities	460			(460)	
Other financial assets	4				4
Total Assets	**1,119**	(23)	49	(496)	**649**
Other financial liabilities	(2)	16	(8)	(14)	(8)
Total Liabilities	**(2)**	**16**	**(8)**	**(14)**	**(8)**

The gains or losses included in the income statement are recognized in cost of sales for €16 million, those relating to financial income and expenses are an expense for €23 million. The gains and losses recorded in other comprehensive income or loss are included in the fair value reserve for a positive €49 million and those included in the cash flow reserve are a negative €8 million.

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

The nominal amount of and cash and cash equivalents, which primarily consist of bank current accounts and time deposits, generally approximates fair value due to the short term maturity of these instruments.

For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from carrying value, it is assumed that the carrying amount is a reasonable approximation of the fair value. In particular, the carrying amount of trade receivables and payables and other current assets and liabilities due within one year approximates their fair value.

The following table represents 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	Note	12/31/2014 Carrying amount	12/31/2014 Fair value	12/31/2013 Carrying amount	12/31/2013 Fair value
Financial assets					
Held-to-maturity investments	17/26	106	113	112	116
Dealer financing receivables	21	10,051	10,040	8,881	8,804
Retail financing receivables	21	10,118	10,072	9,093	9,093
Finance lease receivables	21	1,135	1,140	1,409	1,400
Other		221	229	220	288
Total assets		**21,631**	**21,594**	**19,715**	**19,703**
Financial liabilities					
Asset-backed financing	33	(11,660)	(11,659)	(11,430)	(11,359)
Non-convertible bonds	33	(27,114)	(28,734)	(21,009)	(22,563)
Other financial debt	33	(21,359)	(21,321)	(21,141)	(20,803)
Total liabilities		**(60,133)**	**(61,714)**	**(53,167)**	**(54,607)**

Held-to-maturity investments are represented by bonds 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 categorized within the 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.

The fair value of non-convertible bonds for €19,346 million is classified within Level 1 and for €9,387 million within Level 2. For the latter, inputs other than quoted prices in an active market were used.

The fair value of other debt included in Level 2 of the fair value hierarchy for €18,546 million has been estimated using discounted cash flow models. The main inputs used are year-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 categorized in Level 3 of the fair value hierarchy and amounts to €2,541 million.

39. Related party transactions

The Group carries out transactions with unconsolidated 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 - *Related Party Disclosures*, the related parties of the EXOR Group are Giovanni Agnelli e C., the FCA Group, the CNH Industrial Group, C&W Group and other unconsolidated subsidiaries, associates or joint ventures, Juventus, Almacantar and its subsidiaries. In addition, members of the board of directors and board of statutory auditors of EXOR S.p.A. and its parent Giovanni Agnelli e C. S.a.p.az. and their families are also considered related parties.

Transactions carried out by the Group with unconsolidated subsidiaries, joint ventures, associates and other related parties are primarily those of a commercial nature, which have had an effect on revenues, cost of sales, and trade receivables and payables.

The most significant financial transactions with related parties generated, for the FCA Group, receivables from financing activities of the Group's financial services companies from joint ventures and liabilities for asset-backed financing relating to amounts due to FCA Bank for the sale of receivables which do not qualify for derecognition under IAS 39.

The effects of transactions with related parties recognized in the income statement are as follows:

	2014				2013			
€ million	Net revenues	Cost of sales	Selling, general and administrative costs	Financial income (expenses)	Net revenues	Cost of sales	Selling, general and administrative costs	Financial income (expenses)
Tofas	1,247	1,189	1		1,145	1,287	3	
Sevel	493		4		423		3	
FCA Bank	278	16	15	(29)	223	62	18	(24)
Other	751	446	1	(4)	666	508	4	(2)
Total joint ventures	**2,769**	**1,651**	**21**	**(33)**	**2,457**	**1,857**	**28**	**(26)**
Total associates	**177**	**2**	**6**	**0**	**111**	**9**	**5**	**0**
Total other related parties	**0**	**0**	**72**		**1**	**7**	**28**	**0**
Total unconsolidated subsidiaries	**52**	**8**	**21**	**(1)**	**44**	**15**	**30**	**1**
Total of which related parties	**2,998**	**1,661**	**120**	**(34)**	**2,613**	**1,888**	**91**	**(25)**
Total of item in financial statements	**122,246**	**104,424**	**9,353**	**(2,685)**	**113,362**	**95,929**	**9,137**	**(2,495)**
Effect on total (%)	**2.45%**	**1.59%**	**1.28%**		**2.31%**	**1.97%**	**1.00%**	

Non-financial assets and liabilities originated by related party transactions are as follows:

	At December 31, 2014				At December 31, 2013			
€million	Trade receivables	Trade payables	Other current assets	Other current liabilities	Trade receivables	Trade payables	Other current assets	Other current liabilities
Tofas	48	160		1	50	232		
Sevel	12			4	11		2	4
FCA Bank	65	237	6	92	49	168	1	93
Other	124	133	4	23	15	118	3	38
Total joint ventures entities	**249**	**530**	**10**	**120**	**203**	**518**	**6**	**135**
Total associates	**100**	**24**	**0**	**23**	**33**	**13**	**0**	**25**
Total other related parties	**0**	**0**	**0**	**4**	**0**	**0**	**0**	**1**
Total unconsolidated subsidiaries	**32**	**15**	**2**	**2**	**43**	**29**	**4**	**1**
Total of which related parties	**381**	**569**	**12**	**149**	**279**	**560**	**10**	**162**
Total of item in financial statements	**3,757**	**24,884**	**4,095**	**15,181**	**3,756**	**22,594**	**3,848**	**12,360**
Effect on total (%)	**10.1%**	**2.3%**	**0.3%**	**1.0%**	**7.4%**	**2.5%**	**0.3%**	**1.3%**

Financial assets and liabilities originated by related party transactions are as follows:

	December 31, 2014		December 31, 2013	
€ million	Current receivables from financing activities	Financial debt	Current receivables from financing activities	Financial debt
FCA Bank	73	105	54	355
Tofas	39			
Sevel	5	13	14	10
Other	9	4	19	4
Total joint ventures	**126**	**122**	**87**	**369**
Almacantar				29
Other	7		11	
Total associates	**7**	**0**	**11**	**29**
Total other related parties	**0**	**0**	**0**	**0**
Total unconsolidated subsidiaries	**24**	**33**	**38**	**23**
Total of which related parties	**157**	**155**	**136**	**421**
Total of item in financial statements	**21,522**	**60,189**	**19,594**	**53,579**
Effect on total (%)	**0.7%**	**0.3%**	**0.7%**	**0.8%**

Commitments and guarantees pledged in favor of related parties of the FCA Group

Other guarantees pledged in favor of related parties at December 31, 2014 and at December 31, 2013 are as follows:

€ million	12/31/2014	12/31/2013
Total joint ventures	11	6
Total other related parties and the CNH Industrial Group	0	0
Total unconsolidated subsidiaries	1	9
Total of which related parties	**12**	**15**

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

At December 31, 2014 the CNH Industrial Group has pledged guarantees on commitments of the joint venture Iveco - Oto Melara Società consortile for an amount of €228 million (€197 million at December 31, 2013).

Compensation to directors, statutory auditors and key executives of EXOR

In 2014 compensation to the directors and statutory auditors of EXOR S.p.A., for carrying out their respective functions in the Parent and in other consolidated companies, is as follows:

€ thousand	EXOR S.p.A.	Subsidiaries	Total
Directors	4,426	67,071	71,497
Statutory Auditors	148	166	314
Total 2014	**4,575**	**67,237**	**71,812**
Total 2013	**4,670**	**23,574**	**28,244**

This amount includes the notional compensation cost arising from stock options and stock grants awarded to the directors.

There are no key executives in EXOR S.p.A.

40. Explanatory notes to the statement of cash flows

The statement of cash flows sets out changes in cash and cash equivalents during the year. As required by IAS 7 – *Statement of cash flows*, cash flows are separated into operating, investing and financing activities. The effects of changes in exchange rates on cash and cash equivalents are shown separately under the line item translation exchange differences.

Cash flows from (used in) operating activities mostly derive from the Group's industrial activities.

The cash flows generated by the sale of vehicles under buy-back commitments, net of the amounts included in profit (loss) for the year, are included under operating activities in a single line item which includes changes in working capital arising from these transactions, capital expenditures, depreciation and amortization and impairment losses. This item also includes gains and losses arising from the sales of vehicles transferred under buy-back commitments that occur before the end of the agreement term without repossession of the vehicle.

Cash flows generated by operating lease arrangements are included in operating activities in a single line item which includes capital expenditures, depreciation, amortization, impairment losses and changes in inventories.

In 2014, other non-cash items of €458 million mainly included (i) €381 million related to the non-cash portion of the expense recognized in connection with the execution of the UAW MOU entered into by FCA US on January 21, 2014, as described previously in the section – Non-controlling interests (ii) €98 million for the remeasurement charge recognized as a result of the Group's change in the exchange rate of the Venezuelan bolivar in U.S. dollars and (iii) the non-taxable gain of €223 million on the remeasurement to fair value of the previously exercised options on approximately 10% of FCA US's membership interest in connection with the Equity Purchase Agreement.

In 2013, other non-cash items for a positive for €521 million mainly included the reversal of impairment losses on fixed assets and the share of the profit or loss of investees accounted for using the equity method, the loss of €59 million related to the devaluation of the official exchange rate of the Venezuelan Bolivar (VEF) relative to the U.S. dollar (Note 9) and the €56 million writeoff of the book value of the Equity Recapture Agreement Right.

For additional information on the acquisition of the non-controlling interest equal to €2,691 million, arising from the acquisition of the remaining interest in FCA US (41.5%) from the VEBA Trust, reference should be made to the section “Non-controlling interests”.

In total, cash flows used for income tax payments net of refunds amount to €1,174 million in 2014 (€855 million in 2013).

In total, interest of €2,715 million was paid and interest of €1,219 million was received in 2014 (interest of €2,620 million was paid and interest of €1,109 million was received in 2013).

41. Information required under art. 149-duodecies of Consob’s “Regulation for Issuers”

The following table, prepared in accordance with Article 149-duodecies of Consob’s “Regulation for Issuers” reports fees related to 2014 for audit and other services provided by the independent auditors and members of their network.

€ thousand	Service Provider	Entity		2014 Fees
Audit	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.		53
	Reconta Ernst & Young S.p.A.	Subsidiaries		7,459
	Reconta Ernst & Young network	Subsidiaries		22,495
Attestation	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.	(1)	40
	Reconta Ernst & Young S.p.A.	Subsidiaries	(2)	3,011
	Reconta Ernst & Young network	Subsidiaries	(3)	214
Other services	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.		-
	Reconta Ernst & Young S.p.A.	Subsidiaries	(4)	26
	Rete Reconta Ernst & Young	Subsidiaries	(5)	1,811
Total Reconta Ernst & Young S.p.A. and network				**35,109**

1) Fees mainly for the issuance of Comfort Letters connected with bond issues.
2) Fees mainly related to: i) audit activities related to the Information Document, including those activities finalized to the issuance of the Audit Report on the Forecasted Data included in the Information Document; ii) attestation activities regarding the issue of ordinary shares and the Mandatory Convertible Securities; iii)activities related to the examination of the Internal Control over Financial Reporting (ICFR).
3) Fees related to attestation services regarding to the issue of Comfort Letters on bond issuances.
4) Fees mainly related to agreed-upon procedures and other compliances required by law.
5) Mainly compliances requested by local administrative entities and fiscal-related services.

42. Non-recurring events and transactions

Pursuant to Consob Communication DEM/6064293 of July 28, 2006, the EXOR Group states that it did not enter into any significant non-recurring transactions in 2014.

43. Unusual transactions

Pursuant to Consob Communication DEM/6064293 of July 28, 2006, the EXOR Group states that it did not enter into any significant unusual transactions in 2014 as defined by the Communication (the definition is given in the paragraph on the Format of the financial statements).

44. Subsequent events

Reference should be made to the Report on Operations 2014.

45. Approval of the consolidated financial statements and authorization for publication

The consolidated financial statements at December 31, 2014 were approved on April 14, 2015 by the board of directors, which authorized their publication, together with the independent auditors' report and the board of statutory auditors' report, in accordance with the law.

Turin, April 14, 2015

On behalf of the Board of Directors
Chairman and Chief Executive Officer
John Elkann

Appendix 1
List of EXOR Group Companies
at December 31, 2014

As required by Consob Resolution 11971 dated May 14, 1999, as amended (art. 126 of the Regulations) a list of the companies included in the scope of consolidation, the investments accounted for by the equity method and other significant investments, classified by operating pursuant to IFRS 8 – *Operating Segment*, is provided below.

The column on the far right also shows the percentage of voting rights exercisable at an ordinary general meeting, where such percentage differs from the percentage of shares held.

Investments of the Holdings System and operating companies consolidated on a line-by-line basis

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Parent company							
EXOR S.p.A.	Italy	246,229,850.00	EUR				
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Ancom USA Inc.	U.S.A.	0.10	USD	100.00	EXOR S.A.	100.000	
CNH Industrial N.V.	Netherlands	18,297,939.16	EUR	27.42	EXOR S.p.A.	40.106	
					Fiat Chrysler Automobiles N.V.	1.743	
					CNH Industrial N.V.	3.228	(*)
EXOR Capital Limited	Ireland	4,000,000.00	EUR	100.00	EXOR S.A.	100.000	
EXOR Inc.	U.S.A.	1.00	USD	100.00	EXOR S.A.	100.000	
EXOR N.V.	Netherlands	45,000.00	EUR	100.00	EXOR S.A.	100.000	
EXOR S.A.	Luxembourg	166,611,300.00	EUR	100.00	EXOR S.p.A.	100.000	
Fiat Chrysler Automobiles N.V.	Netherlands	16,938,612.72	EUR	29.25	EXOR S.p.A.	44.372	
					Fiat Chrysler Automobiles N.V.	1.117	(*)
Real Estate Services							
C&W Group Inc.	U.S.A.	6,317.77	USD	83.06	EXOR S.A.	80.885	
					C&W Group Inc.	1.130	(*)
Leasure and Other							
Arenella Immobiliare S.r.l.	Italy	150,000.00	EUR	100.00	EXOR S.p.A.	100.000	
Juventus Football Club S.p.A.	Italy	8,182,133.28	EUR	63.77	EXOR S.p.A.	63.766	
Real Estate							
EXOR S.N. (USA), LLC.	U.S.A.	10.00	USD	100.00	EXOR S.A.	100.000	

(*) Voting suspended

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
NAFTA							
0847574 B.C. Unlimited Liability Company	Canada	1	CAD	100.00	New CarCo Acquisition Canada Ltd.	100.000	
Auburn Hills Mezzanine LLC	U.S.A.	100	USD	100.00	CHRYSLER GROUP REALTY COMPANY LLC	100.000	
Auburn Hills Owner LLC	U.S.A.	100	USD	100.00	Auburn Hills Mezzanine LLC	100.000	
Autodie LLC	U.S.A.	10,000,000	USD	100.00	FCA US LLC	100.000	
CG MID LLC	U.S.A.	2,700,000	USD	100.00	FCA US LLC	100.000	
Chrysler Canada Cash Services Inc.	Canada	1,000	CAD	100.00	FCA US LLC	100.000	
Chrysler Canada Inc.	Canada	0	CAD	100.00	0847574 B.C. Unlimited Liability Company	100.000	
Chrysler de Mexico S.A. de C.V.	Mexico	238,621,186	MXN	100.00	Chrysler Mexico Holding, S. de R.L. de C.V.	99.996	
					FCA MINORITY LLC	0.004	
CHRYSLER GROUP AUTO TRANSPORT LLC	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
CHRYSLER GROUP DEALER CAPITAL LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
CHRYSLER GROUP INTERNATIONAL LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
CHRYSLER GROUP INTERNATIONAL SERVICES LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
CHRYSLER GROUP REALTY COMPANY LLC	U.S.A.	168,769,528	USD	100.00	FCA US LLC	100.000	
Chrysler Group Service Contracts LLC	U.S.A.	100,000,000	USD	100.00	FCA US LLC	100.000	
CHRYSLER GROUP TRANSPORT LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
CHRYSLER GROUP VANS LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
Chrysler Investment Holdings LLC	U.S.A.	173,350,999	USD	100.00	FCA US LLC	100.000	
Chrysler Lease Receivables 1 Inc.	Canada	100	CAD	100.00	Chrysler Canada Inc.	100.000	
Chrysler Lease Receivables 2 Inc.	Canada	100	CAD	100.00	Chrysler Canada Inc.	100.000	
Chrysler Lease Receivables Limited Partnership	Canada	0	CAD	100.00	Chrysler Canada Inc.	99.990	
					Chrysler Lease Receivables 1 Inc.	0.005	
					Chrysler Lease Receivables 2 Inc.	0.005	
Chrysler Mexico Holding, S. de R.L. de C.V.	Mexico	3,377,922,033	MXN	100.00	Chrysler Mexico Investment Holdings Cooperatie U.A.	99.900	
					CarCo Intermediate Mexico LLC	0.100	
CPK Interior Products Inc.	Canada	1,000	CAD	100.00	Chrysler Canada Inc.	100.000	
Extended Vehicle Protection LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA MINORITY LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA US LLC	U.S.A.	1,632,654	USD	100.00	FCA North America Holdings LLC	98.342	
					FNA HOLDCO 12 LLC	1.658	
Global Engine Manufacturing Alliance LLC	U.S.A.	300,000	USD	100.00	FCA US LLC	100.000	
New CarCo Acquisition Canada Ltd.	Canada	1,000	CAD	100.00	New CarCo Acquisition Holdings Canada Ltd.	100.000	
New CarCo Acquisition Holdings Canada Ltd.	Canada	1,000	CAD	100.00	FCA US LLC	100.000	
LATAM							
Banco Fidis S.A.	Brazil	473,669,238	BRL	100.00	Fidis S.p.A.	75.000	
					FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	25.000	
Chrysler Argentina S.R.L.	Argentina	29,335,170	ARS	100.00	FCA US LLC	98.000	
					FCA MINORITY LLC	2.000	
Chrysler Chile Importadora Ltda	Chile	41,800,000	CLP	100.00	FCA US LLC	99.990	
					FCA MINORITY LLC	0.010	
Chrysler de Venezuela LLC	U.S.A.	132,474,694	USD	100.00	CG Venezuela UK Holdings Limited	100.000	
CMP Componentes e Modulos Plasticos Industria e Comercio Ltda.	Brazil	77,021,334	BRL	100.00	FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	100.000	
FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	Brazil	1,140,046,985	BRL	100.00	FCA Italy S.p.A.	100.000	
Fiat Auto Argentina S.A.	Argentina	476,464,366	ARS	100.00	FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	100.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Argentina	109,535,149	ARS	100.00	Fiat Auto Argentina S.A.	100.000	
Fiat Credito Compania Financiera S.A.	Argentina	372,911,891	ARS	100.00	Fidis S.p.A.	100.000	
FPT Powertrain Technologies do Brasil - Industria e Comércio de Motores Ltda	Brazil	197,792,500	BRL	100.00	Fiat do Brasil S.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
APAC							
Chrysler (Hong Kong) Automotive Limited	People's Rep.of China	10,000,000	EUR	100.00	FCA US LLC	100.000	
Chrysler Asia Pacific Investment Co. Ltd.	People's Rep.of China	4,500,000	CNY	100.00	Chrysler (Hong Kong) Automotive Limited	100.000	
Chrysler Australia Pty. Ltd.	Australia	143,629,774	AUD	100.00	FCA US LLC	100.000	
Chrysler Group (China) Sales Ltd.	People's Rep.of China	10,000,000	EUR	100.00	Chrysler (Hong Kong) Automotive Limited	100.000	
Chrysler India Automotive Private Limited	India	99,990	INR	100.00	Chrysler Netherlands Distribution B.V.	99.990	
					CHRYSLER GROUP DUTCH OPERATING LLC	0.010	
Chrysler Japan Co., Ltd.	Japan	104,789,875	JPY	100.00	FCA US LLC	60.000	
					Fiat Group Automobiles Japan K.K.	40.000	
Chrysler South East Asia Pte. Ltd.	Singapore	3,010,513	SGD	100.00	FCA US LLC	100.000	
FCA Korea, Ltd.	South Korea	32,639,200,000	KRW	100.00	FCA US LLC	100.000	
Fiat Automotive Finance Co. Ltd.	People's Rep.of China	750,000,000	CNY	100.00	Fidis S.p.A.	100.000	
FIAT GROUP AUTOMOBILES INDIA Private Limited	India	1,789,900,000	INR	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Japan K.K.	Japan	420,000,000	JPY	100.00	FCA Italy S.p.A.	100.000	
Fiat Powertrain Technologies (Shanghai) R&D Co. Ltd.	People's Rep.of China	10,000,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
Mopar (Shanghai) Auto Parts Trading Co. Ltd.	People's Rep.of China	5,000,000	USD	100.00	Chrysler Asia Pacific Investment Co. Ltd.	100.000	
EMEA							
Abarth & C. S.p.A.	Italy	1,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Alfa Romeo S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Alfa Romeo U.S.A. S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
C.F. GOMMA NEDERLAND B.V. in liquidation	Netherlands	18,100	EUR	100.00	FCA Partec S.p.A.	100.000	
C.R.F. Società Consortile per Azioni	Italy	45,000,000	EUR	100.00	FCA Italy S.p.A.	75.000	
					Fiat Partecipazioni S.p.A.	20.000	
					Fiat Powertrain Technologies SpA	5.000	
CF GOMMA DEUTSCHLAND GmbH	Germany	26,000	EUR	100.00	FCA Partec S.p.A.	100.000	
CG EU NSC LIMITED	United Kingdom	1	GBP	100.00	FCA US LLC	100.000	
CG Italia Operations S.r.l.	Italy	53,022	EUR	100.00	Chrysler Italia S.r.l.	100.000	
CG Venezuela UK Holdings Limited	United Kingdom	100	GBP	100.00	CG EU NSC LIMITED	100.000	
Chrysler Austria GmbH	Austria	4,300,000	EUR	100.00	Chrysler Deutschland GmbH	100.000	
CHRYSLER BALKANS d.o.o. Beograd	Serbia	500	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Belgium Luxembourg NV/SA	Belgium	28,262,700	EUR	100.00	CG EU NSC LIMITED	99.998	
					FCA MINORITY LLC	0.002	
Chrysler Czech Republic s.r.o.	Czech Republic	55,932,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Danmark ApS	Denmark	1,000,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Deutschland GmbH	Germany	20,426,200	EUR	100.00	FCA US LLC	100.000	
Chrysler Espana S.L.	Spain	16,685,690	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler France S.A.S.	France	460,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Group Egypt Limited	Egypt	240,000	EGP	100.00	FCA US LLC	99.000	
					FCA MINORITY LLC	1.000	
Chrysler Group Middle East FZ-LLC	United Arab Emirates	300,000	AED	100.00	CHRYSLER GROUP INTERNATIONAL LLC	100.000	
Chrysler International GmbH	Germany	25,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Italia S.r.l.	Italy	100,000	EUR	100.00	FCA US LLC	100.000	
Chrysler Jeep International S.A.	Belgium	1,860,000	EUR	100.00	CG EU NSC LIMITED	99.998	
					FCA MINORITY LLC	0.002	
Chrysler Management Austria GmbH	Austria	75,000	EUR	100.00	Chrysler Austria GmbH	100.000	
Chrysler Mexico Investment Holdings Cooperatie U.A.	Netherlands	0	EUR	100.00	Chrysler Investment Holdings LLC	99.990	
					FCA MINORITY LLC	0.010	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
EMEA							
Chrysler Nederland B.V.	Netherlands	19,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Netherlands Distribution B.V.	Netherlands	90,000	EUR	100.00	Chrysler Netherlands Holding Cooperatie U.A.	100.000	
Chrysler Polska Sp. z o.o.	Poland	30,356,000	PLN	100.00	CG EU NSC LIMITED	100.000	
Chrysler Russia SAO	Russia	574,665,000	RUB	100.00	FCA US LLC	99.999	
					FCA MINORITY LLC	0.001	
Chrysler South Africa (Pty) Limited	South Africa	200	ZAR	100.00	FCA US LLC	100.000	
Chrysler Sw eden AB	Sw eden	100,000	SEK	100.00	CG EU NSC LIMITED	100.000	
Chrysler Sw itzerland GmbH	Sw itzerland	2,000,000	CHF	100.00	CG EU NSC LIMITED	100.000	
Chrysler UK Limited	United Kingdom	46,582,132	GBP	100.00	CG EU NSC LIMITED	100.000	
Customer Services Centre S.r.l.	Italy	2,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Easy Drive S.r.l.	Italy	10,400	EUR	100.00	FCA Italy S.p.A.	99.000	
					Fiat Center Italia S.p.A.	1.000	
Fabbrica Italia Pomigliano S.p.A.	Italy	1,000,000	EUR	100.00	FGA Real Estate Services S.p.A.	100.000	
FCA Fleet & Tenders S.R.L.	Italy	7,370,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Italy S.p.A.	Italy	800,000,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
FCA Partec S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FGA Austro Car GmbH	Austria	35,000	EUR	100.00	Fiat Group Automobiles Austria GmbH	100.000	
FGA Investimenti S.p.A.	Italy	2,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FGA Real Estate Services S.p.A.	Italy	150,679,554	EUR	100.00	FCA Italy S.p.A.	100.000	
FGA Versicherungsservice GmbH	Germany	26,000	EUR	100.00	Fiat Group Automobiles Germany AG	51.000	
					Rimaco S.A.	49.000	
Fiat Auto Poland S.A.	Poland	660,334,600	PLN	100.00	FCA Italy S.p.A.	100.000	
Fiat Automobil Vertriebs GmbH	Germany	8,700,000	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Fiat Automobiles S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	Serbia	30,707,843,314	RSD	66.67	FCA Italy S.p.A.	66.670	
Fiat Center (Suisse) S.A.	Sw itzerland	13,000,000	CHF	100.00	Fiat Group Automobiles Sw itzerland S.A.	100.000	
Fiat Center Italia S.p.A.	Italy	2,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat CR Spol. S.R.O.	Czech Republic	1,000,000	CZK	100.00	FCA Italy S.p.A.	100.000	
Fiat France	France	235,480,520	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Austria GmbH	Austria	37,000	EUR	100.00	FCA Italy S.p.A.	98.000	
					FGA Investimenti S.p.A.	2.000	
Fiat Group Automobiles Belgium S.A.	Belgium	7,000,000	EUR	100.00	FCA Italy S.p.A.	99.998	
					Fiat Group Automobiles Sw itzerland S.A.	0.002	
Fiat Group Automobiles Central and Eastern Europe KFT.	Hungary	150,000,000	HUF	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Denmark A/S	Denmark	55,000,000	DKK	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Germany AG	Germany	82,650,000	EUR	100.00	FCA Italy S.p.A.	99.000	
					Fiat Group Automobiles Sw itzerland S.A.	1.000	
Fiat Group Automobiles Hellas S.A.	Greece	62,783,499	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Ireland Ltd.	Ireland	5,078,952	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Maroc S.A.	Morocco	1,000,000	MAD	99.95	FCA Italy S.p.A.	99.950	
Fiat Group Automobiles Netherlands B.V.	Netherlands	5,672,250	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Portugal, S.A.	Portugal	1,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	South Africa	640	ZAR	100.00	FCA Italy S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
EMEA							
Fiat Group Automobiles Spain S.A.	Spain	8,079,280	EUR	100.00	FCA Italy S.p.A.	99.998	
					Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Sweden AB	Sweden	10,000,000	SEK	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Switzerland S.A.	Switzerland	21,400,000	CHF	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles UK Ltd	United Kingdom	44,600,000	GBP	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Marketing & Corporate Communication S.p.A.	Italy	100,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni France Société par actions simplifiée	France	37,000	EUR	100.00	FGA Real Estate Services S.p.A.	100.000	
Fiat Powertrain Technologies Poland Sp. z o.o.	Poland	269,037,000	PLN	100.00	Fiat Powertrain Technologies SpA	100.000	
Fiat Powertrain Technologies SpA	Italy	525,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Professional S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Real Estate Germany GmbH	Germany	25,000	EUR	100.00	Fiat Automobil Vertriebs GmbH	100.000	
Fiat SR Spol. SR.O.	Slovack Republic	33,194	EUR	100.00	FCA Italy S.p.A.	100.000	
Fidis S.p.A.	Italy	250,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Italy	1,250,000	EUR	100.00	FCA Italy S.p.A.	100.000	
i-FAST Container Logistics S.p.A.	Italy	2,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	France	2,977,680	EUR	100.00	Fiat France	99.997	
Italian Automotive Center S.A.	Belgium	3,000,000	EUR	100.00	Fiat Group Automobiles Belgium S.A.	99.988	
					FCA Italy S.p.A.	0.012	
Italian Motor Village Ltd.	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Italian Motor Village S.A.	Portugal	50,000	EUR	100.00	Fiat Group Automobiles Portugal, S.A.	100.000	
Italian Motor Village, S.L.	Spain	1,454,420	EUR	100.00	Fiat Group Automobiles Spain S.A.	100.000	
Lancia Automobiles S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Mecaner S.A.	Spain	3,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Motor Village Austria GmbH	Austria	37,000	EUR	100.00	Fiat Group Automobiles Austria GmbH	100.000	
Officine Maserati Grugliasco S.p.A.	Italy	500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Italy	276,640,000	EUR	100.00	FCA Italy S.p.A.	100.000	
SBH EXTRUSION REAL ESTATE S.r.l.	Italy	110,000	EUR	100.00	FCA Partec S.p.A.	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	Italy	100,000	EUR	100.00	FCA Italy S.p.A.	100.000	
VM Motori S.p.A.	Italy	21,008,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
BUSINESS AUTO: LUXURY AND PERFORMANCE BRANDS							
FERRARI							
Ferrari S.p.A.	Italy	20,260,000	EUR	90.00	Fiat Chrysler Automobiles N.V.	90.000	
410 Park Display Inc.	U.S.A.	100	USD	90.00	Ferrari N.America Inc.	100.000	
Ferrari Australasia Pty Limited	Australia	2,000,100	AUD	90.00	Ferrari S.p.A.	100.000	
Ferrari Cars International Trading (Shanghai) Co. Ltd.	People's Rep.of China	2,212,500	USD	72.00	Ferrari S.p.A.	80.000	
Ferrari Central / East Europe GmbH	Germany	1,000,000	EUR	90.00	Ferrari S.p.A.	100.000	
FERRARI FAR EAST PTE LTD	Singapore	1,000,000	SGD	90.00	Ferrari S.p.A.	100.000	
Ferrari Financial Services AG	Germany	1,777,600	EUR	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services Japan KK	Japan	199,950,000	JPY	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Italy	5,100,000	EUR	81.00	Ferrari S.p.A.	90.000	
Ferrari Financial Services, Inc.	U.S.A.	1,000	USD	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari GE.D. S.p.A.	Italy	11,570,000	EUR	90.00	Ferrari S.p.A.	100.000	
Ferrari Japan KK	Japan	160,050,000	JPY	90.00	Ferrari S.p.A.	100.000	
Ferrari Management Consulting (Shanghai) CO., LTD	People's Rep.of China	2,100,000	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari N.America Inc.	U.S.A.	200,000	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari North Europe Limited	United Kingdom	50,000	GBP	90.00	Ferrari S.p.A.	100.000	
Ferrari South West Europe S.A.R.L.	France	172,000	EUR	90.00	Ferrari S.p.A.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Switzerland	1,000,000	CHF	90.00	Ferrari S.p.A.	100.000	
Mugello Circuit S.p.A.	Italy	10,000,000	EUR	90.00	Ferrari S.p.A.	90.000	
					Ferrari GE.D. S.p.A.	10.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
BUSINESS AUTO: LUXURY AND PERFORMANCE BRANDS							
MASERATI							
Maserati S.p.A.	Italy	40,000,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Maserati (China) Cars Trading Co., Ltd.	People's Rep.of China	10,000,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati (Suisse) S.A.	Switzerland	1,000,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	
Maserati Japan KK	Japan	18,000,000	JPY	100.00	Maserati S.p.A.	100.000	
Maserati North America Inc.	U.S.A.	1,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati West Europe societé par actions simplifiée	France	37,000	EUR	100.00	Maserati S.p.A.	100.000	
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
Magneti Marelli S.p.A.	Italy	254,325,965	EUR	99.99	Fiat Chrysler Automobiles N.V.	99.990	100.000
Administracion Magneti Marelli Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico	3,000	MXN	51.49	Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	99.000	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	1.000	
Automotive Lighting Brotterode GmbH	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Italy	12,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	U.S.A.	25,001,000	USD	100.00	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting o.o.o.	Russia	386,875,663	RUB	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps France S.a.s.	France	5,134,480	EUR	99.99	Automotive Lighting Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	Mexico	50,000	MXN	100.00	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Reutlingen GmbH	Germany	1,330,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Automotive Lighting S.R.O.	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	United Kingdom	40,387,348	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Centro Ricerche Plast-Optica S.p.A.	Italy	1,033,000	EUR	75.49	Automotive Lighting Italia S.p.A.	75.500	
CHANGCHUN MAGNETI MARELLI POWERTRAIN COMPONENTS Co.Ltd.	People's Rep.of China	5,600,000	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Fiat CIEI S.p.A. in liquidation	Italy	220,211	EUR	99.99	Magneti Marelli S.p.A.	100.000	
FMM Pernambuco Componentes Automotivos Ltda	Brazil	37,984,800	BRL	64.99	Plastic Components and Modules Automotive S.p.A.	65.000	
Hefei Magneti Marelli Exhaust Systems Co.Ltd.	People's Rep.of China	3,900,000	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.998	
					Servicios Administrativos Corp. IPASA S.A.	0.002	
JCMM Automotive d.o.o.	Serbia	1,223,910,473	RSD	50.00	Plastic Components and Modules Automotive S.p.A.	50.000	
Magneti Marelli (China) Co. Ltd.	People's Rep.of China	17,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli After Market Parts and Services S.p.A.	Italy	7,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Germany	100,000	EUR	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket Sp. z o.o.	Poland	2,000,000	PLN	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Argentina S.A.	Argentina	700,000	ARS	99.99	Magneti Marelli S.p.A.	95.000	
					Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Components (Changsha) Co. Ltd	People's Rep.of China	5,400,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	People's Rep.of China	32,000,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive d.o.o. Kragujevac	Serbia	154,200,876	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Electronics (Guangzhou) Co. Limited	People's Rep.of China	16,100,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Lighting (Foshan) Co. Ltd	People's Rep.of China	10,800,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
Magneti Marelli Cofap Fabricadora de Pecas Ltda	Brazil	106,831,302	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Comandos Mecanicos Industria e Comercio Ltda	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
					Fiat do Brasil S.A.	0.100	
Magneti Marelli Componentes Plasticos Ltda	Brazil	6,402,500	BRL	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Argentina	7,480,071	ARS	99.99	Magneti Marelli S.p.A.	95.000	
					Magneti Marelli Argentina S.A.	5.000	
Magneti Marelli d.o.o. Kragujevac	Serbia	1,363,504,543	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio SA	Brazil	100,000	BRL	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Espana S.A.	Spain	781,101	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli France S.a.s.	France	19,066,824	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli GmbH	Germany	200,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	U.S.A.	10	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Magneti Marelli Iberica S.A.	Spain	389,767	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli India Private Ltd	India	20,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli International Trading (Shanghai) Co. LTD	People's Rep.of China	200,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Japan K.K.	Japan	360,000,000	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	Turkey	50,005	TRY	99.94	Automotive Lighting Reutlingen GmbH	99.842	
					PLASTIFORM PLASTIK SANAY ve TICARET A.S.	0.052	
					Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	0.052	
Magneti Marelli Motopropulsion France SAS	France	37,002	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli North America Inc.	U.S.A.	7,491,705	USD	99.99	Magneti Marelli Cofap Fabricadora de Pecas Ltda	100.000	
Magneti Marelli of Tennessee LLC	U.S.A.	1,300,000	USD	100.00	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Poland Sp. z o.o.	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Powertrain India Private Limited	India	450,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Magneti Marelli Powertrain Mexico S. de r.l. de c.v.	Mexico	3,000	MXN	99.99	Magneti Marelli S.p.A.	99.967	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	0.033	
Magneti Marelli Powertrain Slovakia s.r.o.	Slovack Republic	7,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain U.S.A. LLC	U.S.A.	25,000,000	USD	100.00	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico	3,000	MXN	51.00	Sistemi Sospensioni S.p.A.	51.000	
Magneti Marelli Repuestos S.A.	Argentina	2,012,000	ARS	99.99	Magneti Marelli After Market Parts and Services S.p.A.	52.000	
					Magneti Marelli Cofap Fabricadora de Pecas Ltda	48.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Brazil	206,834,874	BRL	99.99	Magneti Marelli S.p.A.	66.111	
					Automotive Lighting Reutlingen GmbH	33.889	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Mexico	50,000	MXN	99.99	Magneti Marelli S.p.A.	99.998	
					Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli Slovakia s.r.o.	Slovack Republic	98,006,639	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	South Africa	7,550,000	ZAR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Poland	70,050,000	PLN	99.99	Sistemi Sospensioni S.p.A.	100.000	
Magneti Marelli Um Electronic Systems Private Limited	India	420,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Malaysian Automotive Lighting SDN. BHD	Malaysia	6,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
MM I&T Sas	France	607,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
MMH Industria e Comercio De Componentes Automotivos Ltda	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
					Magneti Marelli Cofap Fabricadora de Pecas Ltda	0.100	
Plastic Components and Modules Automotive S.p.A.	Italy	10,000,000	EUR	99.99	Plastic Components and Modules Holding S.p.A.	100.000	
Plastic Components and Modules Holding S.p.A.	Italy	10,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Plastic Components and Modules Poland S.A.	Poland	21,000,000	PLN	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Plastic Components Fuel Systems Poland Sp. z o.o.	Poland	29,281,500	PLN	99.99	Plastic Components and Modules Poland S.A.	100.000	
PLASTIFORM PLASTIK SANAY ve TICARET A.S.	Turkey	715,000	TRY	99.94	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	100.000	
Servicios Administrativos Corp. IPASA S.A.	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.990	
					Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Turkey	90,000	TRY	99.89	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	99.956	
Sistemi Sospensioni S.p.A.	Italy	37,622,179	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Soffiaggio Polimeri S.r.l.	Italy	45,900	EUR	84.99	Plastic Components and Modules Automotive S.p.A.	85.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Mexico	50,000	MXN	100.00	Automotive Lighting LLC	99.998	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	0.002	
Ufima S.A.S.	France	44,940	EUR	99.99	Magneti Marelli S.p.A.	65.020	
					Fiat Partecipazioni S.p.A.	34.980	
TEKSID							
Teksid S.p.A.	Italy	71,403,261	EUR	84.79	Fiat Chrysler Automobiles N.V.	84.791	
Compania Industrial Frontera S.A. de C.V.	Mexico	50,000	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V.	99.800	
					Teksid Inc.	0.200	
Funfrap-Fundicao Portuguesa S.A.	Portugal	13,697,550	EUR	70.89	Teksid S.p.A.	83.607	
Teksid Aluminum S.r.l.	Italy	5,000,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Teksid do Brasil Ltda	Brazil	233,679,013	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Mexico	716,088,300	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	U.S.A.	100,000	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Poland	115,678,500	PLN	84.79	Teksid S.p.A.	100.000	
COMAU							
Comau S.p.A.	Italy	48,013,959	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
COMAU (KUNSHAN) Automation Co. Ltd.	People's Rep.of China	3,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Engineering Co. Ltd.	People's Rep.of China	5,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) International Trading Co. Ltd.	People's Rep.of China	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Argentina	500,000	ARS	100.00	Comau S.p.A.	55.280	
					Comau do Brasil Industria e Comercio Ltda.	44.690	
					Fiat Argentina S.A.	0.030	
Comau Automatizacion S.de R.L. C.V.	Mexico	62,204,118	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau Canada Inc.	Canada	100	CAD	100.00	Comau Inc.	100.000	
Comau Deutschland GmbH	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Brazil	102,742,653	BRL	100.00	Comau S.p.A.	100.000	
Comau Estil Unl.	United Kingdom	107,665,056	USD	100.00	Comau S.p.A.	100.000	
Comau France S.A.S.	France	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Iaisa S.de R.L. de C.V.	Mexico	17,181,062	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau Inc.	U.S.A.	100	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Comau India Private Limited	India	239,935,020	INR	100.00	Comau S.p.A.	99.990	
					Comau Deutschland GmbH	0.010	
Comau Mexico S.de R.L. de C.V.	Mexico	99,349,172	MXN	100.00	Comau S.p.A.	100.000	
Comau Poland Sp. z o.o.	Poland	3,800,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Romania S.R.L.	Romenia	23,673,270	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Russia	4,770,225	RUB	100.00	Comau S.p.A.	99.000	
					Comau Deutschland GmbH	1.000	
Comau Service Systems S.L.	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Trebol S.de R.L. de C.V.	Mexico	16,168,211	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau U.K. Limited	United Kingdom	2,502,500	GBP	100.00	Comau S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
OTHER ACTIVITIES: HOLDING COMPANIES AND OTHER COMPANIES							
BMI S.p.A.	Italy	124,820	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Deposito Avogadro S.p.A.	Italy	5,100,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Editrice La Stampa S.p.A.	Italy	5,700,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
FCA North America Holdings LLC	U.S.A.	0	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Fiat Argentina S.A.	Argentina	5,292,117	ARS	100.00	Fiat Services S.p.A.	90.961	
					Fiat do Brasil S.A.	9.029	
					SGR-Sociedad para la Gestion de Riesgos S.A.	0.009	
					Fiat Auto Argentina S.A.	0.001	
Fiat Chrysler Finance Canada Ltd.	Canada	10,099,885	CAD	100.00	Fiat Chrysler Finance Europe S.A.	100.000	
Fiat Chrysler Finance Europe S.A.	Luxembourg	251,494,000	EUR	100.00	Fiat Chrysler Finance S.p.A.	60.003	
					Fiat Chrysler Automobiles N.V.	39.997	
Fiat Chrysler Finance North America Inc.	U.S.A.	190,090,010	USD	100.00	Fiat Chrysler Finance Europe S.A.	100.000	
Fiat Chrysler Finance S.p.A.	Italy	224,440,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Fiat do Brasil S.A.	Brazil	992,030,675	BRL	100.00	FCA Italy S.p.A.	95.667	
					FGA Real Estate Services S.p.A.	4.333	
Fiat Financas Brasil Ltda	Brazil	2,469,701	BRL	100.00	Fiat Chrysler Finance S.p.A.	99.994	
					Fiat do Brasil S.A.	0.006	
Fiat Finance et Services S.A.	France	3,700,000	EUR	100.00	Fiat Services S.p.A.	99.997	
Fiat GmbH	Germany	200,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Group Purchasing France S.a.r.l.	France	7,700	EUR	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing Poland Sp. z o.o.	Poland	300,000	PLN	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing S.r.l.	Italy	600,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Iberica S.A.	Spain	2,797,054	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Information Technology, Excellence and Methods S.p.A.	Italy	500,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Partecipazioni S.p.A.	Italy	614,071,587	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Polska Sp. z o.o.	Poland	25,500,000	PLN	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Services Belgium N.V.	Belgium	62,000	EUR	100.00	Fiat Services S.p.A.	99.960	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.040	
Fiat Services d.o.o. Kragujevac	Serbia	15,047,880	RSD	100.00	Fiat Services S.p.A.	100.000	
Fiat Services Polska Sp. z o.o.	Poland	3,600,000	PLN	100.00	Fiat Services S.p.A.	100.000	
Fiat Services S.p.A.	Italy	3,600,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Services Support Mexico S.A. de C.V.	Mexico	100	MXN	100.00	Fiat Services S.p.A.	99.000	
					Servizi e Attività Doganali per l'Industria S.p.A.	1.000	
Fiat Services U.S.A., Inc.	U.S.A.	500,000	USD	100.00	Fiat Services S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Italy	1,652,669	EUR	90.31	FCA Italy S.p.A.	51.000	
					Fiat Partecipazioni S.p.A.	11.500	
					Fiat Chrysler Automobiles N.V.	5.000	
					Teksid S.p.A.	2.000	
					Abarth & C. S.p.A.	1.500	
					C.R.F. Società Consortile per Azioni	1.500	
					Comau S.p.A.	1.500	
					Editrice La Stampa S.p.A.	1.500	
					Ferrari S.p.A.	1.500	
					Fiat Chrysler Finance S.p.A.	1.500	
					Fiat Group Marketing & Corporate Communication S.p.A.	1.500	
					Fiat Information Technology, Excellence and Methods S.p.A.	1.500	
					Fiat Services S.p.A.	1.500	
					Fidis S.p.A.	1.500	
					Magneti Marelli S.p.A.	1.500	
					Maserati S.p.A.	1.500	
					Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	1.500	
					SIRIO - Sicurezza Industriale Società consortile per azioni	1.500	
					Deposito Avogadro S.p.A.	0.500	
Fiat U.K. Limited	United Kingdom	750,000	GBP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat U.S.A. Inc.	U.S.A.	16,830,000	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
OTHER ACTIVITIES: HOLDING COMPANIES AND OTHER COMPANIES							
FNA HOLDCO 12 LLC	U.S.A.	0	USD	100.00	FCA North America Holdings LLC	100.000	
Neptunia Assicurazioni Marittime S.A.	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
Nexta Srl	Italy	50,000	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Publikompass S.p.A.	Italy	3,068,000	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Rimaco S.A.	Switzerland	350,000	CHF	100.00	Fiat Partecipazioni S.p.A.	100.000	
Risk Management S.p.A.	Italy	120,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Servizi e Attività Doganali per l'Industria S.p.A.	Italy	520,000	EUR	100.00	Fiat Services S.p.A.	100.000	
SIRIO - Sicurezza Industriale Società consortile per azioni	Italy	120,000	EUR	86.59	Fiat Partecipazioni S.p.A.	58.230	
					FCA Italy S.p.A.	16.600	
					Magneti Marelli S.p.A.	1.841	
					Fiat Powertrain Technologies SpA	1.314	
					Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	0.833	
					C.R.F. Società Consortile per Azioni	0.768	
					Fiat Chrysler Automobiles N.V.	0.751	
					Comau S.p.A.	0.729	
					Ferrari S.p.A.	0.729	
					Teksid S.p.A.	0.664	
					Fiat Services S.p.A.	0.593	
					Sistemi Sospensioni S.p.A.	0.551	
					Teksid Aluminum S.r.l.	0.540	
					Fiat Servizi per l'Industria S.c.p.a.	0.503	
					Fiat Chrysler Finance S.p.A.	0.406	
					Fidis S.p.A.	0.325	
					Editrice La Stampa S.p.A.	0.273	
					Automotive Lighting Italia S.p.A.	0.255	
					FGA Real Estate Services S.p.A.	0.103	
					Fiat Group Marketing & Corporate Communication S.p.A.	0.103	
					Fiat Group Purchasing S.r.l.	0.103	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
					Plastic Components and Modules Automotive S.p.A.	0.065	
					Fiat Center Italia S.p.A.	0.045	
					Abarth & C. S.p.A.	0.039	
					Maserati S.p.A.	0.039	
					Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	0.039	
					Risk Management S.p.A.	0.039	
					Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.039	
					Magneti Marelli After Market Parts and Services S.p.A.	0.037	
					Customer Services Centre S.r.l.	0.022	
					Deposito Avogadro S.p.A.	0.022	
					Easy Drive S.r.l.	0.022	
					FCA Fleet & Tenders S.R.L.	0.022	
					Fiat Information Technology, Excellence and Methods S.p.A.	0.022	
					i-FAST Automotive Logistics S.r.l.	0.020	
					i-FAST Container Logistics S.p.A.	0.020	
Sisport Fiat S.p.A. - Società sportiva dilettantistica	Italy	889,049	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

Joint arrangements of FCA Group (percentage of EXOR Group consolidation: 29.25%)

JOINT ARRANGEMENTS							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
APAC							
Fiat India Automobiles Limited	India	24,451,596,600	INR	50.00	FCA Italy S.p.A.	50.000	
EMEA							
Società Europea Veicoli Leggeri-Sevel S.p.A.	Italy	68,640,000	EUR	50.00	FCA Italy S.p.A.	50.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.42%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
2 H Energy S.A.S.	France	2,000,000	EUR	100.00	CNH Industrial Finance France S.A.	100.000	
Afin Bohemia s.r.o.	Czech Republic	1,000,000	CZK	100.00	Iveco FS Holdings Limited	100.000	
Afin Bulgaria EAD	Bulgaria	310,110	BGN	100.00	Iveco FS Holdings Limited	100.000	
Afin Slovakia S.R.O.	Slovack Republic	39,833	EUR	100.00	Iveco FS Holdings Limited	98.120	
					Iveco Capital Limited	1.880	
Afin Trade Bulgaria Eood	Bulgaria	5,000	BGN	100.00	Afin Bulgaria EAD	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Ethiopia	12,000,000	ETB	70.00	CNH Industrial N.V.	70.000	
Astra Veicoli Industriali S.p.A.	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Banco CNH Industrial Capital S.A.	Brazil	891,582,770	BRL	100.00	CNH Industrial N.V.	53.513	
					CNH Industrial Capital U.K. Ltd	45.816	
					CNH Industrial Latin America Ltda.	0.671	
Bli Group Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Blue Leaf I.P. Inc.	U.S.A.	1,000	USD	100.00	Bli Group Inc.	100.000	
Blue Leaf Insurance Company	U.S.A.	250,000	USD	100.00	CNH Industrial America LLC	100.000	
Case Brazil Holdings Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case Canada Receivables, Inc.	Canada	1	CAD	100.00	CNH Industrial Capital America LLC	100.000	
Case Construction Machinery (Shanghai) Co., Ltd	People's Rep.of China	14,000,000	USD	100.00	CNH Industrial N.V.	100.000	
Case Credit Holdings Limited	U.S.A.	5	USD	100.00	CNH Industrial Capital America LLC	100.000	
Case Dealer Holding Company LLC	U.S.A.	1	USD	100.00	CNH Industrial America LLC	100.000	
Case Equipment Holdings Limited	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
Case Equipment International Corporation	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case Europe S.a.r.l.	France	7,622	EUR	100.00	CNH Industrial America LLC	100.000	
Case Harvesting Systems GmbH	Germany	281,211	EUR	100.00	CNH Industrial America LLC	100.000	
CASE ILE DE FRANCE	France	600,000	EUR	100.00	CNH Industrial France	100.000	
Case India Limited	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
Case International Marketing Inc.	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
Case LBX Holdings Inc.	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
Case New Holland Construction Equipment (India) Private Limited	India	240,100,000	INR	98.20	CNH Industrial America LLC	50.000	
					New Holland Fiat (India) Private Limited	50.000	
Case New Holland Industrial Inc.	U.S.A.	5	USD	100.00	CNH Industrial N.V.	100.000	
Case New Holland Machinery (Harbin) Ltd.	People's Rep.of China	30,000,000	USD	100.00	CNH Industrial Asian Holding Limited N.V.	99.920	
					CNH Industrial Europe Holding S.A.	0.080	
CASE New Holland Machinery Trading (Shanghai) Co. Ltd.	People's Rep.of China	2,250,000	USD	100.00	CNH Industrial America LLC	100.000	
Case United Kingdom Limited	United Kingdom	3,763,618	GBP	100.00	CNH Industrial America LLC	100.000	
CNH (China) Management Co., Ltd.	People's Rep.of China	12,000,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH (Shanghai) Equipment R&D Co., Ltd.	People's Rep.of China	2,000,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH Capital Finance LLC	U.S.A.	5,000	USD	100.00	Case Credit Holdings Limited	100.000	
CNH Capital Operating Lease Equipment Receivables LLC	U.S.A.	1,000	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNH Capital Receivables LLC	U.S.A.	0	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNH Componentes, S.A. de C.V.	Mexico	135,634,842	MXN	100.00	CNH Industrial America LLC	100.000	
CNH Engine Corporation	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
CNH Industrial (Russia) Commercial Operations B.V.	Netherlands	35,300	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial (Russia) Industrial Operations B.V.	Netherlands	36,002	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial America LLC	U.S.A.	0	USD	100.00	Case New Holland Industrial Inc.	100.000	
CNH Industrial Argentina S.A.	Argentina	100,246,105	ARS	100.00	CNH Industrial Latin America Ltda.	76.176	
					New Holland Holding (Argentina) S.A.	23.824	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.42%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
CNH Industrial Asian Holding Limited N.V.	Belgium	25,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Australia Pty Limited	Australia	293,408,692	AUD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Baumaschinen GmbH	Germany	61,355,030	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Belgium N.V.	Belgium	396,606,339	EUR	100.00	CNH Industrial Europe Holding S.A.	87.899	
					New Holland Holding Limited	12.101	
CNH Industrial BM GmbH	Austria	35,000	EUR	100.00	CNH Industrial Osterreich GmbH	100.000	
CNH Industrial Canada, Ltd.	Canada	28,000,100	CAD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Capital America LLC	U.S.A.	1,000	USD	100.00	CNH Industrial Capital LLC	100.000	
CNH Industrial Capital Australia Pty Limited	Australia	70,675,693	AUD	100.00	CNH Industrial Australia Pty Limited	100.000	
CNH Industrial Capital Benelux NV	Belgium	45,673,745	EUR	100.00	CNH Industrial N.V.	99.996	
					CNH Industrial Capital U.K. Ltd	0.004	
CNH Industrial Capital Canada Ltd.	Canada	5,435,350	CAD	100.00	Case Credit Holdings Limited	100.000	
CNH Industrial Capital LLC	U.S.A.	0	USD	100.00	CNH Industrial America LLC	100.000	
CNH INDUSTRIAL CAPITAL S.A.	Argentina	2,990,000	ARS	100.00	CNH Industrial Argentina S.A.	50.000	
					Iveco Argentina S.A.	50.000	
CNH Industrial Capital U.K. Ltd	United Kingdom	10,000,001	GBP	100.00	CNH Industrial Capital Benelux NV	100.000	
CNH Industrial Danmark A/S	Denmark	12,000,000	DKK	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Deutschland GmbH	Germany	18,457,650	EUR	100.00	CNH Industrial Baumaschinen GmbH	90.000	
					CNH Industrial Europe Holding S.A.	10.000	
CNH Industrial Europe Holding S.A.	Luxembourg	100,000,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Finance Europe S.A.	Luxembourg	50,000,000	EUR	100.00	CNH Industrial N.V.	60.000	
					CNH Industrial Finance S.p.A.	40.000	
CNH Industrial Finance France S.A.	France	1,000,000	EUR	100.00	CNH Industrial N.V.	99.998	
CNH Industrial Finance North America Inc.	U.S.A.	25,000,000	USD	100.00	CNH Industrial N.V.	60.000	
					CNH Industrial Finance S.p.A.	40.000	
CNH Industrial Finance S.p.A.	Italy	100,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Financial Services A/S	Denmark	500,000	DKK	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Financial Services GmbH	Germany	1,151,000	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Financial Services S.A.	France	50,860,641	EUR	100.00	CNH Industrial N.V.	98.888	
					CNH Industrial Capital Benelux NV	1.112	
CNH Industrial France	France	427,965,450	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Italia s.p.a.	Italy	56,225,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Latin America Ltda.	Brazil	1,517,568,579	BRL	100.00	CNH Industrial N.V.	85.658	
					Case Brazil Holdings Inc.	12.557	
					Case Equipment International Corporation	1.785	
CNH Industrial Maquinaria Spain S.A.	Spain	21,000,000	EUR	100.00	Iveco Espana S.L.	99.999	
CNH Industrial Osterreich GmbH	Austria	2,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Polska Sp. z o.o.	Poland	162,591,660	PLN	100.00	CNH Industrial Belgium N.V.	100.000	
CNH Industrial Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Portugal	498,798	EUR	100.00	CNH Industrial Europe Holding S.A.	99.980	
					CNH Industrial Italia s.p.a.	0.020	
CNH Industrial Sales and services GmbH	Germany	25,000	EUR	100.00	CNH Industrial Baumaschinen GmbH	100.000	
CNH Industrial Services (Thailand) Limited	Thailand	10,000,000	THB	100.00	CNH Industrial Services S.r.l.	99.997	
CNH Industrial Services S.r.l.	Italy	10,400	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
CNH Reman LLC	U.S.A.	4,000,000	USD	50.00	CNH Industrial America LLC	50.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.42%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
CNH U.K. Limited	United Kingdom	91,262,275	GBP	100.00	New Holland Holding Limited	100.000	
CNH Wholesale Receivables LLC	U.S.A.	1,000	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNHI International S.A.	Switzerland	100,000	CHF	100.00	CNH Industrial N.V.	100.000	
Effe Grundbesitz GmbH	Germany	10,225,838	EUR	83.77	Iveco Investitions GmbH	90.000	
F. Pegaso S.A.	Spain	993,045	EUR	100.00	Iveco Espana S.L.	99.996	
					Transolver Service S.A.	0.004	
Farmpower Pty Limited	Australia	360	AUD	100.00	CNH Industrial Australia Pty Limited	100.000	
Fiat Powertrain Technologies Management (Shanghai) Co. Ltd.	People's Rep.of China	2,000,000	USD	100.00	FPT Industrial S.p.A.	100.000	
Fiat Powertrain Technologies of North America, Inc.	U.S.A.	1	USD	100.00	FPT Industrial S.p.A.	100.000	
Fiatallis North America LLC	U.S.A.	32	USD	100.00	CNH Industrial America LLC	100.000	
Flagship Dealer Holding Company, LLC	U.S.A.	1	USD	100.00	CNH Industrial America LLC	100.000	
Flexi-Coil (U.K.) Limited	United Kingdom	3,291,776	GBP	100.00	CNH Industrial Canada, Ltd.	100.000	
FPT - Powertrain Technologies France S.A.	France	73,444,960	EUR	100.00	Iveco France	97.200	
					CNH Industrial Finance France S.A.	2.800	
FPT Industrial Argentina S.A.	Argentina	141,959,867	ARS	100.00	FPT Industrial S.p.A.	96.977	
					FPTI Representacao Comercial de Motores Automotivos Ltda	3.023	
FPT Industrial S.p.A.	Italy	100,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
FPT Motorenforschung AG	Switzerland	4,600,000	CHF	100.00	FPT Industrial S.p.A.	100.000	
FPTI Representacao Comercial de Motores Automotivos Ltda	Brazil	1,872,472	BRL	100.00	FPT Industrial S.p.A.	100.000	
Heuliez Bus S.A.	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
HFI Holdings Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Germany	25,565	EUR	88.42	Iveco Investitions GmbH	95.000	
Irisbus Italia S.p.A.	Italy	4,500,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco (China) Commercial Vehicle Sales Co. Ltd	People's Rep.of China	50,000,000	CNY	100.00	Iveco S.p.A.	100.000	
Iveco (Schweiz) AG	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco Arac Sanayi VE Ticaret A.S.	Turkey	24,698,000	TRY	100.00	CNH Industrial N.V.	100.000	
Iveco Argentina S.A.	Argentina	130,237,793	ARS	100.00	Iveco Espana S.L.	99.000	
					Astra Veicoli Industriali S.p.A.	1.000	
Iveco Austria GmbH	Austria	6,178,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Bayern GmbH	Germany	742,000	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Capital Broker de Asigurare - Reasigurare S.r.l.	Romenia	25,000	RON	100.00	Iveco Capital Leasing IFN S.A.	100.000	
Iveco Capital Leasing IFN S.A.	Romenia	22,519,326	RON	100.00	Iveco FS Holdings Limited	100.000	
Iveco Capital Limited	United Kingdom	798	GBP	100.00	Iveco FS Holdings Limited	100.000	
Iveco Capital Russia LLC	Russia	50,000,000	RUB	100.00	Iveco FS Holdings Limited	100.000	
Iveco Capital SA	Switzerland	14,000,000	CHF	100.00	Iveco FS Holdings Limited	100.000	
Iveco Czech Republic A.S.	Czech Republic	1,065,559,000	CZK	97.98	Iveco France	97.978	
Iveco Danmark A/S	Denmark	501,000	DKK	100.00	CNH Industrial N.V.	100.000	
Iveco Espana S.L.	Spain	132,333,109	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Est Sas	France	2,005,600	EUR	100.00	Iveco France	100.000	
Iveco Finance AG	Switzerland	1,500,000	CHF	100.00	Iveco Capital Limited	100.000	
Iveco Finance GmbH	Germany	75,775,000	EUR	100.00	Iveco Capital Limited	100.000	
Iveco Finanziaria S.p.A.	Italy	145,000,000	EUR	100.00	Iveco Capital Limited	100.000	
Iveco Finland OY	Finland	100,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco France	France	92,856,130	EUR	100.00	Iveco Espana S.L.	50.326	
					CNH Industrial N.V.	49.674	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.42%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Iveco FS Holdings Limited	United Kingdom	1,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Holdings Limited	United Kingdom	47,000,000	GBP	100.00	CNH Industrial N.V.	100.000	
Iveco Insurance Vostok LLC	Russia	740,000	RUB	100.00	Iveco FS Holdings Limited	100.000	
Iveco International Trade Finance S.A.	Switzerland	30,800,000	CHF	100.00	Iveco FS Holdings Limited	100.000	
Iveco Investitions GmbH	Germany	2,556,459	EUR	93.08	Iveco Magirus AG	99.020	
Iveco L.V.I. S.a.s.	France	503,250	EUR	100.00	Iveco France	100.000	
Iveco Latin America Ltda	Brazil	366,180,646	BRL	100.00	Iveco Espana S.L.	100.000	
Iveco Limited	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG	Germany	50,000,000	EUR	94.00	CNH Industrial N.V.	88.340	
					Iveco S.p.A.	5.660	
Iveco Magirus Fire Fighting GmbH	Germany	30,776,857	EUR	84.63	Iveco Magirus AG	90.032	
Iveco Magyarorszag Kereskedelmi KFT	Hungary	24,000,000	HUF	100.00	Iveco Austria GmbH	100.000	
Iveco Nederland B.V.	Netherlands	4,537,802	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Germany	1,611,500	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Nord S.A.	France	45,730	EUR	99.77	Iveco France	99.767	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Germany	2,120,000	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Norway	18,600,000	NOK	100.00	CNH Industrial N.V.	100.000	
Iveco Otomotiv Ticaret A.S.	Turkey	15,060,046	TRY	100.00	CNH Industrial N.V.	100.000	
Iveco Partecipazioni Finanziarie S.r.l. in liquidazione	Italy	24,952,384	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Participations s.a.s.	France	468,656	EUR	100.00	Iveco France	100.000	
Iveco Pension Trustee Ltd	United Kingdom	2	GBP	100.00	Iveco Holdings Limited	50.000	
					Iveco Limited	50.000	
Iveco Poland Sp. z o.o.	Poland	46,974,500	PLN	100.00	CNH Industrial N.V.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Portugal	15,962,000	EUR	100.00	CNH Industrial N.V.	99.998	99.997
					Astra Veicoli Industriali S.p.A.	0.001	
					Iveco Espana S.L.	0.001	
Iveco Provence s.a.s.	France	2,371,200	EUR	100.00	Iveco Participations s.a.s.	100.000	
Iveco Retail Limited	United Kingdom	100	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Romania S.r.l.	Romenia	17,500	RON	100.00	Iveco Austria GmbH	100.000	
Iveco S.p.A.	Italy	200,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Slovakia, s.r.o.	Slovack Republic	6,639	EUR	97.98	Iveco Czech Republic A.S.	100.000	
Iveco South Africa (Pty) Ltd.	South Africa	15,000,750	ZAR	100.00	CNH Industrial N.V.	100.000	
Iveco South Africa Works (Pty) Ltd	South Africa	1,000	ZAR	60.00	Iveco South Africa (Pty) Ltd.	60.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Germany	1,533,900	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B.	Sweden	600,000	SEK	100.00	CNH Industrial N.V.	100.000	
Iveco Truck Services S.R.L.	Romenia	200	RON	100.00	Iveco Romania S.r.l.	95.000	
					Iveco Magyarorszag Kereskedelmi KFT	5.000	
Iveco Trucks Australia Limited	Australia	47,492,260	AUD	100.00	CNH Industrial N.V.	100.000	
Iveco Ukraine LLC	Ukraine	49,258,692	UAH	100.00	CNH Industrial N.V.	100.000	
Iveco Venezuela C.A.	Venezuela	3,985,803	VEF	100.00	CNH Industrial N.V.	62.689	
					Iveco S.p.A.	37.311	
Iveco West Nutzfahrzeuge GmbH	Germany	3,017,000	EUR	94.00	Iveco Magirus AG	100.000	
La Garde Chaberte S.C.I.	France	2,000	EUR	100.00	Iveco Participations s.a.s.	99.500	
					Iveco France	0.500	
Le Logis De Villeneuve S.C.I.	France	2,000	EUR	100.00	Iveco Participations s.a.s.	99.500	
					Iveco France	0.500	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.42%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Les Estroublans 2 S.C.I.	France	2,000	EUR	100.00	Iveco Participations s.a.s.	99.500	
					Iveco France	0.500	
Les Estroublans de Vitrolle S.C.I.	France	2,000	EUR	100.00	Iveco Participations s.a.s.	99.500	
					Iveco France	0.500	
Les Paluds D`Aubagne S.C.I.	France	2,000	EUR	100.00	Iveco Participations s.a.s.	99.500	
					Iveco France	0.500	
Limited Liability Company "CNH Parts and Service Operations"	Russia	54,000,000	RUB	100.00	CNH Industrial N.V.	100.000	
LLC "CNH Industrial (Russia) Commercial Operations"	Russia	20,408	RUB	100.00	CNH Industrial (Russia) Commercial Operations B.V.	100.000	
LLC "CNH Industrial (Russia) Industrial Operations"	Russia	60,081,800	RUB	100.00	CNH Industrial (Russia) Industrial Operations B.V.	100.000	
MAGIRUS CAMIVA S.a.s. (societè par actions simplifièe)	France	1,870,169	EUR	84.63	Iveco Magirus Fire Fighting GmbH	100.000	
Magirus GmbH	Germany	6,493,407	EUR	84.43	Iveco Magirus Fire Fighting GmbH	99.764	
Magirus Lohr GmbH	Austria	1,271,775	EUR	84.43	Magirus GmbH	100.000	
MBA AG	Switzerland	4,000,000	CHF	100.00	CNH Industrial N.V.	100.000	
Mediterranea de Camiones S.L.	Spain	48,080	EUR	100.00	Iveco Espana S.L.	99.875	
					CNH Industrial N.V.	0.125	
New Holland Construction Machinery S.p.A.	Italy	12,396,363	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
New Holland Credit Company, LLC	U.S.A.	0	USD	100.00	CNH Industrial Capital LLC	100.000	
New Holland Fiat (India) Private Limited	India	12,485,547,400	INR	96.41	CNH Industrial Asian Holding Limited N.V.	96.407	48.965
New Holland Holding (Argentina) S.A.	Argentina	23,555,415	ARS	100.00	CNH Industrial Latin America Ltda.	100.000	
New Holland Holding Limited	United Kingdom	106,328,601	GBP	100.00	CNH Industrial Europe Holding S.A.	100.000	
New Holland Ltd	United Kingdom	1,000,000	GBP	100.00	CNH Industrial N.V.	100.000	
New Holland Tractor Ltd. N.V.	Belgium	9,631,500	EUR	100.00	New Holland Holding Limited	100.000	
O & K - Hilfe GmbH	Germany	25,565	EUR	100.00	CNH Industrial Baumaschinen GmbH	100.000	
Officine Brennero S.p.A.	Italy	2,833,830	EUR	100.00	Iveco S.p.A.	100.000	
OOO Iveco Russia	Russia	868,545,000	RUB	100.00	CNH Industrial N.V.	99.960	
					Iveco Austria GmbH	0.040	
Pryor Foundry Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Puget Les Plaines S.C.I.	France	132,631	EUR	100.00	Iveco Provence s.a.s.	99.885	
					Iveco France	0.115	
Receivables Credit II Corporation	Canada	1	CAD	100.00	CNH Industrial Capital America LLC	100.000	
S.A. Iveco Belgium N.V.	Belgium	6,000,000	EUR	100.00	CNH Industrial N.V.	99.983	
					Iveco Nederland B.V.	0.017	
SAIC Fiat Powertrain Hongyan Co. Ltd.	People's Rep.of China	580,000,000	CNY	60.00	SAIC IVECO Commercial Vehicle Investment Company Limited	60.000	
					FPT Industrial S.p.A.	30.000	
Seddon Atkinson Vehicles Ltd	United Kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	People's Rep.of China	67,000,000	USD	60.00	CNH Industrial Asian Holding Limited N.V.	60.000	
Société Charolaise de Participations S.A.	France	2,370,000	EUR	100.00	Iveco Espana S.L.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	France	7,022,400	EUR	100.00	Iveco France	100.000	
Steyr Center Nord GmbH	Austria	35,000	EUR	100.00	CNH Industrial Osterreich GmbH	100.000	
Transolver Finance S.A.S.	France	9,468,219	EUR	100.00	CNH Industrial N.V.	100.000	
Transolver Service S.A.	Spain	610,000	EUR	100.00	Iveco FS Holdings Limited	99.984	
					Iveco Espana S.L.	0.016	
Transolver Services S.A.	France	38,000	EUR	99.76	Iveco Capital Limited	99.760	
UAB Iveco Capital Baltic	Lithuania	138,500	LTL	100.00	Iveco FS Holdings Limited	100.000	
Uzcaseagroleasing LLC	Uzbekistan	5,000,000	USD	51.00	Case Credit Holdings Limited	51.000	
UzCaseMash LLC	Uzbekistan	15,000,000	USD	60.00	Case Equipment Holdings Limited	60.000	
UzCaseService LLC	Uzbekistan	5,000,000	USD	51.00	Case Equipment Holdings Limited	51.000	
UzCaseTractor LLC	Uzbekistan	15,000,000	USD	51.00	Case Equipment Holdings Limited	51.000	
Zona Franca Alari Sepauto S.A.	Spain	520,560	EUR	51.87	Iveco Espana S.L.	51.867	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 83.06%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
BIGeREALESTATE, Inc.	U.S.A.	226,236.00	USD	93.52	Cushman & Wakefield, Inc.	93.519	
Buckbee Thorne & Co.	U.S.A.	37,500.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Business Integration Group (UK) Limited	United Kingdom	1.00	GBP	93.52	BIGeREALESTATE, Inc.	100.000	
Business Integration Group, Inc.	U.S.A.	N/A	USD	93.52	BIGeREALESTATE, Inc.	100.000	
C & W Offshore Consulting, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
C & W Operacion Inmobiliaria, S.A.de C.V.	Mexico	50,000.00	MXN	100.00	Cushman & Wakefield, S. de R.L. de C.V.	99.996	
					Cushman & Wakefield de Mexico, S.A. de C.V	0.004	
C & W-Japan K.K.	Japan	200.00	JPY	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield	United Kingdom	N/A	GBP	99.00	Cushman & Wakefield (UK) Ltd.	99.000	
Cushman & Wakefield - Argentina S.A.	Argentina	1,446,108.00	ARS	99.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000	
					Cushman & Wakefield of South America, LLC	5.000	
Cushman & Wakefield - Chile Negocios Inmobiliarios Limitada	Chile	315,163,132.00	CLP	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.980	
					Cushman & Wakefield of South America, LLC	0.020	
Cushman & Wakefield - Colombia Ltda	Colombia	5,706,000.00	COP	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.895	
					Cushman & Wakefield of South America, LLC	0.105	
Cushman & Wakefield - Serviços Gerais Ltda	Brazil	10,000.00	BRL	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990	
					Cushman & Wakefield Luxembourg Holdings S.à.r.l	0.010	
Cushman & Wakefield - Sociedade de Mediacao Imobilaria, Lda	Portugal	50,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield (7 Westferry Circus) Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Site Services Limited	100.000	
Cushman & Wakefield (Hellas) Real Estate Agents and Consultants SA	Greece	60,000.00	EUR	99.99	Cushman & Wakefield (France Holdings) S.A.S.	99.995	
Cushman & Wakefield (HK) Limited	Hong Kong	373,526,359.00	HKD	100.00	Cushman & Wakefield of Asia Limited	100.000	
					Cushman & Wakefield of Asia, Inc.	0.000	
Cushman & Wakefield (Middle East) FZE	United Arab Emirates	1,000,000.00	USD	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield (NSW) Pty Limited	Australia	22,886,644.00	AUD	100.00	Cushman & Wakefield (Australia) Pty Limited	100.000	
Cushman & Wakefield (QLD) Pty Ltd.	Australia	843,626.00	AUD	100.00	Cushman & Wakefield (Australia) Pty Limited	100.000	
Cushman & Wakefield (S) Pte Limited	Singapore	38,761,597.35	SGD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield (Shanghai) Co., Ltd.	People's Rep.of China	1,800,000.00	CNY	100.00	Cushman & Wakefield (China) Limited	100.000	
Cushman & Wakefield (VIC) Pty Ltd	Australia	1,208,728.00	AUD	100.00	Cushman & Wakefield (Australia) Pty Limited	100.000	
Cushman & Wakefield (Vietnam) Limited	Vietnam	4,000,000,000.00	VND	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	100.000	
Cushman & Wakefield (Warwick Court) Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Site Services Limited	100.000	
Cushman & Wakefield 111 Wall, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield 1180, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Asset Management Italy S.r.l.	Italy	10,000.00	EUR	100.00	Cushman & Wakefield Site Services Limited	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 83.06%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
Cushman & Wakefield Consultoria Imobiliaria Ltda	Brazil	34,435,551.00	BRL	99.85	Cushman & Wakefield Luxembourg Holdings S.à.r.l	99.850	
Cushman & Wakefield Consultoria Imobiliaria, Unipessoal, Lda.	Portugal	N/A	EUR	100.00	Cushman & Wakefield - Sociedade de Mediacao Imobilaria, Lda	100.000	
Cushman & Wakefield Corporate Finance Limited	United Kingdom	10,000.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield de Mexico, S.A. de C.V	Mexico	100,000.00	MXN	100.00	Cushman & Wakefield of the Americas, Inc.	50.000	
					Cushman & Wakefield of North America, Inc.	50.000	
Cushman & Wakefield Decoration Engineering (Beijing) Co., Ltd.	People's Rep.of China	1,000,000.00	CNY	100.00	Cushman & Wakefield (China) Limited	100.000	
Cushman & Wakefield Eastern, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Expertise S.A.S.	France	37,000.00	EUR	100.00	Cushman & Wakefield S.A.S.	100.000	
Cushman & Wakefield Gayrimenkul Danismanlik Mumessillik ve Turizm Hizmetleri Anonim Sirketi	Turkey	50,000.00	TRY	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Global Services, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield India Private Limited	India	28,529,610.00	INR	100.00	Cushman & Wakefield Mauritius Holdings, Inc.	99.990	
					Cushman & Wakefield of Asia Limited	0.010	
Cushman & Wakefield International Investment Advisors, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield International Real Estate Kft.	Hungary	3,000,000.00	HUF	100.00	Cushman & Wakefield (France Holdings) S.A.S.	96.667	
					Cushman & Wakefield Residential Limited	3.333	
Cushman & Wakefield Investment Advisors K.K.	Japan	200.00	JPY	100.00	C & W-Japan K.K.	100.000	
Cushman & Wakefield Investors - Americas, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield K.K.	Japan	200.00	JPY	100.00	C & W-Japan K.K.	100.000	
Cushman & Wakefield Korea Ltd.	South Korea	100,000.00	KRW	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	100.000	
Cushman & Wakefield LLP	United Kingdom	N/A	GBP	99.00	Cushman & Wakefield (UK) Ltd.	99.000	
Cushman & Wakefield Loan.Net, Inc.	U.S.A.	20.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Ltd.	Canada	11,000.00	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	100.000	
Cushman & Wakefield Luxembourg S.à.r.l.	Luxembourg	1,250,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Malaysia Sdn Bhd	Malaysia	311,890.00	RM	100.00	Cushman & Wakefield (HK) Limited	90.000	
					Cushman & Wakefield Valuation Advisory Services (HK) Limited	10.000	
Cushman & Wakefield Management Corporation	U.S.A.	100,000.00	USD	100.00	Cushman & Wakefield State Street, Inc.	100.000	
Cushman & Wakefield Negócios Imobiliários Ltda	Brazil	77,500.00	BRL	99.99	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990	
Cushman & Wakefield of Alabama, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Arizona, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Arkansas, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of California, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Colorado, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Connecticut, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 83.06%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
Cushman & Wakefield of Delaware, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Europe, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield of Florida, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Georgia, Inc.	U.S.A.	6,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Illinois, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Indiana, Inc.	U.S.A.	5.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Kentucky, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Long Island, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Maryland, Inc	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Massachusetts, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Michigan, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Minnesota, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Mississippi, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Missouri, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Nevada, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of New Hampshire, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of New Jersey, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of North Carolina, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Ohio, Inc.	U.S.A.	500.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Oklahoma, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Oregon, Inc.	U.S.A.	1,010.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Pennsylvania, Inc.	U.S.A.	14.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of San Diego, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield of California, Inc.	100.000	
Cushman & Wakefield of Tennessee, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Texas, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Virginia, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Washington D.C., Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Washington, Inc.	U.S.A.	500.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield One Court Square Cleaning, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield OOO	Russia	8,788,898.90	RUB	100.00	Cushman & Wakefield (France Holdings) S.A.S.	99.000	
					Cushman & Wakefield International, LLC	1.000	
Cushman & Wakefield Peru S.A.	Peru	166,416.00	PEN	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.800	
					Cushman & Wakefield of South America, LLC	0.200	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 83.06%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
Cushman & Wakefield Philippines Inc.	Philippines	8,250,000.00	PHP	99.95	Cushman & Wakefield of Asia, Inc.	99.950	
Cushman & Wakefield Polska SP z.o.o.	Poland	135,588.00	PLN	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Property Management Services India Private Limited	India	100,000.00	INR	100.00	Cushman & Wakefield India Private Limited	100.000	
Cushman & Wakefield Property Management Services Kft	Hungary	3,000,000.00	HUF	100.00	Cushman & Wakefield International Real Estate Kft.	100.000	
Cushman & Wakefield Property Services Slovakia, s.r.o.	Slovack Republic	N/A	EUR	100.00	Cushman & Wakefield, s. r. o.	100.000	
Cushman & Wakefield Property Tax Services Paralegal Professional Corporation	Canada	100.00	CAD	100.00	Cushman & Wakefield Ltd.	100.000	
Cushman & Wakefield Regional, Inc.	U.S.A.	1.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Residential Limited	United Kingdom	1,000.00	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Cushman & Wakefield Risk Management Services, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield S.A.S.	France	42,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Securities, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Site Services Limited	United Kingdom	500.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield State Street, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Taiw an Limited	Taiw an	500,000.00	TWD	100.00	Cushman & Wakefield (HK) Limited	100.000	
Cushman & Wakefield Thailand Limited	Thailand	8,000,000.00	THB	99.99	Cushman & Wakefield of Asia Limited	99.999	
Cushman & Wakefield V.O.F.	Netherlands	N/A	EUR	100.00	Cushman & Wakefield Netherlands B.V.	N/A	
Cushman & Wakefield Valuation Advisory Services (HK) Limited	Hong Kong	17,000,000.00	HKD	100.00	Cushman & Wakefield (HK) Limited	100.000	
Cushman & Wakefield Venezuela, S.A.	Venezuela	1,000,000.00	VEF	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	100.000	
Cushman & Wakefield VHS Pte Limited	Singapore	1.00	SGD	100.00	Cushman & Wakefield (S) Pte Limited	100.000	
Cushman & Wakefield Western, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Zarzadzanie SP z.o.o.	Poland	50,000.00	PLN	99.00	Cushman & Wakefield Polska SP z.o.o.	99.000	
Cushman & Wakefield, Inc.	U.S.A.	0.01	USD	100.00	Cushman & Wakefield Holdings, Inc.	100.000	
Cushman & Wakefield, S. de R.L. de C.V.	Mexico	16,200,000.00	MXN	100.00	Cushman & Wakefield de Mexico, S.A. de C.V	99.994	
					Cushman & Wakefield of the Americas, Inc.	0.006	
Cushman & Wakefield, s. r. o.	Czech Republic	100,000.00	CZK	100.00	Cushman & Wakefield (France Holdings) S.A.S.	80.000	
					Cushman & Wakefield Global Holdco Limited	20.000	
Cushman & Wakefield/PREMISYS Colorado, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield/PREMISYS, Inc.	64.000	
					Cushman & Wakefield, Inc.	16.000	
Cushman & Wakefield/PREMISYS, Inc.	U.S.A.	97.00	USD	100.00	Cushfield, Inc.	100.000	
PT Cushman & Wakefield Indonesia f/k/a PT Property Advisory Indonesia	Indonesia	5,000.00	IDR	98.00	Cushman & Wakefield Indonesia Holdings Pte Ltd.	98.000	
The Apartment Group LLC	U.S.A.	200.00	USD	100.00	Cushman & Wakefield of Georgia, Inc.	100.000	
Massey Knakal Capital Services, LLC	U.S.A.	N/A	USD	100.00	Massey Knakal Realty, LLC	100.000	
Massey Knakal Realty of Brooklyn, LLC	U.S.A.	N/A	USD	100.00	Massey Knakal Realty, LLC	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 83.06%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
Massey Knakal Realty of Manhattan, LLC	U.S.A.	N/A	USD	100.00	Massey Knakal Realty, LLC	100.000	
Massey Knakal Realty of New Jersey, LLC	U.S.A.	N/A	USD	100.00	Massey Knakal Realty, LLC	100.000	
Massey Knakal Realty of Queens, LLC	U.S.A.	N/A	USD	100.00	Massey Knakal Realty, LLC	100.000	
Massey Knakal Realty of the Bronx, LLC	U.S.A.	N/A	USD	100.00	Massey Knakal Realty, LLC	100.000	
Massey Knakal Realty Retail Leasing Services, LLC	U.S.A.	N/A	USD	100.00	Massey Knakal Realty, LLC	100.000	
Asset Services							
Cushman & Wakefield Asset Management K.K.	Japan	11,900.00	JPY	100.00	Cushman & Wakefield Investment Advisors K.K.	100.000	
Cushman & Wakefield Asset Management, Inc.	U.S.A.	1.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Facilities Management Services	Canada	1,000.00	CAD	100.00	Cushman & Wakefield Ltd.	50.000	
					Cushman & Wakefield FM Limited Partnership	50.000	
Cushman & Wakefield FM Limited Partnership	Canada	N/A	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	99.000	
					Cushman & Wakefield GP Inc.	1.000	
Holding							
Cushman & Wakefield (BVI) Inc	British Virgin Islands	100.00	USD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield (EMEA) Limited	United Kingdom	15,170,519.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield (France Holdings) S.A.S.	France	7,910,207.00	EUR	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield (UK) Services Ltd.	United Kingdom	15,398,538.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield Capital Holdings (Asia)	Belgium	5,520,471.79	EUR	100.00	Cushman & Wakefield International, LLC	99.660	
					Cushman & Wakefield of Asia, Inc.	0.340	
Cushman & Wakefield Global Holdco Limited	United Kingdom	19,799,471.00	EUR	100.00	Cushman & Wakefield Luxembourg Holdings S.à.r.l	100.000	
Cushman & Wakefield Holdings, Inc.	U.S.A.	0.01	USD	100.00	C&W Group Inc.	100.000	
Cushman & Wakefield Indonesia Holdings Pte Ltd.	Singapore	603,740.00	SGD	60.00	Cushman & Wakefield Singapore Holdings Pte Limited	60.000	
Cushman & Wakefield Industrial Dutch Holdings B.V.	Netherlands	18,000.00	EUR	100.00	Cushman & Wakefield, Inc.	97.778	
					Cushman & Wakefield of South America, LLC	2.222	
Cushman & Wakefield International Finance Subsidiary, LLC	U.S.A.	1.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield International, LLC	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Luxembourg Holdings S.à.r.l	Luxembourg	12,600.00	EUR	100.00	Cushman & Wakefield Industrial Dutch Holdings B.V.	100.000	
Cushman & Wakefield Mauritius Holdings, Inc.	Mauritius	500,000.00	USD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield of Asia Limited	British Virgin Islands	5,051,019.64	USD	100.00	Cushman & Wakefield (BVI) Inc	4.846	
					Cushman & Wakefield (EMEA) Limited	25.099	
					Cushman & Wakefield of Asia, Inc.	70.055	
Cushman & Wakefield of Asia, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield of the Americas, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 83.06%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Holding							
Cushman & Wakefield Singapore Holdings Pte Limited	Singapore	44,158,037.96	SGD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Massey Knakal Realty, LLC	U.S.A.	N/A	USD	100.00	Cushman & Wakefield, Inc.	100.000	
REIT Management							
Cushman & Wakefield Realty Advisors, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Business Support Management							
Cushman & Wakefield Facilities Management (Greece) Monoprosopi EPE	Greece	18,000.00	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management AB	Sweden	100,000.00	SEK	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Denmark Aps	Denmark	125.00	DKK	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management France S.a.r.l.	France	8,000.00	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Ireland Limited	Ireland	100.00	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Limited	United Kingdom	8,030.00	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Cushman & Wakefield Facilities Management Romania S.r.l.	Romenia	200.00	RON	100.00	Cushman & Wakefield Facilities Management Trading Limited	95.000	
					Cushman & Wakefield Facilities Management Limited	5.000	
Cushman & Wakefield Facilities Management S.p.r.l.	Belgium	18,549.97	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Trading Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Facilities Management Limited	100.000	
Cushman & Wakefield Facilities Management, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Building Management Services							
Cushfield Maintenance Corp.	U.S.A.	10.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushfield Maintenance West Corp.	U.S.A.	1,000.00	USD	100.00	Buckbee Thorne & Co.	100.000	
Cushfield, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield National Corporation	U.S.A.	5,100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Design, Build & Project Management							
Cushman & Wakefield Project Management Services Philippines Inc.	Philippines	9,400,000.00	PHP	100.00	Cushman & Wakefield of Asia, Inc.	40.000	(*)
Others							
Cushman & Wakefield (Australia) Pty Limited	Australia	32,991,741.00	AUD	100.00	Cushman & Wakefield Holding Pty Limited	1.520	
					Cushman & Wakefield Singapore Holdings Pte Limited	98.480	
Cushman & Wakefield (China) Limited	Hong Kong	3.00	HKD	100.00	Cushman & Wakefield of Asia Limited	66.667	
					Cushman & Wakefield (HK) Limited	33.333	
Cushman & Wakefield (UK) Ltd.	United Kingdom	15,398,536.00	GBP	100.00	Cushman & Wakefield (UK) Services Ltd.	100.000	
Cushman & Wakefield Advisory Asia (India) Private Limited	India	21,000,000.00	INR	100.00	Cushman & Wakefield Capital Holdings (Asia)	99.000	
					Cushman & Wakefield of Asia, Inc.	1.000	
Cushman & Wakefield Canada Limited Partnership	Canada	N/A	CAD	100.00	Cushman & Wakefield First Nova Scotia ULC	99.900	
					Cushman & Wakefield Second Nova Scotia ULC	0.100	

(*) Consolidated at 100% pursuant to a Management agreement between Cushman & Wakefield of Asia Inc. and the nominee shareholders.

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 83.06%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Others							
Cushman & Wakefield Capital Asia (HK) Limited	Hong Kong	100,000,000.00	HKD	100.00	Cushman & Wakefield Capital Holdings (Asia)	100.000	
Cushman & Wakefield Capital Asia Limited	Hong Kong	86,226,914.00	HKD	100.00	Cushman & Wakefield of Asia, Inc.	100.000	
Cushman & Wakefield Cleaning Services, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield First Nova Scotia ULC	Canada	54,095,481.16	CAD	100.00	Cushman & Wakefield International Finance Subsidiary, LLC	100.000	
Cushman & Wakefield GP Inc.	Canada	100.00	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	100.000	
Cushman & Wakefield Holding Pty Limited	Australia	1.00	AUD	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	100.000	
Cushman & Wakefield Investors Asia Ltd.	Hong Kong	37,116,943.00	HKD	100.00	Cushman & Wakefield Capital Holdings (Asia)	100.000	
Cushman & Wakefield Netherlands B.V.	Netherlands	40,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield New Canada Limited Partnership	Canada	N/A	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	99.990	
					Cushman & Wakefield Second Nova Scotia ULC	0.010	
Cushman & Wakefield of North America, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield of South America, LLC	U.S.A.	100.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield Operacion de Servicios, S.A. de C.V.	Mexico	50,000.00	MXN	100.00	Cushman & Wakefield, S. de R.L. de C.V.	99.996	
					Cushman & Wakefield de Mexico, S.A. de C.V	0.004	
Cushman & Wakefield Second Nova Scotia ULC	Canada	100.00	CAD	100.00	Cushman & Wakefield International Finance Subsidiary, LLC	100.000	
Cushman & Wakefield Servicios, S.A. de C.V	Mexico	50,000.00	MXN	100.00	Cushman & Wakefield, S. de R.L. de C.V.	99.996	
					Cushman & Wakefield de Mexico, S.A. de C.V	0.004	
Cushman & Wakefield Spain Limited	United Kingdom	1,000.00	GBP	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield U.K. Limited Partnership	United Kingdom	N/A	GBP	100.00	Cushman & Wakefield Luxembourg Holdings S.à.r.l	98.000	
					Cushman & Wakefield Global Holdco Limited	2.000	
Nottingham Indemnity, Inc.	U.S.A.	100,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
OTHER COMPANIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
Cushman & Wakefield (Bahrain) W.L.L.	Bahrain	20,000.00	BD	100.00	Cushman & Wakefield (Middle East) FZE	N/A	

(*) Pursuant to a Management agreement between Cushman & Wakefield (Bahrain) W.L.L. and Cushman & Wakefield (Middle East) FZE.

Investments of the Holdings System accounted for by the equity method

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
ASSOCIATED COMPANIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Real Estate							
Almacantar S.A.	Luxembourg	385,712,498.00	GBP	38.29	EXOR S.A.	38.288	

Investments of FCA Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
NAFTA							
United States Council for Automotive Research LLC	U.S.A.	100	USD	33.33	FCA US LLC	33.330	
APAC							
GAC FIAT Automobiles Co. Ltd.	People's Rep.of China	2,400,000,000	CNY	50.00	FCA Italy S.p.A.	50.000	
EMEA							
FGA CAPITAL S.p.A.	Italy	700,000,000	EUR	50.00	FCA Italy S.p.A.	50.000	
FAL Fleet Services S.A.S.	France	3,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FC France S.A.	France	11,360,000	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Bank G.m.b.H.	Austria	5,000,000	EUR	50.00	FGA CAPITAL S.p.A.	50.000	
					Fidis S.p.A.	25.000	
FGA Bank Germany GmbH	Germany	39,600,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL BELGIUM S.A.	Belgium	3,718,500	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Capital Danmark A/S	Denmark	14,154,000	DKK	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL HELLAS S.A.	Greece	1,200,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IFIC SA	Portugal	10,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IRELAND Public Limited Company	Ireland	132,562	EUR	50.00	FGA CAPITAL S.p.A.	99.994	
FGA Capital Netherlands B.V.	Netherlands	3,085,800	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL RE Limited	Ireland	1,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Services Spain S.A.	Spain	25,145,299	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Spain E.F.C. S.A.	Spain	26,671,557	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL UK LTD.	United Kingdom	50,250,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CONTRACTS UK LTD.	United Kingdom	19,000,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Distribuidora Portugal S.A.	Portugal	500,300	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA INSURANCE HELLAS S.A.	Greece	60,000	EUR	49.99	FGA CAPITAL HELLAS S.A.	99.975	
FGA Leasing GmbH	Austria	40,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Leasing Polska Sp. z o.o.	Poland	24,384,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
FGA WHOLESALE UK LTD.	United Kingdom	20,500,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
Fiat Bank Polska S.A.	Poland	125,000,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Finance (Suisse) S.A.	Switzerland	24,100,000	CHF	50.00	FGA CAPITAL S.p.A.	100.000	
FL Auto Snc	France	8,954,581	EUR	50.00	FC France S.A.	99.998	
FL Location SNC	France	76,225	EUR	49.99	FC France S.A.	99.980	
Leasys S.p.A.	Italy	77,979,400	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FER MAS Oto Ticaret A.S.	Turkey	5,500,000	TRY	37.64	Tofas-Turk Otomobil Fabrikasi A.S.	99.418	
Koc Fiat Kredi Tuketici Finansmani A.S.	Turkey	30,000,000	TRY	37.86	Tofas-Turk Otomobil Fabrikasi A.S.	100.000	
Tofas-Turk Otomobil Fabrikasi A.S.	Turkey	500,000,000	TRY	37.86	FCA Italy S.p.A.	37.856	
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
Hubei Huazhoung Magneti Marelli Automotive Lighting Co. Ltd	People's Rep.of China	138,846,000	CNY	50.00	Automotive Lighting Reutlingen GmbH	50.000	
Magneti Marelli Motherson Auto System Limited	India	1,400,000,000	INR	50.00	Magneti Marelli S.p.A.	36.429	0.000
					Magneti Marelli Motherson India Holding B.V.	27.143	100.000
Magneti Marelli Motherson India Holding B.V.	Netherlands	2,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli Motherson Shock Absorbers (India) Private Limited	India	1,539,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli SKH Exhaust Systems Private Limited	India	274,190,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli Talbros Chassis Systems Pvt. Ltd.	India	120,600,000	INR	50.00	Sistemi Sospensioni S.p.A.	50.000	
SAIC MAGNETI MARELLI Powertrain Co. Ltd	People's Rep.of China	23,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
SKH Magneti Marelli Exhaust Systems Private Limited	India	95,450,000	INR	46.62	Magneti Marelli S.p.A.	46.621	50.000
Zhejiang Wanxiang Magneti Marelli Shock Absorbers Co. Ltd.	People's Rep.of China	100,000,000	CNY	50.00	Magneti Marelli S.p.A.	50.000	
TEKSID							
Hua Dong Teksid Automotive Foundry Co. Ltd.	People's Rep.of China	385,363,500	CNY	42.40	Teksid S.p.A.	50.000	

Investments of FCA Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHOD							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
NAFTA							
Alhambra Chrysler Jeep Dodge, Inc.	U.S.A.	1,272,700	USD	100.00	FCA US LLC	100.000	
Downriver Dodge, Inc.	U.S.A.	604,886	USD	100.00	FCA US LLC	100.000	
Gwinnett Automotive Inc.	U.S.A.	3,505,019	USD	100.00	FCA US LLC	100.000	
La Brea Avenue Motors, Inc.	U.S.A.	7,373,800	USD	100.00	FCA US LLC	100.000	
North Tampa Chrysler Jeep Dodge, Inc.	U.S.A.	1,014,700	USD	100.00	FCA US LLC	100.000	
Superstition Springs Chrysler Jeep, Inc.	U.S.A.	675,400	USD	100.00	FCA US LLC	100.000	
Superstition Springs MID LLC	U.S.A.	3,000,000	USD	100.00	CG MID LLC	100.000	
EMEA							
AC Austro Car Handelsgesellschaft m.b.h. & Co. OHG	Austria	0	EUR	100.00	FGA Austro Car GmbH	100.000	
ALFA ROMEO INC.	U.S.A.	0	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Chrysler Jeep Ticaret A.S.	Turkey	5,357,000	TRY	99.96	CG EU NSC LIMITED	99.960	
Fabbrica Italia Mirafiori S.p.A.	Italy	200,000	EUR	100.00	FGA Real Estate Services S.p.A.	100.000	
GESTIN POLSKA Sp. z o.o.	Poland	500,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Italcar SA	Morocco	4,000,000	MAD	99.85	Fiat Group Automobiles Maroc S.A.	99.900	
Sirio Polska Sp. z o.o.	Poland	1,350,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
Cofap Fabricadora de Pecas Ltda	Brazil	75,720,716	BRL	68.34	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
COMAU							
COMAU Czech s.r.o.	Czech Republic	5,400,000	CZK	100.00	Comau S.p.A.	100.000	
OTHER ACTIVITIES: HOLDING COMPANIES AND OTHER COMPANIES							
Fiat (China) Business Co., Ltd.	People's Rep.of China	3,000,000	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Argentina	150,000	ARS	99.96	Rimaco S.A.	99.960	
ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
APAC							
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	People's Rep.of China	555,999,999	CNY	33.33	Fiat Partecipazioni S.p.A.	33.333	
Haveco Automotive Transmission Co. Ltd.	People's Rep.of China	200,010,000	CNY	33.33	Fiat Partecipazioni S.p.A.	33.330	
EMEA							
Arab American Vehicles Company S.A.E.	Egypt	6,000,000	USD	49.00	FCA US LLC	49.000	
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
HMC MM Auto Ltd	India	214,500,000	INR	40.00	Magneti Marelli S.p.A.	40.000	
OTHER ACTIVITIES: HOLDING COMPANIES AND OTHER COMPANIES							
Iveco-Motor Sich, Inc.	Ukraine	26,568,000	UAH	38.62	Fiat Partecipazioni S.p.A.	38.618	
Otoyol Sanayi A.S. in liquidation	Turkey	52,674,386	TRY	27.00	Fiat Partecipazioni S.p.A.	27.000	
RCS MediaGroup S.p.A.	Italy	475,134,602	EUR	16.73	Fiat Chrysler Automobiles N.V.	16.734	

Investments of CNH Industrial Group accounted for by the equity method (percentage of EXOR Group consolidation: 27.42%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD							
Case Mexico S.A. de C.V.	Mexico	810,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Belgium	1,100,000	EUR	50.00	CNH Industrial N.V.	50.000	
CNH Comercial, SA de C.V.	Mexico	160,050,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	Mexico	165,276,000	MXN	50.00	CNH Industrial N.V.	50.000	
CNH Industrial S.A. de C.V.	Mexico	200,050,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V., SOFOM, E.N.R.	Mexico	50,000,000	MXN	49.00	CNH Industrial N.V.	49.000	
CNH Servicios Corporativos S.A. de C.V.	Mexico	375,000	MXN	50.00	CNH de Mexico SA de CV	99.999	
Iveco - Oto Melara Società consortile r.l.	Italy	40,000	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Acentro S.p.A.	Italy	3,000,000	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Orecchia S.p.A.	Italy	8,000,000	EUR	50.00	Iveco S.p.A.	50.000	
Naveco (Nanjing IVECO Motor Co.) Ltd.	People's Rep.of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
New Holland HFT Japan Inc.	Japan	240,000,000	JPY	50.00	CNH Industrial N.V.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	People's Rep.of China	224,500,000	USD	50.00	Iveco S.p.A.	50.000	
SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	People's Rep.of China	1,900,000,000	CNY	33.50	SAIC IVECO Commercial Vehicle Investment Company Limited	67.000	
SAIC-IVECO Hongyan Axle Co. Ltd.	People's Rep.of China	170,000,000	CNY	33.50	SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	100.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Spain	23,315,344	EUR	50.00	CNH Industrial N.V.	50.000	
Turk Traktor Ve Ziraat Makineleri A.S.	Turkey	53,369,000	TRY	37.50	CNH Industrial Osterreich GmbH	37.500	
SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHOD							
Iveco Colombia S.a.s.	Colombia	7,596,249,000	COP	100.00	Iveco Venezuela C.A.	99.990	
					Iveco Latin America Ltda	0.010	
Northside New Holland Inc.	U.S.A.	250,000	USD	68.12	CNH Industrial America LLC	68.120	
ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD							
Al-Ghazi Tractors Ltd	Pakistan	289,821,005	PKR	43.17	CNH Industrial N.V.	43.169	
CNH Industrial Capital Europe S.a.S.	France	88,482,297	EUR	49.90	CNH Industrial N.V.	49.900	
Farm FZCO	United Arab Emirates	6,600,000	AED	28.79	CNH Industrial Italia s.p.a.	28.788	
GEIE V.IV.RE in liq.	France	0	EUR	50.00	Iveco S.p.A.	50.000	
IVECO-AMT Ltd.	Russia	65,255,056	RUB	33.33	CNH Industrial N.V.	33.330	

Investments of FCA Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES VALUED AT COST							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
NAFTA							
CarCo Intermediate Mexico LLC	U.S.A.	1	USD	100.00	Chrysler Mexico Investment Holdings Cooperatie U.A.	100.000	
CHRYSLER GROUP DUTCH OPERATING LLC	U.S.A.	0	USD	100.00	CNI CV	100.000	
Chrysler Receivables 1 Inc.	Canada	100	CAD	100.00	Chrysler Canada Inc.	100.000	
Chrysler Receivables 2 Inc.	Canada	100	CAD	100.00	Chrysler Canada Inc.	100.000	
Chrysler Receivables Limited Partnership	Canada	0	CAD	100.00	Chrysler Canada Inc.	99.990	
					Chrysler Receivables 1 Inc.	0.005	
					Chrysler Receivables 2 Inc.	0.005	
FCA Co-Issuer Inc.	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
Fundacion Chrysler, I.A.P.	Mexico	0	MXN	100.00	Chrysler de Mexico S.A. de C.V.	100.000	
The Chrysler Foundation	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
LATAM							
(*) SBH EXTRUSAO DO BRASIL LTDA.	Brazil	15,478,371	BRL	100.00	SBH Extrusion Srl	100.000	
EMEA							
Banbury Road Motors Limited	United Kingdom	100	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Chrysler Netherlands Holding Cooperatie U.A.	Netherlands	0	EUR	100.00	CNI CV	99.000	
					CHRYSLER GROUP DUTCH OPERATING LLC	1.000	
Chrysler UK Pension Trustees Limited	United Kingdom	1	GBP	100.00	Chrysler UK Limited	100.000	
CNI CV	Netherlands	0	EUR	100.00	FCA US LLC	99.000	
					FCA MINORITY LLC	1.000	
CODEFIS Società consortile per azioni	Italy	120,000	EUR	51.00	FCA Italy S.p.A.	51.000	
CONSORZIO FIAT ENERGY	Italy	7,000	EUR	54.97	Comau S.p.A.	14.286	
					FCA Italy S.p.A.	14.286	
					Plastic Components and Modules Automotive S.p.A.	14.286	
					Teksid S.p.A.	14.286	
Consorzio Servizi Balocco	Italy	10,000	EUR	91.37	FCA Italy S.p.A.	77.800	
					Ferrari S.p.A.	5.300	
					Fiat Powertrain Technologies SpA	4.500	
					Maserati S.p.A.	2.800	
					Abarth & C. S.p.A.	1.500	
FAS FREE ZONE Ltd. Kragujevac	Serbia	2,281,603	RSD	66.67	FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	100.000	
FGA Russia S.r.l.	Italy	1,682,028	EUR	100.00	FCA Italy S.p.A.	100.000	
FIAT GROUP AUTOMOBILES FINLAND Oy	Finland	50,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Motor Sales Ltd	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
OOO "CABEKO"	Russia	181,869,062	RUB	100.00	FGA Russia S.r.l.	99.591	
					FCA Italy S.p.A.	0.409	
(*) SBH Extrusion Srl	Italy	30,000	EUR	100.00	FCA Partec S.p.A.	100.000	
VM North America Inc.	U.S.A.	1,000	USD	100.00	FCA Italy S.p.A.	100.000	

(*) Asset held for sale.

Investments of FCA Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES VALUED AT COST							
BUSINESS AUTO: LUXURY AND PERFORMANCE BRANDS							
FERRARI							
Scuderia Ferrari Club S.c. a r.l.	Italy	105,000	EUR	84.99	Ferrari S.p.A.	94.438	
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
Magneti Marelli Stamping & Welding Industria e Comercio Automotivos Ltda	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
					Magneti Marelli Cofap Fabricadora de Pecas Ltda	0.100	
Magneti Marelli Suspansiyon Sistemleri Limited Sirketi	Turkey	520,000	TRY	99.99	Sistemi Sospensioni S.p.A.	100.000	
Magneti Marelli Trim Parts Industria e Comercio Ltda	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
					Magneti Marelli Cofap Fabricadora de Pecas Ltda	0.100	
New Business 34 S.r.l.	Italy	50,000,000	EUR	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
COMAU							
Consorzio Fermag in liquidation	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	
OTHER ACTIVITIES: HOLDING COMPANIES AND OTHER COMPANIES							
Fiat Chrysler Finance Netherlands B.V.	Netherlands	1	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Fiat Common Investment Fund Limited	United Kingdom	2	GBP	100.00	Fiat U.K. Limited	100.000	
Fiat Investimenti S.p.A.	Italy	120,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Investments S.p.A.	Italy	120,000	EUR	100.00	New Business Netherlands N.V.	100.000	
Fiat Oriente S.A.E. in liquidation	Egypt	50,000	EGP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni India Private Limited	India	28,605,400	INR	100.00	Fiat Partecipazioni S.p.A.	99.825	
					Fiat Group Purchasing S.r.l.	0.175	
Fides Corretagens de Seguros Ltda	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998	
Isvor Fiat India Private Ltd. in liquidation	India	1,750,000	INR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 29 S.c.r.l.	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	80.000	
					Fiat Chrysler Automobiles N.V.	20.000	
New Business 30 S.r.l.	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 35 s.r.l.	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 36 s.r.l.	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business Netherlands N.V.	Netherlands	50,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
OOO Sadi Rus	Russia	2,700,000	RUB	100.00	Sadi Polska-Agencja Celna Sp. z o.o.	90.000	
					Fiat Services Polska Sp. z o.o.	10.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	Italy	120,000	EUR	97.73	Fiat Partecipazioni S.p.A.	76.722	
					Fiat Chrysler Automobiles N.V.	18.003	
					Editrice La Stampa S.p.A.	0.439	
					FCA Italy S.p.A.	0.439	
					Comau S.p.A.	0.220	
					Ferrari S.p.A.	0.220	
					Fiat Chrysler Finance S.p.A.	0.220	
					Fiat Group Marketing & Corporate Communication S.p.A.	0.220	
					Fiat Powertrain Technologies SpA	0.220	
					Fiat Services S.p.A.	0.220	
					Fiat Servizi per l'Industria S.c.p.a.	0.220	
					Magneti Marelli S.p.A.	0.220	
					Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.220	
					Teksid S.p.A.	0.220	

Investments of FCA Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
ASSOCIATED COMPANIES VALUED AT COST							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
EMEA							
Consorzio ATA - FORMAZIONE	Italy	16,670	EUR	40.01	C.R.F. Società Consortile per Azioni	40.012	
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Italy	20,000	EUR	30.00	FCA Italy S.p.A.	30.000	
Consorzio Prode	Italy	51,644	EUR	20.00	C.R.F. Società Consortile per Azioni	20.000	
Innovazione Automotive e Metalmeccanica Scrl	Italy	115,000	EUR	24.52	FCA Italy S.p.A.	17.391	
					C.R.F. Società Consortile per Azioni	6.957	
					Sistemi Sospensioni S.p.A.	0.174	
New Holland Fiat (India) Private Limited	India	12,485,547,400	INR	3.59	FCA Italy S.p.A.	3.593	51.035
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Italy	100,000	EUR	25.00	C.R.F. Società Consortile per Azioni	25.000	
Turin Auto Private Ltd. in liquidation	India	43,300,200	INR	50.00	FGA Investimenti S.p.A.	50.000	
BUSINESS AUTO: LUXURY AND PERFORMANCE BRANDS							
FERRARI							
Senator Software Gmbh	Germany	25,565	EUR	39.69	Ferrari Financial Services AG	49.000	
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
Auto Componentistica Mezzogiorno - A.C.M. Melfi Società Consortile a responsabilità limitata	Italy	40,000	EUR	28.25	Plastic Components and Modules Automotive S.p.A.	16.500	
					Sistemi Sospensioni S.p.A.	11.750	
Bari Servizi Industriali S.c.r.l.	Italy	24,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
CF Gomma S.r.l.	Italy	1,000,000	EUR	40.00	Magneti Marelli S.p.A.	40.000	
Flexider S.p.A.	Italy	4,080,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
Mars Seal Private Limited	India	400,000	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Turkey	3,800,000	TRY	28.00	Magneti Marelli S.p.A.	28.000	
OTHER ACTIVITIES: HOLDING COMPANIES AND OTHER COMPANIES							
ANFIA Automotive S.c.r.l.	Italy	20,000	EUR	20.00	C.R.F. Società Consortile per Azioni	5.000	
					FCA Italy S.p.A.	5.000	
					Fiat Information Technology, Excellence and Methods S.p.A.	5.000	
					Magneti Marelli S.p.A.	5.000	
FMA-Consultoria e Negocios Ltda	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
Maxus MC2 S.p.A.	Italy	219,756	EUR	20.00	Fiat Partecipazioni S.p.A.	20.000	
Parco Industriale di Chivasso Società Consortile a responsabilità limitata	Italy	10,000	EUR	30.40	Fiat Partecipazioni S.p.A.	25.800	
					Plastic Components and Modules Automotive S.p.A.	4.600	
To-dis S.r.l.	Italy	510,000	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
OTHER COMPANIES							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
EMEA							
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Italy	90,131	EUR	11.57	C.R.F. Società Consortile per Azioni	5.787	
					FCA Italy S.p.A.	5.787	
Consorzio Technapoli	Italy	1,626,855	EUR	11.11	C.R.F. Società Consortile per Azioni	11.110	
BUSINESS AUTO: LUXURY AND PERFORMANCE BRANDS							
FERRARI							
Nuova Didactica S.c. a r.l.	Italy	112,200	EUR	14.73	Ferrari S.p.A.	16.364	
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
Editori Riuniti S.p.A. in liquidation	Italy	441,652	EUR	13.11	Plastic Components and Modules Holding S.p.A.	13.110	
OTHER ACTIVITIES: HOLDING COMPANIES AND OTHER COMPANIES							
Consorzio Edicola Italiana	Italy	60,000	EUR	16.67	Editrice La Stampa S.p.A.	16.667	
Consorzio Lingotto	Italy	9,612	EUR	18.26	Fiat Partecipazioni S.p.A.	12.856	
					Fiat Chrysler Automobiles N.V.	5.400	
Distretto Meccatronico Regionale Della Puglia S.c.a r.l. "MEDIS Scarl"	Italy	150,000	EUR	13.33	C.R.F. Società Consortile per Azioni	6.667	
					Magneti Marelli S.p.A.	6.667	
Fin.Priv. S.r.l.	Italy	20,000	EUR	14.29	Fiat Chrysler Automobiles N.V.	14.285	

Investments of CNH Industrial Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES VALUED AT COST							
Altra S.p.A.	Italy	516,400	EUR	100.00	Iveco S.p.A.	100.000	
Case Construction Equipment, Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case IH Agricultural Equipment, Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
CNH Industrial Korea LLC	South Korea	1,000,000,000	KRW	100.00	CNH Industrial N.V.	100.000	
Componentes Mecanicos S.A.	Spain	1,135,037	EUR	100.00	Iveco Espana S.L.	100.000	
Employers Health Initiatives LLC	U.S.A.	790,000	USD	100.00	CNH Industrial America LLC	100.000	
Fermec North America Inc.	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
International Harvester Company	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Iveco Defence Vehicles SpA	Italy	1,000,000	EUR	100.00	Iveco S.p.A.	100.000	
J.I. Case Company Limited	United Kingdom	2	GBP	100.00	Case United Kingdom Limited	100.000	
MVPC LLC	Russia	10,000	RUB	50.00	OOO Iveco Russia	50.000	
New Industrial Business 1 s.r.l.	Italy	50,000	EUR	100.00	CNH Industrial N.V.	100.000	
New Industrial Business 2 s.r.l.	Italy	50,000	EUR	100.00	CNH Industrial N.V.	100.000	
New Industrial Business 3 s.r.l.	Italy	50,000	EUR	100.00	CNH Industrial N.V.	100.000	
RosCaseMash	Russia	0	RUB	38.25	Case Equipment Holdings Limited	38.250	51.000
ASSOCIATED COMPANIES VALUED AT COST							
CONSORZIO FIAT ENERGY	Italy	7,000	EUR	42.86	CNH Industrial Italia s.p.a.	14.286	
					FPT Industrial S.p.A.	14.286	
					Iveco S.p.A.	14.286	
Consorzio Nido Industria Vallesina	Italy	53,903	EUR	38.73	CNH Industrial Italia s.p.a.	38.728	
Sotra S.A.	Ivory Coast	3,000,000,000	XOF	39.80	Iveco France	39.800	
Trucks & Bus Company	Libya	96,000,000	LYD	25.00	Iveco Espana S.L.	25.000	
OTHER COMPANIES VALUED AT COST							
CODEFIS Società consortile per azioni	Italy	120,000	EUR	19.00	CNH Industrial Capital U.K. Ltd	19.000	
Nuova Didactica S.c. a r.l.	Italy	112,200	EUR	12.27	CNH Industrial Italia s.p.a.	12.273	
Polagris S.A.	Lithuania	1,133,400	LTL	11.05	CNH Industrial Polska Sp. z o.o.	11.054	

Investments of C&W Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
OTHER COMPANIES - VALUED AT COST							
Real Estate Services							
NorthMarq Real Estate Services, LLC	U.S.A.	N/A	USD	12.00	Cushman & Wakefield of Minnesota, Inc.	12.000	
Sojitz Reit Advisors K.K	Japan	27,000,000.00	JPY	18.00	Cushman & Wakefield Asset Management K.K	18.000	

Significant investments of the Holdings System

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
OTHER COMPANIES - SIGNIFICANT INVESTMENTS OF THE HOLDINGS SYSTEM							
Holdings and Others							
Banca Leonardo S.p.A.	Italy	100,565,000.00	EUR	N/A	EXOR S.A.	17.366	
Banijay Holding S.A.S.	France	2,057,501.00	EUR	N/A	EXOR S.A.	17.088	17.172
Sequana S.A.	France	51,060,304.00	EUR	N/A	EXOR S.A.	10.845	10.499

Attestation of the Consolidated Financial Statements according to art. 154-*bis*, Paragraph 5, of Legislative Decree 58/98

We, the undersigned, John Elkann, Chairman and Chief Executive Officer, and Enrico Vellano, executive responsible for the preparation of the financial reports of EXOR S.p.A. attest, pursuant to the provisions of art. 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998, to:

- the adequacy with respect to the Company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the Company's consolidated financial statements at December 31, 2014.

We also attest that:

- the consolidated financial statements:
    - have been prepared in accordance with applicable International Financial Reporting Standards, as endorsed by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council of July 19, 2002;
    - correspond to the amounts shown in the Company's accounts, books and records;
    - provide a true and correct representation of the financial condition, results of operations and cash flows of the Company and its consolidated subsidiaries;
- the Report on Operations includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

Turin, April 14 2015

Chairman and Chief Executive Officer
John Elkann

Executive responsible for the preparation
of the Company's financial reports
Enrico Vellano

Reconta Ernst & Young S.p.A.
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Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated January 27, 2010
(Translation from the original Italian text)

To the Shareholders
of EXOR S.p.A.

1. We have audited the consolidated financial statements of EXOR S.p.A. and its subsidiaries, (the "EXOR Group") as of December 31, 2014 and for the year then ended, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of EXOR S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

   With respect to the comparative data related to the consolidated financial statements of the prior year and the statement of financial position at January 1, 2013, derived from the consolidated financial statements at December 31, 2012, all restated as a result of the retrospective application of IFRS 11 - Joint Arrangements, as described in the related explanatory notes, reference should be made, to our reports issued, respectively, on April 11, 2014 and April 17, 2013. We have examined the methods used to restate the comparative financial data and the information presented in the explanatory notes in this respect for the purposes of issuing this opinion.

3. In our opinion, the consolidated financial statements of the EXOR Group at December 31, 2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the EXOR Group for the year then ended.

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4. The Directors of EXOR S.p.A. are responsible for the preparation, in accordance with the applicable laws and regulations, of the Report on Operations and the Report on Corporate Governance published in the section "Corporate Governace" of EXOR S.p.A.'s website. Our responsibility is to express an opinion on the consistency with the financial statements of the Report on Operations and of the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance, as required by law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) in the Report on Corporate Governance, are consistent with the consolidated financial statements of the EXOR Group at December 31, 2014.

Turin, April 16, 2015

Reconta Ernst & Young S.p.A.
Signed by: Stefania Boschetti, partner

This report has been translated into the English language solely for the convenience of international readers

BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING ON THE ACTIVITIES CARRIED OUT DURING THE YEAR 2014

Shareholders,

We summarize the contents and results of our activities carried out during 2014, after first recalling – besides the resolution passed by the shareholders on the merger of FIAT in FIAT CHRYSLER AUTOMOBILES, about which, after completing the transaction, the exercise of stock options and the capital increase subscribed by qualified investors, there followed a dilution in the investment held – the transactions of major economic and financial significance entered into, duly described in the report on operations. These transactions include:

- the subscription to the mandatory convertible securities issued by FIAT CHRYSLER AUTOMOBILES for approximately €711 million;
- the issue of 2014-2024 non-convertible bonds for a total nominal amount of €650 million;
- the buyback of bonds, and the consequent reduction of a nominal amount of €250 million, referring to those maturing in 2017, which are now reduced to a nominal amount of €440 million.

As part of our activities, in this last year of our term of office, we have again:

- attended meetings of the Board, in the course of which the directors informed us of the company's activities and operations on which we obtained information as to their compliance with the law, the company's by-laws and the shareholder resolutions and as to the steps taken to identify conflicts of interests and to avoid the consequent critical situations, in accordance with the relative provisions of art. 2391 of the Italian Civil Code;
- confirmed, in the aspects for which we have competence, the suitability of the organizational structure and internal control system in relation to the company's dimensions, activities and management of identified risks;
- obtained information about the observance of the principles of diligent and correct management and confirmed, in the context of financial reporting, the capacity to present correctly the company's operations, through meetings with the executive responsible for the financial reports who together with the Chairman and Chief Executive Officer made the attestation under art. 154-*bis* paragraph 5 of Legislative Decree 58/1998, and also meetings with the heads of certain functions including with the Head of Internal Audit and with the supervisory body responsible for overseeing the organizational model pursuant to Legislative Decree 231/2001 of which body the Chairman of the Board of Statutory Auditors is a member;
- found the system of internal control to be effective, also taking note of the favorable outcome of the assessments made by the competent committee, by the Supervisory Body and by the independent auditors;
- reviewed the application of the valuation criteria used by the Board in reaching a positive conclusion as to the independence of the directors who qualify themselves as such as well as the self-assessment process applied to the question of the adequacy of the composition and operation of the Board with regard to the company's requirements for professional expertise and diversity of expertise;
- made the assessments necessary to conclude that the independence requirements have been met for each of the statutory auditors;
- overseen the application of the CONSOB regulations on related party transactions and the consequent corporate procedure which is available for consultation on the company's website www.exor.com; not active in this regard was the compensation and nominating committee, which has competence for the directors' additional compensation, considered of minor significance, and the internal control and risk committee, which has competence for other matters;

- held, also pursuant to art. 19 of Legislative Decree 39/2010, periodic meetings with RECONTA ERNST & YOUNG, which as a rule attend our meetings, for the purposes of following the execution of the plan of audit activities and the performance of these activities, of monitoring the auditors' independence of which we obtained confirmation again on April 16, 2015 and about which we have no reservations and of effecting the exchange of information on our respective activities and of making use of the related findings;
- met the members of the Board of Statutory Auditors of JUVENTUS and the Chairman of Audit Committee of CUSHMAN & WAKEFIELD.

In accordance with the requirements of the CONSOB Communication of April 6, 2001 we also report under the following headings.

Transactions having a significant economic and financial impact
The directors have given a summary of the characteristics of the more significant transactions carried out.
Similarly, they have reported and commented on the existence of transactions with group companies and with related parties, indicating that such transactions were carried out, after determining the reciprocal economic benefits, applying the norms and conditions considered normal for the respective markets, bearing in mind the nature of the goods and services concerned.

Atypical or unusual transactions and adequacy of related disclosure by directors
The Board of Statutory Auditors has not identified any significant transactions with related parties, with third parties or with group companies which are atypical or unusual by virtue of their content, nature, scale or timing.

Emphasis paragraphs included in the report of the independent auditor
RECONTA ERNST & YOUNG has not formulated any emphasis paragraphs.

Complaints pursuant to art. 2408 of the Italian Civil Code
There were no complaints received, directly or through the company, pursuant to art. 2408 of the Italian Civil Code.

Matters for investigation
We have not received indications of matters for investigation.

Engagements assigned to the independent auditors and related costs
The activities assigned to RECONTA ERNST & YOUNG and the related fees have been disclosed by the directors in Note 38 to the separate financial statements and were confirmed by the auditors to us in a note dated today April 16, 2015: for the audit, a fee of €53 thousand; for other services – confirmation of financial ratios and issue of comfort letters on the issue of bonds – a fee of € 40 thousand; for amounts therefore that are marginal.

Engagements assigned to parties related to the independent auditors
In the same note the auditors also indicated:

> "(…) We also confirm that no other separate activity has been undertaken and that no fees have been billed to EXOR S.p.A. by the writer or other firms in the Ernst & Young network. (…)".

Opinions issued by the Board of Statutory Auditors
We expressed opinions on the prospects of the issue of the non-convertible bonds.

Frequency and number of meetings of the Board of Directors and the Board of Statutory Auditors
The directors have held seven Board meetings, the Board of Statutory Auditors ten meetings, the Compensation and Nominating Committee one session and the Internal Control and Risk Committee four meetings – to which, in relation to the provisions of Legislative Decree 39/2010, we have always attended the latter – and the Strategy Committee two sessions.

Principles of correct management
We confirm that we have not identified transactions which do not comply with the company's corporate business purpose, are in conflict of interest or are such as to compromise the financial integrity of the company or anyhow are manifestly imprudent or reckless.

Organizational structure
We confirm our view that the organizational structure is adequate to the circumstances in the areas within our competence.

System of internal control
We recall the substantial reliability of the system of internal control, also considering the results of the mentioned activities in this area of other parties, of which we have taken note.

Reliability of the administrative and accounting system
We confirm that the administrative and accounting system appears capable of recording and reporting the company's affairs.

Directives to subsidiaries
Appropriate directives have been given to subsidiary companies as required under art. 114 paragraph 2 of Legislative Decree 58/1998.

Significant matters arising from meetings with the independent auditors
In our meetings with RECONTA ERNST & YOUNG, no significant events or issues have been referred to us which have necessitated the performance of further controls on our part which we should report to you and in their report on the fundamental matters arising from the audit they have confirmed that they did not identify significant failings in the system of internal control.

Compliance with the Corporate Governance Code for Italian listed companies
The directors have summarized the principles and implementation criteria with which, obviously, we are familiar, applied by EXOR in order to comply with the recommendations of the Code, affirming the effective observance and the related departures of the same in the Annual Report on Corporate Governance which was also subjected to analysis by RECONTA ERNST & YOUNG, pursuant to art. 123-*bis* of Legislative Decree 58/1998.

Activities of the Supervisory Body
We have monitored the work of the Supervisory Body which considers the control over the organizational model to be adequately applied based on the level of implementation of the norms and procedures established for the purposes of preventing the relevant offenses.

Conclusions from our oversight activities
In our oversight activities we did not find any critical matters to report.

Recommendations to be submitted to shareholders
We do not consider it necessary to submit any recommendations.

We have reviewed the structure and the approach of the draft financial statements at December 31, 2014 which show a profit of €51,753,506, of the report on operations relating also to the consolidated financial statements of the group, and of the explanatory notes.

RECONTA ERNST & YOUNG, charged with the legal audit, in their report dated April 16, 2015 have expressed its conclusions, without exceptions or matters to report.

Similar conclusions are expressed by RECONTA ERNST & YOUNG in their report on the consolidated financial statements.

On the basis of the information we obtained directly pertaining to the scope and structure and of the findings of the independent auditors, we are of the view that the draft separate financial statements of EXOR together with the proposal for the appropriation of the profit for the year which complies with the restrictions imposed on the same, may be approved.

On the basis of the information we obtained directly pertaining to the scope and structure and of the findings of the independent auditors, we are of the view that the draft separate financial statements of EXOR together with the proposal for the appropriation of the profit for the year which complies with the restrictions imposed on the same, may be approved.

April 16, 2015

The Board of Statutory Auditors

Sergio Duca, Chairman

Nicoletta Paracchini

Paolo Piccatti