EXOR

2015 Annual Report

EXOR

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

2015 ANNUAL REPORT

The 2015 Annual Report is available on the corporate website at: www.exor.com

Dear Shareholders,

EXOR's Net Asset Value, or NAV, grew by 21.2% in 2015, outperforming the MSCI World Index denominated in Euros (our benchmark), which grew by just 8.3% during the same period.

The largest contributor to our performance was FCA, thanks to an increase in its share price of 34.4% (reflecting its great operating performance during the year, the Ferrari IPO and the expectations around its spin-off) and its significant weighting in our Gross Asset Value (38 % of GAV).

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
2015	21.2	8.3	12.9
Compounded annual rate	**23.1**	**14.9**	**8.2**

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

EXOR NET ASSET VALUE (NAV)

€ millions	12/31/2014	12/31/2015	Change absolute	Change percentage
Gross Asset Value	12,005	**15,186**	**3,181**	**+26.5%**
Gross Debt	(1,671)	**(2,698)**	**(1,027)**	**+61.5%**
Ordinary holding costs over 10 years	(170)	**(170)**	**-**	**-**
Net Asset Value	10,164	**12,318**	**2,154**	**+21.2%**

I would like to set out the significant events that all of us at EXOR lived through in 2015, events that have led to a substantial change in our Company.

We got off to a busy start to the year by selling C&W (Cushman & Wakefield), a real-estate business we have owned for close to a decade. In 2006, C&W was making $116 million in EBITDA from revenues of $1.5 billion. Little did we know what was just around the corner when we acquired 71.52% of the company in March 2007 for $625 million.

The 2008/2009 financial crisis then unfortunately hit C&W very hard and in 2009 it posted its first-ever loss in almost one hundred years of business.

In contrast to other industry leaders, C&W did not require a capital increase, thanks to the strength of its balance sheet (as you know, we like conservative financial structures). We used the crisis to improve the business by transforming it into a truly global company with more recurrent revenues (mainly through organic growth).

A quick summary of what was achieved during our C&W ownership:

- Global revenues increased from $1.5 billion in 2006 to $2.1 billion in 2014 (+37%);
- Asia Pacific revenues went up from $44 million in 2006 to $173 million in 2014 (+293%);
- Corporate Investor Service revenues (which are primarily recurring revenues) grew from $186 million to $605 million (+225%);
- EBITDA grew 51%, from $116 million in 2006 to $175 million in 2014 (the company's best ever EBITDA performance);
- EBITDA margin increased from 7.6% in 2006 to 8.4% 2014 (in contrast C&W's two leading competitors saw their margin decline by more than three percentage points);
- Total employees grew 41% from 11,500 in 2006 to 16,200 in 2014.

As a result of C&W's operational improvements, its discipline in deploying capital and a very strong rebound in the commercial real-estate market, primarily in the US, we were able to achieve the sale of the business at an enterprise value of $2.04 billion, generating net cash proceeds of $1.3 billion and a capital gain of $722 million on our investment. During our ownership, we significantly outperformed the MSCI World Euro Index benchmark and the stock market performance of C&W's principal listed competitors.

As a long-term responsible owner, we are very proud of the company's achievements and of the fact that as a result of this transaction we contributed to the creation of the second-largest property services firm in the world.

It will operate with the iconic “Cushman & Wakefield” brand and under the leadership of the highly talented and experienced CEO Brett White. A great way to celebrate the company’s first 100 years in 2017.

Having secured the money from the C&W sale, we returned to concentrate on our role as business builders and focused our attention on a major project to acquire the reinsurer PartnerRe, for which we made an offer on April 14.

The process proved more complicated than we had anticipated and we learned a huge amount along the way. The journey was bumpy, but with 99.4% of shareholders supporting our final offer of $6.9 billion, we were able to secure the largest single acquisition in the 100+ years of our family business.

PartnerRe is a very deliberate addition to our portfolio. As a business it matches all our pre-established criteria: we wanted to make a large investment in (i) a global player and industry leader (ii) a business that required little capital expenditure to operate (iii) delivering sustainable cash earnings and flows of dividends, and (iv) with a well-defined governance structure. Incidentally, we were also a founding partner of the company back in 1993 when it started life with $1 billion of equity and eight employees under the very entrepreneurial leadership of Herbert Haag.

PartnerRe today has equity of $6 billion, having distributed close to $7 billion in capital to shareholders in the form of dividends ($2 billion) and through share buy-backs ($5 billion). The company issued $3 billion of capital during that period (mainly for acquisitions).

Reinsurers play a fundamental role in the insurance industry value chain:

Primary insurers cede to reinsurers a share of their premiums – and of the liabilities associated with them – that they cannot or are not willing to carry on their own books, because they don’t have sufficient capital, are concerned about the earnings volatility or because of the concentration of risk on their balance sheet.

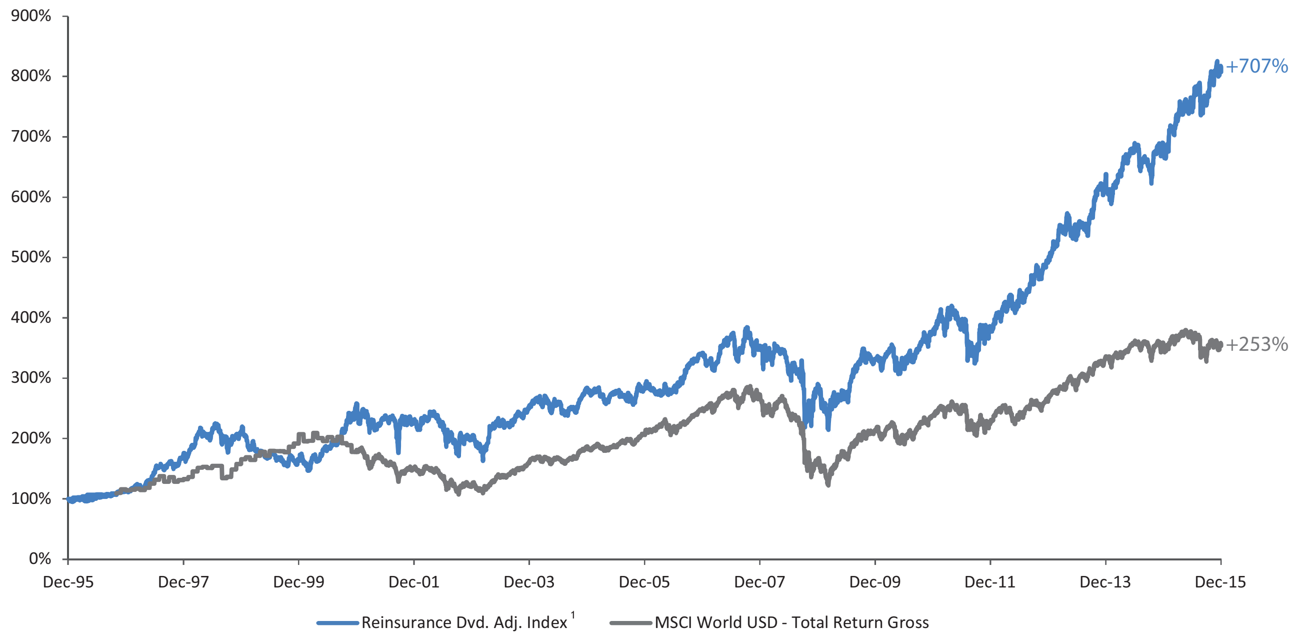
As a consequence, a reinsurer’s role is to absorb and deal with the most volatile risks, the ones that usually have a low probability of materializing but a potential significant impact. For example, a typical product offered by a reinsurer is protection against catastrophic events, such as hurricanes and earthquakes.

By assuming fractions of exposures from a large base of insurance cedants, reinsurers are able to build sufficiently diversified portfolios of risks – both in terms of sectors and geographies – that are quite efficient in terms of capital utilization.

We are interested in this sector for a number of reasons:

a) Reinsurers have historically offered returns that exceed their cost of capital and the MSCI World index. Over the past 20 years the reinsurance industry has delivered an annualized Total Shareholder Return of ~11% vs. 6.5% returned for the MSCI World (Exhibit 1).

Exhibit 1 – Total Shareholder Returns of reinsurance companies vs. MSCI World over 20 years



1- Reinsurance Index companies: Munich Re, Swiss Re, Hannover Re, SCOR, RGA, Everest Re, PartnerRe, RenaissanceRe

b) Reinsurers usually generate strong cash flows, which they tend to distribute to shareholders through dividends or buybacks, as they don't need lots of capital expenditure to operate (which is not the case for industrial businesses, as we know well).

c) It is reasonable to expect that this industry is one that will be needed for many decades to come. It will change and adapt, but ultimately it will be relatively difficult to disrupt (that's less clearly the case with primary insurance companies). Whatever business models its clients might develop, they will still need an expert and flexible capital partner to help them manage their risks.

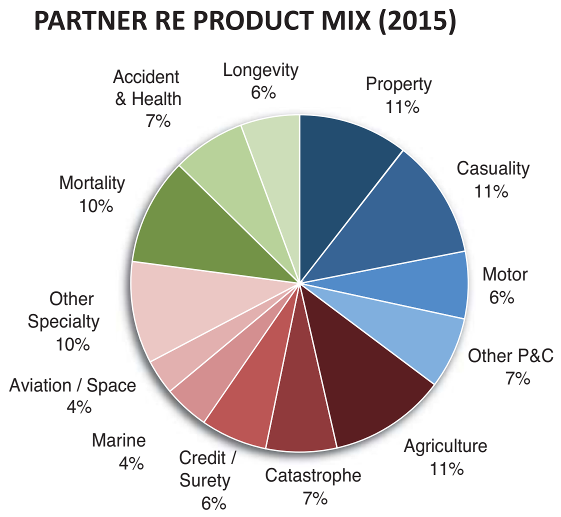
d) An investment in the financial services industry diversifies our portfolio. Following the acquisition, PartnerRe will become EXOR's largest single holding representing ~37% of the overall Gross Asset Value on a pro-forma basis (as of December 31, 2015, taking into account FCA and Ferrari as separate companies).

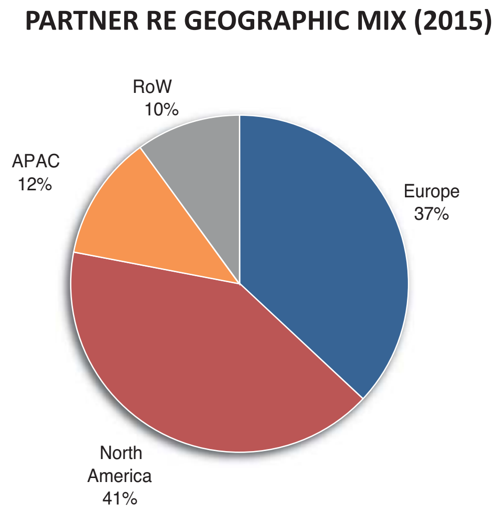
Ultimately as a long-term owner we value durability, which is one of the attributes of the reinsurance industry.

Having decided to invest in reinsurance, there are a number of reasons for choosing PartnerRe:

a) it has a large balance sheet ($7.7 billion in total capital, of which $6 billion is common equity), allowing it to offer large capacity to its clients in a market environment where clients prefer to do business with a smaller number of reinsurers. PartnerRe is one of the largest reinsurers worldwide, both in terms of capital and premium income.
b) It has a global presence and a diversified product offering (Exhibit 2). This means it can withstand weaknesses in parts of its portfolio while taking advantage of relative strengths in other parts. In addition, it's not over-dependent on the property catastrophe business, the segment that is currently most affected by competition from alternative capital.

Exhibit 2 – PartnerRe product and geographic mix





c) It has historically demonstrated its ability to generate superior performance compared with its industry peers. Over the past ten years, PartnerRe has delivered an average operating ROE of 13.2% and growth in adjusted book value per share of 13.1%, both above the peer group average; and
d) it is well-known in the industry for its conservative and disciplined underwriting approach, and prudent reserving strategy. This should help it avoid costly mistakes, particularly in the current challenging market environment.

We also believe that there are several reasons why we will be a good owner of PartnerRe:

a) PartnerRe will have the ability to allocate and deploy capital to maximize long-term returns as opposed to responding to short-sighted public market pressures. For example, PartnerRe will have more flexibility in managing the underwriting cycle, reducing exposure to risk when it is inadequately priced.
b) Differently from its publicly listed peers who face daily pressure to operate with a “lean” balance sheet, PartnerRe will be able to maintain excess capital in order to serve clients with a strong and safe balance sheet and at the same time it will be equipped to increase its market presence rapidly when reinsurance prices improve.
c) Unlike most of its competitors, who are aggressively growing in primary insurance, PartnerRe will remain committed to its pure reinsurance model, thus avoiding entering into competition with its own clients. This conflict-free business model should reinforce the company’s competitive positioning over time by strengthening customer relations while maintaining pricing discipline.

We are delighted indeed to have acquired this highly talented organization. But we are also well aware that the reinsurance industry will continue to face many challenges in the coming years. Some of them are cyclical (a growing reinsurance industry capital base and a continued low interest rate environment). Others are structural (such as the growth of the alternative capital business and an increasing sophistication among primary insurers in their assessment of their reinsurance purchasing needs). These are likely to reduce the industry’s profitability.

Ajit Jain, to whom we owe a lot for sharing his insights into the industry with us, has been very clear publicly that “what was a very lucrative business is no longer a very lucrative business going forward”. We made our investment in PartnerRe with a clear understanding of these realities.

That said, we are confident that even if it might not be as lucrative as in the past, the sector will continue to be attractive, thanks especially to the strong capabilities and clear willingness to embrace change that we see in the PartnerRe organization as it adapts to a more challenging environment.

So by the end of July we had sealed this transformative acquisition. But our eventful year did not stop there. It was at around the same time that I received a call to gauge our interest in acquiring Pearson’s 50% shareholding in The Economist Group.

We have been a happy shareholder of the company since 2009 and I have had the privilege to serve on its board since then. This first-hand knowledge of the business made a quick decision easy. Even so, the unique ownership structure designed to ensure editorial independence from proprietorial interference and the historical significance of this change of ownership, meant it was important that we understood all stakeholders' objectives.

I'm very grateful to Rupert Pennant-Rea, Chairman of the Board and a former Editor of The Economist, as, without him we would not have been able to reach an agreement on an offer that satisfied the trustees, directors, shareholders, journalists and non-journalist employees of the company alike, whilst also meeting the seller's objectives on timing and valuation.

On August 12 we announced a proposal to acquire 100% of the issued "B" Shares (and with them the right to appoint 6 out of 13 members of the Board, the other 7 being appointed by the "A" Shareholders) and 27.8% of the Ordinary shares, with The Economist Group itself buying the remainder of the Ordinary shares that were for sale.

We paid no premium to acquire the Ordinary shares, but the transaction did include a 30% premium for the "B" shares which reflects their representation rights (based on the annual valuation made by Ernst & Young).

As a result of the transaction, our ownership has increased from 5% to just under 44% with a £287 million total investment, which is a rich valuation. But this valuation reflects the strength of the business, the accretive effect of the buy-back funded primarily by the sale of The Economist building, which no longer fits the needs of a vibrant 21st century news organization, and the strong support from the Editor Zanny Minton Beddoes and the living former Editors, who all believe the new ownership will increase the uniqueness and independence of The Economist's voice in the world. We are therefore very comfortable with the price paid.

The Economist Group is a great business that is well led by Chris Stibbs and his team. In 2015 it generated revenues of £328 million, an operating profit margin of 18.3% and profit after tax of ~£50 million. Exceptional in the industry has been the Group's ability to shift profitably away from advertisement-based revenue to paid circulation and from the print to the digital world.

You can see this in what has been achieved:

1. Margins from the circulation business have moved from a loss of £6 million in FY07 to a profit of £28 million in FY15.
2. At the same time, the Group has reduced its dependency on the volatile and cyclical advertising market. Over ten years the share of Group revenues from advertising has fallen from 46% in FY07 to 23% in FY15.

3. While the Group has been investing in marketing to grow full-price circulation, it has also made that marketing more efficient, so that the marketing spend, which now stands at £32 million, has gone from 48% of circulation revenues in FY07 to 30% in FY15.
4. The shift to content-driven revenues has been underpinned by the growth of the Economist Intelligence Unit business, where profits have grown from £5 million to £16 million.
5. The Group's performance has been reflected in positive shareholder returns on investment. It has delivered a 17% IRR on every 1 Pound invested in FY05 – during this time the share price has risen from £14 to £33 and average annual dividend yields of 6% have been delivered.

The future promises to be even more exciting thanks to technology that will enable The Economist to reach a growing number of "globally curious" readers around the world in existing and new ways.

2015 was extremely encouraging in this respect: digital sales are up 31%, their social media following reached 36 million, up 44%, and product innovation continued, including the launch of Economist Films, which I strongly recommend (www.films.economist.com). Profits from paid circulation of The Economist grew 28% over the prior year and remain on track to double in the next five years. Elsewhere in the Group, paid content from the B-2-B businesses remained robust. In particular, the third industry vertical for the EIU was launched (consumer predictive analytics) via the acquisition of Canback, a management consulting firm based in Boston. Advertising revenues continued to be under pressure, mainly due to structural changes in the industry that will continue to have their effect in the years ahead.

On a personal note, I was very fortunate to be given a subscription to The Economist as a teenager and the magazine has been a constant source of pleasure and knowledge. Since then it's been a privilege to be more closely associated with this unique journalistic institution. It's with this in mind that I would like to make a personal gift this year to all the teenage children of current individual EXOR shareholders of a one year Print + Digital subscription to the newspaper (please visit by May 24 http://www.exor.com/teens-economist). I hope they will benefit from it as I have done.

This important year would not have been complete without the incredible achievements of Juventus, which won the Italian Championship for the fourth year in a row, the Italian Cup for the first time since 1995 and also played the final of the UEFA Champions League in Berlin, but sadly lost to Barcelona despite playing very well.

In his first year as Juventus coach, Massimiliano Allegri worked wonders. He, the team and the rest of the organization followed with great passion and commitment Club Chairman Andrea Agnelli's call to go "Fino alla Fine" ("all the way").

I would also like to highlight the return of "Scuderia Ferrari" to the top of the podium with a great comeback, thanks to the work of Maurizio Arrivabene, his team and world champions Sebastian Vettel and Kimi Raikkonen, who are all in great spirits now that the gap with Mercedes is closing. They are looking forward to beating them on the track.

To bring to a close my review of the more significant achievements of our 2015 year, I would like to thank all my EXOR colleagues for their outstanding work. They have been great and fully deserved the special bonus for their amazing efforts during 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	12/31/2014	12/31/2015	Change	
			absolute	percentage
Investments	8,347	10,139	1,792	+21.5%
Financial Investments	663	579	(84)	-12.7%
Cash and cash equivalents	2,233	4,035	1,802	+80.7%
Treasury stock	762	433	(329)	-43.2%
Gross Asset Value	**12,005**	**15,186**	**3,181**	**+26.5%**

INVESTMENTS (66.8 % of GAV)

This line represents the principal component of our assets. I will only focus this year on FCA (our largest investment), where a lot happened in 2015. Next year I will also cover our other investments, which overall performed well.

A number of things contributed to FCA's strong results: Net Revenue of €113.2 billion, up 18%; an adjusted EBIT of €5.3 billion, up 40%; and Adjusted Net Profit of €2.0 billion, up 91%.

The star performer for the year was the Jeep Brand that achieved a worldwide record of 1.3 million vehicles shipped, up 21%. This was delivered on the back of a very successful product and geographic launch, with the Renegade shining and its production extended from Melfi (Italy) to Pernambuco (Brazil) and Changsha (China). The current negative outlook for the latter two countries did not stop FCA investing there, as their futures will certainly be brighter.

All of FCA's geographies were profitable in the last quarter of the year, which shows the strength of the global presence of the company, particularly in LATAM where Brazil was hit very hard (new car registrations in Brazil fell by 26.6% vs 2014).

The NAFTA Region more than doubled its profits and EMEA was back to sustainable profitability for the year.

The FCA components business also had a strong year, with revenues close to €10 billion and adjusted EBIT of around €400 million. It's less well-known than the car business, but it's a solid operation that's well diversified from a customer and product standpoint, with particular strengths in lighting and electronic systems.

Not everything went well. In particular, FCA suffered from an increasingly difficult regulatory environment, which is likely to become even more stringent in the future for all industry participants. This led to a change in the company's actuarial methodology for the estimate of future recall costs. An adjustment of €761 million was recognized for vehicles sold in the U.S. and Canada in prior periods.

On a more positive note, Net Industrial Debt fell from €7.7 billion to €6.0 billion thanks to positive free cash flow from operating activities, but also to an even stronger contribution from the cash proceeds of the Ferrari IPO (€ 0.9 billion). The current debt level takes into account the capital required to run the business, which is huge: the bill for 2015 was €9.2 billion.

Sergio Marchionne was very candid about this structural issue for the car business in his presentation "Confessions of a Capital Junkie". To give you an idea, the total weekly spend of the industry is higher than $2 billion, and in the last decades the returns have never met the cost of capital (using proper accounting). And at least 50% goes on features that have no relevance to customers. I would strongly recommend you read this very sobering analysis of an industry in denial (bit.ly/1RTrLIn).

There's no doubt that mergers and integrations are hard to do and not all of them are successful. But as Sergio has demonstrated with the creation of FCA, they can work if they are carried out with respect for cultures and in a rational way.

It is interesting to see how in other capital-intensive industries two major transactions were announced recently, creating by far the leaders in their respective markets: Holcim and Lafarge in building materials and ABI with SABMiller becoming the largest brewer in the world. The car world will no doubt argue that these are simpler businesses that don't feature the technological complexity it has to manage.

But if we look at the defense industry in the US, which is certainly complex: prime contractors have gone from 16 to 6 from 1980 to 2010 driving ROIC from 10% to 40%. Or at the pharma business, which went through massive consolidation: the top 20 before 1995 became 11, with ROIC increasing from 34% to 50%. The sad reality is that the ROIC in the car business - a 'modest' 7.8% in 2014 - is far distant even from the numbers these industries started with before consolidation.

Some of FCA's competitors are convinced that they should not engage in "doubling down with the past" (i.e. consolidation), but embrace disruption with new technologies and business models that address the "mobility" market, which is twice as big as the one just selling new vehicles. This wave of hope reminds me of my early years as a director of FIAT when in 1999 Jacques Nasser was talking of transforming Ford "from a boring old car maker whose shares achieve a price-earnings ratio of only ten, into a consumer-products and services company commanding a multiple of more like thirty".

This led Ford to grow Hertz, create websites, invest in satellite radio and acquisitions (like Kwik Fit, which was bought for £1 billion later sold for £300 million).

We at FIAT were also convinced that value chain extension was the way to go and we ended up making very bad capital-allocation decisions, such as the acquisition of Midas in Europe or the creation of Viasat. We did not find the magic formula, so we went back to trying to make money as 'boring old car makers'.

Back then Sergio Marchionne was running Alusuisse, one of the world's largest aluminium businesses. Asked by financial analysts and investors about his internet strategy, he couldn't see how the World Wide Web would change the nature of this very capital-intensive industry, but he knew consolidation would, which led to a three-way merger and the creation of the then industry leader. Ultimately, the end result needs to be of significance rather than going through the pain without achieving sufficient scale. For FCA, if you look at doing something with the "Big Guys", our internal analysis indicates that you could end up with annual savings close to $10 billion. If you value that in perpetuity it starts to become very interesting. But you need two to tango and most of our competitors are busy with the great opportunities that technological disruption has to offer.

There's no doubt that in this decade we'll see massive change as a result of electrification and other powertrain technologies that are mainly driven by the need to comply with increasing environmental regulation. This has also led to a lot of innovation in traditional combustion engines and if you look at the total cost/environment equation, it's unclear who wins.

But we're told that the really sexy stuff is now around connectivity, autonomous driving and diverse mobility (think Uber,…). So I would like to share some data from McKinsey's recent "Automotive 2030 report":

- In spite of shared vehicles, total car sales will grow from 87 million units in 2015 to 115-125 million units in 2030. Even in a high-disruption scenario, shared vehicles will account for only 9% of new vehicle sales. So 90% plus of vehicles will still be sold to private owners - just as they are today!

- By 2030, in a high disruption scenario, the share of Level 4 Autonomy (completely self-driven) new cars will be 15% maximum. So 85% of cars will not be fully independent and will need drivers. This is important because below L4 autonomy you still need a full-time driver and hence do not achieve any of the cost benefits of a driverless car.

Ultimately even in a high disruption scenario, new car sales will increase from $2.75 trillion in 2015 to $4 trillion in 2030, which is still a massive industry! Boring old car makers need to figure out how to make this profitable and guard against falling into the 1990 trap of ignoring that business while chasing profits in other parts of the value chain.

Sergio's common sense back in his aluminium days is still valuable and valid today and his practical approach is to work with the new industry participants rather than competing with them, reminds me of the poet Rumi's words: "Yesterday I was clever, so I wanted to change the world. Today I am wise, so I am changing myself."

FINANCIAL INVESTMENTS (3.8% of GAV)

The aggregate performance of our financial investments was 10.3% in Euros, outperforming by 2 percentage points our benchmark the MSCI World index in Euros, which closed the year up 8.3%.

But this result reflects a mix of our third party funds (excluding Black Ant) that were the stars of 2015, achieving a 25.2% return for the year. They are focused on geographies and industries in which we don't invest directly but where we are comfortable with the principals who run them. We like to know with whom we are in business, which is even more important due to the illiquid nature of these funds.

We also did well in our directly managed equity investments, a concentrated portfolio of publicly traded stocks of companies in which we have no governance involvement. This performance is now a realized one, as we decided to sell all our liquid financial investments throughout the year to assemble the funds required for the acquisition of PartnerRe. We managed to achieve a 21.9% return, which was primarily driven by the performance of Allied World, where we invested in 2013, realizing since then a net gain of €60.4 million and a return of 64.7% in Euros (the currency played a big role; the return in USD would have been ~40%). It proved to be a great experience with the reinsurance world which we hope to continue.

Unfortunately our largest financial investment in the Black Ant fund (64.5% of the total financial investments) delivered a 0.3% return, which reduced the average return of the portfolio. But the good news is that it did not lose money and as we get closer to the redemption date in May 2017, a lot of attention is being paid to protecting our capital, which will help on the downside but will cap returns on the upside.

CASH AND CASH EQUIVALENT (26.6% of GAV)

Throughout the year we maintained a cautious allocation: 71% in time deposits, 23% in liquid third party funds and 6% invested in single name corporate credit issuances.

In a very volatile forex market with 2015 year-end consensus estimates predicting euro-dollar parity, the main focus was to achieve a good average euro-dollar exchange rate (1.0950) for the conversion of essentially all our cash resources, in view of the large disbursement related to the PartnerRe acquisition.

The conversion allowed us to achieve a yield of 0.41% on our time-deposit holdings. This result would not have been reached in the Euro money market, which had negative interest rates in 2015.

TREASURY STOCK (2.8% of GAV)

In 2015 we successfully placed a part of our treasury stock via an accelerated book build offering, at a discount of 5% on the same day's closing price.

My family, through Giovanni Agnelli & Co., participated along with institutions and individual investors, who share our long-term view. We are very proud to have them as shareholders of EXOR.

We sold around 50% of our treasury shares, raising €511 million. The average book price of the shares, sold at €42.60, was €14.41 per share.

Despite the important capital gain, the disposal of treasury shares was a difficult decision to take as we are positive about the future share performance of EXOR due to the potential of its underlying assets. But we wanted to strengthen our balance sheet given the large investments we committed to in 2015.

This was also a good opportunity to revisit our policy on treasury shares. At the upcoming Annual General Meeting in May we will propose to our shareholders to cancel all of those outstanding (excluding the shares we need to service our equity-based incentive plans).

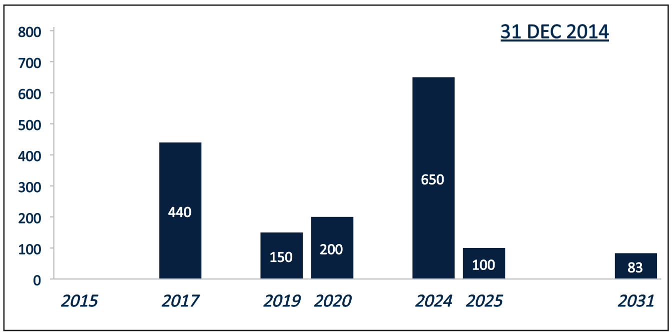
In 2016 we will also change our performance metric from NAV to NAV per share in order to increase the discipline in how we use our shares (metrics drive behaviors: I learned this when I started my career at GE as a corporate auditor).

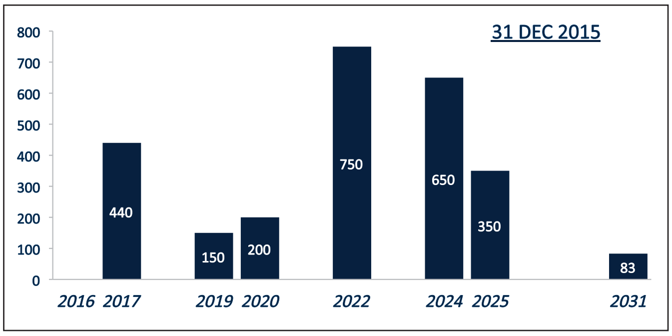
GROSS DEBT

During 2015 our Gross Debt increased to €2.698 billion as we prepared for the inclusion of PartnerRe in our portfolio by starting to assemble the financial resources required to pay for it.

When financial markets recovered at the start of November after a prolonged period of volatility, we issued €1 billion in debt (through a €750 million public issue and a €250 million private placement) with an eight-year average maturity at a 2.3% annual average cost in interest, tapping investor demand for mid-to-long-term maturities. We took inspiration from a quote attributed to the Roman philosopher Seneca when he said "luck is what happens when preparation meets opportunity".

The active management of our debt allowed us to extend the average maturity of our bond securities and reduced their average cost (from 3.9% in 2014 down to 3.3% in 2015).





2016

We began the year with the spin-off of Ferrari from FCA on January 4, from which EXOR emerged with a 23.5% economic interest in the standalone company. We hold 33.4% of the voting rights thanks to loyalty shares, which is a mechanism to incentivize long-term oriented shareholders by giving them more voting rights based on the duration of ownership.

To provide stability of ownership, we signed a shareholder agreement with Piero Ferrari (the son of the company's founder Enzo Ferrari) to guarantee that more than 50% of the voting rights are committed to the long-term development of this extraordinary company.

A couple of points to highlight Ferrari's enduring uniqueness:

- 60% of new Ferrari cars are sold to existing customers and 34% of existing clients own more than one Ferrari
- 9 of the 10 most valuable cars ever auctioned are Ferraris

- Scuderia Ferrari is the most successful Formula 1 team in history, with 224 Grand Prix victories, 16 Constructors Championships and 15 Drivers World Titles.
- Consistent strong financial performance over the past decade: shipments grew 3% but net revenues rose by 7% and EBITDA 11%, with the margin increasing from 18.2% in 2005 to 26.2% in 2015.

But the long-term prospects look even more exciting on the back of Ferrari's best year ever, having shipped 7,664 cars and earned net profits of €290 million (vs €265 million in 2014).

What clearly was not expected was the financial markets' volatility, which resulted in one of the worst trading environments in the stock market's history (EXOR's share price lost a third of its value since the beginning of this year). However here I would like to quote Howard Marks who said "permanent loss is very different from volatility or fluctuation. A downward fluctuation – which by definition is temporary – doesn't present a big problem if the investor is able to hold on and come out the other side".

We are determined to hold on, which is possible due to the permanent nature of our capital and because our staying power is real, after we worked to reduce our debt and extending its duration.

This will allow us to concentrate on developing our businesses' potential whilst meeting their different challenges. We will follow the Medici family motto "*festine lente*" (make haste slowly) by staying focused, especially at PartnerRe, the acquisition of which we finally closed on March 18. I very much look forward to working with Emmanuel Clarke, the company's home-grown, knowledgeable and talented leader who was named CEO in March.

This year we will be holding our Shareholder Meeting on May 25 at the Alfa Romeo Historical Museum in Arese, near Milan, Italy. It was inaugurated on June 24, 2015, following a restoration project that transformed the original building into a modern and unique brand center, hosting a bookshop, café, documentation service, test drive track, events venues and a showroom with a customer delivery area.

The Museum, which is named "La macchina del tempo" (the time machine), is the perfect combination of past, present and future. You will, I hope, enjoy discovering the permanent collection of 69 beautiful models which traces not just the development of the brand, but the very history of the automobile itself: from the very first A.L.F.A. car, the 24 HP, to the legendary Mille Miglia winners (such as the 6C 1750 Gran Sport driven by the legendary Tazio Nuvolari), the 8C coachbuilt by Touring and the "Alfetta 159" Formula 1 winner driven by Juan Manuel Fangio.

At the meeting room entrance, I suggest you to take time to admire our latest Alfa Romeo, the new Giulia: a number of my colleagues will be there to assist you in case you are seduced by the fascinating combination of beauty, technology and style, and decide to join the club of the Alfisti, the happy circle of Alfa Romeo customers.

As always, let me remind you that it is possible to ask questions in advance of the Shareholder 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 Arese!

Board of Directors

Chairman and Chief Executive Officer	John Elkann
Vice Chairman	Sergio Marchionne
Vice Chairman	Alessandro Nasi
Non-independent Directors	Andrea Agnelli
	Vittorio Avogadro di Collobiano
	Ginevra Elkann
	Lupo Rattazzi
Independent Directors	Giovanni Chiura
	Annemiek Fentener van Vlissingen
	Mina Gerowin
	Jae Yong Lee
	António Mota de Sousa Horta-Osório
	Robert Speyer
	Michelangelo Volpi (Lead Independent Director)
	Ruth Wertheimer
Secretary to the Board	Gianluca Ferrero

Internal Control and Risks Committee

Giovanni Chiura (*Chairperson*), Mina Gerowin and Lupo Rattazzi

Compensation and Nominating Committee

Michelangelo Volpi (*Chairperson*), Mina Gerowin and Robert Speyer

Board of Statutory Auditors

Chairperson	Enrico Maria Bignami
Standing auditors	Ruggero Tabone (a)
	Nicoletta Paracchini
Alternate auditors (b)	Anna Maria Fellegara

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 2017 annual financial statements.

The mandate of the independent auditors will expire concurrently with the shareholders' meeting that will approve the 2020 annual financial statements.

(a) Alternate auditor appointed effective January 15, 2016 to replace Sergio Duca.
(b) A new alternate auditor will be appointed during the shareholders' meeting on May 25, 2016.

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 51.87% of share capital.
Listed on Borsa Italiana's Stock Exchange with a Net Asset Value of over €12 billion at December 31, 2015, 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) Calculated on common stock.
(b) EXOR holds 44.27% of voting rights on issued capital.
(c) EXOR holds 39.96% of voting rights on issued capital. In addition, FCA holds a 1.17% stake in CNH Industrial and 1.74% of voting rights on issued capital.
(d) EXOR holds 32.75% of voting rights on issued capital.
(e) After completion of the buyback, voting rights are limited to 20%.

PartnerRe (100% of common stock) is a leading global reinsurer with headquarters in Pembroke (Bermuda). PartnerRe commenced operations in 1993 and provides reinsurance and certain specialty insurance lines on a worldwide basis through its subsidiaries and branches serving more than 2000 customers in its Non-life and Life and Health segments. PartnerRe has a global platform of 21 offices in more than 150 countries. The company's principal offices are located in Hamilton (Bermuda), Dublin, Greenwich (Connecticut, USA), Paris, Singapore and Zurich. Risks reinsured include, but are not limited to, property, casualty, motor, agriculture, aviation/space, catastrophe, credit/surety, engineering, energy, marine, mortality, longevity and accident and health, and alternative risk products.

Fiat Chrysler Automobiles (FCA) (29.16% stake) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. FCA, the seventh-largest automaker in the world, designs, engineers, manufactures, distributes and sells passenger cars, light commercial vehicles, components and production systems worldwide. The Group's automotive brands are: Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia, Ram and Maserati in addition to the SRT performance vehicle designation. FCA's businesses also include Comau (production systems), Magneti Marelli (components), Teksid (iron and castings) and Mopar, the after-sales services and parts brand. FCA is engaged in industrial activities in the automotive sector through companies located in 40 countries and has commercial relationships with customers in 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, 2015 FCA had 164 manufacturing facilities and 238,162 employees throughout the world.

CNH Industrial (26.94% stake; 1.17% stake also held by FCA) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. 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, 2015 CNH Industrial was present in approximately 180 countries giving it a unique competitive position across its 64 manufacturing plants, 50 research and development centers and more than 64,000 employees.

Ferrari N.V. (22.91% stake) began operations on January 3, 2016 following the completion of a series of transactions to separate Ferrari from the FCA Group. Ferrari is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. The Ferrari brand is a symbol of excellence and exclusivity and the cars that carry this brand name are unique for performance, innovation, technologies, driving pleasure and design, a car that is the most authoritative example of "made in Italy" the world over.
Ferrari is present in more than 60 markets worldwide through a network of 180 authorized dealers with 7,644 cars sold at December 31, 2015.

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

JUVENTUS	Welltec	BANCA LEONARDO
63.77%	13%	16.51%

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

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

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

EXOR Group – Consolidated Data – Shortened (a)

€ million	2015	2014	Change
Profit attributable to owners of the parent	**744.5**	323.1	421.4
Share of earnings of investments and dividends	**218.5**	387.2	(168.7)
Investments and non-current other financial assets	**8,805.7**	7,509.5	1,296.2
Issued capital and reserves attributable to owners of the parent	**10,138.4**	7,995.0	2,143.4
Consolidated net financial position of EXOR's "Holdings System"	**1,336.8**	562.5	774.3

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

Earnings per share (€) (a)	2015	2014 (b)	Change
Profit attributable to owners of the parent – basic:			
per ordinary share	**3.33**	1.27	2.06
Profit attributable to owners of the parent – diluted:			
per ordinary share	**3.32**	1.25	2.07
Issued capital and reserves attributable to owners of the parent	**43.26**	35.96	7.30

(a) Additional details on the calculation of basic and diluted earnings per share are provided in Note 12 to the consolidated financial statements.
(b) Data recalculated following the reclassification, for purposes of comparison, of the profit of C&W Group in discontinued operations.

EXOR S.p.A. - Separate Financial Statement Data

€ million	2015	2014	Change
Profit	**2,551.3**	51.8	2,499.5
Equity	**6,419.3**	3,409.9	3,009.4
Net financial position	**1,501.3**	(1,199.7)	2,701.0

The board of directors' meeting held on April 14, 2016 put forward a motion to the ordinary shareholders' meeting, called to approve the separate financial statements for the year ended December 31, 2015, for the payment of dividends per share of €0.35 for a total of €82 million to the 234,346,104 ordinary shares outstanding at the same date.

In 2015 EXOR paid dividends per share of €0.35 to the 222,346,104 ordinary shares outstanding for a total €77.8 million from the profit for the year ended December 31, 2014.

NET ASSET VALUE

At December 31, 2015 EXOR's Net Asset Value (NAV) is €12,318 million, an increase of €2,154 million (+21.2%) compared to €10,164 million at December 31, 2014.

The composition and change in NAV are the following:

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

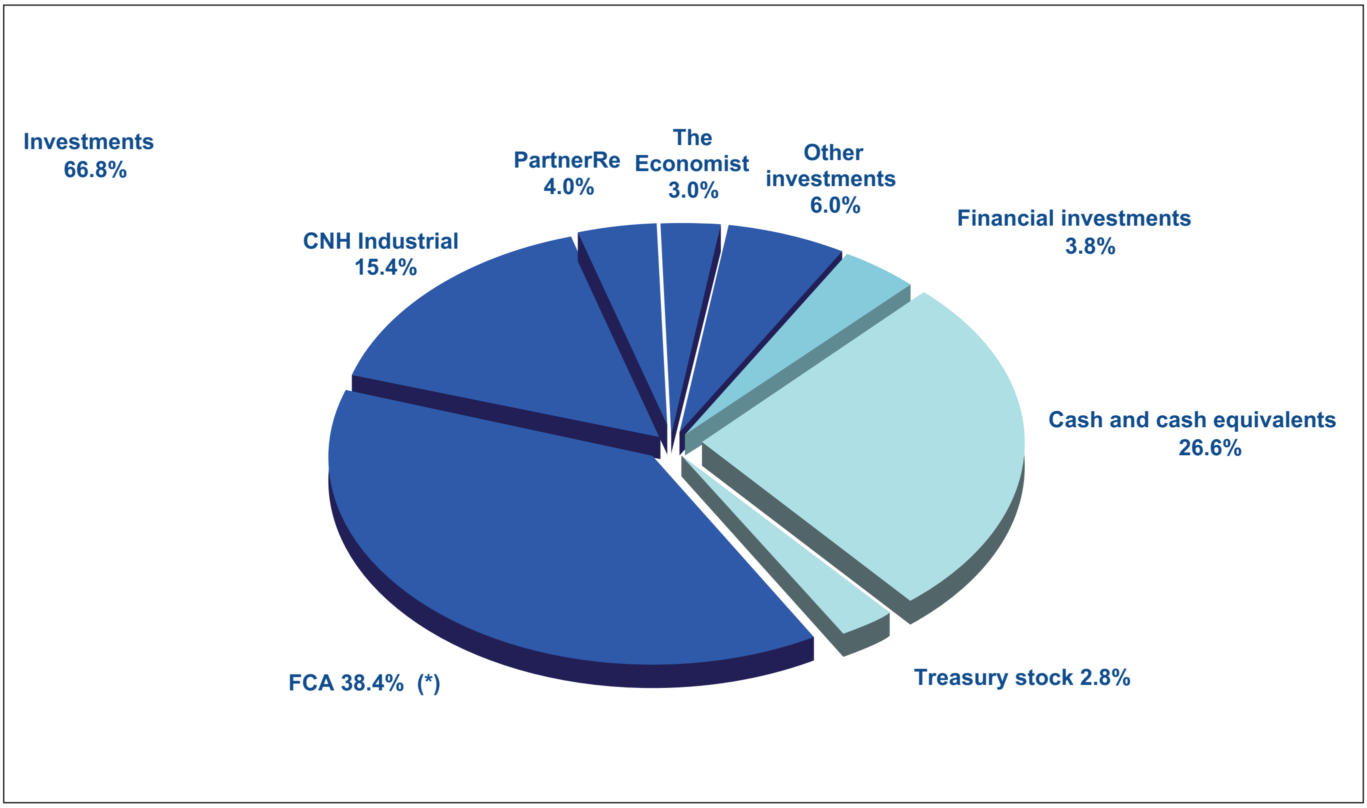
(a) Effective date of the merger of IFIL in IFI and the name change of the latter to EXOR.

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

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

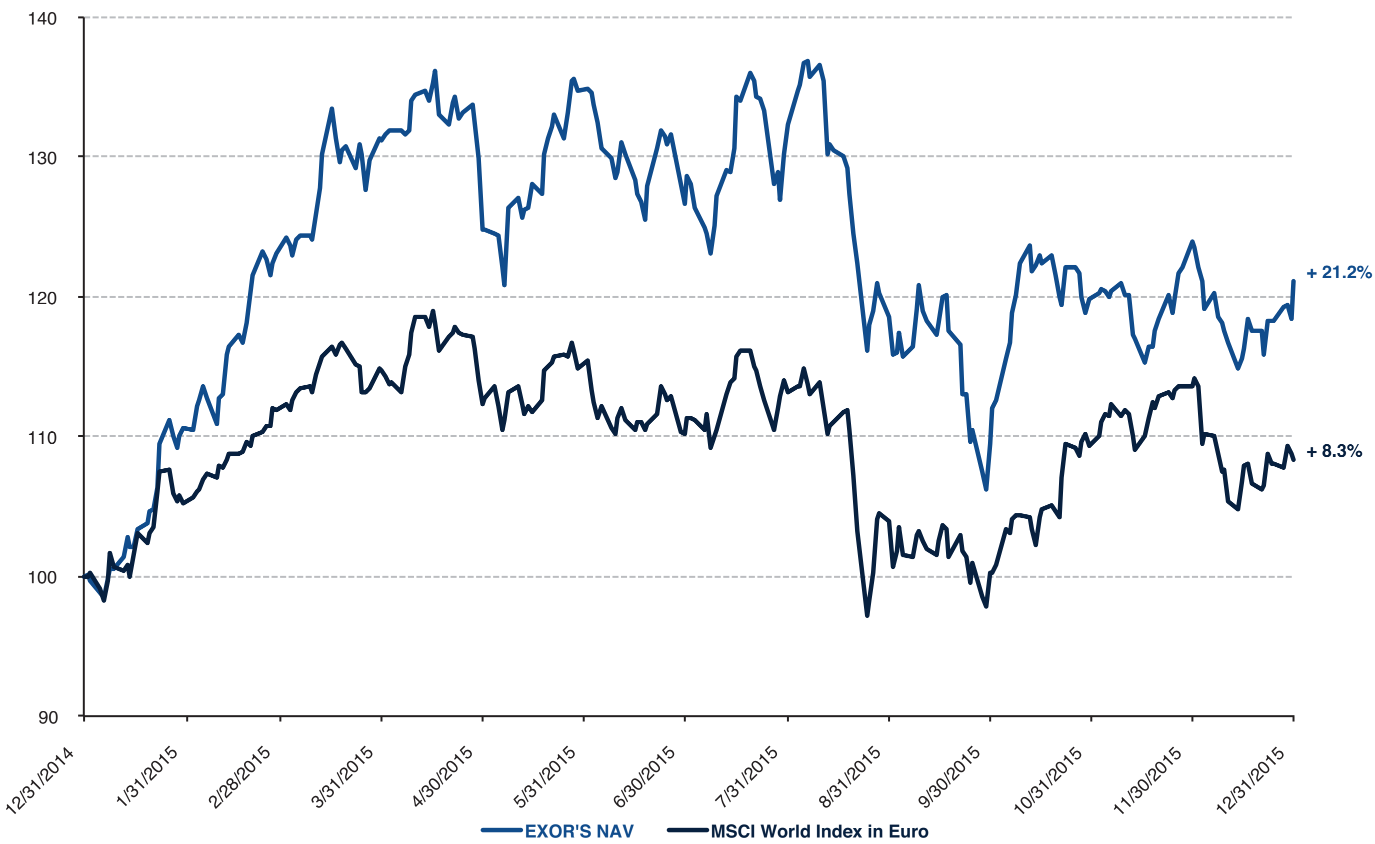
The following pie chart shows the composition of gross asset value at December 31, 2015 (€15,186 million). "Other investments" include the investments in Almacantar, Juventus Football Club, Banca Leonardo and Banijay Holding, in addition to minor sundry investments.

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



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

Change in NAV compared to the MSCI World Index in Euro



Stock Market Data	1/1/2016 3/31/2016	1/1/2015 12/31/2015
Ordinary share price (in Euro):		
period-end	31.7532	42.2799
maximum	40.6307	46.8463
minimum	23.7662	33.3887
Average daily volume exchanged during period:	626,708	526,971
Euro volume exchanges during period (in Euro): (a)	19,004,690	21,918,212

(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 objectives and the most important events affecting its business, in 2015 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 investors and retail investors.

The publication of the Letter to Shareholders, which for six years now denotes an occasion for 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.

The offices for media and investor relations can be contacted at:

External Relations and Media
Tel. +39.011.5090320
Fax +39.011.5090386
media@exor.com

Institutional Investors &
Financial Analysts Relations
Tel. +39.011.5090345
Fax +39.011.5090260
ir@exor.com

SIGNIFICANT EVENTS IN 2015

Line of credit extended 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 opening of the credit line has enabled EXOR to invest a part of its short-term liquidity at an interesting rate of return. This loan was repaid in full on September 30, 2015.

Investment in PartnerRe

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

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

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

The transaction was closed in the first quarter of 2016, as described under Subsequent Events.

Resolutions passed by the general meeting of the shareholders on May 29, 2015

The shareholders' meeting appointed the fifteen members of the board of directors of EXOR for the years from 2015 to 2017. Fourteen members were elected from the slate of candidates filed by the majority shareholder Giovanni Agnelli e C. and a director was elected from the slate filed by the group of thirteen investment management companies and institutional investors: Annemiek Fentener van Vlissingen (independent director), Andrea Agnelli, Vittorio Avogadro di Collobiano, Ginevra Elkann, John Elkann, Mina Gerowin (independent director), Jae Yong Lee (independent director), António Horta-Osório (independent director), Sergio Marchionne, Alessandro Nasi, Lupo Rattazzi, Robert Speyer (independent director), Michelangelo Volpi (independent director), Ruth Wertheimer (independent director) and Giovanni Chiura (independent director).

The shareholders' meeting also appointed the Board of Statutory Auditors composed of Enrico Maria Bignami (Chairperson), Sergio Duca and Nicoletta Paracchini (standing auditors), Ruggero Tabone and Anna Maria Fellegara (alternate auditors).

In addition, the shareholders' meeting approved the Compensation Report pursuant to art. 123-*ter* of Legislative Decree 58/98 and a new Incentive Plan which, in conformity with international best practice, has the purpose of aligning the compensation of the directors with the strategic objectives of the company. The plan allows the directors to join the 2015 Incentive Plan as an alternative to the cash compensation established by the shareholders' meeting. The Plan provides for free shares to be awarded for a total maximum number of 70,000 EXOR shares to the directors who decide to join the Plan, subject to the continuation of their appointment as company director up to the vesting date in 2018, concurrently with the date of the shareholders' meeting that will approve the 2017 financial statements. The Plan will be serviced exclusively by treasury stock without the issue of new shares, and therefore, will have no dilutive effect. The information document relating to the Plan will be available to the public within the time frame established by law.

The shareholders' meeting approved the renewal of the authorization for the purchase and disposition of treasury stock, also through subsidiaries. This authorization would allow for the purchase on the market, for the next 18 months, of EXOR shares for a maximum number of shares not to exceed the limit set by law, for a maximum disbursement of €500 million. Consequently the resolution passed for the purchase and disposition of treasury stock approved by the shareholders' meeting on May 22, 2014, for the part not used, is revoked.

The board of directors' meeting of EXOR, held after the shareholders' meeting, appointed John Elkann Chairman and Chief Executive Officer, confirmed the office of Vice Chairman to Alessandro Nasi and appointed Sergio Marchionne as new Vice Chairman.

Sale of Allied World Assurance Company Holdings

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

Sale of the investment in Sequana

During the first half of 2015 EXOR S.A. sold the remaining investment in Sequana on the market for a total equivalent amount of €18.7 million, realizing a net gain of €4.1 million.

Almacantar share capital increase

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

Sale of Cushman & Wakefield

On September 1, 2015 EXOR S.A. finalized the sale of its entire investment in Cushman & Wakefield to DTZ, a company owned by an investor group composed of TPG Capital, PAG Asia Capital and Ontario Teachers' Pension Plan.
As announced on May 11, 2015 the transaction establishes a total enterprise value for Cushman & Wakefield of $2,042 million and generated proceeds for EXOR S.A. of $1,277.6 million (€1,137 million) and a net gain of approximately $718 million equal to €639 million (€521.3 million at the consolidated level).

Property investment in London

On October 7, 2015 EXOR S.A. finalized the contracts signed with Almacantar Centre Point LP in July 2015 for the purchase of four property units located in London for a total amount of £54.7 million.
When the contracts were signed EXOR S.A. paid the seller an initial deposit of £5.5 million. The property units will be restructured and placed at EXOR S.A.'s disposition starting from May 2017.

Increase of the investment in The Economist Group

On October 16, 2015, as previously announced on August 12, 2015, EXOR S.A. closed the acquisition of 6.3 million (or 27.8%) ordinary shares and 1.26 million (or 100%) B special shares in The Economist Group from Pearson Group plc for total consideration of £291.2 million (€398.2 million), of which £4.2 million (€5.7 million) represents the deferred price.
Following this transaction EXOR S.A. became the single largest shareholder of The Economist Group and after completion of the separate share buyback announced by The Economist Group of Pearson's remaining ordinary shares that was concluded on March 23, 2016, EXOR S.A.'s investment in The Economist Group increased to 43.4% of outstanding capital.

Placement of EXOR treasury stock

On November 11, 2015 EXOR successfully completed the placement, through an accelerated book building offering to institutional investors, of 12 million treasury shares corresponding to 4.87% of its share capital, for a total gross amount of €511.2 million.
The transaction was settled by the delivery of the shares and the payment of the consideration on November 16, 2015.
In the context of the placement, EXOR's controlling shareholder Giovanni Agnelli e C. S.a.p.az. and two other private investors purchased treasury shares for an amount of €50 million each, at the placement price. Following the settlement of the placement, Giovanni Agnelli e C. S.a.p.az, owns 51.87% of the share capital of EXOR.

The placement of the shares, which were acquired by EXOR at an average per share price of €14.41, was closed at the price of €42.60 per share, equal to a discount of 4.99% on the closing market price on the transaction date.
Following this sale EXOR holds approximately 4.83% of share capital.
Lastly, in 2016 EXOR will cancel the remaining treasury shares except for those treasury shares necessary to service EXOR's stock options plans.

Issue of EXOR non-convertible 2015-2022 and 2015-2025 bonds

On December 3, 2015 EXOR finalized the issue of bonds for a nominal amount of €750 million maturing December 2022, with an issue price of 99.499% and a fixed annual coupon of 2.125%.
On December 22, 2015 EXOR finalized, through a private placement with qualified investors, the issue of bonds of €250 million maturing December 22, 2025, with an issue price of 98.934% and a fixed annual coupon of 2.875%.
The bonds, listed on the Luxembourg Stock Exchange, have been assigned a credit rating of BBB+ by Standard & Poor's rating agency.
The purpose of the two issues is to provide EXOR with new financial resources as part of the company's strategy which includes the refinancing of the acquisition of PartnerRe.

Shareholders' agreement signed between EXOR and Piero Ferrari

On December 23, 2015 EXOR and Piero Ferrari signed a shareholders' agreement relating to the shares arising from the separation of Ferrari N.V. from Fiat Chrysler Automobiles N.V. These shares equal, respectively, approximately 23% and 10% of Ferrari's post-separation share capital (corresponding, respectively, to approximately 33% and 15% of voting rights).
The shareholders' agreement, which became effective on January 4, 2016, includes a consultation commitment with the aim of forming and exercising a common view on the items on the agenda of any general meetings of Ferrari shareholders, and certain obligations in case of transfers of the shares in Ferrari to third parties, including a pre-emption right in favor of EXOR and a right of first offer of Piero Ferrari. The shareholders' agreement will have an initial duration of five years from the effective date of the Separation, provided that if neither of the parties terminates the shareholders' agreement, then the shareholders' agreement shall be renewed automatically for another five year period.

SUBSEQUENT EVENTS

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

The separation of the Ferrari business from the FCA Group was completed on January 3, 2016.

FCA shareholders received one common share of Ferrari for every ten FCA common shares held. In addition, holders of FCA mandatory convertible securities received 0.77369 common shares of Ferrari for each MCS unit of $100 in notional amount. The Ferrari common shares issued are 193,923,499. In addition, FCA shareholders participating in the company's loyalty voting program received one special voting share of Ferrari for every 10 special voting shares of FCA held.

EXOR, with its 375,803,870 FCA common shares held, received 37,580,387 Ferrari N.V. common shares and the same number of special voting shares. At the closing of the transaction EXOR holds directly 22.91% of capital issued and 32.75% of voting rights on issued capital, as well as another 6,854,893 common shares as the holder of FCA mandatory convertible securities.

Ferrari common shares are traded on the New York Stock Exchange and starting January 4, 2016 also on the Mercato Telematico Azionario managed by Borsa Italiana (MTA).

Investment in Welltec

On February 10, 2016 EXOR invested €103.3 million to acquire a 13% stake in Welltec, a global leader in the field of robotics technology for the oil and gas industry.

The investment was acquired through the purchase of a part of the investment in Welltec held by 7-Industries Lux S.à.r.l., a company indirectly held by EXOR board member, Ruth Wertheimer.

Since this is a related party transaction prior approval was sought from the Related Parties Committee which expressed a favorable opinion.

After the acquisition EXOR and the 7-Industries Lux group each hold 13% of Welltec share capital as long-term shareholders.

Sale of Banijay Holding to Zodiak Media

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

Payment against Almacantar capital increase

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

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

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

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

Under the ITEDI-Gruppo Editoriale l'Espresso merger, EXOR also announced its intention to divest the stake in RCS MediaGroup that it will receive from FCA at the closing of the distribution transaction as announced to the market. The sale will be executed according to market best practice for such transactions, in a timely and appropriate manner and in accordance with the applicable regulations, and will also be completed by the end of the first quarter of 2017, when the closing of the merger of ITEDI and Gruppo Editoriale l'Espresso is expected.

Incorporation of Almacantar Group S.A. and conferral of Almacantar S.A. shares

On March 17, 2016 Almacantar Group S.A, a Luxembourg-registered company incorporated on February 5, 2016, increased share capital by £1,072.7 million through the issue of a total of 590,000,000 new Almacantar Group S.A. ordinary preferred shares, subscribed by the shareholders of Almacantar S.A. through the conferral of all their previously held shares.

The transaction has the purpose of simplifying the Almacantar share structure by eliminating the distinction between ordinary and preferred shares so as to arrive at the real value of Almacantar's assets by measuring the contributed shares at fair value, in addition to creating an incentive system for the managers who hold key positions in the company.
On the same date Almacantar Group S.A. reduced share capital by £2.3 million through the reimbursement and subsequent cancellation of 2,339,002 Almacantar Group S.A. shares held by senior executives and former executives of Almacantar.
As part of this capital increase EXOR S.A. subscribed to 211,133,092 new Almacantar Group S.A. ordinary shares for a total equivalent amount of £383.8 million through the conferral of all 80,355 ordinary shares and all 220,400,000 Almacantar S.A. ordinary preferred shares held.
After these transactions EXOR S.A. holds 211,133,092 Almacantar Group S.A. ordinary shares, 35.93% of share capital, represented by a total of 587,660,998 ordinary shares.

Completion of the transaction for the acquisition of PartnerRe

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

Sale of Almacantar and investment funds to Partner Re

On March 24, 2016 EXOR S.A. reached an agreement to sell its investment in Almacantar (approximately 36% of share capital) to Partner Reinsurance Company Ltd., a 100%-owned subsidiary of PartnerRe. The transaction was closed on April 8, 2016 upon receipt of £382.7 million.
In April 2016 EXOR S.A. also sold a number of its financial investments to the PartnerRe Group, mainly third party funds, for approximately $190 million.
The transactions aim to improve the diversification of the investments held by PartnerRe by introducing real estate as a new asset class, without changing the overall risk profile of its portfolio. EXOR will apply the entire proceeds from these transactions to reduce its debt.

Dividends and distributions of reserves to be received during the 2016

The dividends and distributions of reserves already approved or proposed by some investment holdings are as follows:

Investee company	Share class	Number of shares	Dividends Per share (€)	Dividends Total (€/ml)
CNH Industrial N.V.	ordinary	366,927,900	0.13	47.7
PartnerRe Ltd	ordinary	2,524,664	3.42 (a)	8.6 (a)
Ferrari N.V.	ordinary	44,435,280	0.46	20.4 (b)
Emittenti Titoli S.p.A.	ordinary	527,000	7.53	4.0
EXOR S.p.A.'s share of dividends				**80.7**
Banca Leonardo S.p.A.	ordinary	45,459,968	0.20	9.1
PartnerRe Ltd	ordinary	2,201,062	3.42 (c)	7.5 (c)
EXOR S.A.'s share of dividends				**16.6**

(a) Dividends are fully collected, including extraordinary dividends of $3 per share, for a total of $7.6 million (€6.7 million).
(b) Drawn from the share premium reserve.
(c) Dividends are fully collected, including extraordinary dividends of $3 per share, for a total of $6.6 million (€5.9 million).

OUTLOOK FOR 2016

EXOR S.p.A. expects to report a profit for the year 2016.

At the consolidated level, 2016 will show a profit which, however, will largely depend upon the performance of the principal subsidiaries and associates. The forecasts formulated by these companies (prepared under IFRS: FCA, Ferrari, Juventus and The Economist Group; under US GAAP: CNH Industrial) and reported in their financial reports at December 31, 2015, unless otherwise indicated, are presented below.

FCA

FCA indicates the following guidance:
- net revenues more than €110 billion;
- adjusted EBIT more than €5 billion;
- adjusted net profit more than €1.9 billion;
- net industrial debt less than €5 billion.

Ferrari

(controlled directly by EXOR starting January 3, 2016)

Ferrari forecasts the following guidance for 2016, assuming changes in line with current market conditions:
- shipments of about 7,900 including supercars;
- net revenues more than €2.9 billion;
- adjusted EBITDA more than €770 million;
- net debt less than €1,950 million (less than €750 million - net of the funded self-liquidating financial receivables portfolio including the distribution to shareholders.

CNH Industrial

The agricultural equipment industry in NAFTA is forecasted to decline in 2016; EMEA agricultural equipment markets are expected to be flat.
The commercial vehicles segment is expected to increase up to 5% in EMEA; trading conditions in LATAM are expected to remain challenging.
CNH Industrial set its 2016 guidance as follows:
- Net sales of Industrial Activities between $23 billion and $24 billion, with an operating margin of Industrial Activities between 5.2% and 5.8%
- Net industrial debt at the end of 2016 between $1.5 billion and $1.8 billion.

The Economist Group

The recent stock market turbulence appears to have damaged clients' confidence and therefore The Economist Group revenues in the first half, and it is expected that it will be hard to make up the lost ground in the second half of this year. The Group's advertising activities continue to face significant structural and cyclical headwinds though The Economist circulation business, predominantly subscription-driven, remains robust.

Juventus Football Club

During the Transfer Campaigns of the 2015/2016 financial year, the company earmarked significant resources to ensure an adequate technical and generational turnover of the First Team's bench and keep talented players on staff.
As a consequence, the operating result for the year that will end on June 30, 2016, currently 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' goal is to consolidate the substantial equilibrium of operating profit achieved in the previous year.

REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

EXOR S.p.A. closes the year 2015 with a profit of €2,551.3 million (€51.8 million in 2014).

The positive change is primarily due to higher dividends of €2,422.7 million and the reduction in net financial expenses which in 2015 show net financial income of €0.6 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	2015	2014	Change
Dividends from investments	1	**2,566.2**	143.5	2,422.7
Gains (losses) on disposals, impairment (losses) reversals of investments	2	**4.1**	3.1	1.0
Net financial income (expenses)	3	**0.6**	(72.7)	73.3
Net general expenses	4	**(16.6)**	(18.1)	1.5
Non-recurring other income (expenses) and general expenses	5	**(9.4)**	(6.2)	(3.2)
Income taxes and other taxes and duties		**6.4**	2.2	4.2
Profit for the year		**2,551.3**	51.8	2,499.5

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

		12/31/2015		12/31/2014		
€ million	Note	Amount	%	Amount	%	Change
Investments and other financial assets available-for-sale	6	**4,935.4**	**54.3**	4,632.8	90.7	302.6
Other non-current financial assets	8	**26.4**	**0.3**	26.7	0.5	(0.3)
Current financial assets and cash and cash equivalents	8	**3,430.8**	**37.7**	443.1	8.7	2,987.7
Financial receivables from subsidiaries	8	**701.8**	**7.7**	1.1	0.0	700.7
Tax receivables		**4.2**	**0.0**	6.0	0.1	(1.8)
Other current and non-current assets		**0.8**	**0.0**	0.9	0.0	(0.1)
Total Assets		**9,099.4**	**100.0**	5,110.6	100.0	3,988.8
Equity	7	**6,419.3**	**70.5**	3,409.9	66.7	3,009.4
Bonds	8	**2,625.1**	**28.9**	1,624.9	31.8	1,000.2
Other current financial liabilities	8	**32.6**	**0.4**	45.6	0.9	(13.0)
Current and non-current provisions and other liabilities		**22.4**	**0.2**	30.2	0.6	(7.8)
Total Equity and Liabilities		**9,099.4**	**100.0**	5,110.6	100.0	3,988.8

1. Dividends from investments

In 2015 dividends from investments total €2,566.2 million and include dividends received from EXOR S.A. for €2,487.5 million, CNH Industrial for €73.4 million, PartnerRe for €4.9 million and Emittenti Titoli for €0.4 million.

In 2014 the line item amounted to €143.5 million and consisted of dividends received from CNH Industrial for €73.4 million, EXOR S.A. for €70 million and Emittenti Titoli for €0.1 million.

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

In 2015 the line item includes gains of €4.1 million relating to the sale of listed securities.

In 2014, gains (losses) on disposals, impairment (losses) and reversals of investments consisted of gains of €5.8 million on the sale of listed securities and total losses of €10.6 million, of which €5 million referred to the sale of the remaining investment in Alpitour (7.17% of capital) and €5.6 million established in the agreement signed by EXOR and Alpitour on June 30, 2014 which definitely closed all present and future disputes.
The line item also included €7.9 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.

3. Net financial income (expenses)

Net financial income in 2015 of €0.6 million shows a net improvement of €73.3 million compared to net financial expenses in 2014 (€72.7 million). The change is mostly attributable to higher interest income on the mandatory convertible securities issued by FCA in December 2014 (€61.1 million), the absence of non-recurring expenses (€32.5 million in 2014 on the partial cancellation of non-convertible bonds 2007-2017 for a nominal amount of €250 million), offset by the reduction in bank interest income (€8.1 million), the increase in interest expenses (€3.5 million) on higher average debt and other net negative changes of €8.7 million.

4. Net general expenses

Net general expenses amount to €16.6 million (€13.4 million net of the notional cost of the EXOR stock option plan). The decrease of €1.5 million is mainly due to the reduction in personnel costs compared to €18.1 million (€14.9 million net of the notional cost of the EXOR stock option plan) in 2014.

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

Net expenses of €9.4 million refer to the investment in PartnerRe, costs for the reduction in staff, tax consulting and the writedown of receivables from the tax authorities for withholding taxes paid abroad.
Non-recoverable receivables in 2014 represented the writedown of interest income earned on the Deferred Price relating to the sale of Alpitour under the June 30, 2014 agreement with Alpitour.

€ million	2015	2014	Change
Expenses connected with the reduction in staff	**(1.6)**	(3.2)	1.6
Non-recoverable receivables	**(2.1)**	(2.1)	0.0
Consulting and services rendered in connection with investments	**(5.1)**	(0.1)	(5.0)
Defense fees in legal proceedings	**0.0**	(0.4)	0.4
Other miscellaneous income (expenses)	**(0.6)**	(0.4)	(0.2)
Total	**(9.4)**	(6.2)	(3.2)

6. Investments and financial assets available-for-sale

€ million	12/31/2015	12/31/2014	Change
Investments accounted for at cost			
Fiat Chrysler Automobiles N.V. - common shares	**1,328.5**	1,328.5	0.0
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016	**711.2**	711.2	0.0
Fiat Chrysler Automobiles N.V.	**2,039.7**	2,039.7	0.0
CNH Industrial N.V.	**1,694.5**	1,694.5	0.0
EXOR S.A.	**746.2**	746.5	(0.3)
Juventus Football Club S.p.A.	**95.7**	95.7	0.0
Arenella Immobiliare S.r.l.	**26.0**	26.0	0.0
EXOR Holding N.V.	**1.0**	0.0	1.0
Emittenti Titoli S.p.A.	**0.3**	0.3	0.0
	4,603.4	4,602.7	0.7
Financial assets available-for-sale			
PartnerRe	**324.1**	0.0	324.1
Other listed funds and securities	**7.9**	30.1	(22.2)
	332.0	30.1	301.9
Total	**4,935.4**	4,632.8	302.6

The increase from December 31, 2014 is mainly due to the purchase of 2,525,664 PartnerRe common shares. The outlay was €296.5 million, while the fair value adjustment based on the trading price at December 31, 2015 of $139.74, translated at the exchange rate of €/$1.0887, generated a further increase in the investment value of €27.5 million, which was recognized directly in equity.

A comparison between carrying amounts and trading prices of listed investments at year-end 2015 is as follows:

		Carrying amount		Trading price December 30, 2015	
	Number	Per unit (€)	Total (€ million)	Per share (€)	Total (€ million)
Fiat Chrysler Automobiles N.V. - common shares	375,803,870	3.535	1,328.5	13.00	**4,883.8**
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016	8,860,000	80.272 (a)	711.2	107.155 (b)	**949.4**
			2,039.7		**5,833.2**
CNH Industrial N.V.	366,927,900	4.618	1,694.5	6.36	**2,333.6**
Juventus Football Club S.p.A.	642,611,298	0.149	95.7	0.26	**169.6**
Total			**3,829.9**		**8,336.4**

(a) Issued in nominal amounts of $100, translated at the exchange rate of €/$1.2457.
(b) Trading price of $116.66, translated at the exchange rate of €/$1.0887.

7. Equity

Equity at December 31, 2015 amounts to €6,419.3 million (€3,409.9 million at December 31, 2014). The increase of €3,009.4 million is summarized as follows:

€ million	
Equity at December 31, 2014	**3,409.9**
Sale of 12,000,000 treasury shares	508.5
Dividends paid	(77.8)
Other net changes	27.4
Profit for the year	2,551.3
Net change during the year	**3,009.4**
Equity at December 31, 2015	**6,419.3**

Additional details are provided in the statement of changes in equity in the separate financial statements of EXOR S.p.A. at December 31, 2015.

8. Net financial position

The net financial position at December 31, 2015 is a positive balance of €1,501.3 million, with an improvement of €2,701 million compared to the negative balance of €1,199.7 million at year-end 2014.
The balance is composed as follows:

€ million	Current	Non current	Total	Current	Non current	Total	Total
Cash and cash equivalents	**3,406.0**	**0.0**	**3,406.0**	276.4	0.0	276.4	3,129.6
Financial receivables from subsidiaries	**701.8**	**0.0**	**701.8**	1.1	0.0	1.1	700.7
Financial assets (a)	**24.8**	**26.4**	**51.2**	167.0	26.3	193.3	(142.1)
Total financial assets	**4,132.6**	**26.4**	**4,159.0**	444.5	26.3	470.8	3,688.2
EXOR bonds 2015-2022	**(1.3)**	**(743.4)**	**(744.7)**			0.0	(744.7)
EXOR bonds 2014-2024	**(3.8)**	**(648.4)**	**(652.2)**	(3.8)	(648.3)	(652.1)	(0.1)
EXOR bonds 2007-2017	**(13.2)**	**(439.3)**	**(452.5)**	(13.2)	(438.9)	(452.1)	(0.4)
EXOR bonds 2015-2025	**(0.2)**	**(246.6)**	**(246.8)**			0.0	(246.8)
EXOR bonds 2013-2020	**(0.9)**	**(198.5)**	**(199.4)**	(0.9)	(198.3)	(199.2)	(0.2)
EXOR bonds 2012-2019	**(1.5)**	**(148.3)**	**(149.8)**	(1.5)	(147.9)	(149.4)	(0.4)
EXOR bonds 2018-2025	**(4.8)**	**(98.1)**	**(102.9)**	(4.8)	(98.0)	(102.8)	(0.1)
EXOR bonds 2011-2031	**(0.7)**	**(76.1)**	**(76.8)**	(0.7)	(68.6)	(69.3)	(7.5)
Bank debt and other financial liabilities	**(32.6)**	**0.0**	**(32.6)**	(45.6)	0.0	(45.6)	13.0
Total financial liabilities	**(59.0)**	**(2,598.7)**	**(2,657.7)**	(70.5)	(1,600.0)	(1,670.5)	(987.2)
Net financial position of EXOR S.p.A.	**4,073.6**	**(2,572.3)**	**1,501.3**	374.0	(1,573.7)	(1,199.7)	2,701.0

(a) €26.1 million in the non-current portion (in 2014 €25 million in the current portion and €26.3 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 positive change of €2,701 million in 2015 is described in the following table:

€ million			
Net financial position at December 31, 2014			**(1,199.7)**
Dividends received from investment holdings			2,566.3
- EXOR S.A.	2,487.5		
- CNH Industrial N.V.	73.4		
- PartnerRe	4.9		
- Emittenti Titoli	0.5		
Purchase of PartnerRe shares			(296.5)
Net change in non-current financial assets			16.0
Sale of 12,000,000 treasury shares			508.5
Financial income on Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 12/15/2016			63.5
Dividends paid by EXOR S.p.A.			(77.8)
Other changes			(79.0)
- Net general expenses	(15.2)		
- Non-recurring other income (expenses) and general expenses	(7.3)		
- Net financial expenses	(62.9)		
- Income taxes and other taxes and duties	(6.5)		
- Other net changes	12.9	(a)	
Net change during the year			**2,701.0**
Net financial position at December 31, 2015			**1,501.3**

(a) Includes the measurement of the cross currency swap on the Japanese yen bonds 2011-2031 of €6.5 million and other net changes of €6.4 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, 2015 and December 31, 2014 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	**2015**	2014	**12/31/2015**	12/31/2014
Separate financial statements of EXOR S.p.A.	**2,551**	52	**6,419**	3,410
Difference between the carrying amounts of investments and the corresponding equity at year-end, net of consolidation adjustments	**875**	503	**3,719**	4,585
Elimination of dividends received from consolidated companies and companies accounted for by the equity method	**(2,568)**	(146)		
Adjustments of gains/losses on disposals and impairments and reversals of investments	**(114)**	(86)		
Consolidated financial statements of the EXOR Group (attributable to owners of the parent)	**744**	323	**10,138**	7,995

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, Almacantar, The Economist Group, 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.

Consolidation of The Economist Group
As a result of the acquisition of an additional interest in the share capital of The Economist Group in the third quarter of 2015, EXOR, through the subsidiary EXOR S.A., increased its investment in The Economist Group from 4.72% to 34.72%, becoming the largest shareholder.
Accordingly and consistently with the provisions of IAS 28, beginning December 31, 2015 EXOR recorded The Economist Group in investments accounted for using the equity method.
The 4.72% stake previously held in The Economist Group was recorded in investments available-for-sale and measured at fair value, with recognition in equity; following the change in the measurement method the investment was aligned to the purchase price agreed for the acquisition of the additional interest in share capital of The Economist Group while the accumulated fair value was subsequently reclassified to a specific item of the income statement.

The alignment of The Economist Group to equity was carried out on the basis of the accounting data at September 30, 2015 (the most recent available data of the company). At December 31, 2015 there were no significant variations compared to the period taken into consideration. The carrying amount of the investment includes goodwill represented by the difference between the fair value of the investment and the price paid.
In view of the above, the use of the equity method did not have any effect on the income statement.

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

	% of consolidation	
	12/31/2015	12/31/2014
Holding Company - EXOR S.p.A. (Italy)	**100**	100
Companies in the Holdings System consolidated line-by-line		
- EXOR S.A. (Luxembourg)	**100**	100
- Exor Capital Limited (Ireland)	**100**	100
- Ancom USA Inc. (USA)	**100**	100
- Exor N.V. (Netherlands)	**100**	100
- Exor SN LLC (USA)	**100**	100
- Pillar Ltd. (Bermuda) (a)	**100**	-
- Exor Holding N.V. (Netherlands) (b)	**100**	-
- Exor Inc. (USA) (c)	**-**	100
Investments in operating subsidiaries and associates, accounted for using the equity method		
- FCA	**29.16**	29.25
- CNH Industrial	**27.28**	27.42
- Almacantar	**38.30**	38.29
- The Economist Group (d)	**34.72**	-
- Juventus Football Club S.p.A.	**63.77**	63.77
- Arenella Immobiliare S.r.l.	**100**	100
- C&W Group (e)	-	83.06

(a) Company incorporated on April 13, 2015 as part of the transaction for the acquisition of PartnerRe.
(b) Company incorporated on September 30, 2015.
(c) Company in a wind-up.
(d) Measured in accordance with IAS 39 up to September 30, 2015.
(e) Company sold on September 1, 2015.

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

At December 31, 2015 the consolidated equity attributable to owners of the parent amounts to €10,138.4 million and is a net increase of €2,143.4 million compared to €7,995 million at year-end 2014. Additional details are provided in the following Note 12.

The consolidated net financial position of the Holdings System at December 31, 2015 is a positive €1,336.8 million and reflects an increase of €774.3 million compared to the positive balance of €562.5 million at year-end 2014. Additional details are provided in the following Note 13.

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	2015		2014	Change
Share of the profit (loss) of investments accounted for using the equity method	1	**204.7**		382.3	(177.6)
Dividends from investments	2	**13.8**		4.9	8.9
Gains (losses) on disposals and impairments on investments, net	3	**73.9**		(36.9)	110.8
Net financial income (expenses)	4	**(10.5)**		(42.0)	31.5
Net general expenses	5	**(20.6)**		(21.3)	0.7
Non-recurring other income (expenses) and general expenses	6	**(27.0)**		(6.8)	(20.2)
Income taxes and other taxes and duties		**(11.9)**	(a)	0.0	(11.9)
Profit		**222.4**		280.2	(57.8)
Profit from discontinued operations:					
- Share of profit		**0.8**		42.9	(42.1)
- Gain on sale		**521.3**		-	521.3
Profit from discontinued operations	7	**522.1**		42.9	479.2
Profit attributable to owners of the parent		**744.5**		323.1	421.4

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

EXOR GROUP – Consolidated Statement of Financial Position - Shortened

€ million	Note	12/31/2015		12/31/2014	Change
Non-current assets					
Investments accounted for using the equity method	8	**7,464.8**		6,596.8	868.0
Other financial assets:					
- Investments measured at fair value	9	**706.0**		350.2	355.8
- Other investments	10	**634.9**		558.4	76.5
- Other financial assets		**0.0**		4.1	(4.1)
Property, plant and equipment, intangible assets and other assets		**21.7**		1.2	20.5
Total Non-current assets		**8,827.4**		7,510.7	1,316.7
Current assets					
Financial assets and cash and cash equivalents	13	**3,958.6**		2,156.7	1,801.9
Tax receivables and other receivables		**9.4**	(a)	7.7	1.7
Total Current assets		**3,968.0**		2,164.4	1,803.6
Non-current assets held for sale	11	**60.1**		-	60.1
Total Assets		**12,855.5**		9,675.1	3,180.4
Capital issued and reserves attributable to owners of the parent	12	**10,138.4**		7,995.0	2,143.4
Non-current liabilities					
Bonds	13	**2,598.8**		1,600.0	998.8
Provisions for employee benefits		**2.5**		2.9	(0.4)
Deferred tax liabilities and other liabilities		**0.5**		0.9	(0.4)
Total Non-current liabilities		**2,601.8**		1,603.8	998.0
Current liabilities					
Bonds and other financial payables and liabilities	13	**99.2**		70.5	28.7
Other payables and provisions		**16.1**	(b)	5.8	10.3
Total Current liabilities		**115.3**		76.3	39.0
Total Equity and Liabilities		**12,855.5**		9,675.1	3,180.4

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - SHORTENED

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

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

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

(a) Includes consolidation adjustments.
(b) The share of the result of CNH Industrial includes EXOR's share of the €450 million charge that CNH Industrial will make in 2016 in relation to an investigation conducted by the European Commission. The result of CNH Industrial without this charge is a profit of $236 million (EXOR's share is a profit of €58.7 million).
(c) The profit relates to the accounting data prepared for the company's consolidation in EXOR and refers to the period January 1 – December 31, 2015.

Given the timing and the manner of acquisition of the significant influence in The Economist Group, the share of its result was not recorded.

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

2. Dividends from investments

Details are as follows:

€ million	**2015**	2014	Change
Dividends received from investments accounted for using the equity method			
- CNH Industrial	**73.4**	73.4	0.0
- The Economist Group	**6.4**	0.0	6.4
- C&W Group	**0.0**	2.2	(2.2)
Dividends received from other investment holdings:			
- PartnerRe	**7.7**	0.0	7.7
- Noco A	**3.2**	0.0	3.2
- The Economist Group	**1.7** (a)	2.5	(0.8)
- Banca Leonardo	**0.0**	0.7	(0.7)
- Other	**1.2**	1.7	(0.5)
Dividends included in the net financial position	**93.6**	80.5	13.1
Dividends received from investments accounted for using the equity method	**(79.8)**	(75.6)	(4.2)
Dividends included in the income statement	**13.8**	4.9	8.9

(a) Dividends not eliminated since they were received in the first half of 2015.

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

Details are as follows:

€ million	2015	2014	Change
Disposals:			
- Allied World Assurance Company Holdings	**60.4** (a)	0.0	60.4
- Sequana	**4.1**	(32.0) (b)	36.1
- Other	**9.4**	(4.9) (c)	14.3
Total	**73.9**	(36.9)	110.8

(a) Arising from the recognition in the income statement of the balances of the respective fair value reserves previously recorded in equity.
(b) Of which €30.6 million refers to the impairment charge arising from the reclassification to the income statement of the fair value reserve at June 30, 2014 previously recognized in equity.
(c) Of which -€10.6 million relates to Alpitour (including -€5.6 million for the reduction in the Deferred Price and -€5 million for the reclassification to the income statement of the fair value reserve previously recognized in equity.

4. Net financial income (expenses)

In 2015 net financial expenses amount to €10.5 million (net financial expenses of €42 million in 2014).
Details are as follows:

€ million	2015	2014	Change
Interest income and other financial income			
Interest income on:			
- bank current accounts and deposits	**7.2**	16.3	(9.1)
- bonds	**8.1**	12.2	(4.1)
Income (expenses) and fair value adjustments to financial assets held for trading	**10.2**	8.1	2.1
Other financial income	**0.6**	0.1	0.5
Interest income and other financial income, net	**26.1**	36.7	(10.6)
Interest expenses and other financial expenses			
Interest expenses and other expenses on EXOR bonds	**(67.8)**	(63.3)	(4.5)
Non-recurring expenses for the cancellation of EXOR 2007-2017 bonds (a)	**0.0**	(32.5) (d)	32.5
Interest expenses and other expenses on bank borrowings	**(10.9)** (a)	(3.0)	(7.9)
Interest expenses and other financial expenses	**(78.7)**	(98.8)	20.1
Net exchange gains (losses)	**2.7**	1.4	1.3
Financial income (expenses) generated by the financial position	**(49.9)**	(60.7)	10.8
Income on other investments and sundry financial income (b)	**39.4** (c)	18.7 (c)	20.7
Financial income (expenses) recorded in the income statement	**(10.5)**	(42.0)	31.5

(a) Includes mainly expenses relating to the credit line secured for the acquisition of PartnerRe of €8.6 million, as well as the credit risk adjustment component recorded in the income statement relating to the measurement of the cross currency swap under IFRS 13, which is a negative €0.8 million, in line with 2014.
(b) Included in non-current other financial assets.
(c) Includes mainly the net gain realized on the redemption of The Black Ant Value Fund of €6.1 million (€4.8 million in 2014) and the net loss on the redemption of the Perella Weinberg Funds of €1.4 million (gain of €13 million in 2014), in addition to the reclassification of the fair value of €28.9 million arising from the revaluation of the 4.72% interest in The Economist Group, classified in the income statement following the change in the method of measurement, consistently with the provisions of IAS 39.
(d) Due to the difference between the average per unit purchase price (€113.01) and the nominal amount (€100) on the notional €250 million cancelled.

5. Net general expenses

In 2015 net general expenses amount to €20.6 million, a decrease of €0.7 million compared to the prior year (€21.3 million).
The balance includes the cost of EXOR's stock option plans of approximately €3.2 million, in line with 2014 (€3.3 million). Additional details are provided in the following Note 12 on capital issued and reserves attributable to owners of the parent.

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

€ million	2015	2014	Change
Personnel costs	**(8.2)**	(9.7)	1.5
Compensation to and other costs relating to directors	**(5.1)**	(5.3)	0.2
Purchases of goods and services	**(6.7)**	(6.5)	(0.2)
Other operating expenses, net of revenues and cost recoveries	**(0.6)**	0.2	(0.8)
Total	**(20.6)**	(21.3)	0.7

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

Details of the main items of non-recurring other income (expenses) and general expenses are as follows:

€ million	2015	2014	Change
Expenses connected with the reduction in staff	**(1.7)**	(3.2)	1.5
Expenses relating to investments:			
- PartnerRe	**(19.7)**	0.0	(19.7)
- Other	**(0.1)**	(0.6)	0.5
Sundry	**(5.5)**	(3.0)	(2.5)
Total	**(27.0)**	(6.8)	(20.2)

7. Profit from discontinued operations

Details of the profit from the sale of C&W Group, closed on September 1, 2105, are as follows:

million	$	€
EXOR's share of the profit of C&W Group in the first half of 2015 (a)	**0.9**	**0.8**
- Proceeds from the sale net of auxiliary expenses	1,277.6	1,134.2
- Book value at 6/30/2015		(612.9)
Net gain		**521.3**
Profit from discontinued operations		**522.1**

(a) Profit of the investee company in the first half is equal to $1 million (€0.9 million); consolidation percentage is equal to 82.03%.

8. Investments accounted for using the equity method

Details are as follows:

€ million	Carrying amount at 12/31/2015		Carrying amount at 12/31/2014	Change	
FCA	**4,811.2**		4,077.6	733.6	
CNH Industrial	**1,589.2**		1,615.8	(26.6)	
Almacantar	**532.8**		281.8	251.0	
The Economist Group	**457.5**	(a)	-	457.5	
Juventus Football Club	**47.8**		22.7	25.1	(b)
Arenella Immobiliare	**26.3**		26.1	0.2	
C&W Group (c)	**-**		572.8	(572.8)	
Total	**7,464.8**		6,596.8	868.0	

(a) The stake held previously was classified under investments measured at fair value.
(b) The change arises from the profit for the period January 1 – December 31.
(c) Divested on September 1, 2015.

The positive change in EXOR's investment in FCA is mainly due to the increase in the equity attributable to owners of FCA owing to the sale on the market of 10% of Ferrari common shares in the Ferrari IPO (€255 million), the increase in exchange differences on translating foreign operations (€269.6 million) and the defined benefit plans remeasurement reserve (€139 million) and by the profit for the year before consolidation adjustments (€97.3 million), net of other net negative changes (a total of €27.5 million).

The negative change in EXOR's investment in CNH Industrial is mainly due to its share of the result of CNH Industrial (-€64.1 million) which includes the charge recorded in 2015 by EXOR and that CNH Industrial will record in 2016 following the investigation conducted by the European Commission (€122.8 million) and to dividends paid (€71.6 million), partially offset by increases in the cash flow hedge reserve (€42.7 million), the defined benefit plans remeasurement reserve (€31.1 million) and the exchange differences on translating foreign operations (€43.6 million).

In October EXOR purchased 27.8% of the share capital of The Economist Group for a net equivalent amount of €398.2 million, raising its interest in the company to 34.72% of capital (20% of voting rights), becoming the largest shareholder.
EXOR thus attained a significant influence over the investee company as defined by IAS 28 and therefore starting from the 2015 financial statements the investment in The Economist Group is accounted for using the equity method.
The previously held 4.72% interest in share capital, classified in investments available-for-sale measured at fair value with recognition of the difference in equity, was adjusted to fair value, €36.64 per share, (for a total of €59.3 million), that is, at the purchase price of the additional shares acquired. Therefore an increase in value of €18.9 million was recognized in equity; following the change in the method of measurement the accumulated fair value of €28.9 million was reclassified to the income statement. The entire investment in The Economist Group was classified in investments accounted for using the equity method and the measurement at December 31, 2015 was made on the basis of the accounting data at September 30, 2015 (the most recent company data available).

The positive change in EXOR's investment in Almacantar is mainly the result of share capital increases carried out in the months of June and July 2015 (for a total of €108.6 million), the profit for the year (€130.9 million) and the increase in exchange differences on translating foreign operations (€13.3 million).

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

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

€ million	12/31/2015		12/31/2014		Change
	%	Carrying amount	%	Carrying amount	
PartnerRe	9.9 (a)	**606.6**	-	-	606.6
Banca Leonardo	16.51	**59.0**	17.37	60.0	(1.0)
NoCo A	2.00 (b)	**18.9**	2.00 (b)	17.5	1.4 (c)
Banijay Group (d)	-	**-**	17.09	41.0	(41.0)
The Economist Group (e)	-	**-**	4.72	40.4	(40.4)
Other listed investments		**21.5**		191.3	(169.8)
Total		**706.0**		350.2	355.8

(a) Percentage computed on common share capital.
(b) Percentage ownership interest in the limited partnership, measured at cost.
(c) Exchange differences on translating foreign operations.
(d) Reclassified to non-current assets held for sale in accordance with IFRS 5. See Note 11.
(e) Reclassified beginning December 31, 2015 under investments accounted for using the equity method.

As part of the operation for the purchase of the entire investment in PartnerRe, during the first half of 2015 EXOR and its subsidiary EXOR S.A. purchased a total of 4,725,726 shares (9.9% of common share capital) on the market for a net equivalent amount of €553.2 million. At December 31, 2015 the investment was adjusted to fair value on the basis of the per share trading price of $139.74 (€128.35 on the basis of the €/$1.0887 exchange rate at the end of the year). At December 31, 2015 the positive fair value adjustment recognized in equity amounts to €53.4 million.

The reduction in the investment in Banca Leonardo is due to the reimbursement of capital reserves of €5.5 million, partially offset by the positive fair value adjustment of €4.5 million.
At December 31, 2015 the fair value recognized in equity is a negative €4.4 million.

The reduction in other listed investments is primarily the result of the disposal of the investment held in Allied World Assurance Company Holdings by EXOR S.A. for a net equivalent amount of €153.7 million. The net gain on the disposal of €60.4 million relates to the realization of the fair value reserve.

10. Non-current other financial assets – Other investments

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

€ million	12/31/2015	12/31/2014	Change
Investments measured at fair value			
- The Black Ant Value Fund	**373.6**	392.0	(18.4)
- Other funds	**185.1**	90.1	95.0
	558.7	482.1	76.6
Investments measured at amortized cost			
- Bonds held to maturity	**76.2**	76.3	(0.1)
Total	**634.9**	558.4	76.5

The net decrease in The Black Ant Value Fund of €18.4 million is due to the redemption of 135,375 shares, in accordance with the signed agreements and taking into account the positive performance recorded during 2014, for a total equivalent amount of €19.6 million, partially offset by the positive fair value adjustment of €1.2 million. The redemption resulted in a net gain of €6.1 million from the realization of a part of the fair value reserve. At December 31, 2015 the fair value adjustment recognized in equity amounts to a positive €116.4 million.

The increase in Other funds is due to the subscription of funds that invest in specific geographical areas and in specific sectors.

11. Non-current assets held for sale

This line item includes the investment in Banijay Holding, which was reclassified to Non-current assets held for sale following the finalization of the agreement for its sale to Zodiak Media signed on November 20, 2015. The investment was recognized at the sales price (€60.1 million) established by the same agreement.
The closing of the agreement took place on February 23, 2016.

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

Details are as follows:

€ million	12/31/2015	12/31/2014	Change
Share capital	**246.2**	246.2	0.0
Reserves	**10,063.4**	8,092.9	1,970.5
Treasury stock	**(171.2)**	(344.1)	172.9
Total	**10,138.4**	7,995.0	2,143.4

Details of changes during the year are as follows:

€ million		
Balance at December 31, 2014	**7,995.0**	
Fair value adjustments to investments and other financial assets:		
- PartnerRe	53.4	
- Allied World Assurance Company Holdings	23.0	
- Banijay Group	19.1	
- The Economist Group	18.9	
- The Black Ant Value Fund	1.2	
- Other financial assets	52.2	
Reclassification of fair value to income statement:		
- Allied World Assurance Company Holdings	(60.4)	
- The Economist Group	(28.9)	(a)
- The Black Ant Value Fund	(6.1)	
- Other financial assets	(13.9)	
Sale of EXOR treasury stock	508.5	(b)
Measurement of derivative financial instruments of EXOR and Holdings System companies	50.4	
Dividends paid by EXOR	(77.8)	
Attributable other net changes recorded in equity, shown by EXOR, its subsidiaries and the investments consolidated and accounted for using the equity method		
- Ferrari IPO effect (c)	255.0	
- Exchange differences on translating foreign operations	312.3	
- Defined benefits plan remeasurement reserve (net of deferred taxes)	170.6	
- Cash flow hedge reserve	67.6	
- Other	53.8	
Profit attributable to owners of the parent	744.5	
Net change during the year	**2,143.4**	
Balance at December 31, 2015	**10,138.4**	

(a) Release to the income statement of the fair value of the 4.72% stake in The Economist Group following the change in the method of measurement, consistently with the provisions of IAS 39.
(b) Net of auxiliary expenses connected with the transaction.
(c) Relating to the increase in equity attributable to owners of the parent of FCA owing to the sale on the market of 10% of Ferrari common shares.

EXOR treasury stock

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

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

Following this transaction EXOR holds 11,883,746 treasury shares equal to approximately 4.83% of share capital. Lastly, in 2016 EXOR will cancel the remaining treasury shares except for those treasury shares necessary to service EXOR's stock options plans.

EXOR stock option plans

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

	Plan 2008-2019	Stock Option Plan 2012-2021		Plan 2015-2018
	Stock Option	Company Performance	Stock Grant	Stock Grant
Balance at December 31, 2014	**6,112,000**	**1,377,600**	**166,666**	**0**
Options forfeited and awarded	(250,000)	(344,400)	1,500 (a)	28,032
Balance at December 31, 2015	**5,862,000** (b)	**1,033,200**	**168,166**	**28,032**
Cost referring to 2015 (€ million):				
- personnel costs	0.6	0.3	0.6	-
- compensation to the Chairman and Chief Executive Officer	1.2	0.3	-	-
- compensation to directors	-	-	-	0.2
Total	**1.8**	**0.6**	**0.6**	**0.2**
Cost referring to 2014 (€ million):				
- personnel costs	0.7	0.4	0.6	-
- compensation to the Chairman and Chief Executive Officer	1.2	0.4	-	-
- compensation to directors	-	-	-	-
Total	**1.9**	**0.8**	**0.6**	**-**

(a) Of which 4,500 options awarded and 3,000 options forfeited.
(b) Corresponding to 1,553,430 shares.

The reduction in the number of "Company Performance" options is the result of not having reached the specific performance targets linked to the change in EXOR's NAV, which was lower than the change in the MSCI World Index in Euro in 2014.

Stock Option Plan 2015-2018

In 2015 the directors of EXOR were awarded 28,032 options to the directors of EXOR under the new Incentive Plan approved by the shareholders' meeting on May 29, 2015. The purpose of the Incentive Plan is to align the compensation of the directors with the strategic objectives of the company, as an alternative to the cash compensation established by the shareholders' meeting. The Plan provides for free shares to be awarded for a total maximum number of 70,000 EXOR shares to the directors who decide to join the Plan, subject to the continuation of their appointment as company director up to the vesting date in 2018.

The Plan will be serviced exclusively by treasury stock without the issue of new shares, and, therefore, will have no dilutive effect.

13. Consolidated net financial position of the Holdings System

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

The composition of the balance is as follows:

€ million	12/31/2015 Current	12/31/2015 Non current	12/31/2015 Total	12/31/2014 Current	12/31/2014 Non current	12/31/2014 Total	Change Current	Change Non current	Change Total
Financial assets	**32.5**	**76.2**	**108.7**	937.5	76.3	1,013.8	(905.0)	(0.1)	(905.1) (a)
Financial receivables	**3.4**	**0.0**	**3.4**	1.9	0.0	1.9	1.5	0.0	1.5
Cash and cash equivalents	**3,922.7**	**0.0**	**3,922.7**	1,217.3	0.0	1,217.3	2,705.4	0.0	2,705.4
Total financial assets	**3,958.6**	**76.2**	**4,034.8**	2,156.7	76.3	2,233.0	1,801.9	(0.1)	1,801.8
EXOR bonds	**(26.4)**	**(2,598.8)**	**(2,625.2)**	(24.9)	(1,600.0)	(1,624.9)	(1.5)	(998.8)	(1,000.3)
Financial payables	**(39.6)**	**0.0**	**(39.6)**	0.0	0.0	0.0	(39.6)	0.0	(39.6)
Other financial liabilities	**(33.2)**	**0.0**	**(33.2)**	(45.6)	0.0	(45.6)	12.4	0.0	12.4
Total financial liabilities	**(99.2)**	**(2,598.8)**	**(2,698.0)**	(70.5)	(1,600.0)	(1,670.5) 0.0	(28.7)	(998.8)	(1,027.5)
Consolidated net financial position of the Holdings System	**3,859.4**	**(2,522.6)**	**1,336.8**	2,086.2	(1,523.7)	562.5	1,773.2	(998.9)	774.3

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

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

Non-current financial assets include bonds issued by leading counterparties and listed on active and open markets which the Group intends, and has the ability, to hold until their natural repayment date as an investment for a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.
These financial instruments are free of whatsoever restriction and, therefore, can be 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 interim financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

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

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

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

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

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

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

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

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

€ million		
Consolidated net financial position of the Holdings System at December 31, 2014		**562.5**
Dividends from investments		93.6
- CNH Industrial	73.4	
- The Economist Group	8.1	
- PartnerRe	7.7	
- NoCo A	3.2	
- Other	1.2	
Reimbursements of reserves		6.4
- Banca Leonardo	5.5	
- Other	0.9	
Sales/Redemptions		1,877.4
- C&W Group (a)	1,134.2	
- EXOR treasury stock (a)	508.5	
- Allied World Assurance Company Holdings	153.7	
- The Black Ant Value Fund	19.6	
- Sequana	18.7	
- Other non-current financial assets	42.7	
Investments		(1,142.0)
- PartnerRe	(553.2)	
- The Economist Group	(398.2)	
- Almacantar	(108.6) (b)	
- Other		
. Specialized funds	(62.6)	
. Other non-current investments	(19.4)	
Financial income from Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016		63.5
Dividends paid by EXOR		(77.8)
Other changes		
- Net general expenses		(17.4)
- Non-recurring other income (expenses) and general expenses		(24.3)
- Net financial expenses		(49.9)
- Income taxes and other taxes and duties		(12.5)
- Other net changes		57.3 (c)
Net change during the year		**774.3**
Consolidated net financial position of the Holdings System at December 31, 2015		**1,336.8**

(a) Net of auxiliary expenses.
(b) Of which $47.4 million has already been paid (€67 million).
(c) Primarily includes the positive effects of the hedge on the U.S. dollar loan (€43.9 million) for the acquisition of PartnerRe, as well as the measurement of the cross currency swap on the 2011-2031 Japanese yen bonds for a positive €6.5 million.

At December 31, 2015 EXOR has unused irrevocable credit lines in Euro of €345 million (including €305 million due by December 31, 2016), in addition to unused revocable credit lines of over €558 million.
EXOR also has an irrevocable credit line in foreign currency for a residual amount of $1.9 billion (€1.7 billion), unused at December 31, 2015 and earmarked for the acquisition of PartnerRe. This credit line, which is due after June 30, 2016, was partially cancelled upon receipt of the proceeds from the sale of C&W Group, the placement of EXOR treasury stock and the issue of two EXOR bonds in the month of December.
EXOR's long-term and short-term debt rating from Standard & Poor's is "BBB+" and "A-2", respectively, with a "negative" outlook. On November 2, 2015 the rating agency published a specific analysis on EXOR.

CORPORATE GOVERNANCE

In its meeting held on April 14, 2016 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 2015 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 SUBIDIARIES AND ASSOCIATES

(The percentages indicated for the stakes, voting rights and share capital are calculated on the basis of data as at December 31, 2015)

(29.16% stake, 44.27% of voting rights on issued capital)

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

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

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

€ million	12/31/2015	12/31/2014	Change
Total assets	**105,040**	100,510	4,530
Net debt	**(8,583)**	(10,849)	2,266
- of which: Net industrial debt	**(6,012)**	(7,654)	1,642
Equity attributable to owners of the parent	**16,092**	13,425	2,667

Net revenues

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

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

Adjusted EBIT

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

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

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

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

The improved performance of **Components** (+52.3%) is related to higher volumes, cost containment actions and efficiencies.

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

EBIT

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

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

Profit for the year

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

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

Net industrial debt

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

€ million	12/31/2015	12/31/2014	Change
Third parties debt (principal)	**(29,716)**	(32,892)	3,176
- Bank debt	**(14,507)**	(13,120)	(1,387)
- Capital market instruments (1)	**(13,646)**	(17,729)	4,083
- Other debt (2)	**(1,563)**	(2,043)	480
Asset-backed financing (3)	**(206)**	(469)	263
Accruals and other adjustments	**(104)**	(305)	201
Gross debt	**(30,026)**	**(33,666)**	**3,640**
Cash and cash equivalents and current securities	**21,326**	23,050	(1,724)
Derivative assets/(liabilities)	**117**	(233)	350
Net debt	**(8,583)**	**(10,849)**	**2,266**
Industrial activities	**(6,012)**	(7,654)	1,642
Financial services	**(2,571)**	(3,195)	624

(1) Includes bonds and other securities issued on financial markets.
(2) Includes: HCT Notes (Canadian Health Care Trust Notes), arrangements accounted for as a lease under IFRIC 4 – Determining whether an arrangement contains a lease, and other non-bank financing.
(3) Advances on sale of receivables and securitizations on book.

Significant events in 2015

In April 2015 FCA issued $1.5 billion (€1.4 billion) total principal amount of 4.50% unsecured senior debt securities due in 2020 (the “Initial 2020 Notes”) and $1.5 billion total principal amount of 5.250% unsecured senior debt securities due 2023 (the “Initial 2023 Notes”) both at the issue price of 100% of their principal amount. The initial 2020 Notes and initial 2023 Notes are collectively referred to as “the Initial Notes”.

Also in April FCA’s new compensation arrangement was presented at a meeting with the trade unions. The arrangement incentivizes all employees within the automobiles business toward achievement of the productivity, quality and profitability targets established in the 2015-2018 business plan and is expected to cost FCA approximately €600 million over the 4-year period.

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

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

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

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

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

In November 2015 the all-new Fiat 124 Spider was introduced at the 2015 Los Angeles Auto Show and is expected to be available in EMEA and NAFTA in the second quarter of 2016.
The all-new Fiat Tipo was launched in Italy in December 2015 and is being sold in over forty countries across EMEA. The new Fiat Tipo won the prestigious AUTOBEST award and was voted “The Best Buy Car of Europe in 2016”.

On January 3, 2016 the transactions for the separation of FCA’s remaining ownership interest in Ferrari N.V. and the distribution of that ownership interest to holders of FCA shares and mandatory convertible securities were completed. FCA common shareholders and holders of special voting shares received one common share and one special voting share of Ferrari for every ten common shares and special voting shares of FCA, whereas the holders of FCA mandatory convertible securities received 0.77369 Ferrari common shares for every $100 notional amount held.
Starting January 4, 2016 Ferrari common shares are also traded on the Borsa Italiana’s MTA.
The spin-off of Ferrari allowed FCA to start 2016 operations with net industrial debt of €5 billion.

On March 2, 2016 FCA announced its intention to consummate a transaction that will result in the creation of the leading player in the Italian media and publishing business and to distribute all of its media and publishing sector interest to shareholders, consistent with its desire to increase focus on its core business.
The transaction, covered by a Memorandum of Understanding provides for the merger between FCA’s media and publishing subsidiary ITEDI S.p.A. and the Italian media group, Gruppo Editoriale L’Espresso S.p.A.
Based on the preliminary valuation range agreed between the parties, following consummation of the merger, FCA would hold approximately 16% of the share capital of the combined entity, while FCA’s minority partner in the publishing business Ital Press Holding S.p.A. (controlled by the Perrone family), would hold approximately 5% of the combined entity.
The Memorandum is binding on the parties and, subject to the conditions set out in the Memorandum, requires that they enter into definitive agreements no later than June 30, 2016. The merger is expected to be consummated in the first quarter of 2017, following receipt of the necessary regulatory approvals and satisfaction of the conditions precedent customary for this type of transaction (such as completing satisfactory due diligence and obtaining corporate approvals).
As soon as practicable following consummation of the merger, FCA will distribute its entire interest in the enlarged group to the holders of its common shares.
Consistent with its stated intent to increase focus on its core business and prior to proceeding with the above mentioned merger and distribution, FCA will distribute its entire ownership interest in RCS MediaGroup S.p.A. to holders of its common shares.

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

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

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

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

$ million	12/31/2015	12/31/2014	Change
Total assets	**49,117**	54,441	(5,324)
Net debt	**(19,951)**	(23,590)	3,639
- of which: Net industrial debt	**(1,570)**	(2,874)	1,304
Equity attributable to owners of the parent	**7,170**	7,534	(364)

Net revenues

Net revenues of the CNH Industrial Group in 2015 amount to $26,378 million, a decrease of 20% compared to 2014 (-8.9% on a constant currency basis). Net revenues of Industrial Activities are $24,903 million, a decrease of 20.7% (-9.4% on a constant currency basis).

The decrease in the net revenues of **Agricultural Equipment** (-16.9% on a constant currency basis) is primarily driven by declining volumes in all regions; the decrease in **Construction Equipment** (-18.3% on a constant currency basis) is mainly attributable to decreased industry volumes particularly in LATAM and APAC, while the decrease in **Powertrain** (-5.1% on a constant currency basis) is due mainly to lower captive demand. Excluding the impact of currency translation, **Commercial Vehicles** show an increase in net revenues of approximately 4.9%, owing primarily to higher volumes in EMEA, while in LATAM revenues are down due to declining volume in the Brazilian market.

Net revenues of **Financial Services** increased by 3.1% on a constant currency basis due to a higher average outstanding portfolio and increased sales of equipment formerly on operating leases, partially offset by a reduction in interest yield.

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

Trading profit

Trading profit in 2015 is $1,543 million, a decrease of $856 million (-35.7%) compared to 2014. The trading margin is 5.8% compared to 7.3% in 2014.

Trading profit of Industrial Activities totals $1,036 million, down $831 million from 2014, with a trading margin of 4.2%, a decrease of 1.7 percentage points compared to the prior year.

Agricultural Equipment's decrease in trading profit is principally due to declining industry volumes in NAFTA and LATAM and negative foreign exchange translation, partially offset by positive net pricing, lower raw material cost and structural cost reductions.
Construction Equipment closed 2015 with a decrease in trading profit compared to 2014 due to the negative impact of lower volumes in LATAM and APAC and higher R&D costs, only partially offset by structural cost containment actions and net price realization.
Commercial Vehicles' trading profit improved due to increased volumes mainly in EMEA, positive pricing, and a reduction in selling, general and administrative expenses. In LATAM positive pricing and manufacturing cost containment actions offset a large portion of the lower volumes in Brazil.
The reduction in trading profit of **Financial Services** in 2015 compared to the prior year is due to the negative impact of currency translation, partially offset by lower provisions for credit loss and selling, general and administrative costs.

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

Operating profit

In 2015 restructuring costs are $79 million and relate to actions in the efficiency program launched in 2014 in the **Agricultural Equipment** and **Commercial Vehicles** segments.
Restructuring costs in 2014 totaled $192 million and referred mainly to the same program.

Profit for the year

Net financial expenses in 2015 are $805 million including a pre-tax charge of $150 million related to the remeasurement of the net monetary assets of the Venezuelan operations denominated in Venezuelan bolivars following the adoption of the SIMADI exchange rate, and a pre-tax charge of $40 million due to the devaluation of the net monetary assets of the Argentinian subsidiaries. In 2014 net financial expenses came to $776 million and included a pre-tax charge of $71 million related to the remeasurement of Venezuelan monetary assets denominated in bolivars.
Excluding these pre-tax charges in both years, net financial expenses decreased by $132 million in 2015 compared to 2014 due to reduced average indebtedness and lower funding costs.

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

Net debt

Net industrial debt at December 31, 2015 is $1,570 million, a decrease of $1,304 million compared to $2,874 million at December 31, 2014. Cash flows from operations before changes in working capital are $1,537 million, while working capital generated another $504 million, mainly due to a decrease in inventories. Net capital expenditures are equal to $1,113 million and the currency translation differences produced a positive effect on net industrial debt of $550 million.

$ million		12/31/2015	12/31/2014	Change
Debt		**(26,458)**	(29,701)	3,243
Asset-backed financing		**(12,999)**	(13,587)	588
- Other debt		**(13,459)**	(16,114)	2,655
Other financial assets (liabilities) (1)		**142**	(30)	172
Liquidity		**6,365**	6,141	224
Net debt		**(19,951)**	(23,590)	3,639
	Industrial Activities	**(1,570)**	(2,874)	1,304
	Financial Services	**(18,381)**	(20,716)	2,335

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

Significant events in 2015 and subsequent events

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

In September 2015 the Dow Jones Sustainability Indices (DJSI), World and Europe, again confirmed CNH Industrial as Industry Leader for 2015.
The DJSI has also named CNH Industrial as leader in the Capital Goods Industry Group. The 2015 assessment resulted in a score of 91/100 for CNH Industrial compared to an average of 52/100 for the participating companies in the Machinery and Electrical Equipment industry. All the companies chosen for consideration in the indices were judged in terms of economic, environmental and social performance by RobecoSAM, specialists exclusively focused on sustainable investment.

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

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

On March 24, 2016 CNH Industrial communicated that, subsequent to the publication of the 2015 consolidated financial statements on March 4, 2016, developments arose relating to an investigation since 2011 conducted by the European Commission on the subsidiary Iveco S.p.A. and on some of its competitors in relation to certain alleged anticompetitive practices in the European Union.
Based on this CNH Industrial has decided to record a charge related to the matters under investigation of approximately $500 million (€450 million) in the first quarter of 2016. This charge will be taken into account as an exceptional item and is expected not to be tax deductible.

almacantar

(38.30% of share capital through EXOR S.A.)

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

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

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

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

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

£ million	12/31/2015	12/31/2014	Change
Portfolio carrying value (a)	**1,488.8**	741.6	747.2
Net debt	**(340.3)**	(146.5)	(193.8)

(a) Excluding headlease asset.

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

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

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

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

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

(63.77% of share capital)

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

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

	At		
€ million	12/31/2015	6/30/2015	Change
Shareholders' equity	**75.0**	44.6	30.4
Net financial debt	**(197.3)**	(188.9)	(8.4)

The interim data cannot be construed as representing the basis for a full-year projection.
For a correct interpretation of the data it should be noted that the financial year of Juventus does not coincide with the calendar year but covers the period 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 European competitions, particularly the UEFA Champions League, the calendar of football events and the two phases of the players' Transfer Campaign.
The financial position and cash flows of the company are also affected by the seasonal nature of the income components; in addition, some revenue items are collected in a different period than the period to which they refer.

The first half of the 2015/2016 financial year closes with a **profit** of €30.3 million, posting a positive change of €37 million compared to the loss of €6.7 million recorded in the same period of 2014.
This change mainly arises from an increase in revenues from players' registration rights of €30.2 million, and a general increase in recurring revenues of €18.1 million (€6.8 million of which comes from the sale of products and licenses), in addition to net non-recurring revenues of €10.6 million. These positive changes were partially offset by the increase in players' wages and technical staff costs of €13.7 million, the increase in costs for external services of €3.6 million, higher amortization of players' registration rights of €2.7 million, the purchase of products intended for sale of €2.1 million, as well as net positive changes of €0.2 million. The latter mainly include lower provisions (+€0.7 million) and lower net financial expenses (+€1 million) partially offset by higher costs for other personnel (-€1.5 million).

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

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

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

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

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

Significant events in the first half of the 2015/2016 financial year

Football season

On July 10, 2015 FIGC officers, after reviewing the documentation filed by Juventus and materials sent by the Lega Nazionale Professionisti Serie A, issued the National License for the current football season.
On August 8, 2015 the First Team won the seventh Italian Super Cup in its history.
In December the First Team qualified for the round of sixteen of the UEFA Champions League 2015/2016, placing second in its round, as well as the quarter finals of the Italian Cup.

2015/2016 Transfer Campaign – first phase

Purchases and disposals of players' registration rights

The transactions finalized in the first phase of the 2015/2016 Transfer Campaign, held from July 1 to August 31, 2015, led to a total increase in invested capital of €118.5 million resulting from acquisitions and increases of €138.7 million and disposals of €20.2 million (carrying amount of disposed rights).
The net capital gains generated by the disposals amount to €33.8 million.
The total net financial commitment of €88.1 million is spread over four years, and includes auxiliary expenses as well as financial income and expenses implicit in deferred receipts and payments. To secure the deferred payments, guarantees were issued for a total of €75.8 million.

Renewal of players' contracts

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

Player's contract resolution

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

2015/2016 season ticket campaign

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

Direct management of licensing, merchandising and soccer school

On July 1, 2015 following Juventus' decision to directly manage licensing and merchandising activities, the stores on Via Garibaldi in Turin and the Megastore at the Area 12 Shopping Center, next to the Juventus Stadium, were reopened, following a complete renovation in cooperation with the new sponsor *adidas*.
On June 30, 2015 the operations, existing contracts and personnel of Juventus Merchandising (a company in the Nike Group) were transferred to Juventus, in conjunction with the acquisition of the relative business unit. The internal structure charged with licensing, retail and soccer school activities includes, to date, 36 resources.

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

During the month of July, Accademia SGR S.p.A., the asset management company controlled by Banca del Sempione S.A., started up operation of the "J Village" Real Estate Fund for the redevelopment and upgrading project of most of the Continassa Area adjacent to the Juventus Stadium, promoted by Juventus.
Specifically, Accademia SGR obtained investment commitments from various subscribers for a total of €53.8 million and finalized a loan agreement in the first part of August with the lending institutions of the J Village Fund, UBI Banca S.c.p.A. and Unicredit S.p.A., for a maximum of €64.5 million.
Following these events the act of June 30, 2015 became effective whereby Juventus transferred the title on the long-term lease to the J Village Fund for an area of approximately 148,700 square meters and the relative building permits for 34,830 square meters of Gross Floor Area (GFA) for a total equivalent of €24.1 million, determined based on an estimate report drawn up by an independent expert as per Ministerial Decree 30 of March 5, 2015. For this transfer, which generates net income of approximately €10.3 million in the 2015/2016 financial year, Juventus received shares of the J Village Fund for the value of €24.1 million.
The City of Turin has already issued the building permits for the infrastructure works, the International School, the Hotel, the new Training and Media Center of Juventus' First Team and the new Juventus headquarters, which will be located on the lot of the old Cascina Continassa.
Completing the project is a building that will be built for commercial and innovative hospitality activities (Concept Store), for which the building permit is in the process of being issued).

Accademia SGR has hired Pessina Costruzioni S.p.A. for the construction of the new headquarters, the Hotel, the International School, the Concept Store and the infrastructure works; Costruzioni Generali Gilardi S.p.A. has been awarded the contract for the new Training and Media Center.
The job schedule calls for all the works to be delivered by the beginning of summer 2017.
Juventus retained ownership of the surface rights to a remaining area of about 15,662 square meters on which building permits for 3,170 square meters of GFA insist.

J Medical

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

J Museum extension

During the first half ended December 31, 2015 the extension work on the J Museum was completed with the construction of two new exhibition areas for permanent exhibitions of mementos and memorabilia of champions of other sports, Juventus fans and the First Team (170 square meters), which opened to the public on October 4, 2015 and December 16, 2015 respectively.

Resolutions by the ordinary shareholders' meeting of October 23, 2015

The ordinary shareholders' meeting of Juventus Football Club S.p.A approved the financial statements at June 30, 2015 which closed with a net income of €2.3 million that was entirely allocated to reserves. As a result, no dividends were declared.
The shareholders' meeting established the number of members of the board of directors at twelve for the financial years 2015/2016, 2016/2017 and 2017/2018, and appointed the following directors: Andrea Agnelli, Maurizio Arrivabene, Giulia Bongiorno, Paolo Garimberti, Assia Grazioli Venier, Caitlin Mary Hughes, Daniela Marilungo, Giuseppe Marotta, Aldo Mazzia, Pavel Nedved, Francesco Roncaglio and Enrico Vellano.
The board of statutory auditors was also appointed and is composed of Paolo Piccatti (Chairman), Silvia Lirici and Roberto Longo. The deputy auditors appointed were Nicoletta Paracchini and Roberto Petrignani.
Finally, the shareholders' meeting approved the Remuneration Report pursuant to art. 123-ter of Legislative Decree 58/98.
At the end of the shareholders' meeting, Juventus held a meeting of the board of directors which confirmed Andrea Agnelli as Chairman, and Giuseppe Marotta and Aldo Mazzia as Chief Executive Officers and, finally, appointed Pavel Nedved Vice President and confirmed Paolo Garimberti President of J Museum.
After having verified the satisfaction of the requisite of independence of the directors Giulia Bongiorno, Paolo Garimberti, Assia Grazioli Venier, Caitlin Mary Hughes and Daniela Marilungo, the board appointed the following Committees:

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

The members of the Supervisory Board pursuant to Legislative Decree 231/2001 were also appointed and are Alessandra Borelli, Guglielmo Giordanengo and Patrizia Polliotto.

Events subsequent to December 31, 2015

Football season

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

2015/2016 Transfer Campaign – second phase

Purchases and disposals of players' registration rights
The purchases finalized in the second phase of the 2015/2016 Transfer Campaign, held from January 4 to February 1, 2016, led to an increase in invested capital of €6.4 million, in addition to the capitalization of €1.4 million of bonuses accrued in favor of the previous clubs of some players purchased in past transfer campaigns.
The total net financial commitment (including auxiliary expenses as well as financial income and expenses implicit in deferred receipts and payments is a negative €6.8 million, distributed as follows: -€1.2 million in the second half of the 2015/2016 financial year, -€2.8 million in the 2016/2017 financial year, and -€2.8 million in the 2017/2018 financial year.

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

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

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

	At		
£ million	**9/30/2015**	9/30/2014	Change
Equity attributable to owners of the parent	**(22.1)**	(21.4)	(0.7)
Net debt	**(47.7)**	(37.9)	(9.8)

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

The Economist Group's **net revenues** in the first half 2015 are up 8% (£11.3 million) from the same period last year. The dollar was stronger against the pound which boosted revenues by £8.1 million, and the results were also helped by the timing of EuroFinance's flagship conference. This year the conference was in September, last year in October, so the swing in revenues for the half-year comparison was more than £4 million. Excluding both these favorable factors, revenues fell slightly.

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

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

Net revenues by sector are as follows:

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

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

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

Operating profit by division is as follows:

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

Operating profit by business was also helped by the stronger dollar and in the case of The Economist Businesses, the timing of the EuroFinance event.
The ongoing decline in high margin print advertising revenues has continued to affect profitability and while partly offset by strong growth in digital advertising this comes with a cost because of complex delivery and support. There has also been increased investment in digital capabilities and editorial teams.

Significant events in the first half of 2015

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

Events subsequent to the first half of 2015

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

ARENELLA IMMOBILIARE S.r.l.

(100% capital)

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

€ million	**12/31/2015**	12/31/2014	Change
Profit for the year	**0.1**	0.2	(0.1)
Equity	**26.3**	26.1	0.2
Lido Arenella hotel property	**25.9**	26.3	(0.4)
Net financial position	**0.2**	(0.3)	0.5

The year 2015 shows a profit of €0.1 million. The €0.1 million decrease from 2014 is mainly 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 of €0.4 million is due to the depreciation charge for the year of €0.6 million, partially offset by extraordinary maintenance work of €0.2 million.

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

EXOR S.A.

(100% of capital)

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

€ million	12/31/2015	12/31/2014	Change
Profit for the year	**796.2**	87.7	708.5
Equity	**1,409.2**	3,100.5	(1,691.3)
Investments and non-current other financial assets	**2,331.9**	3,609.9	(1,278.0)
Net financial position	**(930.2)**	(509.1)	(421.1)

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

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

	Number	12/31/2015			
	of shares	% of capital	Carrying amount	12/31/2014	Change
The Economist Group Ltd	8,750,000	34.72	**428.6**	30.3	398.3
Exor Capital Ltd	4,000,000	100	**424.0**	1,889.0	(1,465.0)
EXOR N.V.	450	100	**300.0**	300.0	0.0
Almacantar S.A.	220,480,355	38.30	**280.5**	171.9	108.6
PartnerRe Ltd	2,201,062	4.61	**256.6**	-	256.6
Banca Leonardo S.p.A.	45,459,968	16.51	**54.5**	60.0	(5.5)
Banijay Holding S.A.S.	351,590	17.17	**35.3**	35.3	0.0
C&W Group Inc.	-	-	**0.0**	495.3	(495.3)
Other	-	-	**40.9**	156.4	(115.5)
Total investments			**1,820.4**	3,138.2	(1,317.8)
Non-current other financial assets			**511.5**	471.7	39.8
Total investments and non-current other financial assets			**2,331.9**	3,609.9	(1,278.0)

The principal changes in investments and non-current other financial assets held by EXOR S.A. are described under Significant Events in 2015.

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

RISKS ASSOCIATED WITH GENERAL ECONOMIC CONDITIONS

Beginning in 2008 the world economy was hit by the effects of the global financial crisis. This crisis, including the European sovereign debt crisis, has caused enormous confusion in financial markets, considerably reducing liquidity and credit availability. Any continuation of this state of tension in the financial markets at the national and international level could influence the type, timing and profitability of investments realized (or that will be realized) with resulting potential detrimental effects on the results of operations, financial position and cash flows of the company.
However, it is impossible to ensure that there will not be a further deterioration of the global economy.

The earnings and financial position 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, which tends to reflect, if not amplify, 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.

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 earnings, business prospects and 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 rated by Standard & Poor's in 2015 is respectively at "BBB+" and "A-2", with a negative 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.
Most of the liquidity at December 31, 2015 is denominated in U.S. dollars in order to hedge the currency risk in the transaction for the acquisition of PartnerRe, a non-monetary investment in foreign currency.
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 present mainly in the automobile segment (FCA), the agricultural and construction equipment segment (CNH Industrial), publishing (The Economist 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, 2015, the investments in FCA (29.16% stake) and in CNH Industrial (26.94% stake) represented, respectively, 38.4% and 15.4% 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 pending litigation which are evaluated and, where necessary, appropriate provision is made. However, it cannot be excluded that such risks will have adverse effects on the earnings, financial condition and cash flows of EXOR and/or its subsidiaries and associates.

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, CNH Industrial and Juventus Football Club).

FCA

Risks related to the business, strategy and operations

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

The Group's success requires it to achieve 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 10% decrease in 2015 vehicle shipments would reduce Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT") by approximately 29% for 2015, without considering actions and cost containment measures that may be taken in response to decreased vehicle sales.

In addition, profitability in the U.S., Canada, Mexico and Caribbean islands ("NAFTA"), a region which contributed a majority of the profit in 2015, is particularly dependent on demand for the Group's pickup trucks, larger utility vehicles and minivans. A shift in demand away from these vehicles within the NAFTA region, and towards compact and mid-size passenger cars, whether in response to higher fuel prices or other factors, could adversely affect profitability. Pickup trucks, larger utility vehicles and minivans accounted for approximately 41% of total U.S. retail vehicle sales in 2015 and the profitability of this portion of the portfolio is approximately 39% 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 pickup trucks, larger utility vehicles and minivans deteriorated by 10 percentage points, whether in response to higher fuel prices or other factors, holding other variables constant, including overall industry sales and the Group's market share of each vehicle segment, would have reduced the Group's Adjusted EBIT by approximately 10% for 2015. 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. 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.

The Group's dependence within the NAFTA region on pickup trucks, larger utility vehicles and minivans is expected to increase further as the Group intends to shift production in that region away from compact and mid-size passenger cars.

Moreover, the Group tends to operate with negative working capital as the Group 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 it continues to pay suppliers during a period in which the Group receive reduced proceeds from vehicle sales. If vehicle sales decline, 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, fuel 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.

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 the Group 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 the brands that are believed to have global appeal and reach

The growth strategies reflected in the 2014-2018 Business Plan announced in May 2014 and updated in January 2016 (the "Business Plan") require significant investments, including the expansion of several brands that are believed to have global appeal into new markets. Most notably, these strategies include expanding global sales of the Jeep brand through localized production in Asia and Latin America. Additionally, the Group's plans include the launch of new large utility vehicle models in North America, the reintroduction in North America, and expansion in Europe and Asia, of the Alfa Romeo brand, and the further development of the Maserati brand portfolio to include the all-new Levante sport utility vehicle. These strategies require significant investments in production facilities and distribution networks. If the Group is unable to introduce vehicles that appeal to consumers in these markets and achieve brand expansion strategies, FCA 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 any resulting loss of vehicle sales could have material adverse effects on the Group's business

FCA, 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. FCA's recent costs to recall vehicles have been significant and typically include the cost of replacement parts and labor to remove and replace parts. These costs 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, force it to halt the sale of certain vehicles and may cause consumers to question the safety or reliability of the Group's products. Given recent increases in both the cost and frequency of recall campaigns and increased regulatory activity across the automotive industry in the U.S. and Canada, ongoing compliance may become even more costly.

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, faced with consumer complaints, or information received 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 the Group may lose future vehicle sales. The Group is also obligated under the terms of its warranty agreements to make repairs or replace parts in its vehicles at its expense for a specified period of time. Therefore, any failure rate that exceeds the Group's assumptions may result in unanticipated losses.

In addition, compliance with U.S. regulatory requirements for product recalls has received heightened scrutiny recently. In connection with the failure in three specified campaigns to provide an effective remedy, and noncompliance with various reporting requirements under the National Traffic and Motor Vehicle Safety Act of 1966 and the Transportation Recall Enhancement, Accountability and Documentation (TREAD) Act, FCA US has recently agreed to pay substantial civil penalties, become subject to supervision and in certain instances been required to buy back vehicles as an additional alternative to a repair remedy. There can be no assurance that the Group will not be subject to additional regulatory inquiries and consequences in the future.

FCA - Future performance depends on the Group's ability to expand into new markets as well as enrich the product portfolio and offer innovative products in existing markets

The Group's success depends, among other things, on the 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.

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. A failure to develop and offer innovative products that compare favorably to those of the 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 strategy, which would have a material adverse effect on the Group's 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 Group's collective bargaining agreements, which limit its flexibility to adjust personnel costs to changes in demand for its products, may further exacerbate the risks associated with incorrectly assessing demand for the Group's 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 the competitors

Substantially all of the 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.

In addition, global vehicle production capacity significantly exceeds current demand and this overcapacity 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. In addition, manufacturers in countries that have lower production costs may choose to export lower-cost automobiles to more established markets. These actions have had, and may 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 its principal competitors could have a material adverse impact on the Group's 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 the 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 the Group can sell them, which could have a material adverse impact on the Group's financial condition and results of operations.

Government scrutiny has also increased industry-wide, and is expected to remain high, in connection with a recent significant EPA action involving the tailpipe emissions of a competitor's diesel vehicles. As a result, original equipment manufacturers ("OEMs") will likely experience additional regulation, increased enforcement and a more lengthy regulatory approval process.

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, competitors and others are pursuing similar technologies and other competing technologies, and there can be no assurance that they will not acquire and implement similar or superior technologies sooner than the Group will or on an exclusive basis or at a significant price advantage.

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

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

FCA - The FCA Group may be subject to more intensive competition if other manufacturers pursue consolidations

The FCA Group has advocated consolidation in its industry due to the Group’s view that the automotive industry is characterized by significant duplication in product development costs, much of which does not drive value as perceived by consumers. The FCA Group believes that sharing product development costs among manufacturers, preferably through consolidation, will enable automakers to improve their return on capital employed for product development and manufacturing and enhance utilization of tooling, machinery and equipment. While the FCA Group continues to implement its Business Plan, and believes that the business will continue to grow and operating margins will continue to improve, if competitors are able to successfully integrate with one another and the FCA Group is not successful with its own efforts to enhance collaboration or adapt effectively to increased competition, the competitors’ integration could have a material adverse impact on the Group’s financial condition and results of operations.

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

Certain of the defined benefit pension plans are currently underfunded. As of December 31, 2015, the defined benefit pension plans were underfunded by approximately €5.1 billion (€4.9 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 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, it 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. As a result of the Group’s 100% indirect ownership of FCA US, the Group may be subject to certain U.S. legal requirements making it 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 lack of a captive finance company in certain key markets could place the Group at a competitive disadvantage to other automakers that may be able to offer consumers and dealers financing and leasing on better terms than the Group customers and dealers are able to obtain

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 the competitors, the Group does not own and operate a controlled finance company dedicated solely to the mass-market vehicle 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 the Group's 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 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, lack of a controlled finance company in those markets could adversely affect the Group's 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. The ability of a finance company to provide financing services at competitive rates is subject to various factors, 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 rate.

Any financial services provider, including the Group's joint ventures and controlled finance companies, will also face other demands on its capital, including the need or desire to satisfy funding requirements for dealers or customers of 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 Group dealers and retail customers, such dealers and retail customers may not have sufficient access to financing to purchase or lease Group vehicles. As a result, vehicle sales and market share may suffer, which would adversely affect the Group's financial condition and results of operations.

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

In certain regions, including NAFTA, 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. As 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 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, the Group's retail customers may not desire to or be able to obtain financing to purchase or lease the Group's vehicles. Furthermore, because the Group's 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 competitors.

FCA - Limitations on the Group's liquidity and access to funding may limit the ability to execute the Business Plan and improve the 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 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 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 the Group's ability to execute its Business Plan and impair the financial condition and results of operations. In addition, any actual or perceived limitations of the Group's liquidity may limit the ability or willingness of counterparties, including dealers, customers, suppliers, lenders and financial service providers, to do business with the Group, which may adversely affect 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 and the Group is currently rated below investment grade. The rating agencies review the Group's ratings regularly and, accordingly, new ratings may be assigned to the Group 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 rating 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's ability to achieve cost reductions and to realize production efficiencies is critical to maintaining its competitiveness and long-term profitability

While some productivity improvements are within the Group's 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 the 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 and government regulations.

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, dealer and supplier disputes, environmental claims and lawsuits, antitrust, intellectual property, tax and other legal proceedings including those that arise in the ordinary course of the 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, the Group 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 - A significant malfunction, disruption or security breach compromising the electronic control systems contained in the Group's vehicles could damage the reputation, disrupt business and adversely impact the Group's ability to compete

The Group's vehicles, as well as vehicles manufactured by other OEMs, contain interconnected and increasingly complex systems that control various vehicle processes including engine, transmission, safety, steering, brakes, window and door lock functions. Such internal and vehicle systems are susceptible to malfunctions and interruptions due to equipment damage, power outages, and a range of other hardware, software and network problems. These systems are also susceptible to cybercrime, or threats of intentional disruption, which are increasing in terms of sophistication and frequency. A significant malfunction, disruption or security breach compromising the electronic control systems contained in the Group's vehicles could damage the Group's reputation, expose it to significant liability and have a material adverse effect on the results of operations.

FCA – The Group may not be able to realize anticipated benefits from acquisitions that may be undertaken, 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 it from realizing the expected benefits of the transactions or achieving the Group's 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 - There can be no assurance that the FCA Group will be able to offset the earnings power lost as a result of the Ferrari separation

In January 2016, FCA completed the previously announced separation of Ferrari N.V., which was intended to, among other things, strengthen the capital base. The separation consisted primarily of the October 2015 initial public offering of 10% of the common shares of Ferrari N.V. and the January 2016 transaction in which holders of FCA common shares and FCA mandatory convertible securities received the remaining 80% interest in Ferrari N.V. The initial public offering and spin-off will in the aggregate ultimately have a positive €1.5 billion impact on FCA's Net industrial debt. However, Ferrari N.V. contributed approximately €2.6 billion in revenue and €444 million in EBIT in 2015, and is now accounted for as a discontinued operation. If the improvement in FCA's capital position resulting from the separation of Ferrari N.V. is not sufficient to offset the related loss of revenue and EBIT, FCA could experience a material adverse impact on its results of operations and financial condition.

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 the drive toward common global systems, the Group has extended the 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 the previous processes. The Group's management believes that the implementation of these systems will continue to improve and enhance internal controls over financial reporting. If the Group fails to maintain adequate financial and management processes and controls, however, it could lead to errors in financial reporting, which could harm the Group's business reputation and cause a default under certain covenants in credit agreements and other debt.

In addition, if the Group does not maintain adequate financial and management personnel, processes and controls, the Group 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 the Group's public indebtedness, and other credit agreements.

FCA - A disruption or security breach in Group's information technology systems could disrupt business and adversely impact the ability to compete

A significant malfunction, disruption or security breach compromising the operation of the Group's information technology systems could damage the reputation, disrupt the business and adversely impact the ability to compete. The Group's ability to keep the business operating effectively depends on the functional and efficient operation of the information, data processing and telecommunications systems, including the Group's vehicle design, manufacturing, inventory tracking and billing and payment systems. A significant or large-scale malfunction or interruption of any one of the computer or data processing systems could adversely affect the Group's 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 or security breach that results in a wider or sustained disruption to the business could have a material adverse effect on the Group's business, reputation, financial condition and results of operations.
In addition to supporting operations, the Group uses systems to collect and store confidential and sensitive data, including information about its business, its and its employees. As its technology continues to evolve, the Group anticipates that it will collect and store even more data in the future and that the Group's 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 notification to be provided to the data owners, and that subject the Group 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 competitors. Ultimately, any significant compromise in the integrity of data security could have a material adverse effect on the Group's 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 intellectual property rights, others may be able to compete against the Group using intellectual property that is the same as or similar to the Group's own. In addition, there can be no guarantee that the intellectual property rights are sufficient to provide the Group with a competitive advantage against others who offer products similar to the Group's products. Despite efforts, the Group 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's business, financial condition or results of operations.
The laws of some countries in which the Group operates do not offer the same protection of 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 the Group to protect intellectual property from misuse or infringement there. The Group's inability to protect or intellectual property rights in some countries may harm the Group's 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
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on the repatriation of funds; 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 - 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) and have recently taken steps to expand its manufacturing presence in its South and Central America ("LATAM") region and Asia and Pacific countries ("APAC") region. 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 developments in certain LATAM markets, as well as China, 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 the Group's ability to act quickly in making decisions on its operations in those markets.
The automotive market in these emerging markets is highly competitive, with competition from many of the largest global manufacturers as well as numerous smaller domestic manufacturers.

The Group anticipates that additional competitors, both international and domestic, will also 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 inability to gain or hold market share, which could have a material adverse effect on the Group's financial condition and results of operations.

FCA – The Group's reliance on joint ventures in certain emerging markets may adversely affect the development of the Group's 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 ("GAC Group") which has commenced local production of the Jeep Cherokee and will locally produce two other new Jeep vehicles for the Chinese market, expanding the portfolio of Jeep sport utility vehicles ("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 the Group to risk of conflict with its joint venture partners and the need to divert management resources to oversee 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 the Group was 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 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 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 is 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, parts, components and systems used in its vehicles

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 its ability to manage cost of sales over the short term. The Group may not be successful in managing its exposure to these risks. Substantial increases in the prices for raw materials would increase its 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 Group's control 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 the Group's 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 the Group's ability to achieve its 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 - Labor laws and collective bargaining agreements with the Group's labor unions could impact its ability to increase the efficiency of 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 the Group's 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 the 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 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 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 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 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.

In addition, although the Group manages risks associated with fluctuations in currency and interest rates through financial hedging instruments, fluctuations in currency or interest rates could have a material adverse effect on the Group's financial condition and results of operations.

Financial services activities of the Group 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 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 the shareholders may have rights different from those of shareholders of companies organized in the U.S.

The rights of the shareholders of the Group 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 vennootschap*). Its 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 of the Group in companies governed by the laws of other jurisdictions including the U.S. In the performance of its duties, the board of directors of the Group is required by Dutch law to consider the interests of the Group and the interests of its shareholders, 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, the interests of the shareholders.

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

FCA is incorporated under the laws of the Netherlands, and a substantial portion of the 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 their 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 its 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 it as also being tax resident elsewhere

FCA is not a company incorporated in the United Kingdom ("U.K."). Therefore, whether FCA is resident in the U.K. for tax purposes depends 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 ("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 FCA's 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 the FCA Group and its subsidiaries; (iii) those meetings are properly minuted; (iv) at least some of FCA's directors, together with supporting staff, are based in the U.K.; and (v) FCA has permanent staffed office premises in the U.K. HMRC has accepted that "central management and control" of FCA is in the U.K.

Although it has been accepted that FCA "central management and control" is in the U.K., 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 were a tie-breaker provision in that tax treaty which allocated 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 ("CTA"). However, FCA has set up and thus far maintained, and intend to continue to maintain, a management and organizational structure in such a manner that it should be deemed resident in the U.K. from 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 its 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.

Although it has been accepted that "central management and control" is in the U.K., 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 and received 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. 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 - 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 ("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 the group 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). It is expected that the 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 jurisdiction.

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 - If FCA is deemed to not maintain a permanent establishment in Italy, it could experience a material increase in its tax liability

Whether FCA has maintained a permanent establishment in Italy after the Merger (an "Italian P.E.") is largely a question of fact based on all the circumstances. FCA believes that, on the understanding that it should be a U.K.-resident company under the Italy-U.K. tax treaty, it 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 (the "Fiscal Unit"), continues with respect to the Italian subsidiaries whose shareholdings are part of the Italian P.E.'s net worth.

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 (the "2014 Ruling"), confirming that the Fiscal Unit may continue via the Italian P.E. Moreover, in another ruling issued on October 9, 2015 (the "2015 Ruling", and together with the 2014 Ruling, the "Rulings"), the Italian tax authorities confirmed that the separation of Ferrari from the Group (including the first demerger of certain assets held through the Italian P.E.) will qualify as a tax-free, neutral transaction from an Italian income tax perspective. However, the Rulings are not assessments of certain sets of facts and circumstances. Therefore, even though the 2014 Ruling confirms that the Fiscal Unit may continue via the Italian P.E. and the 2015 Ruling assumes such a P.E. to exist, 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 a P.E. Because the analysis is highly factual, there can be no assurance regarding the maintenance of an Italian P.E. after the Merger.

Risks related to the Group's substantial existing 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 the Group's indebtedness, which may reduce the amount of funds available to the Group for other purposes;
- the Group is more financially leveraged than some of its competitors, which may put the Group 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 the 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 though the Group is the 100% indirect owner of FCA US, it operates separately from a cash management standpoint. 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 does the Group have any commitment to provide funding to FCA US in the future.
However, with the replacement of the prior FCA revolving credit facilities with the new FCA revolving credit facilities entered into in June 2015, FCA no longer has limitations in providing funding to FCA US.
Furthermore, certain of its notes include covenants that may be affected by FCA US's circumstances. In particular, these notes include cross-default clauses which may accelerate the relevant issuer's obligation to repay its notes in the event that FCA US fails to pay certain debt obligations at 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 notes 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.

FCA - Restrictive covenants in the debt agreements could limit the Group's 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 certain 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 senior credit facilities 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. 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 U.S.$1.9 billion (€1.4 billion) and U.S.$1.3 billion (€1.2 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 limit FCA US's ability to prepay certain of its indebtedness or impose 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 senior credit facilities will be eliminated

In connection with the Group's capital planning to support the Business Plan, the Group has announced the intention to eliminate existing contractual terms limiting the free flow of capital among Group companies, including through prepayment, refinancing and/or amendment of the outstanding FCA US senior credit facilities. 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 could become subject to lenders' contractual rights if an event of default were to occur

FCA US is an obligor and several of its U.S. subsidiaries are guarantors under FCA US's senior credit facilities. The obligations under the senior credit facilities are secured by senior priority 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 certain of its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors. An event of default under FCA US's senior credit facilities could trigger its lenders' contractual rights to enforce their security interest in these assets.

Risks related to the Group's 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

The Group's common shares are listed and traded on both the New York Stock Exchange ("NYSE") and the Mercato Telematico Azionario ("MTA") operated by Borsa Italiana. The dual listing of the common shares may split trading between the two markets and may result in limited trading liquidity of the shares in one or both markets, which may adversely affect the development of an active trading market for the common shares on either or both exchanges 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 its common shares on the two exchanges, which may contribute to volatility in the trading of its shares.

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

The implementation of the loyalty voting structure could reduce the liquidity of FCA common shares and adversely affect the trading prices of its common shares. The loyalty voting structure is intended to reward shareholders for maintaining long-term share ownership by granting initial shareholders and persons holding FCA common shares continuously for at least three years at any time following the effectiveness of the Merger the option to elect to receive FCA special voting shares. Its 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 FCA 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 its special voting shares. Therefore, the loyalty voting structure may reduce liquidity in FCA 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 Group 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 FCA common shares. As a result of the loyalty voting structure, a relatively large proportion of FCA voting power could be concentrated in a relatively small number of shareholders who would have significant influence. According to the most recent data available, EXOR had a voting interest in FCA of approximately 44.27% 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 shareholders. Such shareholders participating in the loyalty voting structure could effectively prevent change of control transactions that may otherwise benefit FCA shareholders. The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changing FCA management or strategy or otherwise exerting influence.

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

Shares of the Group's stock held by a U.S. holder would be stock of a passive foreign investment company ("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 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 Group 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 Group's 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

Although the U.K. and Dutch competent authorities have ruled 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 are still subject to Dutch dividend withholding tax and the Group would have no obligation to pay additional amounts in respect of such payments.

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 – The Group is exposed to political, economic and other risks beyond our control as a result of operating a global business

The Group manufactures and sells products and offer 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 activities, the Group is exposed to risks associated with international business activities that may increase costs, impact the ability to manufacture and sell products and require significant management attention. These risks include:

- 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, including new or additional trade or economic sanctions imposed by the U.S. or other governmental authorities and supranational organizations (e.g., the United Nations); 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 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, including the Brazilian government discontinuing programs subsidizing interest rates on equipment loans; and
- war, civil unrest and terrorism.

Unfavorable developments in any one of these areas, which vary from country to country and many of which are outside of the Group's control, 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 access to capital markets or other sources of financing. A decline in revenues could have a negative impact on the cash-generating capacity of 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. Instability in global capital markets, including market disruptions, limited liquidity and interest rate and exchange rate volatility, could reduce our access to capital markets or increase the cost of our short and long-term financing. 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., its subsidiaries, 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 credit ratings by one or more rating agencies may increase the cost of capital, potentially limit access to sources of financing and have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial – The Group 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, including as a result of changes in monetary or fiscal policies of governmental authorities from time to time. The Group is subject to currency exchange risk to the extent that costs are denominated in currencies other than those in which it earns revenues. In addition, the reporting currency for the consolidated financial statements is the U.S. dollar. Certain of the assets, liabilities, expenses and revenues are denominated in other currencies. Those assets, liabilities, expenses and revenues are translated into the U.S. dollar at the applicable exchange rates to prepare the consolidated financial statements. Therefore, increases or decreases in exchange rates between the U.S. dollar and those other currencies affect the value of those items reflected in the consolidated financial statements, even if their value remains unchanged in their original currency. Changes in currency exchange rates between the U.S. dollar and other currencies have had, and will continue to have, an impact on the Group's results of operations and/or financial position.

The Group uses various forms of financing to cover the funding requirements of 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.

Although the Group seeks to manage currency risk and interest rate risk, including through hedging activities, there can be no assurance that it will be able to do so successfully, and the Group's business, results of operations and financial position could be adversely affected. In addition, by utilizing these instruments, the Group potentially foregoes the benefits that may result from favorable fluctuations in currency exchange rates.

The Group also faces risks from currency devaluations. Currency devaluations result in a diminished value of funds denominated in the currency of the country instituting the devaluation.

CNH Industrial – The Group faces risks associated with relationships with employees

In many countries where the Group operates, 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 the flexibility in reshaping and/or strategically repositioning business activities. Therefore, the 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 manufactures.

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, farmers' income and their capitalization;
- 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. Additionally, if demand for products is less than expected, the Group may experience excess inventories and be forced to incur additional charges and profitability will suffer, including higher fixed costs associated with lower production levels at the Group's plants. Business may be negatively impacted if the Group experiences excess inventories or is unable to adjust production schedules or purchases from suppliers to reflect changes in customer demand and market fluctuations on a timely basis.

CNH Industrial – The Group depends on suppliers for raw materials, parts and components

The Group relies upon suppliers for raw materials, parts and components that are required to manufacture its products. The Group cannot guarantee that it will be able to maintain access to raw materials, parts and components, and in some cases, this access may be affected by factors outside of the Group's control and the control of the suppliers. Certain components and parts used in products are available from a single supplier and cannot be sourced quickly otherwise. Supply chain disruptions, including those due to supplier financial distress, capacity constraints, business continuity, delivery or disruptions due to weather-related or natural disaster events, could negatively impact the Group's operations and the profitability of its businesses.

The Group uses a variety of raw materials in its 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 while the Group seeks to manage this exposure, it may not be successful in mitigating these risks. Further, increases in the prices for raw materials can significantly increase costs of production, which could have a material adverse effect on the profitability of the Group's businesses, particularly if the Group is unable to recover the increased costs from customers.

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

The Group operates in highly competitive global and regional markets. Depending on the particular country, the Group competes with other international, regional and local manufacturers and distributors of agricultural and construction equipment, commercial vehicles, and powertrains. Certain of 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 of the Group's product offerings. The Group competes on the basis of product performance, innovation, quality, distribution, customer service and price. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays or failure to price products competitively could adversely affect the Group's 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 markets in which the Group competes 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, increasingly stringent environmental, health and safety laws could have an adverse effect on the Group's results of operations

The Group is subject to comprehensive and constantly evolving laws, regulations and policies in numerous jurisdictions around the world. The Group expects the extent of legal requirements affecting businesses and costs of compliance to continue to increase in the future. Such laws govern, among other things, products – with requirements on emissions of polluting gases and particulate matter, 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 its activities, as well as damage to property or natural resources. Liabilities, sanctions, damages and remediation efforts related to any non-compliance with such laws, including those that may be adopted or imposed in the future, could negatively impact the Group's ability to conduct 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.

Further, environmental, health and safety regulations change from time to time, as may related interpretations and other guidance. For example, changes in environmental and climate change laws, including laws relating to engine and vehicle emissions, safety regulations, fuel requirements or greenhouse gas emissions, could lead to new or additional investments in product designs and could increase environmental compliance expenditures. If these laws are either changed or adopted and impose significant operational restrictions and compliance requirements on the Group or its products, they could negatively impact the Group's business, results of operations, financial position and competitive position.

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

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

The success of the Group's businesses depends on its ability to maintain or increase 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 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 or supply products that meet regulatory requirements, including engine emissions requirements, 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 exposes it to multiple and potentially conflicting cultural practices, business practices and legal requirements that are subject to change, including those related to tariffs, trade barriers, investments, property ownership rights, taxation and sanction requirements. 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 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. Many emerging market economies have experienced slower growth and other economic challenges in recent periods and may be subject to a further slowdown in gross domestic product expansion and/or be impacted by domestic political or currency volatility, potential hyperinflationary conditions and/or increase of public debt.

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

The Group'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 and antitrust or competition laws that apply to conduct in a particular jurisdiction. The anti-corruption 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 and antitrust or competition laws both globally and in particular jurisdictions and the Group has from time to time been subject to investigations and charges claiming violations of anti-corruption or antitrust or competition laws. The Group is committed to operating in compliance with all applicable laws, in particular anti-corruption and antitrust or competition laws. The Group has implemented a program to promote compliance with these laws and to identify and minimize the risk of any violations. The Group's compliance program, however, may not in every instance protect it from acts committed by employees, agents, contractors, or collaborators that may violate the applicable laws or regulations of the jurisdictions in which the Group operates. Such improper actions could subject the Group to civil or criminal investigations and monetary, injunctive and other penalties. 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 the Group's reputation and have a material adverse effect on the Group's business, results of operations and financial position.

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

At December 31, 2015, the funded status for the Group's defined benefit pension, and other post-employment benefits was an underfunded status of $2,194 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"). Consequently, the funded status is subject to many factors.

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 sells finished products primarily through an independent dealer network and directly to OEMs and is subject to risks relating to their inventory management decisions and operating and sourcing practices. 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. The Group is also subject to the risk of insolvency of dealers and customers, in part due to unfavorable economic conditions in markets where their activities are carried out, and laws and government actions may, among other things, prevent the Group from enforcing legal rights and remedies in dealer or customer insolvency. 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 that 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, many of which are outside the Group's control, 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;
- 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 the Group'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 is 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 the 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 Group is involved in pending litigation and investigations on a wide range of topics, including dealer and supplier litigation, intellectual property right disputes, product warranty and defect product claims, product performance, asbestos, personal injury, emissions and/or fuel economy regulatory and contractual issues and environmental claims that arise in the ordinary course of its business. 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 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, the Group 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 it. 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 the 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, 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 schedule 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 the Group's dealers' inventories are typically reduced.

To the extent production levels (and timing) do not correspond to retail demand, the Group 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, 2015, the Group had an aggregate of $26,458 million (including $20,129 million relating to Financial Services activities) of consolidated gross indebtedness, and equity was $7,217 million, including noncontrolling interests. The extent of its 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 the Group for other purposes;
- the Group may be more financially leveraged than some of its competitors, which could put the Group 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 the Group 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, in part resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone and Latin America, and from continued concerns about global economic growth, particularly in the emerging markets.

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

The indentures or other instruments governing the Group’s outstanding debt securities and other credit agreements to which the Group is a party from time to time contain, or may contain, covenants that restrict its 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/or
- enter into sale and leaseback transactions.

Although the Group does not believe any of these covenants materially restrict its operations currently, a breach of one or more of the covenants could result in adverse consequences that could negatively impact its 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 its lenders, refusal by its 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, some of which are managed by third parties, to operate the business, and the Group collects and stores sensitive data. Operating these information technology systems and networks, and processing and maintaining this data, in a secure manner, are critical to the Group’s business operations and strategy. Additionally, increased information technology security threats and more sophisticated computer crime pose a risk to the security of the systems and networks and the confidentiality, availability and integrity of the Group’s data.

While the Group actively manages information technology security risks within its control, there can be no assurance that such actions will be sufficient to mitigate all potential risks to the Group’s systems, networks and data.

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 the Group’s reputation, competitive position, businesses and results of operations. Security breaches could also result in litigation, regulatory action and potential liability, as well as higher operational and other costs of implementing further data protection measures. In addition, as security threats continue to evolve the Group may need to invest additional resources to protect the security of its systems.

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

The Group's success is largely dependent on the ability of its senior executives and other members of management to effectively manage the organization and individual areas of its businesses. 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, disruptions to the Group's information technology systems and networks or other unexpected events could result in physical damage to and complete or partial closure of one or more of the 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 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. The Group's existing insurance arrangements may not protect against all 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 affect sales of agricultural equipment. While higher commodity prices will benefit 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. Lower commodity prices directly affect farm income, which could negatively affect sales of agricultural equipment. 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 products and provide services could negatively impact the Group's business, results of operations and financial position. 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.

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;
- the terms and conditions applicable to extensions of credit;
- interest rates (and changes in the applicable interest 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 and its earnings and cash flows. 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 a borrower defaults on a loan and the Group repossesses collateral securing the repayment of the loan, the Group's 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 has traditionally relied upon the ABS market and committed asset-backed facilities as a primary source of funding and liquidity. A significant reduction in liquidity in the secondary market for ABS transactions could adversely affect the Group's ability to sell receivables on a favorable or timely basis. Such conditions could 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 sales of the Group's equipment, to the extent Financial Services is unable to access funding on acceptable terms, the Group's sales of equipment would be negatively impacted.

CNH Industrial – Repurchase risk

In connection with 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 obligation to make 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 Group's 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 effect upon its access to the ABS market, these and future SEC regulations may affect 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 financial position, results of operations and cash flows.

<u>Other risks</u>

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. The competent authority ruling referred to below supports this analysis. 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 is considered to 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. for purposes of the application of the Netherlands-U.K. tax treaty 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 – The Group may incur additional tax expense or become subject to additional tax exposure

The Group is subject to income taxes in many jurisdictions around the world. Its tax liabilities are dependent upon the location of earnings among these different jurisdictions. The Group's future results of operations could be adversely affected by changes in the effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in its overall profitability, changes in tax legislation and rates, changes in generally accepted accounting principles and changes in the valuation of deferred tax assets and liabilities. If the Group's effective tax rates were to increase, or if the ultimate determination of the taxes owed is for an amount in excess of amounts previously accrued or paid, the Group's operating results, cash flows and financial position could be adversely affected.

CNH Industrial - CNH Industrial, as successor to Fiat Industrial, is jointly liable with Fiat Chrysler Automobiles N.V. 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 FCA in favor of Fiat Industrial. 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, 2015, the outstanding Liabilities amounted to approximately $1.3 billion (of which $1.1 billion consisted 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 Group's maintenance of two exchange listings may adversely affect liquidity in the market for the common shares and could result in pricing differentials of the common shares between the two exchanges

The dual listing of the Group's common shares on the NYSE and the MTA 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 Group's common shares on the NYSE, and may result in price differentials between the exchanges. Differences in the trading schedules, trading volume and investor bases, as well as volatility in the exchange rate between the two trading currencies, among other factors, may result in different trading prices for the Group's common shares on the two exchanges or otherwise adversely affect liquidity and trading prices of the Group's shares.

CNH Industrial - The loyalty voting structure may concentrate voting power in a small number of the Group'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. As of December 31, 2015, EXOR S.p.A. had a voting interest in CNH Industrial of approximately 41.3%.

CNH Industrial - The loyalty voting structure may affect the liquidity of the Group's common shares and reduce the 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 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 common shares and adversely affect their trading price.

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

The provisions of the 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 the common shares. As a result of the loyalty voting structure, a relatively large proportion of the voting power of the common shares could be concentrated in a relatively small number of shareholders who would have significant influence over the Group. As of December 31, 2015, EXOR S.p.A. had a voting interest in CNH Industrial of approximately 41.3%. Such shareholders participating in the loyalty voting structure could effectively prevent change of control transactions that may otherwise benefit the shareholders.

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

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. Therefore, despite the fact that most of the company's income items are tied to long-term contracts, if the situation of weakness and uncertainty lengthens significantly, the activities, strategies and prospects of the company 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

The economic weakness mentioned above continues to affect the market of sports sponsorships which currently has a narrower time frame 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 this situation should continue, growth in sponsorship revenues may fall below our expectations, with the result that Juventus's financial position, income statement and cash flows may be impacted.

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 the company operates. In accordance with the company's risk management policy, Juventus has credit facilities in place with a number of premier banking institutions to prevent cash flow shortages from arising. Any temporary available liquidity is held in 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 related to 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, some of which can count on revenues exceeding those of Juventus, thus with greater spending capabilities. Any inability to keep "key people" may have a negative impact on the Club's growth prospects.

Juventus Football Club - Risks related to radio and television rights

The company's 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 and distributed. Rules governing the ownership of broadcasting rights to sports events and the distribution of income do not allow for direct management by the company 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 results of operations, financial position and cash flows of the company.

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 their investments in the sector with a negative impact the results of operations, financial position and cash flows of the company.

Juventus Football Club - Risks associated with failure to qualify for sports tournaments

The company's earnings are 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 have an adverse impact on the company's results of operations and financial position.

Juventus Football Club - Risks associated with the Transfer Campaign

The results of operations and financial position 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 the company's earnings and cash flows. Moreover, failure to optimize the bench as a result of the inclusion of footballers on the team who no longer meet the technical and tactical requirements of the team manager and the strategic needs of the sporting director, and who did not agree to transfers, raises the risk of unexpected or excessive costs (a risk common to all football clubs).

Like all its main competitors, the company has been faced with a significant increase in salaries and bonuses in recent years as well as in the cost of players' registration rights. If costs continue to increase at a significant rate, purchasing the registration rights for new players could become more problematic, especially if the sales value of the bench's footballers does not increase proportionately.

The possibility that these trends may continue in future years cannot be excluded and may affect the company's strategy and the dynamic management of its playing assets and have adverse effects on the company's results of operations, financial position and cash flows, as well as on its activities, strategies and prospects.

Juventus Football Club - Risks related to sporting activities

Players' registration rights represent the company's main production factor. Sports activities are subject to risks connected to players' physical health and fitness. Injuries and accidents, therefore, may have a significant impact at any time on the company's earnings and financial position.

Juventus Football Club - Risks connected with management of the trademark

Trademark infringement by third parties, which jeopardizes an important portion of revenues, is another risk the company faces. The unlawful use or infringement of the trademark, in any form, as well as resulting in lower revenues, could adversely affect the commercial value of the trademark, with negative effects on the company's the results of operations, financial position and cash flows.

As of July 1, Juventus directly manages the licensing & retail activities previously entrusted to the Nike Group. This decision constitutes an opportunity for the company to increase revenues arising from the exploitation of the trademark and the reputation of the brand in foreign markets. However, operational and reputational risks associated with this new management cannot be excluded.

Juventus Football Club - Risks connected to digital media

The company 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 registered players and/or their immediate family, relatives and agents, as well as the publication of contents by third parties in general, having a negative impact on the image of the company, its directors, executives and/or registered players, with consequent adverse effects on the earnings and financial position.

Juventus Football Club - Risks connected with management of the company-owned stadium

During 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").

The company is therefore exposed to risks related to the structure of the stadium and the 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 the company's control with consequent negative impacts on Juventus' results of operations, financial position, and cash flows.

Lastly, a reduction of supporters and played matches would have a negative effect on Juventus's financial position, income statement and cash flows.

Juventus Football Club - Behavior of the public and 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 measures and procedures considered necessary to avoid the infringement of these regulations, the company cannot rule out the possibility that events may occur beyond its control that result in sanctions (including suspension from a sector or from the stadium, fines, and bans from competitions), 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 company insurance, and with consequent negative effects on the financial position and performance of the company, as well as its operations, strategies and prospects.

Juventus Football Club - Risks connected to any unlawful behavior of registered players

Given current sports regulations on football clubs' liabilities regarding the behavior of their players, the possibility that Juventus may be fined by sports bodies in the future for events beyond its control, with negative effects that may also be significant on the earnings and financial position, cannot be excluded.

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

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, finance 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 to the risk of exchange rate fluctuations.

Juventus Football Club - Risks connected to Financial Fair Play and compliance with economic and financial parameters

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 Europa 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 break-even result, according to which clubs can participate in European competitions only if they can demonstrate a balance between generated revenues and incurred costs.

From the 2015/2016 season, the FIGC has launched policies aimed at the introduction of Financial Fair Play also in Italy, by introducing some financial and operational ratios to ensure the financial sustainability of the sector.

The company has obtained a UEFA license and the National License to play in championships for the 2015/2016 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 shareholders may be asked for additional funding to meet the requirements needed for the licenses. If the company is not able to meet the above requirements, it may be subjected to management limitations or, in more severe cases, be excluded from participation in competitions, bearing an adverse impact on its earnings and financial position.

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' the results of operations, financial position 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 tax authorities, claims could be made by the tax authorities in the future, even of a significant amount, with adverse effects on the company's earnings and financial position.

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, 2015 and, considering that the legal reserve is equal to one-fifth of share capital, we motion to appropriate the profit of €2,551,262,125.24 as follows:

- to the 234,346,104 ordinary shares currently outstanding, dividends of €0.35 per share for a maximum €82,021,136.40.
- to the extraordinary reserve, the remaining amount of a minimum €2,469,240,988.84.

The proposed dividends will become payable on June 22, 2016 (ex-dividend date June 20) and will be paid to the shares of record as of June 21, 2015 (record date).

Turin, April 14, 2016

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

Separate Financial Statements at December 31, 2015

EXOR S.p.A. - INCOME STATEMENT

€	Note	2015	2014	Change
Investment income (expenses)				
Dividends from investments	1	**2,566,213,665**	143,462,311	2,422,751,354
Gains (losses) on disposals of investments	2	**4,111,129**	(4,880,157)	8,991,286
Reversals of impairment losses on investments	3	**0**	8,029,540	(8,029,540)
Net investment income		**2,570,324,794**	146,611,694	2,423,713,100
Financial income (expenses)				
Financial expenses from third parties	4	**(76,648,647)**	(99,669,897)	23,021,250
Financial expenses from related parties	38	**(494,916)**	(1,351,579)	856,663
Financial income from third parties	5	**13,308,998**	25,864,931	(12,555,933)
Financial income from related parties	38	**64,123,354**	2,407,474	61,715,880
Gains (losses) on exchange	6	**265,028**	46,004	219,024
Net financial expenses		**553,817**	(72,703,067)	73,256,884
Net general expenses				
Personnel costs	7	**(7,398,026)**	(8,424,917)	1,026,891
Purchases of goods and services from third parties	8	**(3,833,823)**	(3,904,172)	70,349
Purchases of goods and services from related parties	38	**(5,111,287)**	(5,290,136)	178,849
Other operating expenses	9	**(1,059,154)**	(959,756)	(99,398)
Depreciation and amortization		**(32,818)**	(48,720)	15,902
		(17,435,108)	(18,627,701)	1,192,593
Revenues from third parties		**21,943**	17,669	4,274
Revenues from related parties	38	**773,875**	523,580	250,295
		795,818	541,249	254,569
Net general expenses		**(16,639,290)**	(18,086,452)	1,447,162
Non-recurring other income (expenses) and general expenses	10	**(9,426,272)**	(6,238,421)	(3,187,851)
Indirect taxes				
Non-deductible VAT	11	**(1,786,085)**	(1,279,183)	(506,902)
Other indirect taxes		**(6,308)**	(131,705)	125,397
Indirect taxes		**(1,792,393)**	(1,410,888)	(381,505)
Profit before income taxes		**2,543,020,656**	48,172,866	2,494,847,790
Income taxes	12	**8,241,470**	3,580,640	4,660,830
Profit for the year		**2,551,262,126**	51,753,506	2,499,508,620

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

€	2015	2014
Profit for the year	**2,551,262,126**	51,753,506
Other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods		
Gains (losses) on remeasurement of defined benefit plans	**21,914**	(559,607)
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	**21,914**	(559,607)
Other comprehensive income (loss) that may be reclassified to the income statement in subsequent periods		
Gains (losses) on cash flow hedging instruments	**6,242,876**	(11,735,074)
Gains (losses) on available-for-sale financial assets	**18,193,350**	6,083,762
Related tax effect	**95,132**	2,569,417
Total other comprehensive income (loss) that may be reclassified to the income statement, net of tax	**24,531,358**	(3,081,895)
Total other comprehensive income (loss), net of tax	**24,553,272**	(3,641,502)
Total comprehensive income	**2,575,815,398**	48,112,004

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

€	Note	12/31/2015	12/31/2014	Change
Non-current assets				
Investments accounted for at cost	13	**4,603,462,808**	4,602,746,733	716,075
Available-for-sale financial assets	13	**331,969,649**	30,084,973	301,884,676
Total		**4,935,432,457**	4,632,831,706	302,600,751
Held-to-maturity financial instruments	14	**26,181,037**	26,347,901	(166,864)
Intangible assets		**102,995**	106,315	(3,320)
Property, plant and equipment		**68,786**	87,217	(18,431)
Other receivables		**15,101**	86,333	(71,232)
Total Non-current assets		**4,961,800,376**	4,659,459,472	302,340,904
Current assets				
Held-to-maturity financial instruments	14	**0**	25,000,000	(25,000,000)
Financial assets held for trading	15	**22,674,939**	136,579,494	(113,904,555)
Cash and cash equivalents	16	**3,406,015,113**	276,379,578	3,129,635,535
Other financial assets	17	**1,974,631**	2,322,907	(348,276)
Tax receivables	18	**4,166,260**	6,038,429	(1,872,169)
Financial receivables from related parties	38	**701,842,554**	3,481,491	698,361,063
Financial receivables from third parties		**308,571**	278,485	30,086
Trade receivables from related parties	38	**406,285**	339,739	66,546
Other receivables	19	**239,726**	649,480	(409,754)
Total Current assets		**4,137,628,079**	451,069,603	3,686,558,476
Total Assets		**9,099,428,455**	5,110,529,075	3,988,899,380
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	**2,698,910,225**	2,361,877,283	337,032,942
Treasury stock	24	**(171,222,387)**	(344,119,774)	172,897,387
Profit for the year		**2,551,262,126**	51,753,506	2,499,508,620
Total Equity		**6,419,350,184**	3,409,911,235	3,009,438,949
Non-current liabilities				
Non-convertible bonds	26	**2,598,807,338**	1,599,996,783	998,810,555
Deferred tax liabilities	28	**6,914,016**	22,319,466	(15,405,450)
Provisions for employee benefits	29	**2,453,084**	2,898,981	(445,897)
Other provisions	30	**600,000**	0	600,000
Other payables	34	**327,316**	58,616	268,700
Total Non-current liabilities		**2,609,101,754**	1,625,273,846	983,827,908
Current liabilities				
Non-convertible bonds	26	**26,370,920**	24,907,736	1,463,184
Other financial liabilities	31	**32,557,379**	45,607,505	(13,050,126)
Trade payables and other payables to related parties	38	**81,170**	186,171	(105,001)
Trade payables to third parties	32	**761,762**	1,456,469	(694,707)
Tax payables	33	**5,190,510**	576,211	4,614,299
Other payables	34	**6,014,776**	2,609,884	3,404,892
Bank debt		**0**	18	(18)
Total Current liabilities		**70,976,517**	75,343,994	(4,367,477)
Total Equity and Liabilities		**9,099,428,455**	5,110,529,075	3,988,899,380

EXOR S.p.A. – STATEMENT OF CASH FLOWS

€	Note	2015	2014
Cash and cash equivalents, at beginning of year		**276,379,578**	585,694,598
Cash flows from (used in) operating activities			
Profit for the year		**2,551,262,126**	51,753,506
Adjustments for:			
Deferred income taxes released	12	**(15,310,318)**	(539,482)
(Gains) losses on disposals of investments	2	**(4,111,129)**	(771,040)
Effective portion of losses on cash flow hedges reclassified to income		**(300,325)**	0
(Gains) losses on disposals of property, plant and equipment		**(600)**	0
Notional cost of EXOR stock option plan	25	**3,199,380**	2,206,908
Depreciation and amortization		**32,818**	48,720
Impairment losses (reversals) of investments		**0**	(8,029,540)
Expenses on cancellation on EXOR 2007-2017 bonds, 5.375%		**0**	32,512,990
Total adjustments		**(16,490,174)**	25,428,556
Change in working capital:			
Other financial assets, current and non-current	17	**348,276**	12,227,879
Tax receivables, excluding items adjusting profit for the year	18	**1,872,169**	(63,487)
Trade receivables from related parties		**(66,546)**	14,683
Other receivables, current and non-current		**480,985**	226,639
Other financial receivables		**(30,086)**	982
Other payables, current and non-current	34	**3,673,590**	(556,601)
Other financial liabilities, current and non-current		**(13,050,126)**	194,380
Trade payables and other payables to related parties, excluding items adjusting profit		**(105,001)**	25,258
Trade payables to third parties		**(694,708)**	97,376
Tax payables	33	**4,614,299**	(3,785,398)
Provisions for employee benefits, excluding remeasurements of defined benefit plans recognized in equity		**(423,983)**	66,840
Provisions for risks and charges	30	**600,000**	(2,867,000)
Change in working capital		**(2,781,131)**	5,581,551
Cash flows from (used in) operating activities		**2,531,990,821**	82,763,613
Cash flows from (used in) investing activities			
Change in investments in:			
Property, plant and equipment		**(12,689)**	(17,254)
Held-to-maturity financial instruments, current and non-current	14	**25,166,864**	57,794,429
Financial assets held for trading	15	**113,904,555**	(49,383,175)
Disposal of investments and available-for-sale financial assets	13	**17,839,087**	34,970,651
Investment acquisitions	13	**(298,427,285)**	(721,978,399)
Disposal of property, plant and equipment		**2,227**	1,266
Cash flows from (used in) investing activities		**(141,527,241)**	(678,612,482)
Cash flows from (used in) financing activities			
Change in financial receivables from related parties		**(698,361,063)**	(2,877,757)
Issue of bonds 2015/2022		**743,384,252**	0
Issue of bonds 2015/2025		**246,609,343**	0
Issue of bonds 2014-2024		**0**	648,320,413
Other changes in bonds		**10,280,144**	(284,433,535)
Net change in bank debt		**(18)**	0
Changes in fair value of cash flow hedge derivatives		**6,543,201**	0
Dividends paid		**(77,821,136)**	(74,485,945)
Treasury stock sales (purchases)		**508,528,076**	0
Dividends statute-barred and other net changes		**9,156**	10,673
Cash flows from (used in) financing activities		**739,171,955**	286,533,849
Total change in cash and cash equivalents		**3,129,635,535**	(309,315,020)
Cash and cash equivalents, at end of year		**3,406,015,113**	276,379,578

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, 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**
Reclassification 2014 profit				51,753,506	(51,753,506)			0
Dividends paid to shareholders (€0.35 per ordinary share)				(77,821,136)				(77,821,136)
Disposal of 12,000,000 treasury shares			172,897,387	335,630,688				508,528,075
Dividends statute-barred				9,157				9,157
Net increase corresponding to notional cost of EXOR stock option plan				2,907,455				2,907,455
Total comprehensive income				21,914	2,551,262,126	18,288,482	6,242,876	2,575,815,398
Net changes during the year	**0**	**0**	**172,897,387**	**312,501,584**	**2,499,508,620**	**18,288,482**	**6,242,876**	**3,009,438,949**
Equity at December 31, 2015	**246,229,850**	**1,094,170,370**	**(171,222,387)**	**2,697,247,193**	**2,551,262,126**	**27,510,197**	**(25,847,165)**	**6,419,350,184**
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 51.87% of share capital.
EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy, with headquarters 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, 2015 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, "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 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 38.

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, 2015

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 arose 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.* No significant effects were generated by the adoption of these amendments.

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

At the date of these financial statements the following are not yet effective and not early adopted:

- In May 2014, the IASB issued amendments 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 earlier application permitted. No significant effect is expected from the adoption of these amendments.

- 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, 2018 with earlier application permitted.

- 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 *Annual Improvements to IFRSs – 2012-2014 Cycle* on matters mainly in connection with IFRS 5 – *Non-current Assets held for Sale and Discontinued Operations*, IFRS 7 – *Financial Instruments: Disclosures* and IAS 19 – *Employee Benefits*. The amendments are applicable for annual periods beginning on or after January 1, 2016. No significant effect is expected from the adoption of these amendments.

- 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.

- In January 2016 the IASB issued IFRS 16 – *Leases* which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous leases standard, IAS 17 – *Leases*. IFRS 16, which is not applicable to service contracts, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019, with earlier adoption permitted only if IFRS 15 – *Revenue from Contracts with Customers* is also adopted. No significant effect is expected from the adoption of this standard.

- In January 2016, the IASB issued amendments to IAS *12 – Income Taxes* that clarify how to account for deferred tax assets related to debt instruments measured at fair value. These amendments are effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted. No significant effect is expected from the adoption of these amendments.

- In January 2016, the IASB issued amendments to IAS 7 - Statement of Cash Flows introducing additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective from January 1, 2017, with earlier adoption permitted. No significant effect is expected from the adoption of these amendments.

The company will adopt these new standards, amendments and interpretations based on the date of application and will evaluate their potential impacts in relation to the same date of application.

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.

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 the financial assets' 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, 2015 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.

Most of the liquidity at December 31, 2015 is denominated in U.S. dollars in order to hedge the currency risk in the transaction for the acquisition of PartnerRe, a non-monetary investment in foreign currency.

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 only regarded the use of a cross currency swap derivative financial instruments as noted 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 €2,566,214 thousand (€143,462 thousand in 2014) and were distributed by the following companies:

€ thousand	2015	2014
EXOR S.A.	**2,487,497**	70,000
CNH Industrial N.V.	**73,385**	73,385
PartnerRe	**4,868**	0
Other	**464**	77
Total dividends	**2,566,214**	143,462

During 2015 the subsidiary EXOR S.A. passed a resolution to pay dividends of €2,487,497 thousand, of which €558,971 thousand is still to be received at December 31, 2015.

2. Gains (losses) on disposals of investments

In 2015 gains amount to €4,111 thousand and refer entirely to the disposal of listed securities recorded in available-for-sale financial assets.

In 2014 gains amounted to €5,771 thousand and referred entirely to the disposal of listed securities recorded in available-for-sale financial assets. There were also losses of €10,651 thousand, of which €5,651 thousand related to the settlement of pending disputes and every other potential future controversy between EXOR and Alpitour by way of a novatory agreement and of €5,000 thousand to the sale of the remaining investment held in Alpitour (7.17%).

3. Reversals of impairment losses on investments

The item refers exclusively to income of €8,030 thousand recorded in 2014 for the total reinstatement of the carrying amount of Fiat preferred shares written down in 2001, which had not been fully reinstated in the subsequent years.

4. Financial expenses from third parties

€ thousand	2015	2014	Change
Interest on bonds	**66,968**	63,414	3,554
Bank fees and commissions	**2,920**	2,434	486
Expenses on held-to-maturity securities	**167**	363	(196)
Interest on bank debt	**155**	370	(215)
Financial expenses on securities held for trading:			
- Losses on shares, funds and securities trading	**5,761**	324	5,437
- Fair value adjustments	**675**	232	443
Other expenses	**3**	20	(17)
Total recurring financial expenses	**76,649**	67,157	9,492
Loss on cancellation of EXOR 2007/2017 bonds (a)	**0**	32,513	(32,513)
Total non-recurring financial expenses	**0**	32,513	(32,513)
Total financial expenses from third parties	**76,649**	99,670	(23,021)

(a) The non-recurring loss recorded in 2014 arises 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.

5. Financial income from third parties

€ thousand	2015	2014	Change
Interest income and other income on held-to-maturity securities	**2,935**	9,151	(6,216)
Interest income on receivables from banks	**3,268**	11,340	(8,072)
Income on securities held for trading:			
- Gains on shares, funds and securities trading	**4,613**	1,269	3,344
- Fair value adjustments	**0**	2,555	(2,555)
Interest on fixed-rate securities	**2,481**	1,101	1,380
Other income	**12**	449	(437)
Total financial income from third parties	**13,309**	25,865	(12,556)

6. Gains (losses) on exchange

€ thousand	2015	2014	Change
Losses on exchange, realized	**(73)**	(129)	56
Gains on exchange, realized	**338**	175	163
Total gains (losses) on exchange	**265**	46	219

7. Personnel costs

These total €7,398 thousand (€8,425 thousand in 2014), with a net decrease of €1,027 thousand.
Details are as follows:

€ thousand	2015	2014	Change
Salaries and expenses for similar services	**4,073**	4,844	(771)
Social security contributions	**1,120**	1,178	(58)
Employee leaving entitlement, other long-term benefit plans and defined benefit plans in addition to payments of plan contributions	**279**	253	26
Notional cost of EXOR long-term incentive plans (a)	**1,459**	1,641	(182)
Other personnel costs (b)	**467**	509	(42)
Total personnel costs	**7,398**	8,425	(1,027)

(a) Additional information is provided in Note 25.
(b) Includes €195 thousand (€181 thousand in 2014) of costs referring to related parties.

At the end of 2015, the number of employees is 32, with a reduction of 3 persons compared to the number at December 31, 2014.
The average number of employees in 2015 was 33, summarized by category as follows:

	2015	2014
Managers	**5**	3
Middle management	**16**	17
Staff	**10**	10
Messengers	**2**	3
Average number of employees	**33**	33

Compensation policies

Overall compensation is composed of a fixed portion, a variable portion and additional benefits.
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 on a discretionary basis by the individuals performing the evaluations.

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 €3,834 thousand and show a net reduction of €70 thousand compared to 2014 (€3,904 thousand). Details are as follows:

€ thousand	2015	2014	Change
Sundry consulting and services	**969**	1,135	(166)
Computer system	**570**	519	51
Securities' listing fees	**346**	287	59
Travel, entertainment and transport expenses	**295**	225	70
Telephone and postal expenses	**288**	298	(10)
Bank and financial fees and commissions	**227**	194	33
Notary fees	**176**	146	30
Shareholders' meetings' fees	**159**	151	8
Directors' liability insurance	**123**	332	(209)
Compensation to control bodies, excluding the board of statutory auditors	**113**	109	4
Sundry costs	**568**	508	60
Total purchases of goods and services from third parties	**3,834**	3,904	(70)

9. Other operating expenses

These total €1,059 thousand (€960 thousand in 2014). Details are as follows:

€ thousand	2015	2014	Change
Donations	**738**	610	128
Association dues	**221**	160	61
Sundry expenses	**100**	190	(90)
Total other operating expenses	**1,059**	960	99

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

In 2015 the net non-recurring expense balance of €9,426thousand refers to investments (€5,083 thousand), employee reduction plans (€1,550 thousand), tax consulting and other consulting fees (€636 thousand) and the writedown of receivables from the tax authorities for withholding taxes paid abroad (€2,157 thousand).

In 2014 the net non-recurring expense balance amounted to €6,238 thousand and was related 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 included €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 other non-recurring income of €18 thousand.

11. Indirect taxes – Non-deductible VAT

In 2015 the prorated amount of non-deductible VAT was 100% (99% in 2014). Non-deductible VAT was €1,786 thousand in 2015 and €1,279 thousand in 2014.

12. Income taxes

The taxable income calculated in accordance with tax regulations generates a taxable income of approximately €85.7 million and the IRES tax for the year of €4,540 thousand. However total taxes recognized in the income statement show a positive balance of €8,241 thousand. Besides the above IRES taxes, the balance includes the separate tax of €1,972 thousand referring to Controlled Foreign Companies (CFC) paid in 2015, the accrual of €600 thousand relating to a notice of assessment received from the Revenues Agency in December 2015 for prior years' taxes, the release of deferred tax liabilities of €15,310 thousand and minor positive adjustments of €43 thousand.

Deferred tax assets have not been recognized on tax losses (€177 million, in total) and on deductible temporary differences represented primarily 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	2015	2014
Pre-tax profit	**2,543,021**	48,173
Increases:		
- 1/5 of the gain on the sale of the building realized in 2011	**1,962**	1,962
- temporary differences (a)		76,304
- loss on sale of Alpitour		5,000
- deferred price adjustment on sale of Alpitour		5,369
- permanent differences	**2,575**	3,180
Total increases	**4,537**	91,815
Decreases:		
- 95% of dividends received	**(1,902,256)**	(136,289)
- uncollected dividends	**(558,971)**	
- deductions of temporary differences	**(180)**	(8,276)
- deductions of permanent differences	**(421)**	(445)
Total decreases	**(2,461,828)**	(145,010)
Taxable income (loss)	**85,730**	(5,022)
Tax losses utilized	**68,584**	
ACE utilized	**638**	
Taxable	**16,508**	
Tax 27.5%	**4,540**	

(a) In 2014 this mainly included net interest expenses non-deductible during the year.

For the years up to December 31, 2010, 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	12/31/2015 % of class of shares	12/31/2015 Amount	12/31/2014 % of class of shares	12/31/2014 Amount	Change
Investments accounted for at cost					
Fiat Chrysler Automobiles N.V. - common shares	29.16	**1,328,502**	29.25	1,328,502	0
Fiat Chrysler Automobiles N.V. - special voting shares	91.90	**0**	91.90	0	0
Fiat Chrysler Automobiles N.V. - mandatory convertible bonds maturing 12/15/2016, 7.875%	n/a	**711,210**	n/a	711,210	0
Fiat Chrysler Automobiles N.V.		**2,039,712**		2,039,712	0
CNH Industrial N.V. - common shares	26.94	**1,694,530**	27.07	1,694,530	0
CNH Industrial N.V. - special voting shares	77.33	**0**	77.33	0	0
CNH Industrial N.V.		**1,694,530**		1,694,530	0
EXOR S.A.	100.00	**746,203**	100.00	746,495	(292)
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
EXOR Holding N.V.	100.00	**1,008**	n/a	0	1,008
Emittenti Titoli S.p.A.	6.43	**272**	6.43	272	0
Investments accounted for at cost		**4,603,463**		4,602,747	716
Available-for-sale financial assets					
PartnerRe	5.29	**324,053**	n/a	0	324,053
Other funds	n/a	**7,916**	n/a	11,330	(3,414)
Other listed securities	n/a	**0**	n/a	18,755	(18,755)
Available-for-sale financial assets		**331,969**		30,085	301,884
Total		**4,935,432**		4,632,832	302,600

The changes during the year are as follows:

€ thousand	Balance at 12/31/2014	Changes in 2015 Increases	Decreases	Other changes	Balance at 12/31/2015
Investments accounted for at cost					
Fiat Chrysler Automobiles N.V. - common shares	1,328,502				**1,328,502**
Fiat Chrysler Automobiles N.V. - special voting shares	0				**0**
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/16/2016, 7.875%	711,210				**711,210**
Fiat Chrysler Automobiles N.V.	2,039,712	0	0	0	**2,039,712**
CNH Industrial N.V. - common shares	1,694,530				**1,694,530**
CNH Industrial N.V. - special voting shares	0				**0**
CNH Industrial N.V.	1,694,530	0	0	0	**1,694,530**
EXOR S.A.	746,495			(292)	**746,203**
Juventus Football Club S.p.A.	95,688				**95,688**
Arenella Immobiliare S.r.l.	26,050				**26,050**
EXOR Holding N.V.	0	1,008			**1,008**
Emittenti Titoli S.p.A.	272				**272**
Investments accounted for at cost	4,602,747	1,008	0	(292)	**4,603,463**
Available-for-sale financial assets					
PartnerRe	0	296,543		27,510	**324,053**
Other funds	11,330	1,023	(3,107)	(1,330)	**7,916**
Other listed securities	18,755		(10,768)	(7,987)	**0**
Total available-for-sale financial assets	30,085	297,566	(13,875)	18,193	**331,969**
Total	4,632,832	298,574	(13,875)	17,901	**4,935,432**

A comparison between the carrying amounts and trading prices of listed investments is as follows:

		Carrying amount		Trading price December 30, 2015	
	Number	Per share (€)	Total (€/000)	Per share (€)	Total (€/000)
Fiat Chrysler Automobiles N.V. - common shares	375,803,870	3.535	1,328,502	12.996	**4,883,834**
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016	8,860,000	80.272 (a)	711,210	107.155 (b)	**949,396**
			2,039,712		**5,833,231**
CNH Industrial N.V.	366,927,900	4.618	1,694,530	6.360	**2,333,551**
Juventus Football Club S.p.A.	642,611,298	0.149	95,688	0.264	**169,649**
Total			**3,829,930**		**8,336,431**

(a) Issued in nominal amounts of $100, translated at the €/$1.2457exchange rate.
(b) Trading price of $116.66, translated at the €/$1.0887exchange rate.

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	Carrying amount Per unit €	Carrying amount €/000	€/000		€/000	
Fiat Chrysler Automobiles N.V. (Netherlands) common shares	1,288,956,011	€ 0.01	12,889,560	375,803,870	29.16	3.54	1,328,502				
Fiat Chrysler Automobiles N.V. (Netherlands) shares with special voting rights	408,941,767	€ 0.01	4,089,418	375,803,870	91.90		0				
	1,697,897,778		16,978,978	751,607,740	44.27		1,328,502				
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016, 7.875%				8,860,000		80.27	711,210				
							2,039,712	16,092,000	(a)	377,000	(a)
CNH Industrial N.V. (Netherlands) common shares	1,362,048,989	€ 0.01	13,620,490	366,927,900	26.94	4.62	1,694,530				
CNH Industrial N.V. (Netherlands) shares with special voting rights	474,474,276	€ 0.01	4,744,743	366,927,900	77.33		0				
	1,836,523,265		18,365,233	733,855,800	39.96		1,694,530	6,585,836	(a)	236,000	(a)
EXOR S.A. (Luxembourg)	1,110,742	€ 150	166,611,300	1,110,742	100.00	671.81	746,202	1,409,221	(b)	796,234	(b)
EXOR Holding N.V. (Netherlands)	10,080	€ 100	1,008,000	10,080	100.00	100.00	1,008	980	(b)	(28)	(b)
Juventus Football Club S.p.A. (Turin)	1,007,766,660	-	8,182,133	642,611,298	63.77	0.15	95,688	75,000	(c)	30,300	(c)
Arenella Immobiliare S.r.l. (Turin)	1	-	150,000	1	100.00	-	26,050	26,260	(b)	110	(b)

(a) Data taken from the consolidated financial statements at December 31, 2015.
(b) Data taken from the statutory financial statements at December 31, 2015.
(c) Data taken from the half-yearly financial report at December 31, 2015.

Available-for-sale financial assets

The decrease in Other funds (€3,414 thousand) is due to the fair value adjustment of the carrying amount at year end, investments made during the year and the partial restitution of some investments that are being liquidated.

The net decrease in Other listed securities reflects the total disposal of previously acquired investments.

During 2015 PartnerRe shares numbering 2,524,664 were purchased on the market for a net equivalent amount of €296,543 thousand. At December 31, 2015 the investment was adjusted to fair value on the basis of the per share trading price of $139.74 (€128.35 based on the €/$1.0887 year-end exchange rate); the positive fair value adjustment recognized in equity amounts to €27,510 thousand.

14. Held-to-maturity financial instruments - current and non-current

€ thousand	12/31/2015	12/31/2014	Change
Non-current assets	**26,181**	26,348	(167)
Current assets		25,000	(25,000)
Total	**26,181**	51,348	(25,167)

These are represented by bonds issued by leading counterparties maturing in 2017. The bonds are recorded and measured at amortized cost.
The amount of €25 million recorded in current assets at December 31, 2014 refers to bonds that matured and were reimbursed during 2015.

15. Financial assets held for trading - current

€ thousand	12/31/2015	12/31/2014	Change
Bonds	**22,675**	66,073	(43,398)
Mutual funds		70,506	(70,506)
Total	**22,675**	136,579	(113,904)

The net decrease of €113,904 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 exchange rate.
Changes in fair value are recognized in the income statement under financial income (expenses) from third parties.

16. Cash and cash equivalents - current

€ thousand	12/31/2015	12/31/2014	Change
Bank deposits	**742,931**	251,380	491,551
Time deposits	**2,663,084**	25,000	2,638,084
Total cash and cash equivalents	**3,406,015**	276,380	3,129,635

These represent current account bank balances in Euro and currencies other than Euro, in U.S. dollars and in other currencies, 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 €1,975 thousand (€2,322 thousand at December 31, 2014) and mainly consist of accrued interest earned on FCA mandatory convertible securities in portfolio and time deposits.

18. Tax receivables - current

These amount to €4,166 thousand (€6,038 thousand at December 31, 2014) and relate to taxes receivable from the tax authorities for the current and prior years carried forward.
The change during 2015 is summarized as follows:

€ thousand	
Balances at December 31, 2014	**6,038**
IRES CFC tax advance 2015	1,923
Receivables arising during the year (withholdings paid)	822
IRPEF tax advance on leaving entitlement revaluation	3
Reversal of withholdings on foreign income	(2,156)
Sale of receivables to Group companies	(1,387)
Used for compensation of withholding taxes	(700)
Tax balance	(349)
Excess (utilized) for VAT settlement	(24)
Other changes	(4)
Balances at December 31, 2015	**4,166**

19. Other receivables

Other receivables amount to €240 thousand (€649 thousand at December 31, 2014) and mainly refer to prepaid insurance premiums and fees and commissions on the opening of credit lines.

20. Equity - Share capital

At December 31, 2015, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850, unchanged compared to December 31, 2014, and consists of 246,229,850 ordinary shares with a par value of €1.

At December 31, 2015, 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 in relation to the results of operations, as allowed by law, 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 to 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	12/31/2015	12/31/2014	Change
Additional paid-in capital	**604,053**	604,053	0
Share exchange difference	**401,398**	401,398	0
Merger surplus	**88,261**	88,261	0
Extraordinary reserve	**458**	458	0
Total capital reserves	**1,094,170**	1,094,170	0

22. Equity - Retained earnings and other reserves

€ thousand	12/31/2015	12/31/2014	Change
Revaluation reserve Law 408/90	**243,894**	243,894	0
Revaluation reserve Law 72/83	**64,265**	64,265	0
Revaluation reserve Law 576/75	**32,107**	32,107	0
Revaluation reserve Law 413/91	**2,586**	2,586	0
Revaluation reserve Law 74/52	**157**	157	0
Legal reserve	**49,246**	49,246	0
Fair value reserve	**27,510**	9,222	18,288
Stock option reserve	**14,374**	12,003	2,371
Cash flow hedge reserve	**(25,847)**	(32,090)	6,243
Reserve for purchase of treasury stock	**500,000**	450,000	50,000
Extraordinary reserve	**799,886**	875,945	(76,059)
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	**339,379**	3,189	336,190
Total retained earnings and other reserves	**2,698,910**	2,361,877	337,033

The composition of "Other comprehensive income (loss) recognized directly in equity" as included in the statement of comprehensive income is as follows.

€ thousand	2015	2014
Effective portion of gains (losses) on cash flow hedges arising during the year	**6,243**	(11,735)
Effective portion of gains (losses) on cash flow hedges reclassified to the income statement	**0**	0
Effective portion gains (losses) on cash flow hedges	**6,243**	(11,735)
Gains (losses) on remeasurement of available-for-sale financial assets arising during the year	**26,180**	7,663
Gains (losses) on remeasurement of available-for-sale financial assets reclassified to the income statement	**(7,987)**	(1,580)
Gains (losses) on remeasurement of available-for-sale financial assets	**18,193**	6,083
Gains (losses) on the remeasurement of defined benefit plans	**22**	(560)
Gains (losses) on the remeasurement of defined benefit plans	**22**	(560)
Tax effect on Other comprehensive income	**95**	2,570
Total Other comprehensive income (loss), net of tax	**24,553**	(3,642)

The tax effect in 2015 is as follows:

€ thousand	Gross amount	Tax benefit (expense)	Net amount
Effective portion of gains (losses) on cash flow hedges	6,243		6,243
Gains (losses) on remeasurement of available-for-sale financial assets	18,193	95	18,288
Gains (losses) on remeasurement of defined benefit plans	22		22
Total Other comprehensive income (losses)	**24,458**	**95**	**24,553**

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 12/31/2015	Possibility of use	Amount available
Capital reserves:			
Additional paid-in capital (a)	**604,053**	A,B,C	**604,053**
Share exchange difference	**401,398**	A,B,C	**401,398**
Merger surplus	**88,261**	A,B,C	**88,261**
Extraordinary reserve	**458**	A,B,C	**458**
Earnings reserves:			
Revaluation reserve Law 408/90 (b)	**243,894**	A,B,C	**243,894**
Revaluation reserve Law 72/83 (b)	**64,265**	A,B,C	**64,265**
Revaluation reserve Law 576/75 (b)	**32,107**	A,B,C	**32,107**
Revaluation reserve Law 413/91 (b)	**2,586**	A,B,C	**2,586**
Revaluation reserve Law 74/52 (b)	**157**	A,B,C	**157**
Legal reserve	**49,246**	B	**-**
Extraordinary reserve (c)	**799,886**	A,B,C	**799,886**
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	**339,379**	A,B,C	**339,379**
Reserve for purchase of treasury stock	**500,000**	A,B,C	**500,000**
Stock option reserve	**14,374**	-	**-**
Cash flow hedge reserve	**(25,847)**	-	**-**
Fair value reserve	**27,510**	-	**-**
Total	**3,793,080**		**3,727,797**

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, 2015, 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 2012, 2013 and 2014, no reserves were used to absorb losses.

At December 31, 2015 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 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 the equity of the merged company IFIL S.p.A., were set up again 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

The placement of 12,000,000 treasury shares (4.87% of share capital) was completed on November 11, 2015 through an accelerated book building process reserved for institutional investors for a total gross amount of €511,200 thousand. The placement of the shares, at an average price per share of €14.41 was closed at a price of €42.60 per share, corresponding to a discount of 4.99% on the closing market price of the transaction date.
Giovanni Agnelli e C. S.a.p.az. purchased EXOR shares for €50 million in the placement and therefore its investment in EXOR share capital rose to 51.87%.
In 2016 EXOR will cancel the remaining treasury shares except for those treasury shares necessary to service the stock option plans.

At December 31, 2015 EXOR holds the following treasury stock:

		Amount		% of
	No. of shares	Per share (€)	Total (€ thousand)	class
Ordinary shares				
Balance at December 31, 2014	23,883,746	14.41	344,120	9.70
Disposals	(12,000,000)	14.41	(172,898)	
Balance at December 31, 2015	**11,883,746**	**14.41**	**171,222**	4.83

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, 2014	**6,112,000**	**1,619,680**
Options forfeited	(250,000)	(66,250)
Balance at December 31, 2015	**5,862,000**	**1,553,430**

The total cost of the 5,862,000 options outstanding at December 31, 2015 is equal to €10,791 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 of EXOR S.p.A.	2,812,000	745,180	4,382	567
Total EXOR S.p.A.	5,812,000	1,540,180	10,711	1,799
Key employees of companies in the Holdings System	50,000	13,250	80	15
Total	**5,862,000**	**1,553,430**	**10,791**	**1,814**

The cost referring to the year, recorded in the stock option reserve, amounts to €1,814 thousand including €1,232 thousand classified as compensation to the Chairman and Chief Executive Officer and €567 thousand as personnel costs. The cost relating to key employees of companies in the Holdings System (€15 thousand) was recognized as an increase in the carrying amount of the investment in EXOR S.A.

The cost relating to 2014 amounted to €1,950 thousand including €1,232 thousand classified as compensation to the Chairman and Chief Executive Officer, €652 thousand as personnel costs and €66 thousand as an increase in the carrying amount of the investment 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:

- the first part of the Plan, denominated "Long Term Stock Grant", provides for a total of 400,000 rights to be granted to 31 recipients; this allows them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the company and with the companies in the Holdings System;
- the second part of the Plan, denominated "Company Performance Stock Options", provides for a total of 3,000,000 options to be granted to the recipients; this allows 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 are exercisable from the time they vest until 2021, subject to reaching performance targets and continuing a professional relationship with the company and with the companies in the Holdings System.

The performance targets will be considered to have been reached when the annual variation in EXOR's NAV is higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting. The exercise price of the options will be determined on the basis of the arithmetic average of Borsa Italiana's trading prices of EXOR ordinary shares in the month prior to the grant date to the individual 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 2015, as the target was not reached, 20% of the options were forfeited.

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			
- Balance at December 31, 2014	158,666		
- Options forfeited	(3,000)		
- Options granted	4,500		
- Balance at December 31, 2015	160,166	3,173	557
Employees of companies in the Holdings System	8,000	155	27
Total	**168,166**	**3,328**	**584**

The cost referring to the year for this Plan, recorded in the stock option reserve, amounts to €584 thousand including €557 thousand classified as personnel costs. The cost relating to employees of companies in the Holdings System (€27 thousand) is recognized as an increase in the carrying amount of the investment in EXOR S.A.
The cost relating to 2014 amounted to €571 thousand including €543 thousand classified as personnel costs and €28 thousand as an increase in the carrying amount of the investment 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, 2014	600,000		
- Options forfeited	(150,000)		
- Balance at December 31, 2015	450,000	1,625	271
Key employees of EXOR S.p.A.			
- Balance at December 31, 2014	745,600		
- Options forfeited	(186,400)		
- Balance at December 31, 2015	559,200	1,983	335
Total EXOR S.p.A.	1,009,200	3,608	606
Key employees of companies in the Holdings System			
- Balance at December 31, 2014	32,000		
- Options forfeited	(8,000)		
- Balance at December 31, 2015	24,000	85	14
Total	**1,033,200**	**3,693**	**620**

The cost referring to the year for this Plan, recorded in the stock option reserve, amounts to €620 thousand including €271 thousand classified as compensation to the Chairman and Chief Executive Officer and €335 thousand as personnel costs. The cost relating to the key employees of companies in the Holdings System (€14 thousand) was recognized as an increase in the carrying amount of the investment in EXOR S.A.
The cost relating to 2014 amounted to €827 thousand including €361 thousand classified as compensation to the Chairman and Chief Executive Officer, €447 thousand as personnel costs and €19 thousand as an increase in the carrying amount of the investment in EXOR S.A.

Stock Grant Plan for independent directors

The EXOR shareholders' meeting held on May 29, 2015 approved an Incentive Plan on behalf of the independent directors, proposed by the board of directors on April 14, 2015.
The Plan's objective is to align the compensation of the directors with the strategic objectives of the company, offering them the opportunity to choose between taking part in the Incentive Plan 2015 as an alternative to the cash remuneration established by the shareholders' meeting. The Plan provides for the free grant of a maximum of 70,000 EXOR shares to the directors who decide to take part in Plan, subject to continuing the appointment as director at the vesting date set in 2018, concurrently with the date of the shareholders' meeting that will approve the 2017 financial statements. The plan will be serviced entirely by treasury stock without any new emission of shares and therefore without any dilutive effects.
The cost of the Plan, for the 8 participating beneficiaries, is €1,200 thousand. The total cost for the year, recognized in the stock option reserve, amounts to €238 thousand, and is classified as compensation to the directors.

26. Non-convertible bonds

Issue date	Maturity date	Issue price	Coupon	Rate		Currency	Nominal value (€/000)	Equivalent amount (€/000)	**Balance at 12/31/2015**	(a)	Balance at 12/31/2014	(a)
6/12/2007	6/12/2017	99.554	Annually	Fixed 5.375%		€	440,000	440,000	**452,516**		452,098	
10/16/2012	10/16/2019	98.136	Annually	Fixed 4.750%		€	150,000	150,000	**149,808**		149,411	
11/12/2013	11/12/2020	99.053	Annually	Fixed 3.375%		€	200,000	200,000	**199,439**		199,165	
12/3//2015	12/2/2022	99.499	Annually	Fixed 2.125%		€	750,000	750,000	**744,650**		0	
10/8/2014	10/8/2024	100.090	Annually	Fixed 2.500%		€	650,000	650,000	**652,223**		652,104	
12/7/2012	1/31/2025	97.844	Annually	Fixed 5.250%		€	100,000	100,000	**102,957**		102,803	
12/22/2015	12/22/2025	98.934	Annually	Fixed 2.875%		€	250,000	250,000	**246,806**		0	
5/9/2011	5/9/2031	100.000	Semiannually	Fixed 2.800%	(b)	Yen	10,000,000	76,295	**76,779**	(c)	69,324	
Total									**2,625,178**		1,624,905	

(a) Including the current portion of €26,371 thousand at December 31, 2015 and €24,908 thousand at December 31, 2014.
(b) Equivalent fixed rate in Euro is 6.012%.
(c) Nominal value of Japanese Yen 10 billion aligned to the December 31, 2015 exchange rate, equal to Yen /€131.07.

In December 2015 the following non-convertible bonds were issued:

- 2015-2022 bonds for a nominal amount €750 million at the issue price of 99.499% with a fixed annual coupon of 2.125%;
- 2015-2025 bonds for a nominal amount of €250 million at the issue price of 98.934% with a fixed annual coupon of 2.875%.

During 2014 EXOR had bought back on the market, through a tender offer, a total nominal amount of €254.2 million non-convertible 2007-2017 bonds; a nominal amount of €250 million was then cancelled and the remaining amount of €4.2 million was held in portfolio.
Following this and the 2013 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, 2015.
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 2015 EXOR does not have any debt exposures with banks.
At December 31, 2015, the company has credit lines for €903.5 million, of which €558.5 million is revocable and €345 million is irrevocable. The expiration dates of such irrevocable credit lines are as follows:

€ million	
Within 1 year	305
From 2 to 5 years	40
Total	**345**

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 €275 million.

EXOR S.p.A. provided a guarantee to the indirect subsidiary EXOR N.V. for an irrevocable credit line in foreign currency for a residual amount of $1.9 billion, not utilized at December 31, 2015, for the purchase of PartnerRe. This line provides for 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 would imply the immediate payment of the line in question by the lending banks.

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.
The changes during the year are as follows:

€ thousand	To equity	To income statement	Total
Balance at December 31, 2014			**22,319**
Release to align the carrying amounts and fiscally recognized amounts of investments at cost		(14,771)	**(14,771)**
Utilized for taxation of one-fifth of the gain on the sale of the building in Corso Matteotti 26		(539)	**(539)**
Accrual (release) for increase (decrease/sale) of the fair value of available-for-sale securities	(95)		**(95)**
Changes during the year	**(95)**	**(15,310)**	**(15,405)**
Balance at December 31, 2015			**6,914**

29. Provisions for employee benefits

€ thousand	12/31/2015	12/31/2014	Change
Employee leaving entitlements	**2,294**	2,751	(457)
Other provisions for employees	**159**	148	11
Total provisions for employee benefits	**2,453**	2,899	(446)

Details of the changes during 2015 and 2014 are as follows:

	2015			2014		
€ thousand	Employee leaving entitlements	Other provisions for employees	Total	Employee leaving entitlements	Other provisions for employees	Total
Balance at beginning of year	**2,751**	**148**	**2,899**	2,147	126	2,273
Current service cost	**224**	**13**	237	169	11	180
Financial expenses	**39**	**3**	42	67	6	73
Actuarial (gains) losses	**(180)**	**(2)**	(182)	420	22	442
Benefits paid	**(540)**	**(3)**	(543)	(52)	(17)	(69)
Balance at end of year	**2,294**	**159**	**2,453**	2,751	148	2,899

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 296/2006) 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, 2015 and December 31, 2014, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2015	12/31/2014
Discount rate	**2.00%**	1.50%
Expected remuneration increase rate	**2.00-3.50%**	1.5-3.00%
Cost-of-living increase	**2.00%**	1.50%

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 provisions

These amount to €600 thousand and represent the best estimate of the expenses in connection with the notice of assessment received in December 2015 from the Revenues Agency.

31. Other financial liabilities - current

€ thousand	**12/31/2015**	12/31/2014	Change
Fair value of cash flow hedge derivatives	**31,741**	44,900	(13,159)
Fees and commissions on undrawn credit lines	**453**	378	75
Payables to shareholders and other financial payables	**363**	329	34
Total other financial liabilities - current	**32,557**	45,607	(13,050)

32. Trade payables to third parties

These amount to €762 thousand (€1,456 thousand at December 31, 2014) and refer to trade payables to suppliers due within one year.

33. Tax payables

These total €5,191 thousand (€576 thousand at December 31, 2014) and mainly refer to IRES taxes for the current year (€4,540 thousand) and IRPEF withholding taxes payable.

34. Other payables – current and non-current

	12/31/2015		12/31/2014	
€ thousand	**Non-current**	**Current**	Non-current	Current
Payable to INPS for Solidarity Fund under M.D. 158 of 4/28/2000	**327**	**180**	59	156
Payable to employees		**4,501**		1,594
Social security contributions payable		**1,024**		566
Sundry		**310**		294
Total other payables	**327**	**6,015**	59	2,610

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 €507 thousand, of which €180 thousand is current and €327 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.

35. Fair value measurement

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs of 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, 2015:

€ thousand	Note	Level 1	Level 2	Level 3	Total
Assets at fair value					
Non-current assets					0
Available-for-sale financial assets	13	324,053		7,916	331,969
Current assets					0
Financial assets held for trading	15	22,571		104	22,675
Other financial assets					0
Total assets		**346,624**	**0**	**8,020**	**354,644**
Liabilities at fair value					
Current liabilities					0
Other financial liabilities	31		31,741		31,741
Total liabilities		**0**	**31,741**	**0**	**31,741**

In 2015, 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 12/31/2014	Gains (losses) recognized in Income statement	Gains (losses) recognized in Equity	Increase	Decrease	**Balance at 12/31/2015**
Available-for-sale financial assets	11,330		(1,330)	1,023	(3,107)	7,916
Financial assets held for trading	108	(4)				104
Total assets	11,438	(4)	(1,330)	1,023	(3,107)	**8,020**

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	**12/31/2015 Carrying amount**	**12/31/2015 Fair value**	**12/31/2014 Carrying amount**	**12/31/2014 Fair value**
Financial assets					
Held-to-maturity investments	14	26,181	28,015	51,348	54,731
Other financial assets	17	4,823	4,823	4,717	4,717
Total assets		**31,004**	**32,838**	**56,065**	**59,448**
Financial liabilities					
Non-convertible bonds	26	2,625,178	1,956,627	1,624,905	1,778,713
Other financial liabilities	31	816	816	707	707
Total liabilities		**2,625,994**	**1,957,443**	**1,625,612**	**1,779,420**

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, 2015 equal to €76,295 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.

36. 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.

	12/31/2015		
€ thousand	Carrying amount	Income	Expenses
Financial assets			
At fair value through income statement:			
- held for trading	22,675	7,094	6,436
- designated initially			
Derivative instruments designated as hedges			
Held-to-maturity investments	26,181	2,935	167
Cash and receivables	4,110,526	4,226	73
Available-for-sale assets	331,970		
Total	**4,491,352**	**14,255**	**6,676**
Financial liabilities			
At fair value through income statement:			
- held for trading			
- designated initially			
Derivative instruments designated as hedges	31,741		822
Amortized cost	2,598,807		66,968
Debt	27,268		2,448
Financial guarantees			
Total	**2,657,816**	**0**	**70,238**

	12/31/2014		
€ thousand	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	9,150	363
Cash and receivables	282,917	11,855	
Available-for-sale assets	30,085		
Total	**500,929**	**25,978**	**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**

37. Information on financial risks

Credit risk

The maximum nominal exposure to credit risk to which EXOR S.p.A. is exposed at December 31, 2015 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, 2015 and December 31, 2014, 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.

	2015					
€ thousand	Within 6 months or until canceled	6 months to 1 year	1 to 3 years	3 to 5 years	Beyond 5 years	**Total**
Non-convertible bonds						
EXOR bonds EXOR 2017	23,650		463,650			**487,300**
EXOR bonds EXOR 2019		7,125	14,250	157,125		**178,500**
EXOR bonds EXOR 2020		6,750	13,500	213,500		**233,750**
EXOR bonds EXOR 2022		15,938	31,875	31,875	781,875	**861,563**
EXOR bonds EXOR 2024		16,250	32,500	32,500	715,000	**796,250**
EXOR bonds EXOR 2025	5,250		10,500	10,500	126,250	**152,500**
EXOR bonds EXOR 2025		7,188	14,375	14,375	285,938	**321,875**
EXOR bonds EXOR 2031	2,506	2,506	10,024	10,024	135,995	**161,055**
Non-current bank debt						**0**
Current bank debt						**0**
Trade payables and other payables to related parties	81					**81**
Trade payables and other payables to third parties	761					**761**
Other financial liabilities	816					**816**
Hedging derivative financial instruments	31,741					**31,741**
Total	**64,805**	**55,756**	**590,674**	**469,899**	**2,045,057**	**3,226,192**

	2014					
€ thousand	Within 6 months or until canceled	6 months to 1 year	1 to 3 years	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	14,250	164,250		**185,625**
EXOR bonds EXOR 2020		6,750	13,500	13,500	206,750	**240,500**
EXOR bonds EXOR 2024		16,250	32,500	32,500	731,250	**812,500**
EXOR bonds EXOR 2025	5,250	0	10,500	10,500	131,500	**157,750**
EXOR bonds EXOR 2031	2,506	2,506	10,024	10,024	141,007	**166,068**
Non-current bank debt						**0**
Current bank debt						**0**
Trade payables and other payables to related parties	186					**186**
Trade payables and other payables to third parties	1,456					**1,456**
Other financial liabilities	708					**708**
Trading and hedging derivative financial instruments	44,900					**44,900**
Total	**78,656**	**32,631**	**568,074**	**230,774**	**1,210,507**	**2,120,643**

At December 31, 2015, the company has lines of credit for €903.5 million, of which €345 million is irrevocable. The expiration dates are as follows:

€ million	Credit lines	Of which, irrevocable
Within 1 year	863.5	305.0
From 2 to 5 years	40.0	40.0
Total	**903.5**	**345.0**

Market risk

EXOR S.p.A. is principally exposed to currency, interest rate and price risks.

Currency risk

A portion of available-for-sale financial assets (€324,053 thousand), financial assets held for trading (€104 thousand) and cash and cash equivalents (€2,824,075 thousand) at December 31, 2015 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.

Sensitivity analysis for currency risk

Considering currency risk exposure at the reporting date, if the €/USD exchange rate had been 5% higher or lower, the amount of cash and cash equivalents would be approximately €134 million lower and approximately €148 million higher, respectively.

Interest rate risk

The analysis of debt by interest rate shows that the rates are between 0.12% and 6.012% for the current year (between 0.305% and 6.012% in 2014).

At December 31, 2015 there is no debt exposed to interest rate risk, that is, financial liabilities at variable rates.
A sensibility analysis was performed on cash and cash equivalents by considering variations compared to the average interest rate.
An increase or decrease of 50 basis points in the interest rates would have the following effects:

	12/31/2015		12/31/2014	
€ thousand	**Income statement**	**Equity**	Income statement	Equity
+50 bsp				
Cash and cash equivalents	**17,030**		1,382	
Financing				
Hedging instruments				
-50 bsp				
Cash and cash equivalents	**(17,030)**		(1,382)	
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 €16,203 thousand higher or lower and the amount recognized in the income statement relating to securities held for trading would be €1,132 thousand higher or lower.

38. 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 and is 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 2015, 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 2015 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.	9	(a)		
Holdings System	698,986	(e)	317	
Juventus Football Club S.p.A.			25	
FCA	2,848	(g)		80
Directors and statutory auditors for other receivables			64	1
Total transactions with related parties	**701,843**		**406**	**81**
Total current assets	4,137,628		4,137,628	
Total current liabilities				70,977
% incidence of total transactions with related parties to total of statement of financial position line items	**16.96%**		**0.01%**	**0.11%**

Information regarding dividends received from related parties (€2,561 million) is provided in Note 1.

Counterparty	Financial expenses		Financial income		Purchases of goods and services		Revenues (c)
Holdings System	495	(b)	15	(e)			337
Juventus Football Club S.p.A.			592	(f)	32		25
FCA			63,514	(g)	542		
Giovanni Agnelli e C. S.a.p.az.							40
Fondazione Agnelli							34
Arenella Immobiliare S.r.l.			2	(a)			30
Compensation to directors, corporate boards and committees:							
- Chairman					3,502	(d)	
- Board of Directors					267		242
- Special fees to directors					203		
- Directors' stock grants					238		
- Internal Control and Risks Committee					44		
- Compensation and Nominating Committee					29		
- Strategy Committee					83		
- Directors' expense reimbursements					26		
Board of Statutory Auditors					145		
Cost recoveries from statutory auditors							2
Directors for other revenues							64
Total transactions with related parties	**495**		**64,123**		**5,111**		**774**
Total transactions with third parties	76,649		13,309		3,834		22
Total of income statement line items	**77,144**		**77,432**		**8,945**		**796**
% incidence of total transactions with related parties to total of income statement line items	**0.64%**		**82.81%**		**57.14%**		**97.24%**

The most important transactions are commented below and refer to the notes in the preceding summary tables:

a) In October 2012 EXOR had granted a loan to the subsidiary Arenella Immobiliare S.r.l. for a maximum amount of €5 million; due on December 31, 2015, the loan was renewed to December 31, 2016 at the same terms. In 2015 interest on the loan was calculated at the 3-month Euribor plus a 0.3% spread. At December 31, 2015 the loan amounted to €9 thousand, including financial income.

b) At the end of June 2013 the subsidiary EXOR S.A. had extended EXOR a loan for a maximum amount of €700 million originally due July 1, 2014 and renewed to July 1, 2016. In February 2015 this loan was drawn for €300 million bearing interest calculated at the 1-month Euribor plus a 0.3% spread that was then reduced to 0.25% in June. The loan was repaid in full in October, including the interest of €495 thousand.

c) Waiver by the by the corporate boards of compensation (€242 thousand), performance of services (€487 thousand), compensation for posts on corporate boards (€45 thousand).

d) Special compensation of €2 million and the notional cost of the EXOR stock options due the Chairman and the Chief Executive Officer of €1,502 thousand.

e) In December 2015 EXOR entered into a loan agreement with the indirect subsidiary EXOR N.V. for a maximum amount of €300 million bearing interest at the Euribor rate with a 0.25% spread. At December 31, 2015 the amount due by EXOR from the subsidiary amounts to €140,015 thousand, including interest. The above balance also comprises the uncollected portion, amounting to €558,971 thousand, referring to the dividends approved by the subsidiary EXOR S.A. in 2015.

f) In January 2015 EXOR extended a loan of €50 million to the subsidiary Juventus, effective February 1, due on December 31, 2015, bearing interest at the Euribor rate with a 2% spread. The loan, including interest, was paid in full in September.

g) 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. Interest income recorded in 2015 amounts to €63.5 million, including the accrual of €2.8 million.

As indicated in Note 24, in 2015 Giovanni Agnelli e C.. purchased €50 million EXOR treasury shares. Since this is a related party transaction prior approval was sought from the Related Parties Committee which expressed a favorable opinion.

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.

39. 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 2015 are the following:

€ thousand	Service provider	EXOR S.p.A.	
Type of services			
Audit	Reconta Ernst & Young S.p.A.	53	
Other services	Reconta Ernst & Young S.p.A.	45	(a)
Total		**98**	

(a) Confirmation of financial ratios and issuance of the Comfort Letter for the issues of the 2015-2022 bonds of €750 million and 2015-2025 bonds of €250 million.

40. 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	12/31/2015	12/31/2014	Change
Cash and cash equivalents	**3,406,015**	276,379	3,129,636
Financial receivables from related parties	**701,842**	3,481	698,361
Non-current held-to-maturity financial instruments (a)	**26,181**	26,348	(167)
Other financial assets held for trading	**22,675**	136,579	(113,904)
Financial receivables from third parties	**309**	278	31
Non-current other financial assets with third parties		85	(85)
Current held-to-maturity financial instruments		25,000	(25,000)
Current other financial assets with third parties	**1,975**	2,694	(719)
Total financial assets	**4,158,997**	470,844	3,688,153
Non-current debt with third parties	**(2,598,807)**	(1,599,997)	(998,810)
Current debt with third parties	**(58,928)**	(70,515)	11,587
Total financial liabilities	**(2,657,735)**	(1,670,512)	(987,223)
Net financial position	**1,501,262**	(1,199,668)	2,700,930
- with related parties	**701,842**	3,481	698,361
- with third parties	**799,420**	(1,203,149)	2,002,569

(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.

41. Approval of the separate financial statements and authorization for publication

The separate financial statements at December 31, 2015 were approved by the board of directors on April 14, 2016 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, 2016

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, 2015.

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, 2016

The Chairman and CEO	Executive responsible for the preparation
John Elkann	of the company's financial reports
	Enrico Vellano

Reconta Ernst & Young S.p.A.
Via Meucci, 5
10121 Torino

Tel: +39 011 5161611
Fax: +39 011 5612554
ey.com

Independent auditor's report
in accordance with articles 14 and 16 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of EXOR S.p.A.

Report on the separate financial statements

We have audited the accompanying separate financial statements of EXOR S.p.A. which comprise the statement of financial position as at December 31 2015, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the separate financial statements

The Directors of EXOR S.p.A. are responsible for the preparation of these separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement art. 9 of Legislative Decree n. 38, dated 28 February 2005.

Auditor's responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11, paragraph 3 of Legislative Decree n. 39, dated 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the separate financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate financial statements give a true and fair view of the financial position of EXOR S.p.A. as at December 31, 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with article 9 of Legislative Decree n. 38, dated 28 February 2005.

Reconta Ernst & Young S.p.A.
Sede Legale: Via Po, 32 00198 Roma
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
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Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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Report on other legal and regulatory requirements

Opinion on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and Ownership Structure with the separate financial statements

We have performed the procedures required under audit standard SA Italia n. 720B in order to express an opinion, as required by law on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4 of Legislative Decree n 58, dated 24 February 1998, with the separate financial statements. The Directors of EXOR S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure in accordance with the applicable laws and regulations. In our opinion the Report on Operations and the specific information of the Report on Corporate Governance and Ownership Structure are consistent with the separate financial statements of EXOR S.p.A. as at December 31 2015.

Turin, April 18 2016
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, 2015

CONSOLIDATED INCOME STATEMENT (*)

€ million	Note	2015	2014	Change
Net revenues	1	**136,360**	120,102	16,258
Cost of sales	2	**(118,403)**	(102,640)	(15,763)
Selling, general and administrative costs	3	**(9,962)**	(9,230)	(732)
Research and development costs	4	**(3,869)**	(3,209)	(660)
Other income (expenses)	5	**(385)**	(149)	(236)
Result from investments:				
- Share of the profit (loss) of investments accounted for using the equity metho	6	**306**	224	82
- Other income (expenses) from investments	6	**22**	(18)	40
Result from investments		**328**	206	122
Gains (losses) on disposal of investments	7	**76**	(6)	82
Restructuring costs	8	**(125)**	(195)	70
Financial income (expenses)	9	**(2,966)**	(2,680)	(286)
Profit before taxes		**1,054**	2,199	(1,145)
Income taxes	10	**(711)**	(976)	265
Profit from continuing operations		**343**	1,223	(880)
Profit from discontinued operations, net of tax	26	**522**	53	469
Profit for the year		**865**	1,276	(411)
Profit attributable to non-controlling interests		**121**	953	(832)
Profit attributable to owners of the parent		**744**	323	421

Profit attributable to owners of the parent per ordinary share	12			
Basic earnings per share attributable to owners of the parent (€)		3.33	1.46	1.87
Basic earnings per share from continuing operations(€)		1.00	1.27	(0.27)
Basic earnings per share from discontinued operations (€)		2.33	0.19	2.14
Diluted earnings per share attributable to owners of the parent (€)		3.32	1.44	1.89
Diluted earnings per share from continuing operations(€)		0.99	1.25	(0.26)
Diluted earnings per share from discontinued operations (€)		2.33	0.19	2.14

(*) 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 38.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	Note	2015	2014
PROFIT FOR THE YEAR (A)	27	**865**	1.276
Items that will not be reclassified to the income statement in subsequent periods:			
Gains (losses) on remeasurement of defined benefit plans		**821**	(653)
Share of gains (losses) on remeasurement of defined benefit plans for equity accounted entities		**(6)**	(4)
Related tax effect		**(226)**	113
Items relating to C&W Group, net of tax		**1**	(5)
Total Other comprehensive income that will not be reclassified to the income statement in subsequent periods, net of tax (B1)		**590**	(549)
Items that may be reclassified to the income statement in subsequent periods			
Gains (losses) on cash flow hedging instruments		**382**	(465)
Gains (losses) on available-for-sale financial assets		**77**	76
Exchange differences on translating foreign operations		**1.118**	1.910
Share of other comprehensive income (loss) of investments accounted for using the equity method		**(13)**	39
Related tax effect		**(85)**	120
Items relating to C&W Group, net of tax		**47**	64
Total Other comprehensive income that may be reclassified to the income statement in subsequent periods, net of tax (B2)		**1.526**	1.744
Total Other comprehensive income, net of tax (B) = (B1) + (B2)		**2.116**	1.195
TOTAL COMPREHENSIVE INCOME (A)+(B)		**2.981**	2.471
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		**1.468**	740
Non-controlling interests		**1.513**	1.731

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

€ million	Note	12/31/2015	12/31/2014	Change
Non-current assets				
Intangible assets	13	**31,294**	28,786	2,508
Property, plant and equipment	14	**34,133**	32,198	1,935
Investments accounted for using the equity method	15	**3,163**	2,274	889
Other investments and financial assets	15	**1,872**	1,385	487
Leased assets under operating leases	16	**1,686**	1,251	435
Defined benefit plan assets	28	**182**	131	51
Deferred tax assets	10	**4,618**	4,916	(298)
Other non-current assets		**54**	96	(42)
Total Non-current assets		**77,002**	71,037	5,965
Current assets				
Inventories	17	**18,849**	18,343	506
Trade receivables	18	**3,273**	3,757	(484)
Receivables from financing activities	19	**20,632**	21,524	(892)
Current tax receivables	20	**762**	615	147
Other current assets	21	**4,046**	4,095	(49)
Current financial assets:				
- Investments and securities	23	**610**	1,181	(571)
- Other financial assets	24	**1,047**	684	363
Total Current financial assets		**1,657**	1,865	(208)
Cash and cash equivalents	25	**30,587**	29,243	1,344
Total Current assets		**79,806**	79,442	364
Assets held for sale	26	**87**	30	57
Total Assets		**156,895**	150,509	6,386
Equity				
Issued capital and reserves attributable to owners of the parent	27	**10,138**	7,995	2,143
Non-controlling interests	27	**15,976**	14,326	1,650
Total Equity		**26,114**	22,321	3,793
Provisions for employee benefits	28	**12,436**	12,074	362
Other provisions	29	**17,231**	13,735	3,496
Financial debt	30	**57,280**	60,189	(2,909)
Other financial liabilities	24	**832**	987	(155)
Trade payables	31	**26,663**	24,884	1,779
Current tax payables		**403**	534	(131)
Deferred tax liabilities	10	**550**	604	(54)
Other liabilities	32	**15,386**	15,181	205
Total Equity and Liabilities		**156,895**	150,509	6,386

(*) 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 38.

CONSOLIDATED STATEMENT OF CASH FLOWS (*)

€ million	Note	2015	2014
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	25	**29,243**	**26,169**
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:			
Profit for the year		**865**	1,276
Amortization and depreciation	13-14	**7,160**	5,823
(Gains) losses on disposal of:			
Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)		**(30)**	(19)
Investments		**(602)**	(11)
Expenses on cancellation of EXOR 2007-2017 bonds		**0**	33
Other non-cash items	39	**1,402**	459
Dividends received		**208**	166
Change in provisions		**2,992**	1,185
Change in deferred taxes		**(118)**	(99)
Change in items due to buy-back commitments	39	**89**	266
Change in operating lease items	39	**(360)**	(443)
Change in working capital		**237**	458
Cash flows from (used in) operating activities - discontinued operations		**(94)**	19
TOTAL		**11,749**	**9,113**
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Investments in:			
Property, plant and equipment and intangible assets	13-14	**(10,310)**	(9,492)
Investments in consolidated subsidiaries		**0**	6
Other investments		**(271)**	(102)
Investments in financial assets by EXOR and subsidiaries in the Holdings System	15	**(1,107)**	(16)
Proceeds from the sale of:			
Property, plant and equipment and intangible assets		**100**	107
Other investments		**0**	30
Proceeds from the disposal of financial assets by EXOR and subsidiaries in the Holdings System		**1,376**	109
Net change in financial receivables		**917**	(890)
Net change in current securities		**574**	(311)
Change in scope of consolidation		**(77)**	
Other changes		**221**	223
Cash flows from (used in) investing activities - discontinued operations		**(31)**	(78)
TOTAL		**(8,608)**	**(10,414)**
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Issuance of bonds	30	**5,012**	7,353
Repayment of bonds	30	**(8,932)**	(2,150)
Other changes in bonds		**0**	(284)
Issuance of medium-term borrowings	30	**6,446**	6,612
Repayment of medium-term borrowings	30	**(6,505)**	(7,742)
Net change in other financial debt and other financial assets/liabilities	30	**692**	29
Issuance of FCA Mandatory Convertible Securities and other share issuances		**0**	2,383
Cash exit rights following the merger of Fiat into FCA		**0**	(417)
Increases in share capital of subsidiaries		**32**	160
(Purchase) sale of treasury stock		**509**	0
Purchase (sale) of interests in subsidiaries		**858**	
Dividends paid by EXOR S.p.A.		**(78)**	(72)
Dividends paid by subsidiaries		**(510)**	(211)
Acquisition of non-controlling interests		**0**	(2,691)
Distribution of certain tax obligations of the VEBA Trust		**0**	(45)
Other changes		**(9)**	(9)
Cash flows from (used in) financing activities - discontinued operations		**74**	(6)
TOTAL		**(2,411)**	**2,910**
Translation exchange differences		**614**	1,465
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**1,344**	**3,074**
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	25	**30,587**	**29,243**

(*) 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 presented in the following pages.

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, 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**
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										0	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										0	(45)	(45)
Effect of the change in the percentage ownership of consolidated companies (a)				(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	**27**	**27**									**27**	

(a) Of which +€26 million relates to the CNH Industrial Group, -€43 million to the FCA Group and +€4 million to the C&W Group.

€ 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, 2014	**246**	**(344)**	**125**	**7,954**	**(71)**	**488**	**203**	**(584)**	**(21)**	**7,995**	**14,326**	**22,321**
Changes in equity for 2015												
Share-based payments				39						39	77	116
Capital increase by subsidiaries										0	42	42
Sale of treasury stock		173		336						509		509
Dividends paid				(78)						(78)	(491)	(569)
Total comprehensive income for the year				744	117	371	65	172	(1)	1,468	1,513	2,981
Effect of the change in the percentage ownership of consolidated companies (a)				(29)				2		(27)	27	0
Disposal of interest in Ferrari N.V.				254	2	(1)				255	611	866
Sale of C&W Group				41		(56)		15		0	(53)	(53)
Equity method measurement of The Economist Group				(24)					24	0		0
Other changes				(23)						(23)	(76)	(99)
Total changes	0	173	0	1,260	119	314	65	189	23	2,143	1,650	3,793
Equity at December 31, 2015	**246**	**(171)**	**125**	**9,214**	**48**	**802**	**268**	**(395)**	**2**	**10,138**	**15,976**	**26,114**
Note	**27**	**27**									**27**	

(a) Of which -€12 million relates to the FCA Group, -€7 million to the C&W Group and -€10 million to the CNH Industrial Group.

CONSOLIDATED INCOME STATEMENT
pursuant to Consob Resolution 15519 of July 27, 2006

€ million	Note	2015 Total	2015 Of which Related parties	2014 Total	2014 Of which Related parties
	38				
Net revenues		**136,360**	4,708	120,102	2,998
Cost of sales		**(118,403)**	(2,137)	(102,640)	(1,706)
Selling, general and administrative costs		**(9,962)**	(109)	(9,230)	(120)
Research and development costs		**(3,869)**	56	(3,209)	(1)
Other income (expenses)		**(385)**	53	(149)	42
Result from investments:					
- Share of the profit (loss) of investments accounted for using the equity method		**306**	306	224	224
- Other income (expenses) from investments		**22**	8	(18)	7
Result from investments		**328**		206	
Gains (losses) on disposal of investments		**76**		(6)	
Restructuring costs		**(125)**		(195)	
Financial income (expenses)		**(2,966)**	(33)	(2,680)	(34)
Profit before taxes		**1,054**		2,199	
Income taxes		**(711)**		(976)	
Profit from continuing operations		**343**		1,223	
Profit from discontinued operations, net of tax		**522**		53	43
Profit for the year		**865**		**1,276**	
Profit attributable to non-controlling interests		**121**		953	
Profit attributable to owners of the parent		**744**		**323**	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
pursuant to Consob Resolution 15519 of July 27, 2006

€ million	Note 38	12/31/2015 Total	12/31/2015 Of which Related parties	12/31/2014 Total	12/31/2014 Of which Related parties
Non-current assets					
Intangible assets		**31,294**		28,786	
Property, plant and equipment		**34,133**		32,198	
Investments accounted for using the equity method		**3,163**	3,163	2,274	2274
Other investments and financial assets		**1,872**	57	1,385	65
Leased assets under operating leases		**1,686**		1,251	
Defined benefit plan assets		**182**		131	
Deferred tax assets		**4,618**		4,916	
Other non-current assets		**54**		96	
Total Non-current assets		**77,002**		71,037	
Current assets					
Inventories		**18,849**		18,343	
Trade receivables		**3,273**	471	3,757	381
Receivables from financing activities		**20,632**	122	21,524	157
Current tax receivables		**762**		615	
Other current assets		**4,046**	14	4,095	12
Current financial assets:					
- Investments and securities		**610**		1,181	
- Other financial assets		**1,047**		684	
Total Current financial assets		**1,657**		1,865	
Cash and cash equivalents		**30,587**		29,243	
Total Current assets		**79,806**		79,442	
Assets held for sale		**87**		30	
Total Assets		**156,895**		**150,509**	
Equity					
Issued capital and reserves attributable to owners of the parent		**10,138**		7,995	
Non-controlling interests		**15,976**		14,326	
Total Equity		**26,114**		22,321	
Provisions for employee benefits		**12,436**	32	12,074	24
Other provisions		**17,231**	18	13,735	13
Financial debt		**57,280**	244	60,189	155
Other financial liabilities		**832**		987	
Trade payables		**26,663**	581	24,884	577
Current tax payables		**403**		534	
Deferred tax liabilities		**550**		604	
Other liabilities		**15,386**	235	15,181	149
Total Equity and Liabilities		**156,895**		**150,509**	

CONSOLIDATED STATEMENT OF CASH FLOWS
pursuant to Consob Resolution 15519 of July 27, 2006

€ million	2015 Total	2015 Of which Related parties	2014 Total	2014 Of which Related parties
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**29,243**		26,169	
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:				
Profit for the year	**865**		1,276	
Amortization and depreciation	**7,160**		5,823	
(Gains) losses on disposal of:			0	
Property, plant and equipment and intangible assets (net of vehicles sold under buy-back comm	**(30)**		(19)	
Investments	**(602)**		(11)	
Expenses on cancellation of EXOR 2007-2017 bonds	**0**		33	
Other non-cash items:	**1,402**		459	
Dividends received	**208**	**6**	166	166
Change in provisions	**2,992**		1,185	
Change in deferred taxes	**(118)**		(99)	
Change in items due to buy-back commitments and GDP vehicles	**89**		266	
Change in items due to operating lease transactions	**(360)**		(443)	
Change in working capital	**237**		458	(108)
Cash flows from (used in) operating activities - discontinued operations	**(94)**		19	
TOTAL	**11,843**		9,113	58
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:				
Investments in:				
Property, plant and equipment and intangible assets	**(10,310)**	**(7)**	(9,492)	
Investments in consolidated subsidiaries	**0**		6	
Other investments	**(271)**		(102)	(19)
Investments in financial assets by EXOR and subsidiaries in the Holdings System	**(1,107)**	**109**	(16)	
Proceeds from the sale of:	**0**		0	
Property, plant and equipment and intangible assets	**100**		107	
Other investments	**0**		30	
Proceeds from the disposal of financial assets by EXOR and subsidiaries in the Holdings System	**1,376**		109	
Net change in financial receivables	**917**		(890)	(21)
Change in current securities	**574**		(311)	
Change in scope of consolidation	**(77)**			
Other changes	**221**		223	
Cash flows from (used in) investing activities - discontinued operations	**(31)**		(78)	
TOTAL	**(8,577)**		(10,414)	(40)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:				
Issuance of bonds	**5,012**		7,353	
Repayment of bonds	**(8,932)**		(2,150)	
Other changes in bonds	**0**		(284)	
Issuance of medium-term borrowings	**6,446**		6,612	
Repayment of medium-term borrowings	**(6,505)**		(7,742)	(266)
Net change in other financial debt and other financial assets/liabilities	**692**	**40**	29	
Issue of FCA Mandatory Convertible securities FCA and other share issues	**0**		2,383	
Cash Exit Rights following the merger of Fiat into FCA	**0**		(417)	
Increases in share capital of subsidiaries	**32**		160	
(Purchase) sale of treasury stock	**509**	**50**	0	
(Purchase) Sale of interests in subsidiaries	**858**		0	
Dividends paid by EXOR S.p.A.	**(78)**	**(44)**	(72)	(42)
Dividends paid by subsidiaries	**(510)**		(211)	
Acquisition of non-controlling interests	**0**		(2,691)	
Distribution of certain tax obligations of the VEBA Trust	**0**		(45)	
Other changes	**(9)**		(9)	
Cash flows from (used in) financing activities - discontinued operations	**74**		(6)	
TOTAL	**(2,485)**		2,910	(308)
Translation exchange differences	**614**		1,465	
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	**1,344**		3,074	
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**30,587**		29,243	

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 51.87% 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 and professional football.

Additional 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, 2015 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 2015 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.

Formats 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) of the Fiat Chrysler Automobiles ("FCA") and CNH Industrial (CNH) Groups, rather than a presentation based on the nature of expenses, as it is more representative of the format used for internal reporting and management purposes by the principal subsidiaries, the FCA and CNH Industrial Groups, and is consistent with international practice in the automotive and capital goods sectors.

For the year ending December 31, 2015 the Group is no longer presenting the line Other unusual income (expenses). The amounts that last year were in other unusual income (expenses) for a total of net other unusual expenses of €430 million have been reclassified to other lines according to the nature of the transaction: to other income (expenses) for €272 million, to cost of sales for €105 million, to general, administrative and sales expenses for €37 million, to research and development costs for €9 million and to the line profit from discontinued operations, referring to C&W Group, for €7 million.

The definition "unusual" adopted by the 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 chosen 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.

Standards and amendments effective from January 1, 2015

The following standards and amendments have been adopted by the Group as from January 1, 2015.

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 arose 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.* No significant effects were generated by the adoption of these amendments.

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

At the date of these financial statements the following are not yet effective and not early adopted:

In May 2014, the IASB issued amendments to IFRS 11 – *Joint arrangements: Accounting for acquisitions of interests in joint operations* which clarify the accounting for acquisitions of an interest in a joint operation that constitutes a business. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016 with earlier application permitted for any new acquisition. No significant effect is expected from the adoption of these amendments.

In May 2014 the IASB issued amendments 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 earlier application permitted. No significant effect is expected from the adoption of these amendments.

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, 2018 with earlier application permitted.

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 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 which were initially expected to be effective prospectively from January 1, 2016, have been postponed indefinitely by the IASB.

In September 2014 the IASB issued *Annual Improvements to IFRSs – 2012-2014 Cycle* on matters mainly in connection with IFRS 5 – *Non-current Assets held for Sale and Discontinued Operations*, IFRS 7 – *Financial Instruments: Disclosures* and IAS 19 – *Employee Benefits*. The amendments are applicable for annual periods beginning on or after January 1, 2016. No significant effect is expected from the adoption of these amendments.

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.

In January 2016 the IASB issued IFRS 16 – *Leases* which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous leases standard, IAS 17 – *Leases*. IFRS 16, which is not applicable to service contracts, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019, with earlier adoption permitted only if IFRS 15 – *Revenue from Contracts with Customers* is also adopted.

In January 2016, the IASB issued amendments to IAS *12 – Income Taxes* that clarify how to account for deferred tax assets related to debt instruments measured at fair value. These amendments are effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted.

In January 2016, the IASB issued amendments to IAS 7 - Statement of Cash Flows introducing additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective from January 1, 2017, with earlier adoption permitted.

The Group will adopt these new standards, amendments and interpretations based on the date of application and will evaluate their potential impacts in relation to the same date of application.

Scope of consolidation

The consolidated financial statements include the companies over which EXOR exercises control, or has rights, directly or indirectly, which confer the current ability to direct the relevant activities, that is, the activities which have a significant effect over returns through its power over the investee.
The companies/groups included in the scope of consolidation at December 31, 2015 are the following:

		12/31/2015		12/31/2014	
		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	29.16%	70.84%	29.25%	70.75%
CNH Industrial Group	The Netherlands	27.28%	72.72%	27.42%	72.58%
Juventus Football Club S.p.A.	Italy	63.77%	36.23%	63.77%	36.23%
EXOR S.A.	Luxembourg	100%		100%	
EXOR Capital Ltd	Ireland	100%		100%	
EXOR Inc.	USA	100%		100%	
EXOR N.V.	The Netherlands	100%		100%	
EXOR SN LLC	USA	100%		100%	
EXOR HOLDING N.V.	The Netherlands	100%			
Ancom USA Inc.	USA	100%		100%	
Pillar Ltd	Bermuda	100%			
Arenella Immobiliare S.r.l.	Italy	100%		100%	
C&W Group	USA			83.06%	16.94%

At December 31, 2015 the EXOR Group includes more than 450 subsidiaries consolidated line-by-line by the FCA and CNH Industrial Groups; a complete list of the companies of the Group is provided in the “List of EXOR Group Companies at December 31, 2015.

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.

On January 3, 2016 the transactions for the separation of FCA’s remaining ownership interest in Ferrari N.V. and the distribution of that ownership interest to holders of FCA shares and mandatory convertible securities were completed. In the consolidated financial statements of the FCA Group, Ferrari was reclassified to discontinued operations in accordance with IFRS 5.
The transaction is considered a “business combination involving entities under common control” and, as such, is outside the scope of application of IFRS 3 and IFRIC 17. As a result, the 2016 consolidated financial statements of FCA post spin-off and of Ferrari will be prepared without adjusting the carrying amounts of assets and liabilities involved in the transaction and without generating any effect on the consolidation area at the level of the EXOR Group. Consequently, the values relating to Ferrari published in the consolidated financial statements of FCA as a discontinued operation have been reclassified in these consolidated financial statements of EXOR as assets and liabilities on a continuing basis. Therefore, unless otherwise indicated, the data of FCA Group are inclusive of the data of Ferrari.
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Change in the scope of consolidation

During 2015 the investment in C&W Group was sold and as a result is no longer consolidated.
The Group increased its investment in The Economist Group in 2015 and now has a significant influence over the company, as defined by IAS 28.
At December 31, 2015 the investment in The Economist Group is accounted for using the equity method.

In January 2015, FCA entered into a merger agreement with Mercurio S.p.A. whereby the net assets of FCA's wholly owned subsidiary, *La Stampa*, were merged with Mercurio's wholly owned subsidiary, Società Edizioni e Pubblicazioni S.p.A., which owned and operated the Italian newspaper "*Il Secolo XIX*." As a result of the merger agreement, FCA owns 77% of the combined entity, Italiana Editrice S.p.A., with the remaining 23% owned by Mercurio.
In addition, FCA granted Mercurio a put option to sell its entire 23% share, which is exercisable from January 1, 2019 to December 31, 2019. FCA accounted for the merger transaction as a business combination which led to recognition of €54 million of goodwill.

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 and Joint Ventures*, 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 year. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment. Average exchange rates for the year 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 amounts are translated at subsequent balance sheet dates at the exchange rate at the end of the period.
The principal exchange rates used in 2015 and 2014 to translate the foreign currency financial statements of foreign entities into Euro are the following:

	At December 31, 2015		At December 31, 2014	
	Average	**At 12/31/2015**	Average	At 12/31/2014
U.S. dollar	**1.109**	**1.089**	1.329	1.214
Brazilian real	**3.699**	**4.312**	3.121	3.221
Canadian dollar	**1.418**	**1.512**	1.466	1.406
Chinese renmimbi	**6.972**	**7.061**	8.187	7.536
Mexican peso	**17.611**	**18.915**	17.657	17.868
Polish zloty	**4.184**	**4.264**	4.184	4.273
Argentinian peso (a)	**10.271**	**14.136**	10.782	10.382
Pound sterling	**0.726**	**0.734**	0.806	0.779
Swiss franc	**1.068**	**1.084**	1.215	1.202
VEF - Venezuelan bolivar (b)	**n.a.**	**n.a.**	n.a.	n.a.

(a) Following the changes in Argentinian monetary policy, the FCA Group and the CNH Industrial Group recognized devaluations for a total of €119 million.
(b) At December 31, 2015 different exchange rate are applicable for the translation of the Venezuelan currency (VEF) into the U.S. dollar: SICAD rate (12.0 VEF per $), the SIMADI rate (199.0 VEF per $) and other exchange applicable in particular circumstances. In this case the reference accounting principles require that the transactions should be valued at the exchange rates that are expected to be used to settle the transactions. The operators on this market in adopting the VED/$ exchange rate have consequently applied different exchange rates in valuing their assets and liabilities at the date of December 31 2015.
In particular, the FCA Group and the CNH Industrial Group have valued some net assets in Venezuela at the SIMADI exchange rate recording an expense of respectively €80 million and €135 million.

Non-controlling interests

Non controlling interests at December 31 2015 amount to €16,303 million (€14,326 million at December 31, 2014) and are detailed in Note 27.

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.
The Economist Group, whose financial year closes on March 31 of each year, has been consolidated using the equity method on the basis of the most recent data available (September 30, 2015). At December 31, 2015 there were no significant variations compared to the data used for the purposes of these consolidated financial statements.

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 under gains (losses) on the disposal of investments. 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.

Significant restrictions regarding the investment 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, the 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.

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:

	Automobiles	Trucks and buses	Agricultural and Construction Equipment	Powertrain
Number of years	5-6	4-8	5	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	Plant, machinery and equipment	Other assets
Depreciation rate	2.5%-10%	3%-33%	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 investments 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 financial 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.

Transfer 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 not belonging to the Group, 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) 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, 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.

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 of the Group 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 €136,360 million in 2015 (€120,102 million in 2014). The composition is as follows:

€ million	2015	%	2014	%	Change
Sales of goods	129,847	95.2%	113,813	94.8%	16,034
Contract revenues	1,334	1.0%	1,184	1.0%	150
Other services	2,705	2.0%	2,800	2.3%	(95)
Interest income from customers and other financial income of financial services companies	1,020	0.7%	1,032	0.9%	(12)
Lease installments from assets under operating leases and buy-backs	902	0.7%	700	0.6%	202
Television and radio rights and media revenues	199	0.1%	156	0.1%	43
Sponsorships and advertising	45	0.0%	41	0.0%	4
Season tickets and ticket office sales	51	0.0%	41	0.0%	10
Other	257	0.2%	335	0.3%	(78)
Total net revenues	**136,360**	**100.0%**	**120,102**	**100.0%**	16,258

In 2015 net revenues include €113,191 million referring to the FCA Group (€95,491 million in 2014), €23,785 million to the CNH Industrial Group (€24,327 million in 2014) and €379 million to Juventus Football Club (€297 million in 2014).

The analysis by geographical area is presented in note 35.

2. Cost of sales

In 2015 the cost of sales amounts to €118,403 million (€102,640 million in 2014) and includes the following:

€ million	2015	2014	Change
Cost of sales	117,672	101,882	15,790
Interest cost and other financial expenses from financial services companies	731	758	(27)
Total cost of sales	**118,403**	**102,640**	15,763

Cost of sales includes €658 million recorded by the FCA Group, of which €422 million of writeoffs to realign a portion of the productive capacity in NAFTA to better meet market demand for RAM pickup trucks and Jeep vehicles within the Group's existing infrastructure, and €236 million related to the payment of supplemental unemployment benefits due to extended downtime at certain plants associated with the implementation of the new manufacturing plan.

Given the recent increase in both the cost and frequency of recall campaigns and increased regulatory activity across the industry in the United States and Canada, an additional actuarial analysis by the FCA Group that gives greater weight to the more recent calendar year trends in recall campaign experience has been added to the adequacy assessment to estimate future recall costs. As a result, an adjustment of €761 million was recognized for the United States and Canada related to the change in estimate of future recall campaign costs for vehicles sold in periods prior to the third quarter of 2015 and additional warranty costs were recorded in the second half of 2015 related to the increase in the accrual rate per vehicle.

3. Selling, general and administrative expenses

Selling, general and administrative expenses amount to €9,962 million in 2015 (€9,230 in 2014).

Selling expenses mainly consist of marketing, advertising, and sales personnel expenses.

General and administrative expenses mainly consist of administration expenses which are not attributable to the sales, manufacturing or research and development functions.

4. Research and development costs

The composition of research and development costs is as follows:

€ million	2015	2014	Change
Research and development costs expensed during the year	1,946	1,745	201
Writeoff of costs previously capitalized	221	91	130
Amortization of capitalized development costs	1,702	1,373	329
Total research and development costs	**3,869**	**3,209**	660

The impairment and writeoffs of costs previously capitalized mainly refer to the FCA Group's plan to realign a portion of its manufacturing capacity in NAFTA to better meet demand for Ram pickup trucks and Jeep vehicles within the Group's existing plant infrastructure, which resulted in an impairment charge of €176 million for capitalized development costs that had no future economic benefit.

5. Other income (expenses)

Other expenses in 2015 total €385 million (€149 million in 2014) and include an accrual of €450 million recorded in relation to recent developments in the investigation being conducted by the European Commission into Iveco S.p.A. (100%-controlled by CNH Industrial), the charge of €81 million resulting from a Consent Order entered into by the FCA Group with the U.S. Department of National Highway Traffic Safety Administration Transportation (NHTSA) and €104 million of income of the FCA Group related to legal settlements.

Other income (expenses) in 2014 primarily included the €495 million expenses recognized in connection with the execution of the MOU with the UAW entered into by FCA US on January 21, 2014, that was partially offset by the non-taxable gain of €223 million on the remeasurement to fair value of the previously exercised options on approximately 10 percent of Chrysler in connection with the Equity Purchase Agreement.

6. Result from investments

The composition is as follows:

€ million	2015	2014	Change
Share of the profit (loss) of investments accounted for using the equity method	**306**	224	82
Other income (expenses) from investments			
Dividends from investments	22	11	11
Impairment reversals (losses)	(2)	(31)	29
Other income and accruals to provisions on investments	2	2	0
Total other income (expenses) from investments	**22**	(18)	40
Total result from investments	**328**	**206**	122

7. Gains (losses) on disposals of investments

The composition is as follows:

€ million	2015	2014	Change
Gains on disposal of investments	76	7	69
Losses on disposal of investments	0	(13)	13
Total gains (losses) on disposal of investments	**76**	**(6)**	82

In 2015 gains on disposals of investments mainly include the net gain realized on the disposal of the entire investment in Allied World Assurance Company Holdings of €60 million.

8. Restructuring costs

Restructuring costs amount to €125 million in 2015 (€195 million in 2014) and mainly include restructuring costs recorded by the CNH Industrial Group of €71 million (€145 million in 2014) and by the FCA Group of €53 million (€50 million in 2014).

Restructuring costs of the CNH Industrial Group include $76 million, or €69 million ($103 million, or €78 million in 2014) for actions put into place to reduce selling, general and administrative expenses and business support costs and costs related to the completion of manufacturing product specialization programs and the efficiency program launched in July 2014.

In 2014 the CNH Industrial Group recorded $46 million (€35 million) for the planned closure of a 60% owned joint venture in China and $43 million (€32 million) for the realignment of the dealer network in EMEA and the announced closure of an assembly plant in Calhoun, Georgia (USA).

9. Financial income (expenses)

The analysis of financial income (expenses) presented below includes amounts reported in specific lines of the consolidated income statement under financial income (expenses), as well as interest income from financial services activities recognized under net revenues of €1,020 million in 2015 (€1,032 million in 2014), and interest and other financial expenses from financial services companies recognized in costs of sales €731 million in 2015 (€758 million in 2014).

Details are as follows:

€ million	2015	2014	Change
Interest income from banks	197	200	(3)
Interest income from securities	19	20	(1)
Sundry interest and other financial income	221	85	136
Total Interest and other financial income	437	305	132
Interest income from customers and other financial income of financial services companies	1,020	1,032	(12)
Gains on disposal of securities	39	26	13
Total financial income	**1,496**	1,363	133
Less: Interest income from customers and other financial income of financial services companies	(1,020)	(1,032)	12
Financial income, excluding financial services companies	**476**	331	145
Interest expenses on bonds	1,644	1,612	32
Interest expenses from banks	752	676	76
Commission expenses	28	33	(5)
Other interest expenses and other financial expenses	807	651	156
Total Interest and other financial expenses	3,231	2,972	259
Writedowns of financial assets	176	202	(26)
Losses on disposal of securities	35	6	29
Net interest expenses on employee benefits provisions	412	392	20
Total interest and other financial expenses	**3,854**	3,572	282
Net (income) expenses from derivative financial instruments and exchange rate differences	319	197	122
Total financial expenses	**4,173**	3,769	404
Less: interest expenses and other financial expenses of financial services companies	(731)	(758)	27
Financial expenses, excluding financial services companies	**3,442**	3,011	431
Net financial income (expenses), excluding financial services companies	**(2,966)**	**(2,680)**	(286)

10. Income taxes

Income taxes recognized in the consolidated income statement consist of the following:

€ million	2015	2014	Change
Current taxes:			
- IRAP	48	93	(45)
- Other taxes	798	1,000	(202)
Total current taxes	**846**	1,093	(247)
Deferred taxes:			
- IRAP	8	30	(22)
- Other taxes	(141)	(124)	(17)
Total deferred taxes	**(133)**	(94)	(39)
Taxes relating to prior periods	**(2)**	(23)	21
Total income taxes	**711**	**976**	(265)

Total tax expense for the year ended December 31, 2015 amounts to €711 million (€976 million in 2014).

The reconciliation between the income tax expense recognized in the consolidated financial statements and the theoretical income tax expense, calculated on the basis of the theoretical tax rate in effect in Italy, is as follows:

€ million	2015	2014
Theoretical tax expense	681	605
Tax effect on:		
Recognition and utilization of previously unrecognized deferred tax assets	(80)	(189)
Permanent differences	(264)	(94)
Deferred tax assets not recognized and writedowns	362	355
Differences between foreign tax rates and the theoretical Italian tax rate and tax holidays	55	196
Taxes relating to prior years	(2)	(23)
Other differences	(98)	3
Total tax expense, excluding IRAP	**655**	853
Effective tax rate	**41.6%**	38.1%
IRAP (current and deferred)	56	123
Total tax expense	**711**	**976**

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 different tax base than profit before taxes, is excluded from the above effective tax calculation because it would create distortions between one year and the next. As a result, the theoretical income tax has been determined by applying the tax rate in Italy (IRES at 27.5% in 2015 and in 2014) to the profit before taxes.

In 2015 the Group's effective tax rate is 41.6%. 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 €362 million (€355 million in 2014).

At December 31, 2015 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	12/31/2015	12/31/2014	Change
Deferred tax assets	4,618	4,916	(298)
Deferred tax liabilities	(550)	(604)	54
Total	**4,068**	**4,312**	(244)

In 2015 the change in net deferred tax assets of €244 million is mainly due to a €1,374 million decrease related to the utilization of tax loss and credit carryforwards by the U.S. companies of the FCA Group, partially offset by a €1,076 million increase due to higher deductible temporary differences and by the decrease in taxable temporary differences by the U.S. companies of the FCA Group and the €34 million change due to the sale of the C&W Group.

The components of deferred tax assets and liabilities in 2015 are as follows:

€ million	**12/31/2014**	Recognized in income statement	Recognized in Other comprehensive income	Changes due to sale of C&W Group	Translation differences and other changes	**12/31/2015**
Deferred tax assets arising from:						
- Provisions	5,442	1,213		(5)	249	6,899
- Provision for employee benefits	1,899	383	12	(16)	408	2,686
- Intangible assets	461	(171)			(17)	273
- Inventories	512	(41)			12	483
- Allowances for doubtful accounts	276	8			(24)	260
- Impairment of financial assets	232	(18)			18	232
- Other	2,167	(1,933)	(16)	(61)	861	1,018
Total deferred tax assets	10,989	(559)	(4)	(82)	1,507	**11,851**
Deferred tax liabilities arising from:						
- Accelerated depreciation	(3,170)	151		3	(296)	(3,312)
- Capitalization of development costs	(2,387)	(165)			(329)	(2,881)
intangibles	(1,412)	42		111	(173)	(1,432)
- Provision for employee benefits	(29)	4	(240)		215	(50)
- Other	(1,023)	358	(69)	(2)	3	(733)
Total deferred tax liabilities	(8,021)	390	(309)	112	(580)	**(8,408)**
Deferred tax assets arising on tax loss carryforwards	5,755	102		(31)	(1,175)	**4,651**
Unrecognized deferred tax assets	(4,411)	201	1	35	148	**(4,026)**
Net deferred tax assets	**4,312**	134	(312)	34	(100)	**4,068**

The components of deferred tax assets and liabilities in 2014 were as follows:

€ million	12/31/2013	Recognized in income statement	Recognized in Other comprehensive income	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)
- Brands, trademarks and other 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 on tax loss carryforwards	4,736	854	(15)		180	**5,755**
Unrecognized deferred tax assets	(4,229)	(70)	15		(127)	**(4,411)**
Net deferred tax assets	**3,565**	113	166	2	466	**4,312**

The decision to recognize deferred tax assets is made for each company 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, 2015, the Group has deferred tax assets on deductible temporary differences of €11,851 million (€10,989 million at December 31, 2014) of which €778 million is not recognized (€701 million at December 31, 2014). At December 31, 2015, the Group also has theoretical tax benefits on tax loss carryforwards of €4,651 million (€5,755 million at December 31, 2014) of which €3,248 million is unrecognized (€3,710 million at December 31, 2014). At December 31, 2015 net deferred tax assets include the amount of €1,403 million in respect of benefits on unused tax loss carryforwards (€2,045 million at December 31, 2014).

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, 2015, 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 12/31/2015	2016	2017	2018	2019	Beyond 2019	Unlimited / Indeterminable
Temporary differences and tax losses relating to State taxation (IRES in the case of Italy)							
- Deductible temporary differences	33,746	9,159	4,730	4,587	5,760	9,508	2
- Taxable temporary differences	(24,044)	(3,369)	(3,229)	(3,196)	(3,180)	(11,338)	268
- Tax losses	18,088	138	118	263	288	828	16,453
- Temporary differences and tax losses for which deferred tax assets have not been recognized	(14,871)	(136)	(81)	(45)	(228)	(1,342)	(13,039)
Temporary differences and tax losses	**12,919**	**5,792**	**1,538**	**1,609**	**2,640**	**(2,344)**	**3,684**
Temporary differences and tax losses relating to local taxation (IRAP in the case of Italy)							
- Deductible temporary differences	22,290	5,746	3,231	3,178	4,026	6,107	2
- Taxable temporary differences	(18,937)	(2,452)	(2,209)	(2,240)	(2,202)	(10,143)	309
- Tax losses	2,310	(1)	1	9	7	576	1,718
- Temporary differences and tax losses for which deferred tax assets have not been recognized	(1,534)	94	(133)	(111)	16	(285)	(1,115)
Temporary differences and tax losses	**4,129**	3,387	890	836	1,847	(3,745)	914

11. Other information by nature of expense

In 2015 the income statement includes personnel costs of €15,496 million (€15,305 million in 2014). The Group has an average number of employees of 303,247 in 2015 (318,562 employees in 2014).

12. Earnings per share

		2015	2014
Average number of ordinary shares outstanding		**223,845,904**	222,346,104
Profit attributable to owners of the parent	€ million	**744**	**323**
- basic earnings per share	€	3.329	1.459
- diluted earnings per share	€	3.325	1.437
Profit from continuing operations attributable to owners of the parent	€ million	**222**	**280**
- basic earnings per share	€	0.997	1.265
- diluted earnings per share	€	0.992	1.243
Profit from discontinued operations attributable to owners of the parent	€ million	**522**	**43**
- basic earnings per share	€	2.332	0.193
- diluted earnings per share	€	2.331	0.193

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

13. Intangible assets

The composition is as follows:

€ million	12/31/2015	12/31/2014	Change
Goodwill, brands, trademarks and other intangible assets with an indefinite useful life	18,110	17,009	1,101
Other intangible assets	13,184	11,777	1,407
Total intangible assets	**31,294**	**28,786**	2,508

Goodwill, brands, trademarks and other intangible assets with an indefinite useful life

Changes during 2015 are the following:

€ million	12/31/2014	Additions	Change in the scope of consolidation	Impairment losses	Translation differences and other changes	12/31/2015
Goodwill						
Original cost	14,652	0	(471)		1,453	15,634
Accumulated impairment losses	(1,033)		48	0	(78)	(1,063)
Net carrying amount	13,619	0	(423)	0	1,375	**14,571**
Brands, trademarks and other intangible assets with an indefinite useful life						
Original cost	3,442	1	(214)		366	3,595
Accumulated impairment losses	(52)		1	0	(5)	(56)
Net carrying amount	3,390	1	(213)	0	361	**3,539**
Goodwill, brands, trademarks and other intangible assets with an indefinite useful life	**17,009**	**1**	**(636)**	**0**	**1,736**	**18,110**

The change in the scope of consolidation refers mainly to the sale of C&W Group for €465 million of goodwill and €213 million of brands, trademarks and other intangible assets with an indefinite useful life.

In 2015 translation differences total €1,375 million and refer mainly to changes in the U.S. dollar/Euro rate.

Changes during 2014 were 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 an indefinite useful life						
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 an indefinite useful life	**15,051**	54	0	0	1,904	**17,009**

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	12/31/2015	12/31/2014	Change
NAFTA	9,312	8,350	962
APAC	1,210	1,085	125
LATAM	583	517	66
EMEA	276	233	43
Ferrari	786	786	0
Components	62	52	10
Other activities	54	36	18
FCA Group	**12,283**	11,059	1,224
Agricultural Equipment	1,550	1,404	146
Construction Equipment	533	484	49
Commercial Vehicles	52	50	2
Powertrain	2	1	1
Financial Services	118	112	6
CNH Industrial Group	**2,255**	2,051	204
C&W (goodwill on the acquisition of C&W Group - Group's share)	0	354	(354)
Subsidiaries of C&W Group	0	122	(122)
C&W Group	**0**	476	(476)
FCA N.V.	14	14	0
CNH Industrial N.V.	19	19	0
Holdings System	**33**	33	0
Total goodwill	**14,571**	**13,619**	952

FCA Group

Goodwill mainly includes the goodwill on the acquisition of FCA US of €11,359 million (€10,185 million at December 31, 2014) and some interests in Ferrari S.p.A. of €786 million.
Goodwill is allocated to reporting segments or to CGUs within the reporting segments as appropriate.

In accordance with IAS 36, goodwill is not amortized but 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 to sell and its value in use. The balance of goodwill at December 31, 2015 was allocated to the NAFTA, EMEA, APAC and LATAM reporting segments.

The assumptions used in the impairment test represent management's best estimate for the period under consideration.
The estimate of the value in use for purposes of performing the annual impairment test for each of the operating segment is based on the following assumptions:

- The expected future cash flows covering the period 2016-2020 have been derived primarily from the Group's 2014-2018 business plan presented in May 2014. These cash flows relate to the respective CGUs in their 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 respective operating segment over the period considered.
- The expected future cash flows include a normalized terminal period to estimate the future result beyond the time period explicitly considered which incorporates a long-term growth rate assumption of 2%.
- Post-tax expected cash flows have been discounted using a post-tax discount rate which reflects the current market assessment of the time value of money for the period being considered and the risks specific to the operating segment under consideration. The Weighted Average Cost of Capital ("WACC") ranged between 16% and 19% percent (16.4% in 2014). The WACC was calculated using the Capital Asset Pricing Model technique.

At December 31, 2015 the value estimated as described above was determined to be in excess of the book value of the net capital employed.

As for the goodwill allocated to the Ferrari segment, the estimate of the recoverable amount is based on the following assumptions:

- The expected future cash flows covering the period from 2016 through 2019 have been derived from the Ferrari business plan. In particular the estimate considers expected EBITDA adjusted to reflect the expected capital expenditure. 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 flows are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends for the CGU over the period considered.
- The expected future cash flows include a normalized terminal period used to estimate the future results beyond the time period explicitly considered, which were calculated by using the specific medium/long-term growth rate for the sector equal to 2.1% (1.0% in 2014).
- The expected future cash flows have been estimated in Euro, and discounted using a post-tax discount rate appropriate for that currency, determined by using a base WACC of 7.6% (8.2% in 2014). The WACC used reflects the current market assessment of the time value of money for the period being considered and the risks specific to the CGU under consideration.

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 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 (69% 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, 2015 and 2014:

	2015	2014
Agricultural Equipment	17.8%	17.4%
Construction Equipment	13.4%	14.3%
Financial Services	21.3%	22.6%

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 markets, 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 2015 and 2014, respectively, and for Construction Equipment was 3% in 2015 and 2014, respectively. The terminal value growth rate for Financial Services was 1.5% in 2015 and 2014, respectively.

As of December 31, 2015, the estimated recoverable amounts, calculated using the above method, of the Financial Services, Agricultural Equipment and Construction Equipment cash-generating units exceeded the carrying values by 28%, 6% and 4%, respectively. Holding all other assumptions constant, an increase of 1.6 p.p. and of approximately one p.p. in the discount rate for Agricultural Equipment and Construction Equipment, respectively, 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 management of the CNH Industrial Group 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.

Brands, trademarks and other intangible assets with indefinite useful lives

The composition by reporting segment is as follows:

€ million	12/31/2015	12/31/2014	Change
FCA Group	3,293	2,953	340
CNH Group	215	194	21
C&W Group	0	213	(213)
Juventus F.C.	31	30	1
Total brands, trademarks and other intangible assets with indefinite useful lives	**3,539**	**3,390**	149

Brands of the **FCA Group** are almost entirely attributable to the NAFTA segment. The amount of €3,293 million recognized at December 31, 2015 (€2,953 million at December 31, 2014) 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. For purposes of impairment testing, the carrying value of brands, which is allocated to the NAFTA segment, is tested using the same assumptions as the impairment test on goodwill.

With regard to the **CNH Industrial Group**, 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.

Other intangible assets

Changes in 2015 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, 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**
Changes during the year (original cost)						
Additions	1,544	1,529	255	207	165	3,700
Disposals	1	(53)	(14)	(35)	(98)	(199)
Change in the scope of consolidation	0	0	(6)	(309)	0	(315)
Translation differences and other changes	522	(188)	217	(13)	0	538
Total	**2,067**	**1,288**	**452**	**(150)**	**67**	**3,724**
Changes during the year (accumulated amortization and impairment)						
Amortization	(936)	(813)	(338)	(106)	0	(2,193)
Impairment losses	(187)	(34)	0	(2)	0	(223)
Disposals	0	37	12	30	0	79
Change in the scope of consolidation	0	0	5	211	0	216
Translation differences and other changes	(316)	186	(98)	32	0	(196)
Total	**(1,439)**	**(624)**	**(419)**	**165**	**0**	**(2,317)**
Balance at December 31, 2015						
Original cost	11,577	10,483	4,055	1,559	385	28,059
Accumulated amortization and impairment	(5,734)	(5,584)	(2,401)	(972)	(184)	(14,875)
Net carrying amount	**5,843**	**4,899**	**1,654**	**587**	**201**	**13,184**

In 2015 new development costs were capitalized for €3,073 million, of which €2,659 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, as well as the investment for the development of Alfa Romeo vehicles.

To reflect changes in its product strategy, the FCA Group recorded impairment losses of €176 million in 2015 (€75 million in 2014) mainly to realign a portion of its manufacturing capacity in NAFTA to better meet market demand for Ram pickups and Jeep vehicles.

Positive translation differences principally reflect foreign exchange gains of €491 million included in translation differences and other changes that relate to the strengthening of 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 2014 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, 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
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
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 consisted 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 2014 to reflect the new product strategy the FCA Group wrote down development costs for a total of €75 million, primarily in the EMEA and NAFTA regions.
The positive exchange differences of €482 million included in translation differences and other changes mainly referred to the revaluation of the U.S. dollar against the Euro.

14. Property, plant and equipment

Changes in property, plant and equipment in 2015 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, 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**
Changes during the year (original cost)							
Additions	6	590	3,497	784	328	2,229	7,434
Disposals	(11)	(65)	(1,234)	(71)	(76)	(24)	(1,481)
Change in the scope of consolidation	3	4	(6)	0	(180)	(1)	(180)
Translation differences	(21)	(36)	246	6	124	(121)	198
Other changes	8	0	956	(423)	11	(862)	(310)
Total	**(15)**	**493**	**3,459**	**296**	**207**	**1,221**	**5,661**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	0	(405)	(3,854)	(209)	(306)	0	(4,774)
Impairment losses	(1)	(12)	(475)	(18)	(3)	(2)	(511)
Disposals	1	46	1,204	40	65	2	1,358
Change in the scope of consolidation	(3)	(3)	5	0	111	0	110
Translation differences	1	(3)	(15)	1	(34)	1	(49)
Other changes	(34)	24	(45)	188	6	1	140
Total	**(36)**	**(353)**	**(3,180)**	**2**	**(161)**	**2**	**(3,726)**
Balance at December 31, 2015							
Original cost	1,187	11,148	52,864	2,389	3,619	4,310	75,517
Accumulated depreciation and impairment	(47)	(4,252)	(34,453)	(484)	(2,134)	(14)	(41,384)
Net carrying amount	**1,140**	**6,896**	**18,411**	**1,905**	**1,485**	**4,296**	**34,133**
of which leased under finance leases	*8*	*322*	*623*		*1*		*954*

Additions total €7,434 million in 2015 and mainly refer to the FCA Group for €6,148 million and the CNH Industrial Group for €1,511 million.

In 2015 impairment losses for €422 million refer to the FCA Group mainly in relation to the realignment of a portion of the Group's manufacturing capacity in NAFTA to better meet market demand.

Positive translation differences of €149 million in 2015 mainly reflect the strengthening of the U.S. dollar against the Euro.

In 2015 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 2014 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, 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	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	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 referred for €5,415 million to the car-mass market operations of the FCA Group, the construction of the new LATAM plant in Pernambuco (LATAM) and for €1,269 million to the Agricultural Equipment, Construction Equipment and Commercial Vehicles segments of the CNH Industrial Group.

In 2014 impairment losses of €33 million mainly referred to the EMEA region of the FCA Group.

Positive translation differences of €1,639 million in 2014 mainly reflected the strengthening of the U.S. dollar against the Euro.

In 2014 other changes primarily consisted 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.

At December 31, 2015 property, plant and equipment of the FCA Group, excluding FCA US, pledged as security for debt and other commitments, mainly refer to assets that are legally owned by suppliers but are recognized in the consolidated financial statements in accordance with IFRIC 4 with the simultaneous recognition of a finance lease payable. The composition is as follows:

€ million	12/31/2015	12/31/2014
Land and industrial buildings pledged as security for debt	934	1,019
Plant and machinery pledged as security for debt and other commitments	462	648
Other assets pledged as security for debt and other commitments	4	3
Property plant and equipment pledged as security for debt	**1,400**	**1,670**

Information on the assets of FCA US subject to liens are set out in Note 30 in the consolidated financial statements.

At December 31, 2015, CNH Industrial Group has land and industrial buildings of €74 million (€77 million at December 31, 2014) pledged as security for debt. Moreover, plant, machinery and equipment of €81 million (€81 million at December 31, 2014) 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, 2015 real estate mortgaged for a loan from the Istituto per il Credito Sportivo to Juventus FC for the construction of the new stadium amounts to a maximum amount of €120 million.

At December 31, 2015 the Group has contractual commitments for the acquisition of property, plant and equipment amounting €1,846 million (€2,590 million at December 31, 2014).

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 to sell 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 13.

For the other CGUs, the same analysis is performed when events and circumstances indicate that an asset may be impaired.

At December 31, 2015 following the decision taken to realign a portion of its manufacturing capacity in the NAFTA region to better meet market demand, this was deemed an indicator of impairment for certain vehicle platform cash-generating units due to the significant changes to the extent to which the assets are expected to be used. As a result, an impairment charge of €598 million was recorded, of which €422 million relates to tangible asset impairments and €176 million to capitalized development costs.

At December 31, 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 and on other tangible assets of €25 million in 2014. In 2014 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.

15. Investments and other financial assets

Details are as follows:

€ million	12/31/2015	12/31/2014	Change
Investments in joint ventures	1,915	1,732	183
Investments in associates	1,196	504	692
Investments in unconsolidated subsidiaries	52	37	15
Investments accounted for using the equity method	**3,163**	**2,274**	889
Investments at fair value with changes directly in other comprehensive income	808	367	441
Investments at cost	43	45	(2)
Non-current financial receivables	305	344	(39)
Other securities	716	629	87
Other investments and financial assets	**1,872**	**1,385**	487
Total	**5,035**	**3,659**	1,376

Investments in joint ventures

Changes in 2015 and 2014 are the following:

€ million	12/31/2014	Revaluations (Impairment losses)	Acquisitions and capitalizations	Change in the scope of consolidation	Translation differences	Other changes	12/31/2015
Investments in joint ventures	**1,732**	177	178	0	(3)	(169)	**1,915**

€ million	12/31/2013	Revaluations (Impairment losses)	Acquisitions and capitalizations	Change in the scope of consolidation	Translation differences	Other changes	12/31/2014
Investments in joint ventures	**1,611**	184	18	2	59	(143)	**1,732**

Revaluations (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		12/31/2015		12/31/2014	Change
Investments in joint ventures					
FCA Bank	50.00%	985	50.00%	894	91
Tofas - Turk Otomobil Fabrikasi A.S.	37.90%	305	37.90%	299	6
Naveco (Nanjing Iveco Motor Co.) Ltd.	50.00%	197	50.00%	177	20
Turk Traktor Ve Ziraat Makineleri A.S.	37.50%	73	37.50%	88	(15)
GAC Fiat Chrysler Automobiles Co. Ltd	50.00%	145	50.00%	45	100
Other		210		229	(19)
Total Investments in joint ventures		**1,915**		**1,732**	**183**

FCA Bank is a 50/50 joint venture with Crédit Agricole Consumer Finance S.A. FCA Bank operates in 16 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 FCA's car mass-market brands and for Ferrari and 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.

Tofas Turk Otomobil Fabrikasi A.S. is listed on the İstanbul Stock Exchange ("ISE") and is classified as a joint venture by the both partners which each have a shareholding of 37.9%. At December 31, 2015 the fair value of the FCA Group's interest in Tofas is €1,129 million (€1,076 million at December 31, 2014).

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 Makineleri 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, 2015 the fair value of CNH Industrial's interest in Turk Traktor is $477 million, or €438 million ($659 million or €543 million at December 31, 2014).

Investments in associates

The composition is as follows:

€ million		12/31/2015		12/31/2014	Change
Investments in associates					
Almacantar S.A.	38.30%	533	38.29%	282	251
The Economist Group (a)	34.72%	466		0	466
CNH Capital Europe S.a.s.	49.90%	104	49.90%	91	13
RCS MediaGroup S.p.A.	16.73%	51	16.73%	74	(23)
Other		42		57	(15)
Total investments in associates		**1,196**		**504**	**692**

(a) The interest held previously was measured at fair value.

The positive change in EXOR's investment in Almacantar is mainly the result of share capital increases carried out in the months of June and July 2015 (for a total of €108 million), the profit for the year (€130 million) and the increase in exchange differences on translating foreign operations (€13 million).

The main statement of financial position and income statement data for the years 2015 and 2014 are as follows:

	12/31/2015		12/31/2014	
	£ million	€ million	£ million	€ million
Non-current assets	1,424.0	1,940	773.0	992
Current assets	360.1	491	62.4	80
Payables	762.7	1,039	252.4	324
Other liabilities	0.5	1	9.7	12
Net revenues	16.6	23	17.1	21
Profit before taxes	248.8	343	83.6	104
Comprehensive income	248.1	342	83.1	103

In October EXOR purchased 27.8% of the share capital of The Economist Group for a net equivalent amount of €398 million, raising its interest in the company to 34.7% of capital (20% of voting rights), becoming the largest shareholder.
EXOR thus attained a significant influence over the investee company as defined by IAS 28 and therefore starting from the 2015 financial statements the investment in The Economist Group is accounted for using the equity method.
The previously held 4.72% interest in share capital, classified in investments available-for-sale measured at fair value with recognition of the difference in equity, was adjusted to fair value, €36.64 per share, (for a total of €59 million), that is, at the purchase price of the additional shares acquired. Therefore an increase in value of €19 million was recognized in equity; following the change in the method of measurement the accumulated fair value of €29 million was reclassified to the income statement. The entire investment in The Economist Group was classified in investments accounted for using the equity method and the measurement at December 31, 2015 was made on the basis of the accounting data at September 30, 2015 (the most recent available data of the company).

The carrying amount of the investment includes goodwill of €436 million, which is the difference between the fair value of the investment and the price paid, as indicated below:

	£ million	€ mlilion
Consideration for 29.98% acquisition	291	398
Remeasurement at fair value of the investment previously held		19
Carrying amount (fair value at 12/31/14) of the investment previously held		40
Investment value (A)	291	**457**
The Economist Group accounting equity at 9/30/15 - EXOR's share	(8)	(11)
Higher value attributed to the building - EXOR's share	29	40
Net assets acquired/assumed (B)	21	29
Deferred taxes on higher value attributed to building	6	8
Consolidation difference to be allocated (A-B)	318	**436**

At December 31, 2015 the fair value of the investment in RCS MediaGroup S.p.A., listed on the Milan Stock Exchange, is €54 million (€81 million at December 31, 2014).

Investments accounted for at fair value with changes in other comprehensive income

Details are as follows:

€ million	12/31/2015		12/31/2014		Change
Investments at fair value with changes in other comprehensive income:					
PartnerRe	9.90%	**607**	-	0	607
Banca Leonardo	16.51%	**59**	17.37%	60	(1)
The Economist Group (a)	-	**0**	4.72%	40	(40)
Banijay Group (b)	-	**0**	17.09%	41	(41)
Other		**142**		226	(84)
Total investments at fair value with changes in other comprehensive income		**808**		**367**	**441**

(a) Reclassified to investments accounted for using the equity method beginning December 31, 2015.
(b) Reclassified to non-current assets held for sale in accordance with IFRS 5.

As part of the operation for the purchase of the entire investment in PartnerRe, during the first half of 2015 EXOR and its subsidiary EXOR S.A. purchased a total of 4,725,726 shares (9.9% of common share capital) on the market for a net equivalent amount of €553 million. At December 31, 2015 the investment was adjusted to fair value on the basis of the per share trading price of $139.74 (€128.35 on the basis of the €/$1.0887 exchange rate at the end of the year). At December 31, 2015 the positive fair value adjustment recognized in equity amounts to €54 million.

The reduction in the investment in Banca Leonardo is due to the reimbursement of capital reserves of €6 million, partially offset by the positive fair value adjustment of €5 million.
At December 31, 2015 the fair value recognized in equity is a negative €4.4 million.

The reduction in other listed investments is primarily the result of the disposal of the investment held in Allied World Assurance Company Holdings by EXOR S.A. for a net equivalent amount of €154 million. The net gain on the disposal of €60 million relates to the realization of the fair value reserve.

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 €716 million (€629 million at December 31, 2014) and mainly comprise the value of the Irish-registered fund managed by Black Ant Group LLC of €374 million (€392 million at December 31, 2014) and other funds that invest in specific geographical areas and in specific sectors.

The net decrease in The Black Ant Value Fund of €19 million is due to the redemption of 135,375 shares, in accordance with the signed agreements and taking into account the positive performance recorded during 2014, for a total equivalent amount of €20 million, partially offset by the positive fair value adjustment of €1 million. The redemption resulted in a net gain of €6 million from the realization of a part of the fair value reserve. At December 31, 2015 the fair value adjustment recognized in equity amounts to a positive €116 million.

16. Leased assets under operating leases

Changes in leased assets under operating leases in 2015 and 2014 are the following:

€ million	12/31/2014	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2015
Gross carrying amount	1,495	882	0	115	(537)	1,955
Depreciation and impairment	(244)	(1)	(193)	(11)	180	(269)
Net carrying amount of assets leased under operating leases	**1,251**	**881**	**(193)**	**104**	**(357)**	**1,686**

€ 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 of assets leased under operating leases	**769**	768	(120)	115	(281)	**1,251**

17. Inventories

The composition of inventories is as follows:

€ million	12/31/2015	12/31/2014	Change
Raw materials, supplies and finished goods	16,709	16,037	672
Assets sold with a buy-back commitment and GDP vehicles	1,984	2,128	(144)
Gross amount due from customers for contract work	156	178	(22)
Total inventories	**18,849**	**18,343**	506

Inventories refer to the FCA Group for €13,524 million (€12,467 million at December 31, 2014) the CNH Industrial Group for €5,326 million (€5,881 million at December 31, 2014), net of intercompany eliminations of €1 million (€4 million at December 31, 2014).

Net inventories increased by €506 million as a result of a higher level of finished products to support increased demand in the NAFTA and EMEA segments in addition to positive translation differences primarily related to the strengthening of the U.S. dollar against the Euro.

At December 31, 2015 net inventories of the CNH Industrial Group include assets which are no longer subject to operating lease arrangements or buy-back commitments for €260 million (€233 million at December 31, 2014).

In 2015 the amount of inventory writedowns recognized as an expense is €683 million (€689 million in 2014), 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	12/31/2015	12/31/2014	Change
Gross amount due from customers for contract work, as an asset	156	178	(22)
Less: Amount due to customers for contract work, as a liability	(222)	(247)	25
Construction contracts, net of advances on contract work	**(66)**	**(69)**	3

18. Trade receivables

The composition of trade receivables 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, 2015	2,766	532		35	(60)	**3,273**
Trade receivables at December 31, 2014	2,564	868	350	50	(75)	**3,757**
Change	202	(336)	(350)	(15)	15	(484)

The analysis of trade receivables by due date is as follows:

€ million	12/31/2015	12/31/2014	Change
Due within one year	3,251	3,746	(495)
Due between one and five years	21	9	12
Due beyond five years	1	2	(1)
Total trade receivables	**3,273**	**3,757**	(484)

Trade receivables at December 31, 2015 are shown net of allowances for doubtful accounts of €464 million (€503 million at December 31, 2014).
Changes in these allowances, which are calculated on the basis of historical losses on receivables, are as follows in 2015:

19. Receivables from financing activities

Receivables from financing activities amount to €20,632 million at December 31, 2015 (€21,524 million at December 31, 2014) and include the following:

€ million	12/31/2015	12/31/2014	Change
Dealer financing	9,613	10,050	(437)
Retail financing	10,005	10,118	(113)
Finance leases	858	1,135	(277)
Other	156	221	(65)
Total receivables from financing activities	**20,632**	**21,524**	(892)

Receivables from financing activities are shown net of allowances for doubtful accounts determined on the basis of specific insolvency risks. At December 31, 2015, the allowance accounts total €566 million (€611 million at December 31, 2014). Changes in the allowance accounts in 2015 are the following:

€ million	12/31/2014	Provision	Use and other changes	12/31/2015
Allowances for receivables from financing activities	**611**	160	(205)	**566**

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 €8,990 million and by the FCA Group €1,015 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 €185 million at December 31, 2015 (€194 million at December 31, 2014), may be analyzed as follows:

€ million	Due within one year	Due between and five years	Due beyond five years	Total
Receivables for future minimum lease payments	558	665	41	1,264
Less: unrealized interest income	(91)	(126)	(6)	(223)
Present value of future minimum lease payments at December 31, 2015	**467**	**539**	**35**	**1,041**
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**

No contingent rents were recognized as finance lease income during 2015 or 2014 and unguaranteed residual values at December 31, 2015 and 2014 are not significant.

Receivables from financing activities may be analyzed by due date as follows:

€ million	12/31/2015	12/31/2014	Change
Due w ithin one year	12,591	13,435	(844)
Due betw een one and five years	7,729	7,777	(48)
Due beyond five years	312	312	0
Total receivables from financing activities	**20,632**	**21,524**	(892)

20. Current tax receivables

At December 31, 2015 current tax receivables amount to €762 million (€615 million at December 31, 2014). The analysis by due date is the following:

€ million	12/31/2015	12/31/2014	Change
Due w ithin one year	625	541	84
Due betw een one and five years	70	37	33
Due beyond five years	67	37	30
Total current tax receivables	**762**	**615**	147

21. Other current assets

Other current assets amount to €4,046 million (€4,095 million at December 31, 2014) and mainly consist of other tax receivables for VAT and other indirect taxes and duties of €2,034 million, receivables from employees of €169 million and accrued income and prepaid expenses of €844 million.

The analysis of current receivables (excluding accrued income and prepaid expenses) by due date is the following:

€ million	12/31/2015	12/31/2014	Change
Due w ithin one year	2,866	3,083	(217)
Due betw een one and five years	275	276	(1)
Due beyond five years	61	47	14
Total other financial receivables	**3,202**	**3,406**	(204)

22. Transfers of financial assets

The **FCA Group** transfers certain of its financial, trade and tax receivables, mainly through factoring transactions.
At December 31, 2015, 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, 2015				
Carrying amount of the assets transferred and not derecognized	22	184	0	**206**
Carrying amount of the related liabilities	(22)	(184)	0	**(206)**
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, 2015, the FCA Group has receivables due after that date which were transferred without recourse and which were derecognized amounting to €4,950 million (€4,511 million at December 31, 2014). The transfers relate to trade receivables and other receivables for €4,165 million (€3,676 million at December 31, 2014) and financial receivables for €785 million (€835 million at December 31, 2014).
These amounts include receivables of €3,022 million (€2,611 million at December 31, 2014), mainly due from the sales network, transferred to jointly controlled financial services companies (FCA Bank).

The **CNH Industrial Group** transfers a number of its financial and trade receivables under securitization programs or factoring transactions.

At December 31, 2015, 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, 2015				
Carrying amount of assets	6	11,990	851	12,847
Carrying amount of the related liabilities	(6)	(11,080)	(851)	(11,937)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	6	11,999	851	12,856
Fair value of the liabilities	(6)	(11,071)	(851)	(11,927)
Net position	0	928	0	**928**
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**

Other financial assets also include cash with a pre-determined use restricted to the repayment of securitization debt.

The CNH Industrial Group discounted receivables without recourse having due dates after December 31, 2015 amounting to €522 million (€539 million at December 31, 2014), of which €490 million (€482 million at December 31, 2014) relates to trade receivables and other receivables and €32 million (€57 million at December 31, 2014) refers to receivables from financing activities.

23. Current financial assets

The composition is as follows:

€ million	12/31/2015	12/31/2014	Change
Investments	**48**	35	13
Bonds held-to-maturity	51	29	22
Bonds available-for-sale	269	91	178
Bonds and mutual funds held for trading	242	708	(466)
Current securities	**562**	828	(266)
Other financial assets	**1,047**	684	363
Total current financial assets	**1,657**	**1,547**	110

Bonds are issued by leading counterparties, listed on active and open markets, and also include the current portion of bonds due within 12 months held-to-maturity. The decrease of €266 million reflects the Group's strategy as regard the management of the securities portfolio and the investment of cash resources.

Other current financial assets represent the fair value of derivative financial instruments analyzed in the next note.

24. 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. In particular:

	12/31/2015		12/31/2014	
€ million	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Fair value hedges				
Interest rate risk - Interest rate swaps	85	(3)	113	(1)
Currency risks		(96)		
Interest rate and currency risk - Combined interest rate and currency swaps				(41)
Total Fair value hedges	**85**	**(99)**	**113**	**(42)**
Cash flow hedges				
Currency risks - Forward contracts, Currency swaps and Currency options	345	(505)	283	(614)
Interest rate risk - Interest rate swaps	1	(5)	1	(13)
Interest rate and currency risk - Combined interest rate and currency swaps	142	(33)	60	(52)
Commodity price risk - Commodity swaps		(44)	4	(16)
Total Cash flow hedges	**488**	**(587)**	**348**	**(695)**
Derivatives for trading	434	(146)	**185**	**(250)**
Collateral deposits	40		**38**	
Total other financial assets and other financial liabilities	**1,047**	**(832)**	**684**	**(987)**

The fair value of derivative financial instruments is calculated by 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 and in other financial liabilities is mostly due to fluctuations in exchange rates, interest rates, commodity prices and the settlement of instruments that matured during the year.

As other financial assets and liabilities primarily consist of hedging derivatives, the change in their value is generally compensated by the change in the value of the hedged items.

Derivatives for trading primarily refer to:
- derivative contracts entered into 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, 2015 and 2014 is the following:

€ million	12/31/2015	12/31/2014	Change
Currency risk management	25,685	25,054	631
Interest rate risk management	5,901	6,542	(641)
Interest rate and currency risk management	2,858	2,322	536
Commodity price risk management	563	550	13
Other derivative financial instruments	14	14	0
Total notional amount	**35,021**	**34,482**	539

The outstanding notional amounts of derivative financial instruments by due date is summarized in the following table:

€ million	Due within one year	Due between one and five years	Due beyond five years	Total
12/31/2015				
Currency risk management	25,105	580		25,685
Interest rate risk management	1,146	4,634	121	5,901
Interest rate and currency risk management	1,532	1,178	148	2,858
Commodity price risk management	532	31		563
Other derivative financial instruments			14	14
Total notional amount	**28,315**	**6,423**	**283**	**35,021**
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 derivative financial instruments	0		14	14
Total notional amount	24,827	9,281	374	**34,482**

Cash flow hedges

With respect to cash flow hedges, the Group reclassified losses of €469 million in 2015 (losses of €132 million in 2014), net of the tax effect, from other comprehensive income to the consolidated income statement.

These amounts are reported on the following lines of the income statement:

€ million	2015	2014	Change
Currency risk			
Increase (Decrease) in net revenues	(98)	64	(162)
Decrease (Increase) in cost of sales	(89)	6	(95)
Financial income (expenses)	(174)	(180)	6
Result from investments	(1)	(13)	12
Interest rate risk			
Decrease (Increase) in cost of sales	(15)	(8)	(7)
Result from investments		(3)	3
Financial income (expenses)	(78)	(13)	(65)
Commodity price risk			
Decrease (Increase) in cost of sales	(22)	(2)	(20)
Taxes - income (expenses)	14	13	1
Ineffectiveness - overhedges	(6)	4	(10)
Net gains (losses) on cash flow hedges recognized in the income statement	**(469)**	**(132)**	(337)

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 valuation of outstanding currency derivatives (for managing currency risk) and interest rate derivatives (for managing interest rate risk) recognized in accordance with fair value hedge accounting and the gains and losses arising from the respective hedged items are summarized in the following table:

€ million	2015	2014	Change
Currency risk			
Net gains (losses) on qualifying hedges	(49)	(53)	4
Fair value changes in hedged items	49	53	(4)
Interest rate risk			
Net gains (losses) on qualifying hedges	(11)	6	(17)
Fair value changes in hedged items	12	(5)	17
Net gains (losses) on fair value hedges recognized in the income statement	**1**	**1**	0

25. Cash and cash equivalents

The composition is the following:

€ million	12/31/2015	12/31/2014	Change
Cash in hand and at banks and post offices	17,678	15,119	2,559
Restricted cash	855	809	46
Money market securities	12,054	13,315	(1,261)
Total cash and cash equivalents	**30,587**	**29,243**	1,344

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.

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, 2015 the CNH Industrial Group has approximately €851 million (€806 million at December 31, 2014) of restricted cash which may be used exclusively for the repayment of the debt relating to securitizations.

26. Assets and liabilities held for sale and discontinued operations

Assets and liabilities held for sale consist mainly of buildings allocated to the LATAM and Components segments as well as certain minor investments within the EMEA segment of the FCA Group, several buildings and factories mainly attributable to Financial Services and Agricultural Equipment of CNH Industrial, in addition to the investment in Banijay Holding (€60 million) following the finalization of the agreement for its sale to Zodiak Media signed on November 20, 2015 and concluded on February 23, 2016.

The analysis of the income statement line items comprising the post-tax profit of C&W Group included in discontinued operations is as follows:

€ million	Half 1 2015	Year 2014
Net revenues	**1,199**	2,145
Cost of sales	**(1,094)**	(1,890)
Selling, general and administrative costs	**(96)**	(160)
Other income (expenses)	**(7)**	(12)
Restructuring costs	**(1)**	0
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	**1**	83
Financial income (expenses)	**(3)**	(5)
Profit before taxes	**(2)**	78
Income taxes	**3**	(25)
Profit for the year	**1**	**53**

The profit from discontinued operations relating to the sale of C&W Group totals €522 million and includes the gain recognized as the difference between the proceeds on the sale (€1,134 million) and the accounting value of €613 million, as well as EXOR's share of the profit for the six months to June 30, 2015 (date of the last line-by-line consolidation) of €1 million.

The net cash flows attributable to discontinued operations in the statement of cash flows, referring to C&W Group, are presented below:

€ million	I Half 2015	Year 2014
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	122	118
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Profit for the period	1	53
Amortization and depreciation	28	40
Other non-cash items	(1)	(1)
Change in provisions	0	(8)
Change in deferred taxes	(12)	(20)
Change in working capital	(110)	8
TOTAL	(94)	72
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Investments in property, plant and equipment and intangible assets	(16)	(24)
Acquisitions of investments made by operating subsidiaries	(15)	(55)
Proceeds from the sale of non-current assets realized by operating subsidiaries		1
TOTAL	(31)	(78)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Issuance of medium-term borrowings	330	280
Repayment of medium-term borrowings	(251)	(265)
Net change in other financial debt and other financial assets/liabilities	(2)	(2)
Purchase of treasury stock	(1)	(11)
Dividends paid by subsidiaries	0	(3)
Other changes	(2)	(5)
TOTAL	74	(6)
Translation exchange differences	6	16
E) NET CHANGE IN CASH AND CASH EQUIVALENTS	(45)	4
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	77	122

27. Equity

Share capital

At December 31, 2015, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850, unchanged compared to December 31, 2014, and consists of 246,229,850 ordinary shares with a par value of €1.

At December 31, 2015, share capital includes €2,667 thousand of 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

In 2015 EXOR completed the placement of 12,000,000 treasury shares (4.87% of share capital) through an accelerated book building offering to institutional investors for a total gross amount of €511 million. Following this transaction EXOR holds 11,883,746 treasury shares equal to approximately 4.83% of share capital.
In the context of the placement Giovanni Agnelli e C. S.a.p.az. purchased €50 million of shares, bringing its investment in EXOR to 51.87% of share capital.
In 2016 EXOR will cancel the remaining treasury shares except for those treasury shares necessary to service EXOR's stock options plans.

Dividends paid

Dividends referring to the year 2014 were paid by EXOR S.p.A. in 2015 for €0.35 per share to the 222,346,104 shares outstanding for a total of €78 million.

Other comprehensive income

The composition of other comprehensive income in the statement of comprehensive income is as follows:

€ million	**12/31/2015**	12/31/2014
Other comprehensive income that will not be reclassified to the income statement:		
Gains (losses) on remeasurement of defined benefit plans	821	(653)
Share of gains (losses) on remeasurement of defined benefit plans relating to investments accounted for using the equity method	(6)	(4)
Items relating to C&W Group, net of tax effect	1	(5)
Total Other comprehensive income that will not be reclassified to the income statement, before tax effect (B1)	**816**	(662)
Other comprehensive income that may be reclassified to the income statement:		
Effective portion of gains (losses) on cash flow hedges arising during the year	(100)	(596)
Effective portion of gains (losses) on cash flow hedges reclassified to the income statement	482	131
Gains (losses) on cash flow hedges	**382**	(465)
Gains (losses) on remeasurement of available-for-sale financial assets arising during the year	190	64
Gains (losses) on fair value of available-for-sale financial assets reclassified to the income statement	(113)	12
Gains (losses) on fair value of available-for-sale financial assets	**77**	76
Exchange differences on translating foreign operations arising during the year	1.118	1.910
Exchange differences on translating foreign operations reclassified to the income statement		
Items relating to C&W Group, net of tax effect	47	64
Exchange differences on translating foreign operations	**1.165**	1.974
Share of other comprehensive income of investments accounted for using the equity method arising during the year	(14)	18
Share of other comprehensive income of investments accounted for using the equity method reclassified to the income statement	1	21
Share of other comprehensive income of investments accounted for using the equity method	**(13)**	39
Total other comprehensive income that may be reclassified to the income statement, before tax effect (B2)	**1.611**	1.624
Total other comprehensive income, before tax effect (B1) + (B2) = (B)	**2.427**	962
Tax effect	**(311)**	233
Total other comprehensive income, net of tax	**2.116**	1.195

With reference to the defined benefit plans of the Group, the gains and losses arising from the 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 27).

The tax effect relating to other comprehensive income is as follows:

	12/31/2015			**12/31/2014**		
€ 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	815	(226)	589	(657)	113	(544)
Effective portion of gains (losses) on cash flow hedges	382	(85)	297	(465)	120	(345)
Gains (losses) on remeasurement of available-for-sale financial assets	77		77	76	3	79
Exchange gains (losses) on translating foreign operations	1.118		1.118	1.910		1.910
Share of other comprehensive income of investments accounted for using the equity method	(13)		(13)	39	(3)	36
Items relating to C&W Group	48		48	59		59
Total Other comprehensive income	**2.427**	**(311)**	**2.116**	**962**	**233**	**1.195**

Non-controlling interests
Details are as follows:

€ million	%	Capital and reserves	Profit (loss)	Total
At December 31, 2015				
FCA Group	70.84%	11,209	279	11,488
CNH Industrial Group	72.72%	4,633	(172)	4,461
Juventus Football Club S.p.A.	36.23%	13	14	27
Total		**15,855**	**121**	**15,976**
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**

Share-based compensation
EXOR S.p.A. stock option plans
EXOR stock option plans include the Stock Option Plan EXOR 2008-2019 approved in 2008, the Long Term Incentive Plan approved in 2012 and the Incentive Plan 2015 approved in 2015.

Stock Option Plan EXOR 2008-2019
The Stock Option Plan EXOR 2008-2019 has a maximum of 15 million 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 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 of companies in the Holdings System	2,862,000	758,430	4,462	582
Total	**5,862,000**	**1,553,430**	**10,791**	**1,814**

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:

- the first part of the Plan, denominated "Long Term Stock Grant", provides for a total of 400,000 rights to be granted to 31 beneficiaries; this allows them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the company and with the companies in the Holdings System;
- the second part of the Plan, denominated "Company Performance Stock Options", provides for a total of 3 million options to be granted to the beneficiaries; this allows them to purchase a corresponding number of EXOR ordinary shares.
- the vesting period of the options is from 2014 to 2018 in annual lots of the same number that are exercisable from the time they vest until 2021, subject to reaching performance targets and continuing a professional relationship with the company and with the companies in the Holdings System.
  The performance targets will be considered to have been reached when the annual variation in EXOR's NAV is higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting. The exercise price of the options will be determined on the basis of the arithmetic average of Borsa Italiana's trading prices of EXOR ordinary shares in the month prior to the grant date to the individual beneficiaries. The 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. In 2015, as the target was not reached, 20% of the options were forfeited.

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
Employees of companies in the Holdings System	**168,166**	**3,328**	**584**

In 2015, 3,000 options were forfeited due to the termination of the collaboration relationship and 6,500 options were granted.

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.	450,000	1,625	271
Employees of companies in the Holdings System	583,200	2,068	349
Total	**1,033,200**	**3,693**	**620**

During 2015, 344,400 options of the "Company Performance Stock Option" Plan were forfeited because the specific performance targets linked to the variation in EXOR's NAV, which at December 31, 2014 was lower than the change in the MSCI Index in Euro, were not met.

Incentive Plan 2015

The Incentive Plan 2015 is directed to independent directors and the purpose is to align the compensation of the directors with the strategic objectives of the company, offering them the opportunity to choose between taking part in the Incentive Plan 2015 as an alternative to the cash remuneration established by the shareholders' meeting. The Plan provides for the free grant of a maximum of 70,000 EXOR shares to the directors who decide to take part in the Plan, subject to continuing the appointment as director at the vesting date set in 2018, concurrently with the date of the shareholders' meeting that will approve the 2017 financial statements. The Plan will be serviced with treasury stock. In 2015 all eight independent directors joined the Incentive Plan 2015.

At December 31, 2015 stock grants were awarded to the independent directors as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Independent directors	**28,032**	**1,200**	**238**

<u>FCA Group stock option plans</u>

At December 31, 2015 and at December 31, 2014 the FCA Group has in place various share-based compensation plans relating to managers of the Group companies and the Chief Executive Officer of FCA.

<u>Performance Share Units</u>

In 2015 FCA awarded a total of 14,713,100 Performance Share Units ("PSU awards") to certain key employees linked to performance goals covering a five-year period from 2014 to 2018. The goals include a net income target ("PSU NI") as well as total shareholder return ("PSU TSR"), with each weighted at 50% and settled independently of the other. Half of the award will vest if the performance targets are met whereas the remaining 50%, which is based on market conditions, have a payout scale ranging from 0% to 150%. Accordingly, the total number of shares that will eventually be issued may vary from the original award of 14.7 million. One-third of the total award 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 the years 2014 to 2016, 2014 to 2017 and 2014 to 2018 are achieved.

The vesting of the ("PSU NI") awards based on net income performance will be determined by comparing the Group's net profit excluding unusual items compared to the net income targets established in the business plan that was published in May 2014, starting from the commencement of the performance period on January 1, 2014.
The weighted average fair value of the PSU-NI awards granted during the year ended December 31, 2015 was €8.78 ($9.76), which was calculated using the MonteCarlo method,.

The key assumptions utilized to calculate the grant-date fair values for the PSU NI awards issued are summarized below:

	Range
Grant date stock price	€13.44 - €15.21
Expected volatility	40%
Risk-free rate	0.7%

The expected volatility was based on the observed historical volatility for common shares of FCA. The risk-free rate was based on the yields of the U.S. Treasury bonds with similar terms to the vesting date of each PSU NI award.

The weighted average fair value of the PSU TSR awards granted during the year ended December 31, 2015 was €16.52 ($18.35), which was calculated using a Monte Carlo simulation model.

The key assumptions utilized to calculate the grant-date fair values for the PSU TSR awards issued are summarized below:

	Range
Grant date stock price	€13.44 - € 15.21
Expected volatility	37%-39%
Dividend yield	0%
Risk-free rate	0.7%-0.8%

The expected volatility was based on the observed historical volatility for common shares of FCA. The risk-free rate was based on the yields of the U.S. Treasury bonds with similar terms to the vesting date of the PSU TSR awards. In addition, since the volatility of each member of the defined peer group is not wholly independent of one another, a correlation coefficient was developed based on historical share price changes for FCA and the defined peer group over a three-year period leading up to the grant date of the awards.

Restricted Share Units
During the year ended December 31, 2015, FCA awarded 5,196,550 Restricted Share Units (RSU awards) to certain key employees of the Company which represent the right to receive FCA shares. These shares will vest in three equal tranches in February of 2017, 2018 and 2019.

Total expense for the PSU awards and RSU awards is approximately €54 million in 2015 whereas the unrecognized compensation expense is approximately €178 million, which will be recognized over a weighted-average period of 2.2 years.

Chief Executive Officer - *Special Recognition Award*
On April 16, 2015, the shareholders of FCA approved a grant of 1,620,000 common shares to the Chief Executive Officer, which vested immediately. The weighted average fair value of the shares at the grant date was €15.21 ($16.29), measured using FCA's share price on the grant date. A one-time charge of €24.6 million was recorded in the income statement related to this grant.

Stock option plans

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 de-merger of CNHI from Fiat, the beneficiary had the right to receive one ordinary Fiat share and one ordinary CNHI 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 CNHI 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 million options granted to employees and the 5 million options granted to the Chief Executive Officer had a vesting period of four years, with an equal number vesting each year, and 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 million 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 from Fiat, the beneficiaries had the right to receive one ordinary Fiat share and one ordinary CNHI 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.

Stock Grant plans linked to Fiat 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 Group granted the Chief Executive Officer 7 million rights, which represented an equal number of ordinary shares. One third of the rights vested on February 22, 2013, one third vested on February 22, 2014 and one third vested on February 22, 2015, which had been subject to the requirement that the Chief Executive Officer remain in office. The Plan was serviced in 2015 through the issuance of new shares.

Changes in the Retention LTI Plan in 2015 are as follows:

	2015		2014	
	Number of FCA shares	Average fair value at grant date (€)	Number of FCA shares	Average fair value at grant date (€)
Outstanding shares unvested at the beginning of the year	**2,333,334**	**4.205**	**4,666,667**	**4.205**
Vested	**(2,333,334)**	4.205	**(2,333,333)**	4.205
Outstanding shares unvested at the end of the year	**0**	**4.205**	**2,333,334**	**4.205**

Nominal costs for this plan of €0.3 million (€2 million in 2014) were recognized in 2015.

Share-Based Compensation Plans issued by FCA US

FCA US has units outstanding under two legacy share-based compensation plans: the Amended and Restated FCA US Directors' Restricted Stock Unit Plan ("FCA US Directors' RSU Plan") and the FCA US 2012 Long-Term Incentive Plan ("2012 LTIP Plan"). There are no units outstanding under the FCA US Restricted Stock Unit Plan ("RSU Plan") or the FCA US Deferred Phantom Share Plan ("DPS Plan").

Compensation expense for those plans and cash payments under those plans in 2015 and 2014 were not material.

The fair value of each unit issued under the FCA US share-based compensation plans is based on the fair value of FCA US's membership interests. Each unit represents a "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 enterprise value of FCA US. The fair value of FCA US's outstanding interest bearing debt as of the measurement date is deducted from the enterprise value of FCA US 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.

Anti-Dilution Adjustments

On February 3, 2015, FCA US made a special distribution to FCA in the amount of $1,338 million (€1,176 million), which reduced the fair value of FCA US's equity.

As a result of this dilutive event and pursuant to the anti-dilution provisions, the FCA US board of directors approved an anti-dilution adjustment factor to increase the number of outstanding FCA US Units 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 event was equal to the value of the adjusted awards subsequent to the dilutive event. No additional expense was recognized as a result of this modification during 2015. For comparative purposes, the number of FCA US Units and all December 31, 2014 fair value references have been adjusted to reflect the impact of the dilutive transaction and the anti-dilution adjustment.

During the year ended December 31, 2014, two transactions occurred that diluted the fair value of FCA US's equity and the per unit fair value of a FCA US Unit:

- the $1,900 million (€1,404 million) distribution paid 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 two dilutive events and pursuant to the anti-dilution provisions an anti-dilution adjustment factor was approved by FCA US's Compensation Committee to increase the number of outstanding FCA US Units (excluding performance share units granted under the 2012 LTIP Plan ("LTIP PSU")) 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 was equal to the value of the adjusted awards subsequent to the dilutive events. No additional expense was recognized as a result of the modifications during 2014. For comparative purposes, the number of FCA US Units and all December 31, 2013 fair value references have been adjusted to reflect the impact of the dilutive transaction and the anti-dilution adjustment.

Restricted Stock Unit Plans of FCA US

There were no awards outstanding under the FCA US Restricted Stock Unit Plan (FCA US RSU Plan) as of December 31, 2015.

Director RSU Plans were granted to non-employee members of the FCA US board of directors. Under the plan, settlement of the awards is made within 60 days of the director's cessation of service on the FCA US board of directors and awards are paid in cash. On May 7, 2015, the FCA US board of directors approved an amendment to the Director RSU Plan, freezing the Director RSU awards unit value as of December 31, 2015.

The expense recognized in total for both the FCA US RSU Plan and the Directors' RSU Plan for the year ended December 31, 2015 was approximately €8 million (€6 million in 2014).

There is no unrecognized compensation expense for both the FCA US RSU plan and the Directors' RSU Plan at December 31, 2015.

Changes in 2015 and 2014 are the following:

	2015		2014 Adjusted per Anti-Dilution	
	FCA US Restricted Stock Units	Weighted average fair value at grant date (€)	FCA US Restricted Stock Units	Weighted average fair value at grant date (€)
Outstanding shares unvested at the beginning of the year	**1,545,985**	**4.18**	**5,550,897**	**3.14**
Granted				
Vested	(1,545,985)	4.58	(3,893,470)	3.01
Forfeited			(111,442)	3.85
Outstanding shares unvested at the end of the year	**0**		**1,545,985**	**4.18**

FCA US 2012 Long-Term Incentive Plan
In February 2012, the Compensation Committee of FCA US adopted the 2012 Long-Term Incentive Plan 2012 (“2012 LTIP”). The 2012 LTIP Plan covers senior FCA US executives (other than the Chief Executive Officer). As of December 31, 2015, only restricted share units (“LTIP RSUs”) remain outstanding under the plan, all of which will be settled prior to March 31, 2016.

The expense recognized in connection with the 2012 LTIP Plan in 2015 was €4 million (€6 million in 2014). Total unrecognized compensation expense at December 31, 2015 was less than €1 million, which will be recognized over the remaining service periods. The corresponding tax benefit for the years ended December 31, 2015 and 2014 was €2 million.

Changes in 2015 and 2014 are the following:

	Adjusted per Anti-Dilution			
	2015		2014	
	LTIP RSUs	Weighted average fair value at grant date (€)	LTIP RSUs	Weighted average fair value at grant date (€)
Outstanding shares unvested at the beginning of the year	**2,303,928**	**4.67**	**4,054,807**	**4.08**
Granted				
Vested	(1,544,664)	4.98	(1,630,392)	4.15
Forfeited	(104,558)	5.36	(120,487)	4.24
Outstanding shares unvested at the end of the year	**654,706**	**5.50**	**2,303,928**	**4.67**

	Adjusted per Anti-Dilution			
	2015		2014	
	LTIP PSUs	Weighted average fair value at grant date (€)	LTIP PSUs	Weighted average fair value at grant date (€)
Outstanding shares unvested at the beginning of the year	**5,320,540**	**8.62**	**8,417,511**	**5.64**
Granted			5,556,503	7.62
Vested	(5,302,138)	9.44		
Forfeited	(18,402)	9.44	(8,653,474)	5.89
Outstanding shares unvested at the end of the year	**0**		**5,320,540**	**8.62**

<u>CNH Industrial Group stock option plans</u>
At December 31, 2015 CNH Industrial’s equity awards are governed by several plans: i) CNH Industrial N.V. Equity Incentive Plan (“CNH Industrial EIP”); ii) CNH Industrial N.V. Directors’ Compensation Plan (“CNH Industrial DCP”); iii) CNH Global N.V. Equity Incentive Plan (“CNH EIP”); iv) CNH Global N.V. Directors’ Compensation Plan (“CNH DCP”); and, v) Fiat Industrial Long-Term Incentive Plan (“Fiat Industrial Plan”).
CNH Industrial recognized total share-based compensation expense in 2015 and 2014 of €44 million and €37 million. CNH Industrial had unrecognized share-based compensation expense related to non-vested awards of approximately €69 million based on current assumptions related to achievement of specified

performance objectives, when applicable. Unrecognized share-based compensation costs will be recognized over a weighted-average period of 2.1 years.

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.

Performance Share Units
In 2014 and 2015, CNH Industrial issued to its Chief Executive Officer and selected key employees approximately 12 million and 1 million Performance Share Units (PSU), respectively, 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 based on the performance condition that were issued in 2014 and 2015 is $9.48 and $9.33 per share, respectively.

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 and 2015 is $8.19 and $7.95 per share, respectively.

As a significant majority of the awards was 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 expects 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.

Movements in Performance-based Share Units are as follows:

	2015		2014	
	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	**12,101,760**	**8.84**		
Granted	980,400	6.25	12,237,960	8.84
Forfeited	(1,490,900)	8.69	(136,200)	8.72
Vested	0		0	
Outstanding shares unvested at the end of the year	**11,591,260**	**8.64**	**12,101,760**	**8.84**

Restricted Share Units

In 2014 and 2015, CNH Industrial issued to selected employees approximately 1 million and 2 million shares of Restricted Share Units ("RSUs") with a weighted average fair value of $9.21 and $8.60 per share, respectively. 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. 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. These shares are service based and will vest in five tranches at the end of each year. The first tranche and second tranche of 750,000 shares each vested on December 31, 2014 and December 31, 2015, respectively, which were exercised on February 23, 2015 and February 8, 2016, respectively.

Movements in Restricted Share Units are as follows:

	2015		2014	
	Restricted shares	Weighted average grant-date fair value ($)	Restricted shares	Weighted average grant-date fair value ($)
Outstanding shares unvested at the beginning of the year	**3,512,139**	**9.88**		
Granted	1,531,900	8.08	4,283,859	10.05
Forfeited	(158,186)	9.29	(21,720)	9.4
Vested	(1,140,333)	10.21	(750,000)	10.88
Outstanding shares unvested at the end of the year	**3,745,520**	**9.67**	**3,512,139**	**9.88**

CNH Industrial N.V. Directors' Compensation Plan (CNH Industrial DC")

On September 9, 2013 the CNH Industrial DCP was approved by the shareholders and adopted by the board of directors of CNH Industrial.

The CNH Industrial DCP 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 FCA, and their subsidiaries and affiliates:

- $125,000 annual 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

dividing (i) by (ii) where (i) equals the 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.
There are 200,000 common shares authorized for issuance under the CNH Industrial DCP. As of December 31, 2015, 50,000 stock options were issued under the CNH Industrial DCP at a weighted average exercise price of $9.42 per share and weighted average fair value of $2.87 per share.

CNH Global Equity Incentive Plan (“CNH EIP”)

The CNH Global Equity Incentive 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 2.7 million 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 4 million of 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 2015 under the CNH EIP.

Outstanding stock options under the CNH EIP are as follows:

	At December 31, 2015			At December 31, 2014	
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	2.92
5.01 – 10.00	4,491,907	1.6	8.32	5,873,839	8.09
10.01 – 15.00	4,278,010	1.2	10.15	4,974,025	10.15
Total	**8,769,917**			**10,861,552**	

Changes during the year in stock option plans are as follows:

	2015		2014	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	**10,861,552**	**9.03**	**12,621,745**	**8.77**
Granted	-	-	-	-
Forfeited	(1,033,560)	9.58	(222,861)	9.64
Exercised	(1,058,075)	6.95	(1,398,229)	6.51
Expired	-	-	(139,103)	10.35
Outstanding at the end of the year	**8,769,917**	**9.21**	**10,861,552**	**9.03**
Exercisable at the end of the year	**8,769,917**	**9.21**	**9,320,898**	**9.07**

The Black-Scholes pricing model was used to calculate the fair value of stock options for options granted in 2012 under the CNH EIP. The assumptions used under the Black-Scholes pricing model are as follows:

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 connection with 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, which resulted in no performance-based share units outstanding as of December 31, 2014.

The total number of shares granted in 2012 was 500,000 with a weighted average fair value of $10.62 per share.

No performance-based shares were granted in 2015 and 2014 under the CNH EIP.

Restricted share units

In 2012, 700,000 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, multiple awards.

No restricted shares units were granted in 2015 and 2014 under the CNH EIP.

Changes during the year are as follows:

	2015		2014	
	Number of shares	Weighted average grant date fair value ($)	Number of shares	Weighted average grant date fair value ($)
Outstanding shares unvested at the beginning of the year	**3,191,444**	**7.82**	**930,525**	**7.95**
Converted from Performance Share Units (PSU)	-	-	3,103,937	7.67
Granted	(78,869)	8.79		
Forfeited	(3,112,575)	7.79	(240,415)	7.65
Vested	-	-	(602,603)	7.32
Outstanding shares unvested at the end of the year	**0**	**7.82**	**3,191,444**	**7.82**

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.

CNH Global Directors' Compensation Plan ("CNH DCP")

CNH Global Directors' Compensation Plan was aimed at directors of former CNH Global and provided for compensation 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 the date the merger became effective. As of December 31, 2015, approximately 30,000 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.

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 vested ratably over three years on February 22, 2013, 2014 and 2015. The last tranche of rights was exercised on February 23, 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 connection with 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. This modification did not result in any additional compensation expenses. The units vested on February 1, 2015 and were exercised on February 23, 2015.

The two awards were settled by issuing new shares.

28. Provisions for employee benefits

The Group's provisions and net assets for employee benefits are as follows:

€ million	12/31/2015	12/31/2014	Change
Present value of defined benefit obligations:			
Pension plans	30,564	30,371	193
Healthcare and life insurance plans	3,522	3,300	222
Other post-employment benefits	1,308	1,454	(146)
Total present value of defined benefit obligations	**35,394**	35,125	269
Fair value of plan assets	(24,792)	(24,608)	(184)
Asset ceiling	11	11	0
Total net defined benefits plan assets	**10,613**	10,528	85
of which:			
Net defined benefit liability	10,786	10,648	138
(Defined benefit plan asset)	173	120	53
Other provisions for employees	1,650	1,426	224
Total provisions for employee benefits	**12,436**	**12,074**	362

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, healthcare plans, 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 publicly or privately administered 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 2015 this cost amounts to €2,037 million (€1,937 million in 2014).

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 based on the employee's cumulative contributions, years of service during which the employee contributions were made and the employee's average salary during certain period of time preceding retirement.

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.

To the extent that a fund is overfunded, the Group is not required to make further contribution to the plan in respect of minimum performance requirements so 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, 2015, 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 2016 are expected to be €584 million, of which €542 million relates to the pension plans of FCA US, with €408 million being discretionary contributions and €134 million to be made to satisfy minimum funding requirements. The expected benefit payments for pension plans are as follow:

€ million	2016	2017	2018	2019	2020	2021-2025
Expected benefit payments	2,028	1,984	1,958	1,939	1,924	9,458

Changes in pension plans are the following:

€ million	12/31/2015 Defined benefit obligation	Fair value of plan assets	Asset ceiling	(Net asset) Net liability obligation	12/31/2014 Defined benefit obligation	Fair value of plan assets	Asset ceiling	(Net asset) Net liability obligation
Amounts at January 1	**30,371**	**(24,520)**	**11**	**5,862**	**25,716**	**(20,977)**	**23**	**4,762**
Included in the income statement								
Current service cost	222	0	0	222	204	0	0	204
Interest expenses (income)	1,244	(994)	0	250	1,194	(962)	0	232
Other administrative costs	4	92	0	96	3	62	0	65
Past service costs (income) and (gains) losses arising from settlements	(13)	4	0	(9)	(13)	28	0	15
Included in Other comprehensive income								
Actuarial (gains) losses from:								
- demographic assumptions	(102)	0	0	(102)	(210)	0	0	(210)
- financial assumptions	(1,435)	0	0	(1,435)	2,201	0	0	2,201
- other	29	(8)	0	21	3	0	(18)	(15)
Return on assets	0	837	0	837	0	(1,666)	0	(1,666)
Change in the effect of limiting net assets	0	0	5	5	0	0	3	3
Exchange differences	2,383	(1,925)	1	459	3,026	(2,468)	1	559
Other								
Contribution by employer	0	(261)	0	(261)	0	(254)	0	(254)
Contribution by plan participants	5	(5)	0	0	4	(4)	0	0
Benefits paid	(2,034)	2,000	0	(34)	(1,764)	1,733	0	(31)
Other changes	(110)	85	(6)	(31)	7	(12)	2	(3)
Amounts at December 31	**30,564**	**(24,695)**	**11**	**5,880**	**30,371**	**(24,520)**	**11**	**5,862**

During 2015, an increase in discount rates resulted in actuarial gains for the year ended December 31, 2015, while a decrease in discount rates resulted in actuarial losses for the year ended December 31, 2014.
During the year ended December 31, 2015, mortality assumptions used for our U.S. benefit plan valuation 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 U.S. pension and other post-employment benefit obligations by approximately €214 million and €28 million, respectively. In addition, retirement rate assumptions used for the Group's U.S. and Canada benefit plan valuations were updated to reflect an ongoing trend towards delayed retirement for U.S. and Canada employees. The change decreased the Group's U.S. and Canada pension benefit obligations by approximately €209 million.

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.
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, 2015.

The fair value of plan assets by class is as follows:

€ million	12/31/2015 Amount	12/31/2015 of which have a quoted market price in an active market	12/31/2014 Amount	12/31/2014 of which have a quoted market price in an active market
Cash and cash equivalents	**607**	**513**	740	616
US equity securities	2,209	2,209	2,422	2,353
Non-US equity securities	1,653	1,388	1,518	1,486
Commingled fund	2,025	164	2,009	186
Equity instruments	**5,887**	**3,761**	5,949	4,025
Government securities	3,441	1,137	3,225	1,053
Corporate bonds (including convertible and high-yield bonds)	6,560	0	6,556	37
Other fixed income securities	938	7	1,564	21
Fixed income securities	**10,939**	**1,144**	11,345	1,111
Private equity funds	1,787	0	1,648	0
Commingled funds	137	117	5	5
Mutual funds	496	0	462	0
Real estate funds	1,502	0	1,395	0
Hedge funds	2,607	0	1,841	0
Investment funds	**6,529**	**117**	5,351	5
Insurance contracts and other	**733**	**49**	1,135	95
Total fair value of plan assets	**24,695**	**5,584**	**24,520**	**5,852**

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 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.
The fixed income target asset allocation partially matches the bond-like and long–dated nature of the pension liabilities. 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**:

	12/31/2015			12/31/2014		
(in %)	USA	Canada	UK	USA	Canada	UK
Discount rate	**4.5**	**4**	**3.8**	4.0	3.8	4
Future salary increase rate	**n.a.**	**3.5**	**2.9**	n.a.	3.5	3.0
Average duration (years)	**11**	**13**	**20**	11	13	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 €418 million and an increase of €426 million, respectively, in the defined benefit obligations.

For the **CNH Industrial Group**:

(in %)	12/31/2015	12/31/2014
Discount rate	**3.49**	3.21
Future salary increase rate	**2.73**	3.11
Average duration (years)	**12**	13

Weighted-average discount rates are used in measurements of pension, healthcare and other 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-yield 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 €379 million and increase of €456 million, respectively, in the defined benefit obligations.

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 of CNH Industrial.

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, CNH Industrial 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	2016	2017	2018	2019	2020	2021-2025
Expected benefit payments	206	205	204	204	204	1,027

Changes in healthcare and life insurance plans are as follows:

	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	**3,300**	**(88)**	**3,212**	**2,750**	**(72)**	**2,678**
Included in income statement						
Current service cost	39	0	39	28	0	28
Interest (income) expenses	146	(4)	142	136	(3)	133
Past service costs (income) and (gains) losses arising from settlements	0	0	0	(2)	0	(2)
Included in Other comprehensive income						
Actuarial (gains) losses from:						
- demographic assumptions	0	0	0	(72)	0	(72)
- financial assumptions	(45)	0	(45)	290	0	290
- other	(16)	0	(16)	(13)	0	(13)
Return on assets	0	4	4	0	(5)	(5)
Exchange differences	314	(10)	304	359	(10)	349
Other changes			0			
Contribution by employer	0	0	0	0	0	0
Contribution by plan participants	8	0	8	6	0	6
Benefits paid	(223)	2	(221)	(186)	2	(184)
Other changes	(1)	(1)	(2)	4	0	4
Present value of obligation at December 31	**3,522**	**(97)**	**3,425**	**3,300**	**(88)**	**3,212**

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:

	31.12.2015		31.12.2014	
€ million	Amount	of which have a quoted market price in an active market	Amount	of which have a quoted market price in an active market
Cash and cash equivalents			2	
US equity securities				
Non-US equity securities	49	14	13	13
Equity instruments	**49**	**14**	13	13
Government securities	10	8	8	4
Corporate bonds (including convertible and high-yield bonds)	34		21	
Other fixed income	2		11	
Debt instruments	46	8	40	4
Insurance contracts and other	**2**		33	
Total fair value of plan assets	**97**	**22**	**88**	**17**

The weighted average assumptions used to determine the defined benefit obligations are as follows:

for the **FCA Group:**

	12/31/2015		12/31/2014	
(in %)	**USA**	**Canada**	USA	Canada
Discount rate	**4.5**	**4.2**	4.1	3.9
Future salary increase rate	**1.5**	**1.5**	n.a.	n.a.
Weighted average ultimate health care cost trend rate	**4.5**	**4.3**	5.0	3.6
Average duration (years)	**13**	**16**	12	16

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, for the FCA Group would be a decrease of €31 million and increase of €32 million, respectively, in the benefit obligations at December 31, 2015.

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 would be a decrease of €129 million and an increase of €157 million, respectively, in the defined obligations at December 31, 2015.

The annual rate of increase in the per capita cost of covered U.S. healthcare benefits assumed for next year and used in the 2015 plan valuation was 7% (6.5% in 2014). The annual rate was assumed to decrease gradually to 4.5% after 2029 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 2015 plan valuation was 4.66% (3.3% in 2014). The annual rate was assumed to increase gradually to 4.32% in 2029 and remain at that level thereafter.

for the **CNH Industrial Group**:

(in %)	12/31/2015	12/31/2014
Average discount rate	**4.27**	3.96
Future salary increase rate	**2.50**	3.00
Weighted average initial health care cost trend rate	**6.98**	7.23
Weighted average ultimate health care cost trend rate	**5.00**	5.00
Average duration (years)	**13**	13

The weighted-average discount rates are used in measurements of pension, healthcare and other 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-yield 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 U.S. and Canada plans, respectively.

Beginning in 2016, CNH Industrial will change the method used to estimate the service cost and net interest components of the net benefit cost. The new method uses the spot yield curve approach to estimate the service cost and net interest components by applying the specific spot rates along the yield curve used to determine the net benefit obligations to relevant projected cash outflows. Prior to 2016, those costs were determined using a single weighted-average discount rate. The change does not affect the measurement of the total benefit obligations.
The new method will provide a more precise measure of service cost and net interest expense by improving the correlation between the projected benefit cash flows and the discrete spot yield curve rates. CNH Industrial will account for this change as a change in estimate prospectively beginning in the first quarter of 2016. The decrease in the 2016 net benefit cost, primarily in the net interest expense, is estimated to be approximately $13 million (approximately €12 million) compared to the previous method.

Assumed discount rates and healthcare cost trend rates have a significant effect on the amount recognized in the 2015 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 €120 million and increase of €147 million, respectively, in the benefit obligations at December 31, 2015.

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 €121 million, respectively, in the defined healthcare benefit obligations at December 31, 2015.

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 €1,006 million at December 31, 2015 and €1,104 million at December 31, 2014), 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	12/31/2015	12/31/2014
Present value of obligation at January 1	**1,454**	1,394
Included in income statement		
Current service cost	16	37
Interest (income) expenses	9	16
Past service costs (income) and (gains) losses arising from settlements	0	(17)
Included in Other comprehensive income		
Actuarial (gains) losses from:		
- demographic assumptions	(2)	(2)
- financial assumptions	(46)	117
- other	(16)	15
Exchange differences	(1)	2
Other changes		
Benefits paid	(86)	(107)
Change in the scope of consolidation	1	15
Other changes	(21)	(16)
Present value of obligation at December 31	**1,308**	**1,454**

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 2015 is equal to 1,6 % (1.7% in 2014). 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 €38 million and increase of €41 million, respectively, in the benefit obligations at December 31, 2015.

Other provisions for employees

At December 31, 2015, other provisions for employees include other long-term benefits obligations of €1,650 million (€1,426 million at December 31, 2014) representing the expected obligation for benefits such as jubilee and long-term disability granted to certain employees by the Group.

29. Other provisions

Changes in other provisions are as follows:

€ million	Beginning balance	Charge	Utilization	Release to income	Change in scope of consolidation	Translation differences	Other changes	Closing balance
At December 31, 2015								
Warranty and technical assistance provision	5,684	4,095	(3,955)	1,259	(2)	325	(21)	7,385
Restructuring provision	219	73	(119)	(21)	0	4	(5)	151
Investment provision	13	0	0	0	0	0	5	18
Other risks	7,819	16,791	(14,933)	(228)	(22)	349	(99)	9,677
Total other provisions	**13,735**	20,959	(19,007)	1,010	(24)	678	(120)	**17,231**
At December 31, 2014								
Warranty and technical assistance provision	4,462	3,157	(2,749)	389	1	420	5	5,684
Restructuring provision	251	138	(158)	(8)	0	2	(6)	219
Investment provision	17	0	0	0	(2)	0	(4)	13
Other risks	7,170	13,031	(12,358)	(339)	6	506	(191)	7,819
Total other provisions	**11,900**	16,326	(15,265)	42	5	928	(196)	**13,735**

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.

Product warranty and recall campaigns provision at December 31, 2015 include the change in estimate for estimated future recall campaign costs for the U.S. and Canada of €761 million related to vehicles sold in periods prior to the third quarter of 2015 as well as additional warranty costs in the second half of 2015 related to the increase in the accrual rate per vehicle. Translation differences primarily related to the foreign currency translation from U.S. dollar to Euro.

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	12/31/2015	12/31/2014	Change
Sales incentives	6,267	4,859	1,408
Legal proceedings and other disputes	1,328	920	408
Commercial risks	693	722	(29)
Environmental risks	93	61	32
Indemnities	52	62	(10)
Other provisions for risks and charges	1,244	1,195	49
Total other risks	**9,677**	**7,819**	1,858

In particular, they refer to:

- sales incentives: this provision offers sales incentives on a contractual basis to the Group's dealer networks, primarily given if the dealers achieve a specific cumulative level of sales transactions during the calendar year;
- legal proceedings and other disputes: this provision represents management's best estimate of the liability to be recognized 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.

It should also be noted that starting January 2011, Iveco S.p.A., a wholly owned subsidiary of CNH Industrial, 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 alleged 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 in the Commission's case file and intends to issue its response to the Commission in due course and to take advantage 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, when the 2015 financial were prepared CNH Industrial was unable to predict the outcome or to estimate any potential fine at that time.

On the basis of recent developments in the investigation in progress that occurred after the date of the publication of its 2015 financial statements, on March 24, 2016 CNH Industrial announced that in the first quarter of 2016 it will accrue approximately $500 million (€450 million) in relation to the investigation. Since these developments occurred before the approval of EXOR's 2015 financial statements the accrual is included in these financial statements.

30. Financial debt

The composition of financial debt is as follows:

€ million	12/31/2015	12/31/2014	Change
Asset-backed financing	**12,146**	11,660	486
Other financial debt:			
Bonds	23,809	27,114	(3,305)
Borrowings from banks	18,385	17,621	764
Payables represented by securities	1,212	1,843	(631)
Other financial debt:	1,728	1,951	(223)
Total other financial debt	**45,134**	48,529	(3,395)
Total financial debt	**57,280**	**60,189**	(2,909)

During 2015 the Group issued bonds of €5,012 million and repaid bonds on maturity of €8,932 million. Repayments of medium-/long-term loans and credit facilities amount to approximately €6,505 million, while new medium-/long-term loans secured by the Group total €6,446 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 22).

In addition, at December 31, 2015 the Group's assets include current receivables and cash to settle asset-backed financing of €12,146 million (€11,660 million at December 31, 2014) (see note 22).

Bonds

The bond issues outstanding at December 31, 2015 are as follows:

	Currency	Face value of outstanding bonds (in millions)	Coupon	Maturity	Outstanding amount (in €million)	
					12/31/2015	12/31/2014
Bonds issued by EXOR S.p.A.						
EXOR S.p.A.	€	440	5.38%	June 12, 2017	452	452
EXOR S.p.A.	€	150	4.75%	October 16, 2019	150	150
EXOR S.p.A.	€	200	3.38%	November 12, 2020	199	199
EXOR S.p.A.	€	750	2.125%	December 2, 2022	745	
EXOR S.p.A.	€	650	2.50%	October 8, 2024	652	652
EXOR S.p.A.	€	100	5.25%	January 31, 2025	103	103
EXOR S.p.A.	€	250	2.875%	December 22, 2025	247	
EXOR S.p.A.	Yen	10,000	2.80% 6 months	May 9, 2031	77	69
Total bonds issued by EXOR S.p.A.					**2,625**	**1,625**
Bonds issued by the FCA Group						
Global Medium Term Notes:						
Fiat Chrysler Finance Europe S.A.	€	1,500	6.875%	13-Feb-15		1,500
Fiat Chrysler Finance Europe S.A.	CHF	425	5.000%	7-Sep-15		353
Fiat Chrysler Finance Europe S.A.	€	1,000	6.375%	April 1, 2016	1,000	1,000
Fiat Chrysler Finance Europe S.A.	€	1,000	7.750%	October 17, 2016	1,000	1,000
Fiat Chrysler Finance Europe S.A.	CHF	400	5.250%	November 23, 2016	369	333
Fiat Chrysler Finance Europe S.A.	€	850	7.000%	March 23, 2017	850	850
Fiat Chrysler Finance North America Inc.	€	1,000	5.625%	June 12, 2017	1,000	1,000
Fiat Chrysler Finance Europe S.A.	CHF	450	4.000%	November 22,2017	415	374
Fiat Chrysler Finance Europe S.A.	€	1,250	6.625%	March 15, 2018	1,250	1,250
Fiat Chrysler Finance Europe S.A.	€	600	7.375%	July 9, 2018	600	600
Fiat Chrysler Finance Europe S.A.	CHF	250	3.125%	September 30, 2019	231	208
Fiat Chrysler Finance Europe S.A.	€	1,250	6.750%	October 14, 2019	1,250	1,250
Fiat Chrysler Finance Europe S.A.	€	1,000	4.750%	March 22, 2021	1,000	1,000
Fiat Chrysler Finance Europe S.A.	€	1,350	4.750%	July 15, 2022	1,350	1,350
Other					7	7
Total Global Medium Term Notes					**10,322**	**12,075**
Other bonds:						
FCA US Notes	$	2,875	8.000%	June 15, 2019		2,368
FCA US Notes	$	3,080	8.250%	June 15, 2021		2,537
FCA Notes	$	1,500	4.500%	April 15, 2020	1,378	
FCA Notes	$	1,500	5.250%	April 15, 2023	1,378	
Total other bonds					**2,756**	**4,905**
Hedging effect and amortized cost valuation					**363**	**668**
Total bonds issued by the FCA Group					**13,441**	**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	1,200
CNH Industrial Finance Europe S.A.	€	1,000	2.750%	March 18, 2019	1,000	1,000
CNH Industrial Finance Europe S.A.	€	700	2.875%	September 27, 2021	700	700
CNH Industrial Finance Europe S.A.	€	100	3.500%	November 12, 2025	100	
Total Global Medium Term Notes					**3,000**	**3,900**
Other bonds:						
CNH Capital LLC	$	750	3.875%	November 1, 2015		618
CNH America LLC	$	254	7.250%	January 15, 2016	233	209
CNH Capital LLC	$	500	6.250%	November 1, 2016	459	412
CNH Capital LLC	$	500	3.250%	February 1, 2017	459	412
Case New Holland Industrial Inc.	$	1,500	7.875%	December 1, 2017	1,378	1,236
CNH Capital LLC	$	600	3.625%	April 15, 2018	551	494
CNH Capital LLC	$	600	3.875%	July 16, 2018	551	
CNH Capital LLC	$	500	3.375%	July 15, 2019	459	412
CNH Capital LLC	$	600	4.375%	November 6, 2020	551	
Total other bonds					**4,642**	**3,793**
Hedging effect and amortized cost valuation					**101**	**148**
Total bonds issued by the CNH Industrial Group					**7,743**	**7,841**
Total bonds					**23,809**	**27,114**

Bonds issued by EXOR S.p.A.

In December 2015 the following non-convertible bonds were issued:

- 2015-2022 bonds for a nominal amount €750 million at the issue price of 99.499% with a fixed annual coupon of 2.125%;
- 2015-2025 bonds for a nominal amount of €250 million at the issue price of 98.934% with a fixed annual coupon of 2.875%.

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, 2015. 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

In April 2015, FCA issued $1.5 billion (€1.4 billion) principal amount of 4.5% unsecured senior debt securities due April 15, 2020 ("the Initial 2020 Notes") and $1.5 billion (€1.4 billion) principal amount of 5.25% unsecured senior debt securities due April 15, 2023 (the "Initial 2023 Notes") at an issue price of 100% of their principal amount. On June 17, 2015, subject to the terms and conditions set forth in the prospectus, FCA commenced an offer to exchange up to $1.5 billion (€1.4 billion) aggregate principal amount of new 4.5% unsecured senior debt securities due 2020 ("the 2020 Notes"), for any and all of outstanding Initial 2020 Notes, and up to $1.5 billion (€1.4 billion) aggregate principal amount of new 5.25% unsecured senior debt securities due 2023 ("the 2023 Notes"), for any and all of outstanding Initial 2023 Notes. The 2020 Notes and the 2023 Notes, collectively referred to as "the Notes", are identical in all material respects to the Initial Notes, except that the Notes do not contain restrictions on transfer.

Debt issuance costs, arrangement fees and other direct costs were split evenly across the two Notes and were recorded as a reduction in the carrying value of the Notes and are amortized using the effective interest rate method over the respective life of the Notes. Interest is payable semi-annually in April and October.

On May 14, 2015, FCA US prepaid its 2019 Notes due June 15, 2109 with an aggregate principal outstanding amount of $2,875 million (€2,518 million) at a price equal to the principal amount of the notes redeemed, plus accrued and unpaid interest to the date of redemption and a "make-whole" premium calculated in accordance with the terms of the indenture. The prepayment involved financial expenses of €51 million that were recorded in the income statement.

On December 21, 2015, FCA US prepaid its 2021 Notes with an aggregate principal outstanding amount of $3,080 million (€2,833 million) at a price equal to the principal amount of the notes redeemed, plus accrued and unpaid interest to the date of redemption and a "make-whole" premium calculated in accordance with the terms of the indenture. The prepayment involved financial expenses of €117 million that were recorded in the income statement.

In addition, in 2015 FCA repaid at maturity two notes of principal value €1,500 million and CHF 425 million (€390 million) issued by Fiat Chrysler Finance Europe S.A.

Certain notes issued by FCA, excluding FCA US, are governed by the terms and conditions of the Global Medium Term Notes Programme (GMTN Programme"). A maximum of €20 billion may be used under this program, of which notes of approximately €10.3 billion were outstanding at December 31, 2015 (€12.1 billion at December 31, 2014). The GMTN Programme is guaranteed by FCA Group.

The notes 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 include: (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 notes or debt securities having the same ranking, such security should be equally and ratably extended to the outstanding notes; (ii) *pari passu* clauses, under which the notes 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 notes 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.

Bonds issued by the CNH Industrial Group

During 2015 CNH Industrial Group issued the following bonds:

- in June 2015, CNH Industrial Capital LLC issued $600 million of debt securities at an annual fixed rate of 3.875% due in 2018;
- in November 2015, CNH Industrial Capital LLC issued $600 million of debt securities at an annual fixed interest rate of 4.375% due in 2020;
- under the Global Medium Term Note Programme in November 2015, CNH Industrial Finance Europe S.A. issued $100 million of notes at an annual fixed rate of 4.375% due 2020.

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 pledges, *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. leading to a rating downgrading.

The individual company issuers intend 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 their cancellation. Such buy backs, if made, depend upon market conditions, the financial situation of the Group companies and other factors which could affect such decisions.

Credit lines

At December 31, 2015 **EXOR S.p.A.** has unused irrevocable credit lines for €345 million (including €305 million due by December 31, 2016), in addition to unused revocable credit lines for more than €558 million.

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

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 €275 million.

At December 31, 2015, the **CNH Industrial Group's** available committed lines of credit expiring after twelve months amount to €2.8 billion (€2.2 billion at December 31, 2014). The Group has credit facilities available in varying currencies that have various maturity dates up to 2019.

In 2014 a €1.75 billion five-year committed multi-currency revolving credit facility replaced the pre-existing €2 billion credit facility. This line of credit was 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.) and 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 provisions and a change in 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.

At December 31, 2015 **Juventus Football Club** has revocable lines of credit of €295 million, drawn for a total of €149 million.

Borrowings from banks

Borrowings from banks at December 31, 2015 amount to €18,385 million (€17,621 million at December 31, 2014) and refer principally to:

- for €14,317 million (€12,751 million at December 31, 2014) to the FCA Group;
- for €4,038 million (€4,567 million at December 31, 2014) to the CNH Industrial Group;
- for €30 million (€106 million at December 31, 2014) to Juventus F.C.

At December 31, 2014 borrowings from banks included €174 million relating to the use of the credit facility ($190.9 million equal to €157 million) and the promissory note ($18.3 million equal to €15 million) of C&W Group.

At December 31, 2015 borrowings from banks of the **FCA Group** under the Senior Credit facilities of FCA US consist of the Tranche B Term Loan due 2017 and the Tranche B Term Loan due 2018, including accrued interest, respectively of €2,863 million (€2,587 million at December 31, 2014) and €1,574 million (€1,421 million at December 31, 2014).
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.

The 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 percent of the equity interests in FCA US's U.S. subsidiaries and 65 percent of the equity interests in certain of its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors.

In addition, the credit agreements that govern the Senior Credit Facilities (the "Senior Credit Agreements") include a number of affirmative covenants for FCA US, many of which are customary, including, but not limited to, negative covenants, including, but not limited to: (i) limitations on incurrence, repayment and prepayment of indebtedness; (ii) limitations on incurrence of liens; (iii) limitations on making restricted payments including a limit on declaring dividends or distributions to FCA; (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 billion (€2.8 billion) including any undrawn credit lines under the revolving credit facility.
Furthermore, 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) the failure to pay or post note for certain material judgments.

While the Senior Credit Facilities are outstanding, distributions will be limited to 50 percent of FCA US's consolidated net income (as defined in the agreements) from January 2012 less distributions paid to date.

In June 2015, FCA entered into a new €5.0 billion syndicated revolving credit facility (RCF). The RCF, which is for general corporate purposes and working capital needs of the Group, replaced and expanded the €2.1 billion three-year revolving credit facility entered into by FCA on June 21, 2013 and replaced the $1.3 billion five-year revolving credit facility of FCA US (FCA US RCF), that was scheduled to expire on May 24, 2016. On November 25, 2015, FCA US terminated its undrawn FCA US RCF.

The RCF is available in two tranches. As of December 31, 2015, the first tranche of €2.5 billion was available and was undrawn. The first tranche matures in July 2018 and has two extension options (1-year and 11-months, respectively) which are exercisable on the first and second anniversary of signing. The second tranche, which consists of an additional €2.5 billion, matures in June 2020 and will be available upon the elimination of the restrictions under certain of FCA US's financing documentation on the provision of guarantees and payment of dividends by FCA US for the benefit of the rest of the Group.
The covenants of the RCF include financial covenants (Net Debt/Adjusted EBITDA and Adjusted 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 and, in certain cases if not suitably remedied, can lead to the requirement of early repayment of any outstanding amounts.

On June 29, 2015, FCA, EIB and SACE finalized a €600 million loan earmarked to support the Group's automotive research, development and production plans for 2015 to 2017 which includes studies for efficient vehicle technologies for vehicle safety and new vehicle architectures. The three-year loan provided by EIB, which is also 50 percent guaranteed by SACE, relates to FCA's production and research and development sites in both northern and southern Italy. The loan was drawn in full at December 31, 2015.

On March 20, 2015, FCA Mexico, S.A. de C.V., (FCA Mexico), the principal operating subsidiary in Mexico, entered into a $900 million (€0.8 billion) non-revolving loan agreement (Mexico Bank Loan) maturing on March 20, 2022 and received an initial disbursement of $500 million (€0.5 billion at December 31, 2015), which bears interest at one-month LIBOR plus 3.35 percent per annum. Effective July 20, 2015, the Group extended the disbursement term of the Mexico Bank Loan through September 20, 2016, during which time the remaining $400 million (€0.4 billion) is available for disbursement, subject to meeting certain preconditions for additional disbursements and a commitment fee of 0.50 percent per annum on the undisbursed balance. Principal payments are due on the loan in seventeen equal quarterly installments based on the total amount of all disbursements made under the loan agreement, beginning March 20, 2018, and interest is paid monthly throughout the term of the loan. The loan agreement requires FCA Mexico to maintain certain fixed and other assets as collateral, and comply with certain covenants, including, but not limited to, financial maintenance covenants, limitations on liens, incurrence of debt and asset sales. The Group may not prepay all or any portion of the loan prior to the 18-month anniversary of the effective date of the loan agreement. The proceeds of this transaction were used to prepay all amounts outstanding under the Mexican development bank credit facilities amounting to approximately €414 million. The operation led to the payment of financial expenses of €9 million. At December 31, 2015, €0.4 billion of the Mexico Bank loan was undisbursed.

FCA Group has undrawn committed credit lines totaling €3.4 billion (€3.3 billion at December 31, 2014), including the €2.5 billion tranche of the new €5.0 billion RCF entered into in 2015 and approximately €0.9 billion of other revolving credit facilities entered into by FCA in 2013 and the $1.3 billion FCA US RCF.

In addition, at December 31, 2015, the FCA Group has outstanding subsidized loans amounting to €1.9 billion (€2.3 billion at December 31, 2014), of which €1.2 billion relates to the construction of the plant in Pernambuco (Brazil), which has been supported by subsidized credit lines totaling Brazilian Real 6.5 billion (€1.5 billion). Approximately €0.3 billion of committed credit lines contracted to fund scheduled investments in the area were undrawn at December 31, 2015 (€0.9 billion at December 31, 2014). The average residual maturity of the subsidized loans was approximately 4 years.

In anticipation of the spin-off of Ferrari N.V. from FCA, on November 30, 2015, Ferrari N.V. entered into a syndicated loan facility. The facility consisted of a bridge loan and a term loan of €2 billion in aggregate as well as a revolving credit facility of €500 million. Proceeds of the loan were used to refinance indebtedness owed to FCA N.V. The obligations under the syndicated loan facility are limited in recourse to Ferrari and any of its subsidiaries which borrow under the facility, and are without recourse to any other part of FCA. The Ferrari RCF was undrawn at December 31, 2015.

Payables represented by securities

At December 31, 2015 the Group’s payables include securities totaling €366 million (€651 million at December 31, 2014), which represents FCA US’s financial liability to the Canadian Health Care Trust.

FCA issued an 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, 2015, the financial liability component is $216 million (€199 million) ($420 million or €346 million at December 31, 2014), of which €61 million relates to EXOR’s share which was eliminated on consolidation. The liability in respect of non-controlling interests at December 31, 2015 is €138 million (€239 million at December 31, 2014).

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, 2015	1,261	232	0	195	41	(1)	**1,728**
Other financial debt at December 31, 2014	1,483	286	21	161	1	(1)	**1,951**
Change	(222)	(53)	(21)	34	40	(0)	(223)

At December 31, 2015 the FCA Group, excluding FCA US, had outstanding finance lease agreements for industrial buildings, plant machinery and equipment whose overall net carrying amount totals €379 million (€383 million at December 31, 2014), included in property, plant and equipment (Note 15). The net carrying amount of assets leased under finance lease agreements for FCA US was €470 at December 31, 2015 (€414 million at December 31, 2014).

Finance lease payables, included in other financial debt, amount to €676 million and comprise the following:

€ million	12/31/2015	12/31/2014	Change
Due within one year	105	93	12
Due between one and five years	362	348	14
Due beyond five years	209	259	(50)
Present value of minimum lease payments	**676**	**700**	(24)

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, 2015, debt secured by assets of the **FCA Group** excluding FCA US amount to €747 million (€777 million at December 31, 2014), of which €373 million (€379 million at December 31, 2014) is due to creditors for assets acquired under finance leases and the remaining amount mainly relates to subsidized financing in Latin America. The total carrying amount of assets acting as security for loans for the Group (excluding FCA US) amounts to €1,400 million at December 31, 2015 (€1,670 million at December 31, 2014). At December 31, 2015, debt secured by assets of FCA US amounts to €5,254 million and includes €4,437 million relating to the Senior Credit Facilities, €243 million due to creditors for assets acquired under finance leases and other debt and financial commitments for €574 million. At December 31, 2014, debt secured by assets of FCA US amount to €9,881 million and includes €9,093 million relating to the Secured Senior Notes and Senior Credit Facilities, €251 million due to creditors for assets acquired under finance leases and other debt and financial commitments for €537 million.

At December 31, 2015 debt secured by assets of the **CNH Industrial Group** amounts to €124 million (€124 million at December 31, 2014) 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 €49 million (€53 million at December 31, 2014). The total carrying amount of assets acting as security for loans totals €155 million (€158 million at December 31, 2014).

In addition, at December 31, 2015, the Group's assets include current receivables to settle asset-backed financing for €12,146 million (€11,660 million at December 31, 2014) (see note 22).

Financial debt by due date

An analysis of financial debt by due at December 31, 2015 at December 31, 2014 is as follows:

	12/31/2015				12/31/2014			
	Due within one year	Due between one and five	Due beyond five years	Total	Due within one year	Due between one and five	Due beyond five years	Total
Asset-backed financing	**6,353**	**5,743**	**50**	**12,146**	5,529	6,078	53	11,660
Other financial debt:								
Bonds	3,487	13,975	6,347	**23,809**	4,057	16,355	6,702	27,114
Borrowings from banks	6,127	11,358	900	**18,385**	5,683	10,854	1,084	17,621
Payables represented by securities	631	372	209	**1,212**	828	745	270	1,843
Other	856	648	224	**1,728**	1,031	523	397	1,951
Total other financial debt	**11,101**	**26,353**	**7,680**	**45,134**	11,599	28,477	8,453	48,529
Total financial debt	**17,454**	**32,096**	**7,730**	**57,280**	**17,128**	**34,555**	**8,506**	**60,189**

Financial debt by interest rate and currency

The annual interest rates and the nominal currencies of debt at December 31, 2015 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	16,797	7,114	1,003	75		24,989
U.S. dollar	18,523	2,388	1,378	5	190	22,484
Brazilian real	813	1,296	873	151	1,969	5,102
Canadian dollar	1,358		354			1,712
Australian dollar	710					710
Swiss franc	652	369				1,021
Danish krone	18					18
Polish zloty	232			8		240
Chinese renminbi	138	183				321
Argentinian peso			12		210	222
Pound sterling	240					240
Other	32	91	29	24	45	221
Total financial debt at 12/31/2015	**39,513**	**11,441**	**3,649**	**263**	**2,414**	**57,280**

For further information on the management of interest rate and currency risk in connection with debt reference should be made to note 36.

Net financial position

The net financial position of the EXOR Group at December 31, 2015 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	12/31/2015	12/31/2014	Change
Long-term assets:			
Non-current securities (held-to-maturity)	76	76	0
Non-current financial receivables and other financial assets	4	4	0
	80	80	0
Liquidity:			
Cash and cash equivalents	30,587	29,243	1,344
Investments and current securities (held for trading)	562	1,145	(583)
	31,149	30,388	761
Receivables from financing activities	20,632	21,524	(892)
- of which: from joint venture financial services entities	*16*	*58*	*(42)*
Other financial assets	1,047	684	363
Financial indebtedness	(57,280)	(60,189)	2,909
Other financial liabilities	(832)	(988)	156
Net financial position	**(5,204)**	**(8,501)**	3,297

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.

31. 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 12/31/2015	21,945	4,905	0	17	1	(205)	**26,663**
Trade payables at 12/31/2014	19,854	4,927	268	16	2	(183)	**24,884**
Change	2,091	(22)	(268)	1	(1)	(22)	1,779

An analysis of trade payables by due date is as follows:

€ million	12/31/2015	12/31/2014	Change
Due within one year	26,622	24,873	1,749
Due between one and five years	37	10	27
Due beyond five years	4	1	3
Trade payables	**26,663**	**24,884**	1,779

32. Other liabilities

The composition is as follows:

€ million	12/31/2015	12/31/2014	Change
Advances on buy-back agreements	4,464	4,187	277
Indirect tax payables	1,694	1,912	(218)
Accrued expenses and deferred income	3,907	3,502	405
Payables to personnel	1,210	1,185	25
Social security payables	532	532	0
Amounts due to customers for contract work	222	247	(25)
Other	3,357	3,616	(259)
Total other liabilities	**15,386**	**15,181**	205

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 include:

- 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 €313 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:

	12/31/2015				12/31/2014			
€ 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)	8,994	2,378	107	**11,479**	9,372	2,191	116	**11,679**

33. Guarantees granted, commitments and contingent liabilities

Guarantees granted by the FCA Group

At December 31, 2015 the FCA Group has pledged guarantees on the debt or commitments of third parties totaling €19 million (€27 million at December 31, 2014), as well as guarantees of €4 million (€12 million at December 31, 2014) on related party debt.

SCUSA Private-Label Financing Agreement

In February 2013, FCA US entered into a private-label financing agreement (the “SCUSA Agreement”) with Santander Consumer USA Inc. (“SCUSA”), an affiliate of Banco Santander, which launched on May 1, 2013. Under the SCUSA 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 offers dealers 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) in May 2013, which was recognized as deferred revenue and is amortized over ten years. At December 31, 2015, €101 million ($110 million) remained in deferred revenue.

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.

Other repurchase obligations

In accordance with the terms of other wholesale financing arrangements in Mexico, FCA Mexico 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. In December 2015, FCA Mexico entered into a ten year private label financing agreement with FC Financial, S.A De C.V., Sofom, E.R., Grupo Financiaro Inbursa (“FC Financial”), under which FC Financial provides a wide range of financial wholesale and retail financial services to FCA US's dealers and retail customers under the FCA Financial Mexico brand name.

At December 31, 2015, the maximum potential amount of future payments required to be made in accordance with these wholesale financing arrangements is approximately €275 million ($299 million) and is 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 is less than €0.1 million at December 31, 2015, 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

In the ordinary course of 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, 2015 are as follows:

€ million	2016	2017	2018	2019	2020	2021 and beyond
Future minimum purchase obligations	420	426	365	214	176	108

Guarantees granted by the CNH Industrial Group
At December 31, 2015, the CNH Industrial Group has provided guarantees on the debt or commitments of third parties or unconsolidated subsidiaries, joint ventures and associates totaling €290 million (€315 million at December 31, 2014).

Commitments of the FCA Group arising from contractual agreements
Sevel
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.

GAC GROUP
During 2015 the Group committed to contributing a total 1.3 billion Renminbi (RMB) (approximately €186 million) to the GAC Fiat Chrysler Automobiles Co. Ltd joint venture, which has begun localizing the production of Jeep vehicles for the Chinese market, of which RMB 700 million (approximately €100 million) was contributed in October 2015 and the remaining amount of RMB 600 million (approximately €85 million) is expected to be contributed in 2016. A total of €171 million was contributed during the year ended December 31, 2015 and the FCA Group's ownership percentage remains unchanged at 50 percent.

New labor agreement for the Italian companies
During the three months ended June 30, 2015, FCA's companies in Italy signed a new compensation arrangement which is effective retrospectively from January 1, 2015 through to December 31, 2018. The arrangement incentivizes all employees within the automobiles business toward achievement of the productivity, quality and profitability targets established in the 2015-2018 period of the 2014-2018 business plan developed in May 2014.
In 2015 a total of approximately €115 million was recorded as an expense in respect of the new compensation agreement, which includes both the guaranteed amount as employees render the services and an estimate of the costs for the period relating to the variable components.

New labor contract for United States companies
In October 2015, FCA US and the UAW signed to a new four-year national collective bargaining agreement, which will expire in September 2019. The agreement closes the pay gap between “Traditional” and “In-progression” employees over an eight year period and will continue to provide UAW-represented employees with a simplified adjusted profit sharing plan that is directly aligned with NAFTA profitability. The agreement includes lump-sum payments in lieu of further wage increases of primarily $4,000 for “Traditional” employees and $3,000 for “In-progression” employees totaling approximately $141 million (€127 million) that was paid to UAW members on November 6, 2015. These payments are being amortized ratably over the four-year labor agreement period.

Other contractual agreements - Mercurio
As part of merger agreement between La Stampa and Società Edizioni e Pubblicazioni S.p.A. (SEP) the FCA Group granted Mercurio S.p.A. a put option, exercisable from January 1, 2019 to December 31, 2019, to sell the 23% share held by the later in the company resulting from the merger, Italiana Editrice S.p.A.

Commitments of Juventus Football Club S.p.A.
The commitments of Juventus include guarantees received from leading credit institutions for €80 million (€28 million at December 31, 2014) in respect of the liabilities arising from the acquisition of players' registration rights (€70 million), the construction and realization of infrastructure costs for the Continassa Project (€5 million) and other commitments (€5 million).

Commitments of the Holdings System
The commitments principally include those undertaken by the subsidiary EXOR S.A. for the purchase of investments and other financial assets (€53 million), as well as the purchase from Almacantar Centre Point of four property units located in London (€67 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, 2015 the total future minimum lease payments under non-cancellable operating lease contracts are as follows:

€ million	12/31/2015	12/31/2014	Change
Due within one year	257	275	(18)
Due between one and five years	639	716	(77)
Due beyond five years	289	391	(102)
Future minimum lease payments under operating lease contracts	**1,185**	**1,382**	(197)

During 2015 the Group recorded costs for lease payments of €308 million (€295 million in 2014).

Pending litigation and contingent liabilities

As a global group with a diverse business portfolio, the Group is exposed to numerous legal proceedings, 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

Contingent liabilities

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 €70 million at December 31, 2015 (€100 million at December 31, 2014). Furthermore, contingent assets and expected reimbursement in connection with these contingent liabilities for approximately €8 million at December 31, 2015 (€10 million at December 31, 2014) 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. Potential obligations with respect to these indemnities were approximately €240 million at December 31, 2015 and 2014. At December 31, 2015 a total of €50 million (€58 million at December 31, 2014), within other provisions, has been recognized related to these obligations.

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.

Litigation

On July 9, 2012 a lawsuit was filed against FCA US in the Superior Court of Decatur County, Georgia, U.S. (the "Court"), with respect to a March 2012 fatality in a rear-impact collision involving a 1999 Jeep Grand Cherokee. Plaintiffs alleged that the manufacturer had acted in a reckless and wanton fashion when it designed and sold the vehicle due to the placement of the fuel tank behind the rear axle and had breached a duty to warn of the alleged danger. On April 2, 2015, a jury found in favor of the plaintiffs and the trial court entered a judgment against FCA US in the amount of $148.5 million (€138 million). On July 24, 2015, the Court issued a remittitur reducing the judgment against FCA US to $40 million (€36 million).

FCA US believes the jury verdict was not supported by the evidence or the law. FCA US maintains that the 1999 Jeep Grand Cherokee is not defective, and its fuel system does not pose an unreasonable risk to motor vehicle safety. The vehicle met or exceeded all applicable Federal Motor Vehicle Safety Standards, including the standard governing fuel system integrity. Furthermore, FCA US submitted extensive data to NHTSA validating that the vehicle performs as well as, or better than, peer vehicles in impact studies, and nothing revealed in the trial altered this data. During the trial, however, FCA US was not allowed to introduce all the data previously provided to NHTSA, which demonstrated that the vehicle's fuel system is not defective.
On August 10, 2015, FCA US filed a notice of appeal with the Georgia Court of Appeals. While a decision by an appellate court could affirm the judgment, FCA US believes it is more likely that the verdict will be overturned, that a new trial will be ordered or that the amount of the judgment will be further modified. FCA US does not, therefore, believe a loss is probable at the present time. The amount of the possible loss cannot reasonably be estimated at this time given that FCA US is in the early stages of what could be a lengthy appellate process, and the range of possible outcomes is between zero (as the verdict could be overturned or the award could be reduced to an immaterial amount) and the current judgment of $40 million (€36 million).

CNH Industrial Group

At December 31, 2015 contingent liabilities estimated by CNH Industrial Group amount to approximately €37 million (approximately €34 million at December 31, 2014), for which no provisions have been recognized since an outflow of resources is not considered probable at the present time. At December 31, 2015 and 2014, no contingent assets and expected reimbursements have been estimated. Instead 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.

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 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, 2015, the outstanding Liabilities amounted to approximately $1.3 billion (of which $1.1 billion consisted 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.

Juventus Football Club

On October 30, 2014, Nike European Operations Netherlands B.V. (Nike) served Juventus a notice of arbitration to initiate 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 was constituted and set the various phases of the arbitration, which ended with the hearing of December 3, 2015.

Costruzioni Romane S.p.A. in liquidation (formerly ICS Grandi Lavori S.p.A.) sued Juventus FC S.p.A. before the Turin court asking to determine the fulfilment of the conditions precedent to which the contract signed on February 5, 2015 on the development of the Continassa Area was subject, and the failure of Juventus FC S.p.A. to carry out the contractual obligations, with the consequent right to compensation for alleged damages quantified in €5 million. The first hearing was set for October 28, 2015. Juventus FC S.p.A. appeared before the court and filed the relevant deposition, dismissing the party's claims as it deemed them completely unfounded in fact and in law.

34. Segment reporting

As disclosed in significant accounting principles, the EXOR Group has chosen to present segment information as set out in IFRS 8 – *Operating Segments.* Each reporting segment 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, Juventus Football Club and the Holdings System.

Information by reporting segment for the year ended December 31, 2015 and 2014 is as follows:

€ million	FCA	CNH Industrial	Juventus F.C.	Holdings System	Minor other, eliminations and adjustments	EXOR consolidated
2015						
Revenues	113,191	23,777	397		(1,013)	**136,352**
Revenues from transactions with other segments	(556)	(431)	(18)		1,013	**8**
Revenues from external customers	112,635	23,346	379	0	0	**136,360**
Profit (loss) before taxes	687	594	47	232	(506)	**1,054**
Profit (loss) for the year	377	211	39	744	(506)	**865**
Of which: Profit (Loss) for the year from discontinued operations		0	0	522	0	**522**
Equity attributable to owners of the parent	16,144	6,584	75	10,138	(22,803)	**10,138**
Total equity	16,228	6,627	75	10,138	(6,954)	**26,114**
2014						
Revenues	96,090	24,808	317		(1,114)	**120,101**
Revenues from transactions with other segments	(603)	(490)	(20)		1,114	**1**
Revenues from external customers	95,487	24,318	297	0	0	**120,102**
Profit (loss) before taxes	1,176	1,117	(9)	280	(406)	**2,199**
Profit (loss) for the year	632	691	(17)	323	(406)	**1,276**
Of which: Profit (Loss) for the year from discontinued operations				43	(406)	**53**
Equity attributable to owners of the parent	13,425	6,206	36	7,995	(19,667)	**7,995**
Total equity	13,738	6,241	36	7,995	(5,689)	**22,321**

35. 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	2015	2014	Change
Italy	9,275	9,189	86
Europe, excluding Italy	23,461	20,686	2,775
North America	79,293	61,715	17,578
Central and South America	9,352	12,661	(3,309)
Africa	1,444	1,476	(32)
Asia	11,679	12,245	(566)
Australia and Oceania	1,856	2,130	(274)
Total revenues	**136,360**	**120,102**	16,258

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 €71,127 million (€64,921 at December 31, 2014) and may be analyzed as follows:

€ million	12/31/2015	12/31/2014	Change
Italy	15,338	14,472	866
Europe, excluding Italy	8,223	6,864	1,359
North America	37,744	34,127	3,617
Central and South America	7,891	7,654	237
Africa	30	31	(1)
Asia	1,846	1,715	131
Australia and Oceania	55	58	(3)
Total asset	**71,127**	**64,921**	6,206

36. 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 interest. 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 28.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group. The quantitative data reported after 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, 2015 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 33.

FCA Group

Receivables for financing activities amounting to €2,006 million at December 31, 2015 (€3,843 million at December 31, 2014) contain balances totaling €4 million (€3 million at December 31, 2014), which have been written down on an individual basis. Of the remainder, balances totaling €44 million are past due by up to one month (€71 million at December 31, 2014), while balances totaling €21 million are past due by more than one

month (€31 million at December 31, 2014). 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 €5,054 million at December 31, 2015 (€4,810 million at December 31, 2014) contain balances totaling €13 million (€19 million at December 31, 2014) which have been written down on an individual basis. Of the remainder, balances totaling €214 million are past due by up to one month (€248 million at December 31, 2014), while balances totaling €211 million are past due by more than one month (€280 million at December 31, 2014).
Even though current securities and cash and cash equivalents consist of balances spread across various primary national and international banking institutions and money market instruments that are measured at fair value, there was no exposure to sovereign debt securities at December 31, 2015 which might lead to significant repayment risk.
Overall, the credit risk regarding the Group's trade receivables and receivables from financing activities is concentrated in the European Union, Latin America and North American markets.

CNH Industrial Group
Receivables for financing activities amounting to $19,001 million at December 31, 2015 (€17,453 million) contain balances totaling $312 million (€287 million) that have been written down on an individual basis. Of the remainder, balances totaling $163 million (€150 million) are past due by up to one month, while balances totaling $337 million (€310 million) are past due by more than one month.

At December 31, 2014 receivables for financing activities amounting to $21,472 million (€17,686 million), contained balances totaling $128 million (€105 million) that had been written down on an individual basis. Of the remainder, balances totaling $405 million (€334 million) were past due by up to one month, while balances totaling $375 million (€309 million) were past due by more than one month.

In the event of installment payments of loans, even if only one installment is overdue, the entire receivable balance is classified as overdue.

Trade receivables and other current receivables totaling $1,464 million (€1,345 million) at December 31, 2015 contain balances totaling $95 million (€87 million) that have been written down on an individual basis. Of the remainder, balances totaling $55 million (€51 million) are past due by up to one month, while balances totaling $78 million (€72 million) are past due by more than one month.

At December 31, 2014 trade receivables and other current receivables totaling $2,318 million (€1,909 million) contained balances totaling $85 million (€70 million) that had been written down on an individual basis. Of the remainder, balances totaling $28 million (€23 million) were past due by up to one month, while balances totaling $239 million (€197 million) were past due by more than one month.

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, 2015 the amount of receivables past due and not written down on an individual basis is €10 million. The amount past due by up to one month is €7 million and the amount past due by more than one month is €3 million.
At December 31, 2014 the amount of receivables past due and not written down on an individual basis was €18 million. The amount past due by up to one month was €16 million and the amount past due by more than one months was €2 million.

Holdings System
The maximum credit risk to which EXOR and the other companies in the Holdings System are theoretically exposed at December 31, 2015 is represented by the carrying amounts of financial assets in the financial statements.
However the companies seek to mitigate this risk by investing a good part of their availability in securities issued by leading banking and corporate counterparties selected according to their creditworthiness.

At December 31, 2015 and December 31, 2014 there are no financial assets past due and not written down and allowances for doubtful receivables.

Liquidity risk

Liquidity risk arises if the Group is unable to obtain the funds needed to carry out its operations at 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 in managing 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 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 Notes 19 and 30.

Details of the repayment structure of derivative financial instruments are reported in Note 24.

FCA Group

The operating cash management and liquidity investment of the FCA Group, excluding FCA US, are centrally coordinated in the FCA Group's treasury companies, with the objective of ensuring effective and efficient management of the Group's funds. These companies obtain funds in the financial markets through 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 percent of cumulative consolidated net income (as defined in the agreements) from January 1, 2012 less distributions paid to date.

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.

Certain notes 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, including cross-default clauses which may accelerate repayments in the event that FCA US fails to pay certain of its debt obligations.

Management believes that the funds currently available to the treasuries of the FCA and FCA US, in addition to those that will be generated from operating and financing activities, will enable the 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.

Holdings System
EXOR and the companies in the Holdings System finance outgoing cash flows from current operations 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 companies are 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.
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.
Policies are in place to allow 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.

Derivative financial instruments designated as fair value hedges are mainly utilized 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, forward contracts, 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 and, in limited cases, by forward rate agreements. 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 24.
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 27).

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.
- the principal exchange rates to which the FCA Group is exposed are the following:
  - 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;
  - USD/CAD primarily relating to FCA US's Canadian manufacturing operations;
  - GBP, AUD, MXN, CHF, 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.

  The 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 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 their respective functional currency. 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 the companies to obtain financing or use funds in a currency different from their respective functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. The FCA Group’s policy is to hedge, whenever deemed appropriate, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the respective Group companies' functional currency.

  Certain of the FCA Group’s companies 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 reporting currency is the Euro, the income statements of those entities that have a reporting currency other than the Euro, are translated into Euro using the average exchange rate for the period.

  In addition, the monetary assets and liabilities of these consolidated companies 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. Changes in exchange rates may lead to effects on the translated balances of revenues, costs and monetary assets and liabilities reported in Euro, even when corresponding items are unchanged in the respective local currency.

The FCA Group monitors its principal exposure to conversion exchange risk, although there was no specific hedging in this respect at the balance sheet date.

There have been no substantial changes in 2015 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, 2015 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 change of 10% in the exchange rates of the leading foreign currencies with the Euro would have been approximately €1,490 million (€1,402 million at December 31, 2014).

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, 2015, resulting from a hypothetical 10% change in market interest rates, would have been approximately €85 million (approximately €100 million at December 31, 2014).

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, 2015, applied to floating rate financial assets and liabilities, transactions 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 €7 million (approximately €12 million at December 31, 2014).

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, 2015, a hypothetical 10% change in the price of the commodities at that date would have caused a fair value loss of about €40 million di euro (about €50 million at December 31, 2014).

Future trade flows were not considered in this analysis. It is reasonable to assume that changes in commodity prices will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

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 2015, the total net trade flows exposed to currency risk amounted to the equivalent of approximately 17% of the CNH Industrial Group's turnover (18% in 2014). 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 dollars made by Commercial Vehicles;
  - 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;
  - EUR/GBP, predominately in relation to sales on the U.K. market.

Trade flows exposed to changes in these exchange rates in 2015 made up approximately 70% 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 forecasted trading transaction exchange risk exposure for the coming 12 months (including risk beyond that date where it is believed to be appropriate) 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 denominated in foreign currencies different from the subsidiary's functional currency.

Certain the CNH Industrial Group's subsidiaries are located in countries outside of the United States. As the CNH Industrial Group's reporting currency is the U.S. dollar, the income statements of those subsidiaries 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 results reported 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. dollars which differ as a function of the fluctuation in exchange rates. As established by the adopted accounting principles, the effects of these changes are recognized directly in equity under exchange differences on translating foreign operations.

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 2015 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, 2015 resulting from a hypothetical change of 10% in the exchange rates against the U.S. dollar amounts to approximately $258 million ($255 million at December 31, 2014). Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. The valuation model for currency options assumes that market volatility at year-end remains unchanged. 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.

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, asset backed securities – ABS) and other instruments.

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2015, resulting from a hypothetical change of 10% in market interest rates, would have been approximately $15 million (approximately $25 million at December 31, 2014).

Floating rate financial instruments consist principally of cash and cash equivalents, wholesale receivables, debt and ABS securities. 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 change of 10% in short-term interest rates at December 31, 2015, 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, basically unchanged compared to December 31, 2014. This analysis is based on the assumption that there is a hypothetical 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 into derivative contracts linked to commodity prices to hedge specific exposures on supply contracts.

Sensitivity analysis – commodity price risk

In the event of a hypothetical change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2015 linked to commodity prices would have been not significant (not significant at December 31, 2014).

Holdings System

Currency risk

At December 31, 2015 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, EXOR put in 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 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 €45 million and on equity of more than €245 million, while an unfavorable change of 10% would have a positive effect on profit or loss of €55 million and on equity of €299 million.

The effect of the change in exchange rates on equity is mainly attributable to a higher part of cash denominated in U.S. dollars by EXOR and several companies in the Holdings System, in order to hedge the currency risk arising from the acquisition of PartnerRe, a non-monetary investment in foreign currency.

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 predetermined 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 €3 million.

Price risk

The Holdings System is exposed to price risk originating from available-for-sale equity investments and other financial assets, as well as 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, as well as financial assets held for trading would have been 5% higher/lower, the fair value reserve recorded in equity would have been €58 million higher/lower and the amount of fair value recognized in the income statement on securities held for trading would have been €52 million higher/lower.

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 €0.3 million negative effect on the result for the year.

Medium and long-term financial liabilities due to the Istituto per il 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, 2015 is a negative €0.1 million.

Sensitivity analysis – price risk

A sensitivity analysis was performed on the prices of available-for-sale financial assets at the balance sheet date. If the prices of available-for-sale financial assets had been 5% higher/lower, the fair value reserve recorded in equity would be €1 million higher/lower.

37. 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 entity 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, 2015.

€ million	Note	Level 1	Level 2	Level 3	Total
Financial assets at fair value available for sale:					
Investments at fair value with changes directly in other comprehensive income	15	730	19	59	808
Non-current securities	15	33		605	638
Current securities	23	264	5		269
Financial assets at fair value held for trading:					
Current investments	23	48			48
Current securities	23	241			241
Other financial assets	24	40	1,007		1,047
Total assets at December 31, 2015		**1,356**	**1,031**	**664**	**3,051**
Other financial liabilities	24		(797)	(35)	**(832)**
Total liabilities at December 31, 2015			**(797)**	**(35)**	**(832)**

In 2015, there were no transfers between Levels in 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 long-term growth rate (g rate), the cost of capital (ke) and the 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 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 2015 in items measured at fair value and categorized as Level 3:

€ million	Balance at 12/31/2014	Gains (losses) recognized In the income statement	Gains (losses) recognized In other comprehensive income	Increase (decrease)	Balance at 12/31/2015
Financial assets at fair value available for sale:					
Investments at fair value with changes directly in other comprehensive income	141		42	(125)	58
Non-current securities	504	(6)	43	65	606
Financial assets at fair value held for trading:					
Current securities					
Other financial assets	4			(4)	
Total assets	**649**	(6)	85	(64)	**664**
Other financial liabilities	(8)	(14)	(39)	26	(35)
Total liabilities	**(8)**	(14)	(39)	26	**(35)**

The gains or losses included in the income statement are recognized in cost of sales for €14 million, those recorded in financial income and expenses are negative for €6 million. The gains and losses recorded in other comprehensive income are included in the fair value reserve for a positive €85 million and those included in the cash flow reserve are a negative €39 million.

The decreases in investments at fair value recognized in other comprehensive income mainly refer to:

- reclassification of Banijay Holding (€60 million) from "financial assets available-for sale" to "assets held for sale" after being valued at the price established in the November 20, 2015 agreement for its sale to Zodiak Media;
- reclassification of the The Economist Group (4.72% interest, before the October 16, 2015 acquisition), from "financial assets available-for-sale" to "investments accounted for using the equity method", after being valued at €36.64 per share (€59 in total), that is, at the purchase price of the last shares acquired.

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

The nominal amount of 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 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 due within one year approximates their fair value.

The following table provides 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:

€ million	Note	12/31/2015 Carrying amount	12/31/2015 Fair value	12/31/2014 Carrying amount	12/31/2014 Fair value
Financial assets					
Held-to-maturity investments		131	135	106	113
Dealer financing receivables	19	9,613	9,655	10,051	10,040
Retail financing receivables	19	10,005	9,872	10,118	10,072
Finance lease receivables	19	858	864	1,135	1,140
Other		157	110	221	229
Total assets		**20,764**	**20,636**	**21,631**	**21,594**
Financial liabilities					
Asset-backed financing	30	(12,146)	(12,137)	(11,660)	(11,659)
Non-convertible bonds	30	(23,809)	(23,941)	(27,114)	(28,734)
Other financial debt	30	(21,325)	(21,130)	(21,359)	(21,321)
Total liabilities		**(57,280)**	**(57,208)**	**(60,133)**	**(61,714)**

Held-to-maturity investments are represented by bonds issued by leading counterparties, listed on active markets and their fair value is thus categorized in Level 1.

The fair values of receivables from financing activities, which are categorized within Level 3 of the fair value hierarchy, have been estimated with discounted cash flow 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 €19,155 million is classified within Level 1 and for €4,786 million within Level 2. For the latter, inputs other than quoted prices in an active market were used.

The fair value of other financial debt included in Level 2 of the fair value hierarchy for €18,828 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 €2,015 million.

38. 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, 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, The Economist Group 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.

As disclosed in note 27, during 2015 Giovanni Agnelli e C. purchased EXOR S.p.A. treasury shares for €50 million. Since this is a related party transaction prior approval was sought from the Related Parties Committee which expressed a favorable opinion.

The effects of transactions with related parties recognized in the income statement are as follows:

	2015				2014			
€ 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	1,536	1,611			1,247	1,189	1	
Sevel	567		4		493		4	
FCA Bank	1,448	23	19	(27)	278	16	15	(29)
Other	873	409	0	(7)	751	446	1	(4)
Total joint ventures	**4,424**	**2,043**	**23**	**(34)**	**2,769**	**1,651**	**21**	**(33)**
Total associates	**195**	**19**	**6**	**0**	**177**	**2**	**6**	**0**
Total other related parties	**0**	**61**	**72**	**0**	**0**	**45**	**72**	**0**
Total unconsolidated subsidiaries	**89**	**14**	**8**	**1**	**52**	**8**	**21**	**(1)**
Total of which related parties	**4,708**	**2,137**	**109**	**(33)**	**2,998**	**1,706**	**120**	**(34)**
Total of item in financial statements	**136,360**	**118,403**	**9,962**	**(2,966)**	**120,102**	**102,640**	**9,230**	**(2,680)**
Effect on total (%)	**3.45%**	**1.80%**	**1.10%**		**2.50%**	**1.66%**	**1.30%**	

Non-financial assets and liabilities originating from related party transactions are as follows:

	At December 31, 2015				At December 31, 2014			
€million	Trade receivables	Trade payables	Other current assets	Other current liabilities	Trade receivables	Trade payables	Other current assets	Other current liabilities
Tofas	13	157			48	160		1
Sevel	19		1	5	12			4
FCA Bank	80	222	3	117	65	237	6	92
Other	214	136	6	86	124	133	4	23
Total joint ventures	**326**	**515**	**10**	**208**	**249**	**530**	**10**	**120**
Total associates	**57**	**41**	**2**	**21**	**100**	**24**	**0**	**23**
Total other related parties	**0**	**6**	**0**	**4**	**0**	**8**	**0**	**4**
Total unconsolidated subsidiaries	**88**	**19**	**2**	**2**	**32**	**15**	**2**	**2**
Total of which related parties	**471**	**581**	**14**	**235**	**381**	**577**	**12**	**149**
Total of item in financial statements	**3,273**	**26,663**	**4,046**	**15,386**	**3,757**	**24,884**	**4,095**	**15,181**
Effect on total (%)	**14.4%**	**2.2%**	**0.3%**	**1.5%**	**10.1%**	**2.3%**	**0.3%**	**1.0%**

Financial assets and liabilities originating from related party transactions are as follows:

	December 31, 2015		December 31, 2014	
€ million	Current receivables from financing activities	Financial debt	Current receivables from financing activities	Financial debt
FCA Bank	45	182	73	105
Tofas	18		39	
Sevel	9	4	5	13
Other	5	2	9	4
Total joint ventures	**77**	**188**	**126**	**122**
Almacantar		40		
Other	20	1	7	
Total associates	**20**	**41**	**7**	**0**
Total other related parties	**0**	**0**	**0**	**0**
Total unconsolidated subsidiaries	**25**	**15**	**24**	**33**
Total of which related parties	**122**	**244**	**157**	**155**
Total of item in financial statements	**20,632**	**57,280**	**21,524**	**60,189**
Effect on total (%)	**0.6%**	**0.4%**	**0.7%**	**0.3%**

Commitments and guarantees pledged in favor of related parties of the FCA Group

Other guarantees pledged in favor of related parties at December 31, 2015 and at December 31, 2014 are as follows:

€ million	12/31/2015	12/31/2014
Total joint ventures	4	11
Total unconsolidated subsidiaries	0	1
Total of which related parties	**4**	**12**

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

At December 31, 2015 the CNH Industrial Group has pledged guarantees on commitments of the joint venture Iveco - Oto Melara Società Consortile for an amount of €186 million (€228 million at December 31, 2014).

Compensation to directors, statutory auditors and key executives of EXOR

In 2015 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	4,127	67,781	71,908
Statutory Auditors	147	214	361
Total 2015	**4,274**	**67,995**	**72,269**
Total 2014	**4,575**	**67,237**	**71,812**

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.

39. 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 principally derive from the Group's main revenue producing 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 2015 other non-cash items of €1,402 million include €713 million of non-cash charges for asset impairments which mainly relate to asset impairments in connection with the realignment of the Group's manufacturing capacity in NAFTA, a €215 million charge recognized as a result of the adoption of the SIMADI exchange rate to re-measure the net monetary assets of the FCA Group's and the CNH Group's Venezuelan subsidiaries and the €450 million accrual regarding the investigation of Iveco S.p.A. by the European Commission.

In 2014, other non-cash items of €459 million mainly included €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, €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, which was partially offset by the 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 total, cash flows used for income tax payments net of refunds amount to €1,009 million in 2015 (€1,174 million in 2014).

In total, interest of €2,950 million was paid and interest of €1,215 million was received in 2015 (interest of €2,715 million was paid and interest of €1,218 million was received in 2014).

40. 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 2015 for audit and other services provided by the independent auditors and firms in their network.

€ thousand	Service Provider	Entity		2015 fees
Audit	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.		53
	Reconta Ernst & Young S.p.A.	Subsidiaries		7,459
	Network Reconta Ernst & Young	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
	Network Reconta Ernst & Young	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
	Network Reconta Ernst & Young	Subsidiaries	(5)	1,811
Total Reconta Ernst & Young S.p.A. and network				**35,109**

(1) Fees mainly for attestation services relating to the issue of Comfort Letters on bond issues.
(2) Fees mainly for attestation services relating to the issue of Comfort Letters on the issue of bonds for US$ 3 billion by the subsidiary Fiat Chrysler Automobiles N.V.
(3) Fees mainly for other attestation services carried out on the subsidiaries.
(4) Fees mainly for agreed-upon audit procedures, other compliances requested by local administrative entities and other services carried out in the tax area.

41. 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 2015.

42. 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 2015 as defined by the Communication (the definition is given in the paragraph on the Format of the financial statements).

43. Subsequent events

Reference should be made to the Report on Operations 2015.

44. Approval of the consolidated financial statements and authorization for publication

The consolidated financial statements at December 31, 2015 were approved on April 14, 2016 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, 2016

On behalf of the Board of Directors
Chairman and Chief Executive Officer
John Elkann

List of EXOR Group Companies at December 31, 2015

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							
Holding							
Ancom USA Inc.	U.S.A.	0.10	USD	100.00	EXOR S.A.	100.000	
CNH Industrial N.V.	Netherlands	18,365,232.65	EUR	27.28	EXOR S.p.A.	39.959	
					Fiat Chrysler Automobiles N.V.	1.737	
					CNH Industrial N.V.	3.334	(*)
EXOR Capital Limited	Ireland	4,000,000.00	EUR	100.00	EXOR S.A.	100.000	
EXOR Holding N.V.	Netherlands	1,008,000.00	EUR	100.00	EXOR S.p.A.	100.000	
EXOR Inc. (in liquidation)	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	16,978,977.78	EUR	29.16	EXOR S.p.A.	44.267	
					Fiat Chrysler Automobiles N.V.	1.937	(*)
Pillar Ltd.	Bermuda	100.00	USD	100.00	EXOR N.V.	100.000	
Leasure and Other							
Juventus Football Club S.p.A.	Italy	818,213,328.00	EUR	63.77	EXOR S.p.A.	63.766	
Real Estate							
Arenella Immobiliare S.r.l.	Italy	150,000.00	EUR	100.00	EXOR S.p.A.	100.000	
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: 29.16%)

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							
AUTO TRANSPORT SERVICES LLC	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
Autodie LLC	U.S.A.	10,000,000	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 VANS LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
Chrysler Lease Receivables 1 Inc.	Canada	100	CAD	100.00	FCA Canada Inc.	100.000	
Chrysler Lease Receivables 2 Inc.	Canada	100	CAD	100.00	FCA Canada Inc.	100.000	
Chrysler Lease Receivables Limited Partnership	Canada	0	CAD	100.00	FCA Canada Inc.	99.990	
					Chrysler Lease Receivables 1 Inc.	0.005	
					Chrysler Lease Receivables 2 Inc.	0.005	
CPK Interior Products Inc.	Canada	1,000	CAD	100.00	FCA Canada Inc.	100.000	
Extended Vehicle Protection LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA AUBURN HILLS MEZZANINE LLC	U.S.A.	100	USD	100.00	FCA REALTY LLC	100.000	
FCA AUBURN HILLS OWNER LLC	U.S.A.	100	USD	100.00	FCA AUBURN HILLS MEZZANINE LLC	100.000	
FCA Canada Cash Services Inc.	Canada	1,000	CAD	100.00	FCA US LLC	100.000	
FCA Canada Inc.	Canada	0	CAD	100.00	FCA ONTARIO HOLDINGS Limited	100.000	
FCA Caribbean LLC	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
FCA DEALER CAPITAL LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA INTERNATIONAL OPERATIONS LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA INVESTMENT HOLDINGS LLC	U.S.A.	173,350,999	USD	100.00	FCA US LLC	100.000	
FCA Mexico, S.A. de C.V.	Mexico	238,621,186	MXN	100.00	Chrysler Mexico Investment Holdings	99.997	
					FCA MINORITY LLC	0.003	
FCA MID LLC	U.S.A.	2,700,000	USD	100.00	FCA US LLC	100.000	
FCA MINORITY LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA ONTARIO HOLDINGS Limited	Canada	1,000	CAD	100.00	FCA US LLC	100.000	
FCA REAL ESTATE SERVICES LLC	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
FCA REALTY LLC	U.S.A.	168,769,528	USD	100.00	FCA US LLC	100.000	
FCA Service Contracts LLC	U.S.A.	100,000,000	USD	100.00	FCA US LLC	100.000	
FCA TRANSPORT LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA US LLC	U.S.A.	10	USD	100.00	FCA North America Holdings LLC	100.000	
Global Engine Manufacturing Alliance LLC	U.S.A.	300,000	USD	100.00	FCA US LLC	100.000	
Operadora G.C. S.A. de C.V.	Mexico	99,999	MXN	100.00	FCA Mexico, S.A. de C.V.	99.999	
					FCA MINORITY LLC	0.001	
LATAM							
Banco Fidis S.A.	Brazil	480,669,238	BRL	100.00	Fidis S.p.A.	75.000	
					FCA FIAT CHRYSLER AUTOMOVEIS BRASIL	25.000	
CG Venezuela UK Holdings Limited	United Kingdom	100	GBP	100.00	CG EU NSC 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 AUTOMOBILES ARGENTINA S.A.	Argentina	476,464,366	ARS	100.00	FCA FIAT CHRYSLER AUTOMOVEIS BRASIL	100.000	
FCA Chile Importadora Ltda	Chile	41,800,000	CLP	100.00	FCA US LLC	99.990	
					FCA MINORITY LLC	0.010	
FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	Brazil	3,640,046,985	BRL	100.00	FCA Italy S.p.A.	100.000	
FCA IMPORTADORA S.R.L.	Argentina	29,335,170	ARS	100.00	FCA US LLC	98.000	
					FCA MINORITY LLC	2.000	
FCA S.A. de Ahorro para Fines Determinados	Argentina	109,535,149	ARS	100.00	FCA AUTOMOBILES ARGENTINA S.A.	100.000	
FCA Venezuela LLC	U.S.A.	132,474,694	USD	100.00	CG Venezuela UK Holdings Limited	100.000	
Fiat Credito Compania Financiera S.A.	Argentina	425,920,613	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	FCA Fiat Chrysler Participacoes Brasil S.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.16%)

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 Group (China) Sales Ltd.	People's Rep.of China	10,000,000	EUR	100.00	FCA (Hong Kong) Automotive Limited	100.000	
FCA (Hong Kong) Automotive Limited	People's Rep.of China	10,000,000	EUR	100.00	FCA US LLC	100.000	
FCA Asia Pacific Investment Co. Ltd.	People's Rep.of China	4,500,000	CNY	100.00	FCA (Hong Kong) Automotive Limited	100.000	
FCA Australia Pty. Ltd.	Australia	143,629,774	AUD	100.00	FCA US LLC	100.000	
FCA Automotive Finance Co. Ltd.	People's Rep.of China	750,000,000	CNY	100.00	Fidis S.p.A.	100.000	
FCA Engineering India Private Limited	India	99,990	INR	100.00	Chrysler Netherlands Distribution B.V.	99.990	
					FCA DUTCH OPERATING LLC	0.010	
FCA INDIA AUTOMOBILES Private Limited	India	2,679,900,000	INR	100.00	FCA Italy S.p.A.	100.000	
FCA JAPAN Ltd.	Japan	104,789,875	JPY	100.00	FCA US LLC	60.000	
					Fiat Group Automobiles Japan K.K.	40.000	
FCA Korea Limited	South Korea	32,639,200,000	KRW	100.00	FCA US LLC	100.000	
FCA Powertrain Technologies Shanghai R&D Co. Ltd.	People's Rep.of China	10,000,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
Fiat Chrysler South East Asia Pte. Ltd.	Singapore	3,010,513	SGD	100.00	FCA US LLC	100.000	
Fiat Group Automobiles Japan K.K.	Japan	100,000,000	JPY	100.00	FCA Italy S.p.A.	100.000	
Mopar (Shanghai) Auto Parts Trading Co. Ltd.	People's Rep.of China	5,000,000	USD	100.00	FCA 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.R.F. Società Consortile per Azioni	Italy	45,000,000	EUR	100.00	FCA Italy S.p.A.	92.000	
					FCA ITALY HOLDINGS S.p.A.	2.000	
					Magneti Marelli S.p.A.	2.000	
					Maserati S.p.A.	2.000	
					Comau S.p.A.	1.000	
					Teksid S.p.A.	1.000	
CF GOMMA DEUTSCHLAND GmbH	Germany	26,000	EUR	100.00	FCA ITALY HOLDINGS 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.	94.300	
					FCA US LLC	5.700	
Chrysler Austria Gesellschaft mbH	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., v likvidaci	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 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 Ges.m.b.H. in liquidation	Austria	75,000	EUR	100.00	Chrysler Austria Gesellschaft mbH	100.000	
Chrysler Mexico Investment Holdings Cooperatie U.A.	Netherlands	0	EUR	100.00	FCA INVESTMENT HOLDINGS LLC	99.990	
					FCA MINORITY LLC	0.010	
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 South Africa (Pty) Ltd.	South Africa	200	ZAR	100.00	FCA US LLC	100.000	
Chrysler Sweden AB	Sweden	100,000	SEK	100.00	CG EU NSC LIMITED	100.000	
Chrysler Switzerland GmbH in liquidation	Switzerland	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	
Easy Drive S.r.l.	Italy	10,400	EUR	100.00	FCA Italy S.p.A.	99.000	
					FCA Center Italia S.p.A.	1.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.16%)

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							
FCA AUSTRIA GmbH	Austria	37,000	EUR	100.00	FCA Italy S.p.A.	98.000	
					FCA ITALY HOLDINGS S.p.A.	2.000	
FCA AUSTRO CAR GmbH	Austria	35,000	EUR	100.00	FCA AUSTRIA GmbH	100.000	
FCA Belgium S.A.	Belgium	7,000,000	EUR	100.00	FCA Italy S.p.A.	99.998	
					FCA SWITZERLAND S.A.	0.002	
FCA Center Italia S.p.A.	Italy	2,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA CENTRAL AND EASTERN EUROPE KFT.	Hungary	150,000,000	HUF	100.00	FCA Italy S.p.A.	100.000	
FCA Customer Services Centre S.r.l.	Italy	2,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Denmark A/S	Denmark	55,000,000	DKK	100.00	FCA Italy S.p.A.	100.000	
FCA FINLAND Oy	Finland	50,000	EUR	100.00	FCA Italy 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 France	France	96,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA GERMANY AG	Germany	82,650,000	EUR	100.00	FCA Italy S.p.A.	99.000	
					FCA SWITZERLAND S.A.	1.000	
FCA GREECE S.A.	Greece	62,783,499	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Group Marketing S.p.A.	Italy	100,000,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
FCA ITALY HOLDINGS S.p.A.	Italy	1,089,071,587	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 Melfi S.p.A.	Italy	276,640,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Middle East FZ-LLC	United Arab Emirates	300,000	AED	100.00	FCA INTERNATIONAL OPERATIONS LLC	100.000	
FCA Motor Village Austria GmbH	Austria	37,000	EUR	100.00	FCA AUSTRIA GmbH	100.000	
FCA MOTOR VILLAGE BELGIUM S.A.	Belgium	4,000,000	EUR	100.00	FCA Belgium S.A.	99.988	
					FCA Italy S.p.A.	0.012	
FCA MOTOR VILLAGE FRANCE S.A.	France	2,977,680	EUR	100.00	FCA France	99.997	
FCA MOTOR VILLAGE GERMANY GmbH	Germany	8,700,000	EUR	100.00	FCA GERMANY AG	100.000	
FCA MOTOR VILLAGE PORTUGAL S.A.	Portugal	50,000	EUR	100.00	FCA PORTUGAL, S.A.	100.000	
FCA MOTOR VILLAGE SPAIN, S.L.	Spain	1,454,420	EUR	100.00	Fiat Chrysler Automobiles Spain S.A.	100.000	
FCA MOTOR VILLAGE SWITZERLAND S.A.	Switzerland	13,000,000	CHF	100.00	FCA SWITZERLAND S.A.	100.000	
FCA Netherlands B.V.	Netherlands	5,672,250	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Partecipazioni France Société par actions simplifiée	France	37,000	EUR	100.00	FCA Real Estate Services S.p.A.	100.000	
FCA POLAND Spólka Akcyjna	Poland	660,334,600	PLN	100.00	FCA Italy S.p.A.	100.000	
FCA PORTUGAL, S.A.	Portugal	1,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA POWERTRAIN POLAND Sp. z o.o.	Poland	269,037,000	PLN	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
FCA Real Estate Germany GmbH	Germany	25,000	EUR	100.00	FCA MOTOR VILLAGE GERMANY GmbH	100.000	
FCA Real Estate Services S.p.A.	Italy	150,679,554	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Russia AO	Russia	574,665,000	RUB	100.00	FCA US LLC	99.999	
					FCA MINORITY LLC	0.001	
FCA SERBIA DOO KRAGUJEVAC	Serbia	30,707,843,314	RSD	66.67	FCA Italy S.p.A.	66.670	
FCA SWEDEN AB	Sweden	10,000,000	SEK	100.00	FCA Italy S.p.A.	100.000	
FCA SWITZERLAND S.A.	Switzerland	21,400,000	CHF	100.00	FCA Italy S.p.A.	100.000	
FCA VERSICHERUNGSSERVICE GmbH	Germany	26,000	EUR	100.00	FCA GERMANY AG	51.000	
					Fiat Chrysler Rimaco SA	49.000	
Fiat Chrysler Automobiles (FCA) Egypt Limited	Egypt	240,000	EGP	100.00	FCA US LLC	99.000	
					FCA MINORITY LLC	1.000	
Fiat Chrysler Automobiles Ireland Ltd.	Ireland	5,078,952	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Chrysler Automobiles Morocco S.A.	Morocco	1,000,000	MAD	99.95	FCA Italy S.p.A.	99.950	
Fiat Chrysler Automobiles Spain S.A.	Spain	8,079,280	EUR	100.00	FCA Italy S.p.A.	99.998	
					FCA SWITZERLAND S.A.	0.002	
FIAT CHRYSLER AUTOMOBILES UK Ltd	United Kingdom	44,600,000	GBP	100.00	FCA Italy S.p.A.	100.000	
FIAT CHRYSLER MOTOR VILLAGE Ltd.	United Kingdom	1,500,000	GBP	100.00	FIAT CHRYSLER AUTOMOBILES UK Ltd	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	South Africa	640	ZAR	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	
Mecaner S.A.	Spain	3,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
NEW BUSINESS 38 S.p.A.	Italy	1,000,000	EUR	100.00	FCA Real Estate Services S.p.A.	100.000	
SBH EXTRUSION REAL ESTATE S.r.l.	Italy	110,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
Società di Commercializzazione e Distribuzione Ricambi	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	FCA ITALY HOLDINGS S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.16%)

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 Canada Inc.	Canada	0	CAD	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	
Tridente Real Estate S.r.l.	Italy	11,570,000	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. LLC	100.000	
Automotive Lighting o.o.o.	Russia	1,086,875,663	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. LLC	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	99.99	Automotive Lighting Italia S.p.A.	100.000	
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	132,080,100	BRL	64.99	Plastic Components and Modules Automotive	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	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	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	100.000	
Magneti Marelli Aftermarket Sp. z o.o.	Poland	2,000,000	PLN	99.99	Magneti Marelli After Market Parts and	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 (Guangzhou) Co.,Ltd.	People's Rep.of China	10,000,000	EUR	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	
Magneti Marelli Cofap Fabricadora de Pecas Ltda	Brazil	307,411,633	BRL	99.99	Magneti Marelli After Market Parts and	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.16%)

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 Comandos Mecanicos Industria e Comercio	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria	99.900	
					FCA Fiat Chrysler Participacoes Brasil S.A.	0.100	
Magneti Marelli Componentes Plasticos Ltda	Brazil	6,402,500	BRL	99.99	Plastic Components and Modules Automotive	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 Ltda	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. LLC	U.S.A.	10	USD	100.00	FCA North America Holdings LLC	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	150,000,000	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	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	100.000	
Magneti Marelli of Tennessee LLC	U.S.A.	1,300,000	USD	100.00	Magneti Marelli Holding U.S.A. LLC	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	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. LLC	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	52.000	
					Magneti Marelli Cofap Fabricadora de Pecas	48.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Brazil	455,944,874	BRL	99.99	Magneti Marelli S.p.A.	72.808	
					Automotive Lighting Reutlingen GmbH	27.192	
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	103,006,639	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 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	0.100	
Magneti Marelli Suspansiyon Sistemleri Limited Sirketi	Turkey	520,000	TRY	99.99	Sistemi Sospensioni 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 Toluca Mexico S. de R.L. de CV.	Mexico	3,000	MXN	99.99	Magneti Marelli S.p.A.	99.967	
					Magneti Marelli Powertrain Mexico S. de r.l. de	0.033	
Magneti Marelli Um Electronic Systems Private Limited	India	420,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.16%)

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							
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	
MMH Industria e Comercio De Componentes Automotivos Ltda	Brazil	50,926,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	100.000	
Plastic Components and Modules Automotive S.p.A.	Italy	10,000,000	EUR	99.99	Plastic Components and Modules Holding	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	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	
					FCA Partecipazioni S.p.A.	34.980	
Teksid							
Teksid S.p.A.	Italy	71,403,261	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Compania Industrial Frontera S.A. de C.V.	Mexico	50,000	MXN	100.00	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	83.61	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	471,346,013	BRL	100.00	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Mexico	380,615,000	MXN	100.00	Teksid S.p.A.	100.000	
Teksid Inc.	U.S.A.	100,000	USD	100.00	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Poland	115,678,500	PLN	100.00	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	
					FCA 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 LLC	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 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 India Private Limited	India	239,935,020	INR	100.00	Comau S.p.A.	99.990	
					Comau Deutschland GmbH	0.010	
Comau LLC	U.S.A.	100	USD	100.00	FCA North America Holdings LLC	100.000	
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: 29.16%)

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							
Deposito Avogadro S.p.A.	Italy	5,100,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
FCA Argentina S.A.	Argentina	5,292,117	ARS	100.00	FCA Services S.p.A.	90.961	
					FCA Fiat Chrysler Participacoes Brasil S.A.	9.029	
					Fiat Chrysler Rimaco Argentina S.A.	0.009	
					FCA AUTOMOBILES ARGENTINA S.A.	0.001	
FCA Fiat Chrysler Participacoes Brasil S.A.	Brazil	1,024,292,755	BRL	100.00	FCA Italy S.p.A.	95.803	
					FCA Real Estate Services S.p.A.	4.196	
FCA Group Purchasing France S.a.r.l.	France	7,700	EUR	100.00	FCA Group Purchasing S.r.l.	100.000	
FCA Group Purchasing Poland Sp. z o.o.	Poland	300,000	PLN	100.00	FCA Group Purchasing S.r.l.	100.000	
FCA Group Purchasing S.r.l.	Italy	600,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
FCA Information Technology, Excellence and Methods	Italy	500,000	EUR	100.00	FCA Services S.p.A.	99.000	
					FCA Italy S.p.A.	1.000	
FCA North America Holdings LLC	U.S.A.	0	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	
FCA Partecipazioni S.p.A.	Italy	50,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Services Belgium N.V.	Belgium	62,000	EUR	100.00	FCA Services S.p.A.	99.960	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.040	
FCA Services d.o.o. Kragujevac	Serbia	15,047,880	RSD	100.00	FCA Services S.p.A.	100.000	
FCA Services Germany GmbH	Germany	200,000	EUR	100.00	FCA Services S.p.A.	100.000	
FCA Services Hispano-Lusa S.A.	Spain	2,797,054	EUR	100.00	FCA Services S.p.A.	100.000	
FCA Services Polska Sp. z o.o.	Poland	3,600,000	PLN	100.00	FCA Services S.p.A.	100.000	
FCA Services S.p.A.	Italy	3,600,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
FCA Services Support Mexico S.A. de C.V.	Mexico	100	MXN	100.00	FCA Services S.p.A.	99.000	
					Servizi e Attività Doganali per l'Industria S.p.A.	1.000	
FCA Services U.S.A., Inc.	U.S.A.	500,000	USD	100.00	FCA Services S.p.A.	100.000	
FCA Servizi per l'Industria S.c.p.A.	Italy	1,652,669	EUR	90.13	FCA Italy S.p.A.	51.000	
					FCA 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	
					FCA Group Marketing S.p.A.	1.500	
					FCA Information Technology, Excellence and Methods S.p.A.	1.500	
					FCA Services S.p.A.	1.500	
					Ferrari S.p.A.	1.500	
					Fiat Chrysler Finance S.p.A.	1.500	
					Fidis S.p.A.	1.500	
					Italiana Editrice 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 Chrysler Automobiles Services UK Limited	United Kingdom	750,000	GBP	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Financas Brasil Ltda.	Brazil	2,469,701	BRL	100.00	Fiat Chrysler Finance S.p.A.	99.994	
					FCA Fiat Chrysler Participacoes Brasil S.A.	0.006	
Fiat Chrysler Finance Canada Ltd.	Canada	10,099,885	CAD	100.00	Fiat Chrysler Finance Europe S.A.	100.000	
Fiat Chrysler Finance et Services S.A.	France	3,700,000	EUR	100.00	FCA Services S.p.A.	99.997	
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 Chrysler Polska Sp. z o.o.	Poland	25,500,000	PLN	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Rimaco SA	Switzerland	350,000	CHF	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Risk Management S.p.A.	Italy	120,000	EUR	100.00	FCA 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: 29.16%)

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							
Italiana Editrice S.p.A.	Italy	7,500,000	EUR	77.00	Fiat Chrysler Automobiles N.V.	77.000	
Neptunia Assicurazioni Marittime S.A.	Switzerland	10,000,000	CHF	100.00	Fiat Chrysler Rimaco SA	100.000	
New Business 30 S.r.l.	Italy	100,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
Nexta Srl	Italy	50,000	EUR	77.00	Italiana Editrice S.p.A.	100.000	
Publikompass S.p.A.	Italy	3,068,000	EUR	77.00	Italiana Editrice S.p.A.	100.000	
Radio 19 S.r.l. in liquidation	Italy	10,000	EUR	77.00	Italiana Editrice 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	FCA Services S.p.A.	100.000	
SIRIO - Sicurezza Industriale Società consortile per azioni	Italy	120,000	EUR	87.10	FCA Partecipazioni S.p.A.	58.756	
					FCA Italy S.p.A.	16.600	
					Magneti Marelli S.p.A.	1.841	
					FCA ITALY HOLDINGS S.p.A.	1.314	
					FCA Melfi 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	
					FCA Services S.p.A.	0.593	
					Sistemi Sospensioni S.p.A.	0.551	
					Teksid Aluminum S.r.l.	0.540	
					FCA Servizi per l'Industria S.c.p.A.	0.503	
					Fiat Chrysler Finance S.p.A.	0.406	
					Fidis S.p.A.	0.325	
					Italiana Editrice S.p.A.	0.273	
					Automotive Lighting Italia S.p.A.	0.255	
					FCA Group Marketing S.p.A.	0.103	
					FCA Group Purchasing S.r.l.	0.103	
					FCA Real Estate Services S.p.A.	0.103	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
					Plastic Components and Modules Automotive S.p.A.	0.065	
					FCA Center Italia S.p.A.	0.045	
					Abarth & C. S.p.A.	0.039	
					Fiat Chrysler Risk Management 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	
					Sisport S.p.A. - Società sportiva dilettantistica	0.039	
					Magneti Marelli After Market Parts and Services S.p.A.	0.037	
					Deposito Avogadro S.p.A.	0.022	
					Easy Drive S.r.l.	0.022	
					FCA Customer Services Centre S.r.l.	0.022	
					FCA Fleet & Tenders S.R.L.	0.022	
					FCA Information Technology, Excellence and Methods S.p.A.	0.022	
					Sealing and Brake Hoses Extrusion S.r.l.	0.022	
					i-FAST Automotive Logistics S.r.l.	0.020	
					i-FAST Container Logistics S.p.A.	0.020	
Sisport S.p.A. - Società sportiva dilettantistica	Italy	889,049	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.16%)

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							
Ferrari							
Ferrari N.V.	Netherlands	3,778,432	EUR	80.00	Fiat Chrysler Automobiles N.V.	80.000	
410 Park Display Inc.	U.S.A.	100	USD	80.00	Ferrari N.America Inc.	100.000	
Ferrari Australasia Pty Limited	Australia	2,000,100	AUD	80.00	Ferrari S.p.A.	100.000	
Ferrari Cars International Trading (Shanghai) Co. Ltd.	People's Rep.of China	2,212,500	USD	64.00	Ferrari S.p.A.	80.000	
Ferrari Central / East Europe GmbH	Germany	1,000,000	EUR	80.00	Ferrari S.p.A.	100.000	
FERRARI FAR EAST PTE LTD	Singapore	1,000,000	SGD	80.00	Ferrari S.p.A.	100.000	
Ferrari Financial Services AG	Germany	1,777,600	EUR	80.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services Japan KK	Japan	199,950,000	JPY	80.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Italy	5,100,000	EUR	80.00	Ferrari S.p.A.	100.000	
Ferrari Financial Services, Inc.	U.S.A.	1,000	USD	80.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Japan KK	Japan	160,050,000	JPY	80.00	Ferrari S.p.A.	100.000	
Ferrari Management Consulting (Shanghai) CO., LTD	People's Rep.of China	2,100,000	USD	80.00	Ferrari S.p.A.	100.000	
Ferrari N.America Inc.	U.S.A.	200,000	USD	80.00	Ferrari S.p.A.	100.000	
Ferrari North Europe Limited	United Kingdom	50,000	GBP	80.00	Ferrari S.p.A.	100.000	
Ferrari S.p.A.	Italy	20,260,000	EUR	80.00	Ferrari N.V.	100.000	
Ferrari South West Europe S.A.R.L.	France	172,000	EUR	80.00	Ferrari S.p.A.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Switzerland	1,000,000	CHF	80.00	Ferrari S.p.A.	100.000	
Mugello Circuit S.p.A.	Italy	10,000,000	EUR	80.00	Ferrari S.p.A.	100.000	

Joint arrangements of FCA Group (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
JOINT ARRANGEMENTS							
Business Auto:Car Mass-Market brands							
APAC							
Fiat India Automobiles Private 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: 27.28%)

Name	Country	Share capital	Currency	% of Group consolidation	Interest held by	% 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	100,000,000	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 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 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 Industrial America LLC	U.S.A.	0	USD	100.00	Case New Holland Industrial Inc.	100.000	
CNH Industrial Argentina S.A.	Argentina	356,036,105	ARS	100.00	CNH Industrial Latin America Ltda.	93.292	
					New Holland Holding (Argentina) S.A.	6.708	
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	456,081,158	EUR	100.00	CNH Industrial Europe Holding S.A.	88.828	
					New Holland Holding Limited	11.172	
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	77,545,800	ARS	100.00	CNH Industrial Argentina S.A.	50.000	
					Iveco Argentina S.A.	50.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.28%)

Name	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
CNH Industrial Capital Solutions S.p.A.	Italy	60,000,000	EUR	100.00	CNH Industrial N.V.	50.100	
					Iveco FS Holdings Limited	49.900	
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	105,860,635	EUR	100.00	CNH Industrial N.V.	99.466	
					CNH Industrial Capital Benelux NV	0.534	
CNH Industrial France	France	52,965,450	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	1,551,568,579	BRL	100.00	CNH Industrial N.V.	85.658	
					Case Brazil Holdings Inc.	12.557	
					Case Equipment International Corporation	1.785	
CNH Industrial Machinery (Harbin) Co. 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	
CNH Industrial Maquinaria Spain S.A.	Spain	21,000,000	EUR	100.00	Iveco Espana S.L.	100.000	
CNH Industrial Osterreich GmbH	Austria	2,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Parts and Service Operations LLC	Russia	54,000,000	RUB	100.00	Iveco Nederland B.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	
CNH U.K. Limited	United Kingdom	25,275	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 COMERCIO DE PEÇAS LTDA	Brazil	1,872,472	BRL	100.00	FPT Industrial S.p.A.	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	
					CNHI COMERCIO DE PEÇAS 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	
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	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.28%)

Name	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
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	150,000	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 Defence Vehicles SpA	Italy	25,000,000	EUR	100.00	Iveco S.p.A.	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 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	
Iveco FS Holdings Limited	United Kingdom	26,001,000	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. in liquidazione	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	531,538,326	BRL	100.00	Iveco Espana S.L.	73.960	
					CNH Industrial Latin America Ltda.	26.040	
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 Nederland B.V.	Netherlands	21,920,549	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	2,600,000	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	1,750,100	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	2,200,200	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	
LLC "CNH Industrial (Russia) Commercial Operations"	Russia	60,984,008	RUB	100.00	Iveco Nederland B.V.	100.000	
LLC "CNH Industrial (Russia) Industrial Operations"	Russia	608,754,200	RUB	100.00	Iveco Nederland B.V.	100.000	
MAGIRUS CAMIVA S.a.s. (societè par actions	France	1,870,169	EUR	84.63	Iveco Magirus Fire Fighting GmbH	100.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.28%)

Name	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
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	33,601	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.	United Kingdom	184,100	GBP	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	
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	FPT Industrial S.p.A.	30.000	
					SAIC IVECO Commercial Vehicle Investment Company Limited	60.000	
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	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 Financial Services S.A.	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	40,110	EUR	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 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	575,597,192.00	GBP	38.30	EXOR S.A.	38.305	
Publishing and Communications							
The Economist Newspaper Ltd.	United Kingdom	1,135,505.00	GBP	34.72	EXOR S.A.	34.722	20.00

Investments of FCA Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHO							
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	
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	FCA MID LLC	100.000	
EMEA							
AC Austro Car Handelsgesellschaft m.b.h. & Co. OHG	Austria	0	EUR	100.00	FCA AUSTRO CAR GmbH	100.000	
ALFA ROMEO LLC.	U.S.A.	0	USD	100.00	FCA North America Holdings LLC	100.000	
Chrysler Jeep Ticaret A.S.	Turkey	5,357,000	TRY	100.00	CG EU NSC LIMITED	99.960	
					FCA US LLC	0.040	
FCA NORWAY AS	Norway	100,800	NOK	100.00	FCA Italy S.p.A.	100.000	
Fiat Automobiles S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FIAT CHRYSLER AUTOMOBILES CR s.r.o.	Czech Republic	1,000,000	CZK	100.00	FCA Italy S.p.A.	100.000	
FIAT CHRYSLER AUTOMOBILES SR s.r.o.	Slovack Republic	33,194	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	
GESTIN POLSKA Sp. z o.o.	Poland	500,000	PLN	100.00	FCA POLAND Spólka Akcyjna	100.000	
Italcar SA	Morocco	4,000,000	MAD	99.85	Fiat Chrysler Automobiles Morocco S.A.	99.900	
Lancia Automobiles S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
NEW BUSINESS 37 S.p.A.	Italy	200,000	EUR	100.00	FCA Real Estate Services S.p.A.	100.000	
Sirio Polska Sp. z o.o.	Poland	1,350,000	PLN	100.00	FCA POLAND Spólka Akcyjna	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 Ltda	68.350	
PSMM Pernambuco Componentes Automotivos Ltda	Brazil	41,144,000	BRL	50.00	Plastic Components and Modules Automotive S.p.A.	50.000	
Comau							
COMAU (THAILAND) CO. LTD	Thailand	10,000,000	THB	100.00	Comau S.p.A.	99.997	
COMAU Czech s.r.o.	Czech Republic	5,400,000	CZK	100.00	Comau S.p.A.	100.000	
Comau Robot ve Sistemleri A.S	Turkey	560,000	TRY	100.00	Comau S.p.A.	100.000	
Other Activities:Holding companies and Other companies							
Fiat (Beijing) Business Co., Ltd.	People's Rep.of China	3,000,000	USD	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Rimaco Argentina S.A.	Argentina	150,000	ARS	99.96	Fiat Chrysler Rimaco SA	99.960	

Investments of FCA Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.16%)

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 METHO							
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 Chrysler Automobiles Co. Ltd.	People's Rep.of China	4,800,000,000	CNY	50.00	FCA Asia Pacific Investment Co. Ltd.	22.917	
					Fiat Chrysler Automobiles N.V.	14.583	
					FCA Italy S.p.A.	12.500	
EMEA							
FCA BANK S.p.A.	Italy	700,000,000	EUR	50.00	FCA Italy S.p.A.	50.000	
Athomstart Invest 35 AS	Norway	100,800	NOK	50.00	FCA CAPITAL DANMARK A/S	100.000	
FAL Fleet Services S.A.S.	France	3,000,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA AUTOMOTIVE SERVICES UK LTD.	United Kingdom	50,250,000	GBP	50.00	FCA BANK S.p.A.	100.000	
FCA Bank Deutschland G.m.b.H.	Germany	39,600,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA Bank G.m.b.H.	Austria	5,000,000	EUR	50.00	FCA BANK S.p.A.	50.000	
					Fidis S.p.A.	25.000	
FCA CAPITAL BELGIUM S.A.	Belgium	3,718,500	EUR	50.00	FCA BANK S.p.A.	99.999	
FCA CAPITAL DANMARK A/S	Denmark	14,154,000	DKK	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL ESPANA E.F.C. S.A.	Spain	26,671,557	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL FRANCE S.A.	France	11,360,000	EUR	50.00	FCA BANK S.p.A.	99.999	
FCA CAPITAL HELLAS S.A.	Greece	1,200,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL IRELAND Public Limited Company	Ireland	132,562	EUR	50.00	FCA BANK S.p.A.	99.994	
FCA Capital Nederland B.V.	Netherlands	3,085,800	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL PORTUGAL INSTITUIÇÃO FINANCIERA DE CRÉDITO SA	Portugal	10,000,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL RE Limited	Ireland	1,000,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA Capital Suisse S.A.	Switzerland	24,100,000	CHF	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL SVERIGE AB	Sweden	50,000	SEK	50.00	FCA CAPITAL DANMARK A/S	100.000	
FCA DEALER SERVICES ESPANA S.A.	Spain	25,145,299	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA DEALER SERVICES PORTUGAL S.A.	Portugal	500,300	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA DEALER SERVICES UK LTD.	United Kingdom	20,500,000	GBP	50.00	FCA BANK S.p.A.	100.000	
FCA FLEET SERVICES UK LTD.	United Kingdom	19,000,000	GBP	50.00	FCA BANK S.p.A.	100.000	
FCA INSURANCE HELLAS S.A.	Greece	60,000	EUR	49.99	FCA CAPITAL HELLAS S.A.	99.975	
FCA LEASING FRANCE SNC	France	8,954,581	EUR	50.00	FCA CAPITAL FRANCE S.A.	99.998	
FCA Leasing GmbH	Austria	40,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA Leasing Polska Sp. z o.o.	Poland	24,384,000	PLN	50.00	FCA BANK S.p.A.	100.000	
FCA-Group Bank Polska S.A.	Poland	125,000,000	PLN	50.00	FCA BANK S.p.A.	100.000	
Leasys S.p.A.	Italy	77,979,400	EUR	50.00	FCA BANK 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 Private Limited	India	1,500,000,000	INR	50.00	Magneti Marelli S.p.A.	37.333	0.000
					Magneti Marelli Motherson India Holding B.V.	25.333	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	1,899,000,000	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	160,600,000	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	50.00	Teksid S.p.A.	50.000	

Investments of FCA Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHO							
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	FCA Partecipazioni S.p.A.	33.333	
Haveco Automotive Transmission Co. Ltd.	People's Rep.of China	200,010,000	CNY	33.33	FCA 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	FCA Partecipazioni S.p.A.	38.618	
Otoyol Sanayi A.S. in liquidation	Turkey	52,674,386	TRY	27.00	FCA 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: 27.28%)

Name	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
JOYNTLY-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	50.00	CNH Industrial N.V.	50.000	
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 a responsabilità limitata	Italy	40,000	EUR	50.00	Iveco Defence Vehicles SpA	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	29,315,458	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							
CNH Industrial Korea LLC	South Korea	3,500,000,000	KRW	100.00	CNH Industrial N.V.	100.000	
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	
IVECO-AMT Ltd.	Russia	65,255,056	RUB	33.33	CNH Industrial N.V.	33.330	

Investments of Juventus Football Club accounted for by the equity method (percentage of EXOR Group consolidation: 63.77%)

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							
Others Companies							
J Medical S.r.l. (a)	Italy	34,500.00	EUR	85.51	Juventus Football Club S.p.A.	85.510	

(a) Following the capital increase of February 4, 2016 the Juventus share in J Medical is diluted to 50%, as expected.

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							
Chrysler Receivables 1 Inc.	Canada	100	CAD	100.00	FCA Canada Inc.	100.000	
Chrysler Receivables 2 Inc.	Canada	100	CAD	100.00	FCA Canada Inc.	100.000	
Chrysler Receivables Limited Partnership	Canada	0	CAD	100.00	FCA 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	
FCA DUTCH OPERATING LLC	U.S.A.	0	USD	100.00	CNI CV	100.000	
FCA Foundation	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA INTERMEDIATE MEXICO LLC	U.S.A.	1	USD	100.00	Chrysler Mexico Investment Holdings Cooperatie U.A.	100.000	
Fundacion Chrysler, I.A.P.	Mexico	0	MXN	100.00	FCA Mexico, S.A. de C.V.	100.000	
FUNDACION FCA, A.C.	Mexico	2	MXN	100.00	FCA Mexico, S.A. de C.V.	50.000	
					FCA MINORITY LLC	50.000	
EMEA							
Banbury Road Motors Limited	United Kingdom	100	GBP	100.00	FIAT CHRYSLER AUTOMOBILES UK Ltd	100.000	
Chrysler Netherlands Holding Cooperatie U.A.	Netherlands	0	EUR	100.00	CNI CV	99.000	
					FCA 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 FCA CNHI ENERGY	Italy	7,000	EUR	57.14	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	90.84	FCA Italy S.p.A.	77.800	
					Ferrari S.p.A.	5.300	
					FCA ITALY HOLDINGS S.p.A.	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	FCA SERBIA DOO KRAGUJEVAC	100.000	
FCA Russia S.r.l.	Italy	1,682,028	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Motor Sales Ltd	United Kingdom	1,500,000	GBP	100.00	FIAT CHRYSLER AUTOMOBILES UK Ltd	100.000	
OOO "CABEKO"	Russia	181,869,062	RUB	100.00	FCA Russia S.r.l.	99.591	
					FCA Italy S.p.A.	0.409	
VM North America Inc.	U.S.A.	1,000	USD	100.00	FCA Italy S.p.A.	100.000	
Components and Production Systems							
Magneti Marelli							
ABC BETIM INDUSTRIA E COMERCIO LTDA	Brazil	1,000	BRL	99.99	Magneti Marelli Componentes Plasticos Ltda	99.900	
					Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	0.100	
SBH EXTRUSAO DO BRASIL LTDA.	Brazil	15,478,371	BRL	99.99	Sealing and Brake Hoses Extrusion S.r.l.	100.000	
Sealing and Brake Hoses Extrusion S.r.l.	Italy	2,550,000	EUR	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Comau							
Comau Do Brasil Facilities Ltda.	Brazil	10,000,000	BRL	100.00	Comau do Brasil Industria e Comercio Ltda.	100.000	
Consorzio Fermag in liquidation	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	

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							
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 Chrysler Rimaco Brasil Corretagens de Seguros Ltda.	Brazil	365,525	BRL	100.00	Fiat Chrysler Rimaco SA	99.998	
Fiat Common Investment Fund Limited	United Kingdom	2	GBP	100.00	Fiat Chrysler Automobiles Services UK Limited	100.000	
Fiat Oriente S.A.E. in liquidation	Egypt	50,000	EGP	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni India Private Limited	India	28,605,400	INR	100.00	FCA Partecipazioni S.p.A.	99.825	
					FCA Group Purchasing S.r.l.	0.175	
Isvor Fiat India Private Ltd. in liquidation	India	1,750,000	INR	100.00	FCA Partecipazioni S.p.A.	100.000	
New Business 29 S.c.r.l.	Italy	50,000	EUR	100.00	FCA Partecipazioni S.p.A.	80.000	
					Fiat Chrysler Automobiles N.V.	20.000	
New Business 31 S.p.A.	Italy	120,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
New Business 35 s.r.l.	Italy	50,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
New Business 36 s.r.l.	Italy	50,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza	Italy	120,000	EUR	97.64	FCA Partecipazioni S.p.A.	76.722	
					Fiat Chrysler Automobiles N.V.	18.003	
					FCA Italy S.p.A.	0.439	
					Italiana Editrice S.p.A.	0.439	
					Comau S.p.A.	0.220	
					FCA Group Marketing S.p.A.	0.220	
					FCA ITALY HOLDINGS S.p.A.	0.220	
					FCA Services S.p.A.	0.220	
					FCA Servizi per l'Industria S.c.p.A.	0.220	
					Ferrari S.p.A.	0.220	
					Fiat Chrysler Finance S.p.A.	0.220	
					Magneti Marelli S.p.A.	0.220	
					Sisport S.p.A. - Società sportiva dilettantistica	0.220	
					Teksid S.p.A.	0.220	
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 in liquidation	Italy	51,644	EUR	22.22	C.R.F. Società Consortile per Azioni	22.221	
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	FCA ITALY HOLDINGS S.p.A.	50.000	
Components and Production Systems							
Magneti Marelli							
Bari Servizi Industriali S.c.r.l.	Italy	24,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
DTR VMS Italy 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 Information Technology, Excellence and Methods S.p.A.	5.000	
					FCA Italy S.p.A.	5.000	
					Magneti Marelli S.p.A.	5.000	
Auto Componentistica Mezzogiorno - A.C.M. Melfi Società Consortile a responsabilità limitata	Italy	40,000	EUR	35.25	FCA Melfi S.p.A.	23.500	
					Sistemi Sospensioni S.p.A.	11.750	
FMA-Consultoria e Negocios Ltda	Brazil	1	BRL	50.00	FCA Fiat Chrysler Participacoes Brasil S.A.	50.000	
Liguria Press Srl	Italy	240,000	EUR	20.00	Italiana Editrice S.p.A.	20.000	
Maxus MC2 S.p.A.	Italy	219,756	EUR	20.00	FCA Partecipazioni S.p.A.	20.000	
Parco Industriale di Chivasso Società Consortile a	Italy	10,000	EUR	26.80	FCA Partecipazioni S.p.A.	25.800	
					Plastic Components and Modules Automotive S.p.A.	1.000	
To-dis S.r.l.	Italy	510,000	EUR	34.65	Italiana Editrice S.p.A.	45.000	

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							
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	
Other Activities:Holding companies and Other companies							
Consorzio Edicola Italiana	Italy	60,000	EUR	12.83	Italiana Editrice S.p.A.	16.667	
Consorzio Lingotto	Italy	9,612	EUR	18.26	FCA 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	
SUBSIDIARIES VALUED AT COST							
Business Auto:Luxury and Performance Brands							
Ferrari							
Ferrari Auto Securitization Transaction LLC	U.S.A.	100	USD	80.00	Ferrari Financial Services, Inc.	100.000	
New Business 33 S.p.A.	Italy	120,000	EUR	80.00	Ferrari N.V.	100.000	
Scuderia Ferrari Club S.c. a r.l.	Italy	105,000	EUR	75.49	Ferrari S.p.A.	94.362	
OTHER COMPANIES							
Nuova Didactica S.c. a r.l.	Italy	112,200	EUR	13.09	Ferrari S.p.A.	16.364	

Investments of CNH Industrial Group valued at cost

Name	Country	Share capital	Currency	% of Group consolidation	Interest held by	% 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	
Case International Limited	United Kingdom	1	GBP	100.00	New Holland Holding Limited	100.000	
Employers Health Initiatives LLC	U.S.A.	790,000	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 Magyarorszag Kereskedelmi KFT	Hungary	24,000,000	HUF	100.00	Iveco Austria GmbH	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 2 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 FCA CNHI 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 Juventus Football Club 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							
Others Companies							
Tobeez F&B Italia S.r.l.	Italy	10,000.00	EUR	N/A	Juventus Football Club S.p.A.	40.000	

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							
Bank							
Banca Leonardo S.p.A.	Italy	100,565,000.00	EUR	N/A	EXOR S.A.	16.507	
Holdings and Others							
Banijay Holding S.A.S.	France	2,047,433.00	EUR	N/A	EXOR S.A.	17.172	

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, 2015.

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 2016

The Chairman and CEO
John Elkann

Executive responsible for the preparation
of the company's financial reports
Enrico Vellano

Building a better
working world

Reconta Ernst & Young S.p.A.
Via Meucci, 5
10121 Torino

Tel: +39 011 5161611
Fax: +39 011 5612554
ey.com

Independent auditor's report
in accordance with articles 14 and 16 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of EXOR S.p.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of EXOR Group, which comprise the consolidated statement of financial position as at December 31 2015 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The Directors of EXOR S.p.A. are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement art. 9 of Legislative Decree n. 38, dated 28 February 2005.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11 paragraph 3 of Legislative Decree n. 39, dated 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of EXOR Group as at December 31 2015, and of its financial performance and its cash flows for the year then ended in accordance with nternational Financial Reporting Standards as adopted by the European Union and with article 9 of Legislative Decree n. 38, dated 28 February 2005.

Report on other legal and regulatory requirements

Opinion on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership Structure with the consolidated financial statements

We have performed the procedures required under audit standard SA Italia n. 720B in order to express an opinion, as required by law, on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership Structure as provided for by article 123-bis, paragraph 4 of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements. The Directors of EXOR S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and the Company's Ownership Structure in accordance with the applicable laws and regulations. In our opinion the Report on Operations and the specific information of the Report on Corporate Governance and the Company's Ownership Structure are consistent with the consolidated financial statements of EXOR Group as at December 31, 2015.

Turin, April 18, 2016
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 ON THE YEAR 2015
TO THE SHAREHOLDERS' MEETING PURSUANT TO ART. 153 OF LEGISLATIVE DECREE 58/1998

Shareholders,

First, it should be mentioned that the board of statutory auditors was appointed by the shareholders' meeting held on May 29, 2015 – for the period up to the approval of the financial statements at December 31, 2017 – in the persons of Enrico Maria Bignami, Chairman, Sergio Duca and Nicoletta Paracchini. On January 16, 2016, Ruggero Tabone was appointed standing auditor, effective January 15, 2016, to replace Sergio Duca who resigned.

During the year ended December 31, 2015, the board of statutory auditors has carried out the monitoring activities required by law, taking into account also the principles of conduct recommended by the National Board of Dottori Commercialisti e degli Esperti Contabili and the Consob communications with regard to the corporate controls and activities of the board of statutory auditors.

The board has acquired the information to conduct its functions by taking part in meetings of the board of directors, the internal control and risks committee, the compensation and nominating committee, in meetings with senior management, in inquiries of company management, in meetings with the legal auditor and with the control and management bodies of the Group companies, with analyses of the information flows acquired from the competent corporate structures, as well as through further inspection and control activities.

The board of statutory auditors has also been kept informed by the board of directors, at least quarterly, on activities carried out, on transactions having a significant economic and financial impact and in possible conflict of interests, as well as any atypical or unusual transactions and on any other activities or transactions that the administrative body deemed opportune to share with the recipients of the information.

1. The company, in its report on operations, has illustrated adequately the transactions of major economic and financial significance entered into by the company during 2015 and the significant events subsequent thereto. The board of statutory auditors brings to your attention, in particular, the following transactions:

- acquisition of 100% of PartnerRe,
- sale of Cushman & Wakefield,
- sale of EXOR treasury stock,
- increase in The Economist Group investment,
- issue of EXOR 2015-2022 and 2015-2025 bonds,
- separation of Ferrari from FCA and subsequent listing on the stock exchange,
- purchase of 13% of Welltec, a Danish company operating in the field of robotics technologies for the oil and gas industry.

The board of statutory auditors has ascertained compliance with the law, the company's by-laws and the principles of correct management of the company's operations, monitoring that they were not manifestly imprudent or reckless or in contrast to the resolutions passed by the shareholders' meeting such as to compromise the financial integrity of the company.

2. The board of statutory auditors has not identified in 2015 or subsequent to the end of that year, atypical and/or unusual transactions carried out with third parties or with related parties (also including Group companies).

With reference to potential conflict of interests, the directors, in commenting on the individual items of the annual financial statements, indicate and illustrate the main intercompany transactions and transactions with the other related parties; reference should therefore be made to those sections, also for the description of the characteristics of the transactions and the relative economic effects.

In accordance with the requirements of Consob contained in Resolution 17221 of March 12, 2010 (and subsequent changes and integrations), the company, on November 12, 2010, adopted the "Procedures for transactions with related parties" which came into effect on January 1, 2011 and is briefly illustrated in the Corporate Governance Report to which reference should be made. The board of statutory auditors has overseen the conformity of the adopted procedure with the principles indicated by Consob and their effective observance.

3. The board of statutory auditors believes that the information rendered by the directors in the explanatory notes to the financial statements, with regard to intercompany and related party transactions, is adequate.

4. The audit firm of Reconta Ernst & Young S.p.A. has issued on April 18, 2016 the reports required by art. 14 of Legislative Decree 39 of January 27, 2010, in which it attests that the separate and consolidated financial statements for the year ended December 31, 2015 of the company and the EXOR Group represent a true and fair view of the financial position, the results of operations and the cash flows for the year then ended.

The report contains no exceptions.

The audit firm has also expressed an opinion of the congruity of the report on operations and the information contained in the Corporate Governance Report and the shareholder base with the aforementioned financial statements.

5. During 2015 and up to the date of the preparation of this Report no complaints were presented to the board pursuant to ex art. 2408 of the Italian Civil Code.

6. During 2015 and up to the date of the preparation of this Report the board has not received indications of matters for investigation.

7. During 2015 EXOR S.p.A. and/or its subsidiaries engaged Reconta Ernst & Young S.p.A. to provide other services in addition to the audit of the company, as follows:

	€ thousand
• Fees charged to the company mainly for attestation services relating to the issue of Comfort Letters on bond issues.	45
• Fees charged to the subsidiaries mainly for attestation services relating to the issue of Comfort Letters on the issue of bonds for US$ 3 billion by the subsidiary Fiat Chrysler Automobiles N.V.	449
• Fees charged to the subsidiaries mainly for agreed-upon audit procedures, other compliances requested by local administrative entities and other services performed in the tax area.	88
Total	582

8. During 2015 subsidiaries of EXOR S.p.A. engaged members of the Reconta Ernst & Young S.p.A. network to provide certain services other than audit, as follows:

	€ thousand
• Fees charged to the subsidiaries mainly for other attestation activities carried out on the subsidiaries.	106
• Fees charged to the subsidiaries mainly for agreed-upon audit procedures, other compliances requested by local administrative entities and other services carried out in the tax area.	2,200
Total	2,306

The board of statutory auditors has monitored the independence of the audit firm which issued on April 18, 2016 the annual confirmation of independence pursuant to art. 17, paragraph 9, letter a) of Legislative Decree 39/2010.

9. The board of statutory auditors, in 2015, has expressed the following opinions to the board of directors:

- positive opinion, in conformity with art. 2389 of the Italian Civil Code, on the compensation of the Chief Executive Officer;
- positive opinion on the appointment of Enrico Vellano (Chief Financial Officer of the company) as the executive responsible for the preparation of the company's financial reports.

10. During 2015 the board of directors of the company held eight meetings, the internal control and risks committee (which also functions as the Committee for related party transactions) held five meetings and the compensation and nominating committee one meeting. The board of statutory auditors, during the course of the same year 2015, met ten times; in addition it attended: (i) the shareholders' meetings; (ii) all meetings of the board of directors; (iii) all meetings held in 2015 by the internal control and risks committee and by the compensation and nominating committee.

11. The board of statutory auditors has taken note and monitored, to the extent of its competence, observance of the principles of correct management. In particular, as regards the resolutions passed by the board of directors, the board of statutory auditors has ascertained that the management decisions taken by the directors complied with the law and the bylaws, verified that the resolutions passed by the administrative body were adequately supported by information processes, analyses, testing and discussion, also with recourse, when considered necessary, to consultation with the committees and outside professionals. The board of statutory auditors also verified, to the extent it is known, that the directors have rendered the declarations under ex art. 2391 of the Italian Civil Code.

12. In accordance with the principles of self-regulation, the board of directors carries out a role of direction and strategic supervision, pursuing the primary objective of creating value for the shareholders over the medium-/long-term, with a view towards the sustainability of the company's business, also taking into account the legitimate interests of the remaining stakeholders.

In order to execute its resolutions and for the management of the company, the board of directors, within the limits established by law, may delegate the necessary powers to one or more directors who refer to the board of directors and the board of statutory auditors on the activities performed, on the general trend of operations, on the future outlook and on transactions of major economic and financial significance, entered into by the company.

In conformity with the bylaws, the board of directors has appointed John Elkann Chairman of the board of directors and Chief Executive Officer, to whom the delegated powers for the operating management of the company were entrusted as better specified in the Corporate Governance Report. The board of directors nevertheless has exclusive competence as regards the functions and responsibilities over the determination of the strategic and organizational guidelines of the company.

The board of statutory auditors, to the extent of its competence, has taken note and monitored the dynamic adequacy of the organizational structure and its relative functioning, taking into account the corporate objectives.

13. The board of statutory auditors has monitored the company's internal control system assessing its adequacy and reporting that the system did not show any critical areas.

The company has adopted an Organizational Model pursuant to Legislative Decree 231 of June 8, 2001 and set up a Supervisory Body attributing to it the task of monitoring the functioning and observance of the Organizational, Management and Control Model and seeing to its updating.

The board of statutory auditors has analyzed the periodical reports of the Supervisory Body, which it met with once in 2015, and was continually updated by Mr Duca who, until May 29, 2015, held the posts of both statutory auditor and member of the Supervisory Body.

14. The board of statutory auditors has evaluated and monitored the adequacy of the administrative and accounting system and its relative reliability to correctly represent operating events.

The audit firm on April 18, 2016 issued its report pursuant to art. 19 of Legislative Decree 39/2010, which does not mention any “fundamental issues” or “significant weaknesses” in the internal control system in relation to the financial information process.

15. The board of statutory auditors has taken note of the instructions given by the company to the subsidiaries pursuant to art. 114, paragraph 2, TUF deeming them adequate for fulfilling the communication obligations required by law. To this end, the board notes that the company governs, using specific procedures, the information flows it receives from the subsidiaries, especially in relation to major transactions of significance.

16 The board of statutory auditors has ascertained, by direct testing and information obtained from the audit firm of Reconta Ernst & Young S.p.A., the observance of regulations and laws inherent to the preparation and formulation of the annual financial statements and the report on operations. The board has no observations to report on relevant aspects that arose during the course of meetings held with the auditors.

17. The company observes the self-regulatory code written by Borsa Italiana’s Corporate Governance Committee.

The board of statutory auditors has supervised the activities for the assessment of the requisites and correct application of the independence criteria of directors. The same control body has seen to the verification of the possession of the requisites of independence of its members, pursuant to art. 148, third paragraph, of Legislative Decree 58/1998.

For further details on the corporate governance of the company reference should be made to the specific section of the Corporate Governance Report.

The board of statutory auditors has monitored that the above-mentioned report gives full disclosure on the ways in which the company has adopted and implemented the recommendations of the self-regulatory code.

Moreover, the board of statutory auditors has verified that the Compensation Report pursuant to art. 123-*ter* of Legislative Decree 58/1988 approved by the board of directors has been prepared in conformity with the provisions of the law and provides adequate disclosure on the company’s compensation policies and on the compensation paid during the year.

18. From the supervision and control activities conducted by the board of statutory auditors no significant facts have emerged that require reporting or mention in this Report.

19. The board of statutory auditors, having taken note of the results of the financial statements for the year ended December 31, 2015, has no objections to the proposed resolution by the board of directors to the shareholders' meeting including the proposal for the distribution of dividends per share of €0.35 for a total of €82 million to the 234,346,104 outstanding ordinary shares.

The shareholders' meeting is also called to appoint a standing auditor and an alternate auditor.

Turin, April 18, 2016

THE BOARD OF STATUTORY AUDITORS

Enrico Maria Bignami, Chairman

Nicoletta Paracchini

Ruggero Tabone

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