Dear shareholders,

EXOR's Net Asset Value, or NAV, decreased by 24.4% in 2011, underperforming the MSCI World Index denominated in Euros - the benchmark against which we measure our performance - by 19.9%.

EXOR'S NET ASSET VALUE (NAV)

€ millions	12/31/2010	12/31/2011	Change absolute	Change percentage
Listed Investments	7,435	5,655	(1,780)	-23.9%
Private Investments	1,096	1,201	105	+9.6%
Investment Value	**8,531**	**6,856**	**(1,675)**	**-19.6%**
Financial Liabilities	(1,266)	(1,142)	124	-9.8%
Financial Assets	1,309	816	(493)	-37.7%
Net Financial Position	**43**	**(326)**	**(369)**	**n.a.**
Ordinary holding costs capitalized over 10 years	**(210)**	**(210)**	**-**	**-**
Net Asset Value	**8,364**	**6,320**	**(2,044)**	**-24.4%**

Despite our negative 2011 NAV performance we strongly believe that the quality of the companies we own and the ability of their leaders will allow EXOR's NAV to continue to outperform the MSCI World Index over the long term.

EXOR'S NAV PERFORMANCE vs. THE MSCI WORLD INDEX

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
Compounded annual rate	**30.6**	**16.5**	**14.1**

Note: data in 2009 starts from March 1st, the date befor EXOR's listing on the Milan stock exchange.

I think it's appropriate to give a brief overview of the challenging 2011 macroeconomic environment, especially in Europe. The sovereign debt crisis spread from Greece to other southern European countries, significantly increasing the cost of borrowing for the likes of Spain and Italy. Had these two countries defaulted, with a stock of sovereign debt in excess of €2.5 trillion, it probably would have marked the end of the Euro as a common currency. A hard-won Europe-wide solution that balances fiscal austerity and solidarity mechanisms has helped restore confidence in the Euro zone. Italy has been crucial in this process, with the new government moving rapidly to implement structural reforms to ensure the sustainability of its sovereign debt, and it is now playing a proactive role in redesigning the governance of the European Union. These actions have been critical to restoring Europe's credibility with the global capital markets.

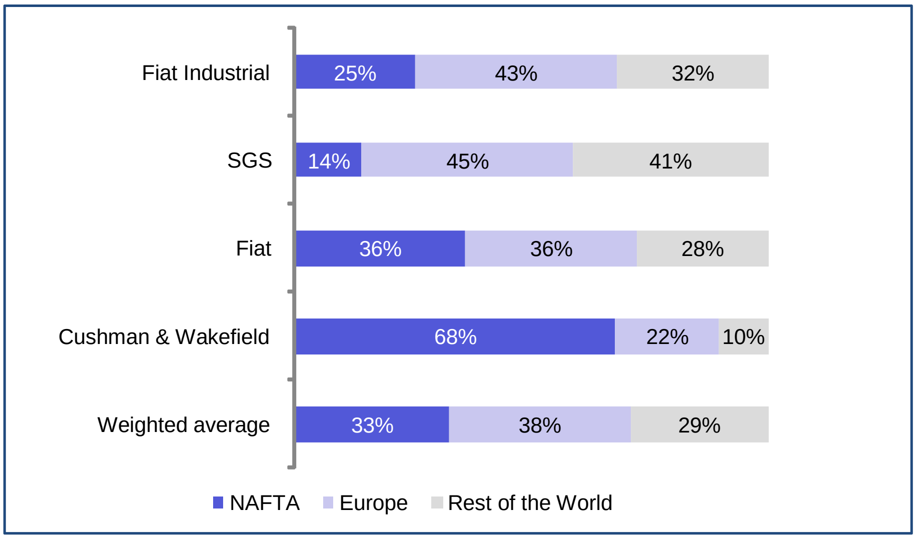
Jean Monnet said that "Europe will be forged in crises, and will be the sum of the solutions adopted for those crises". It is my hope and wish that in a few years, the sovereign debt crisis will come to be seen as having encouraged the necessary steps towards a more unified, stable and, most importantly, competitive Europe. The recent crisis has made clear that monetary union alone is insufficient; a true European Union will only be complete once this is complemented by common fiscal policies, greater solidarity among member states, and a shared financial discipline. Euro zone economies are already linked irreversibly, and I am more convinced than ever that European citizens are heading toward a more integrated political Europe.

Outside Europe the economic outlook in 2011 was mixed. News from the United States was mostly positive with activity increasing throughout the year, marking the end of the recession that began back in 2008. Unemployment has declined and the housing cycle should have reached a bottom, but debt level and government spending remain high. In many emerging countries, on the other hand, economic growth slowed during 2011, but it still remains high, about 6% on average.

Before moving on to our investments, I would like to address two important misperceptions, and in so doing to provide a clearer context in which to judge our NAV performance. I will do this by referencing data from our four largest investments (Fiat Industrial, SGS, FIAT-Chrysler and Cushman & Wakefield), which combined represent 83.5% of EXOR's Investment Value.

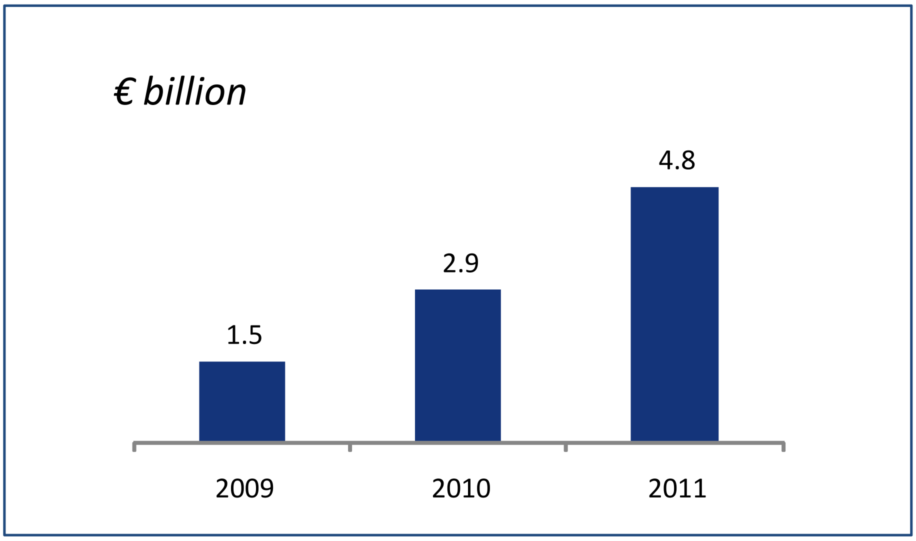
First, given our historical roots, it's easy to understand why some may perceive EXOR to be a predominantly European company. And had we decided to benchmark EXOR's NAV performance against the DJ Eurostoxx 50 Index or the FTSE MIB Index, our 2011 performance would have looked significantly better (we underperformed the DJ Eurostoxx 50 Index by just 7.3% and outperformed the FTSE MIB Index by 0.8%). Nevertheless, we have deliberately chosen to benchmark ourselves against the global MSCI World Index given our determination to build a truly global investment company. Our revenue diversification, aimed at achieving an established presence in the NAFTA region (USA, Canada and Mexico) along with a sizeable exposure to emerging markets, has now reached an advanced stage. In 2011 62% of the combined revenues of EXOR's largest investments was generated outside of Europe. Our geographic revenue mix was particularly well balanced, with 33% of revenues generated in the NAFTA region, 38% in Europe and 29% in the Rest of the World (mainly from Latin America and Asia Pacific). By this measure the United States of America is by far our single largest market, accounting for 27% of revenues.

EXOR'S LARGEST INVESTMENTS REVENUES BREAKDOWN – 2011



There is still a noticeable mismatch in perceptions of where our shares happen to be listed and where our businesses actually generate their revenues and profits. A mismatch that also affects other listed European equities and therefore offers potentially interesting investment opportunities. Second, mainly as a result of our sizeable investment in FIAT-Chrysler (and FIAT Industrial, from this year), we are perceived to be a highly cyclical company. While it is undeniable that some of our investments are significantly exposed to economic cycles (and indeed benefit when cycles rise), their financials proved to be extremely resilient in 2011, which was not a cyclically strong year. The leadership teams of our portfolio companies have been able to improve the economics of their businesses even in the most extreme of macroeconomic contexts: the aggregate adjusted Earnings Before Interest and Taxes (EBIT) of our four largest investments was €4.8 billion in 2011, an increase of 215% over 2009. All four companies contributed to this result and, more importantly, all of them are working hard to increase further their EBIT in 2012.

EXOR'S LARGEST INVESTMENTS
2009-2011 ADJUSTED EBIT EVOLUTION



INVESTMENTS

In this year's letter I would like to describe in greater detail EXOR's four largest investments and their performance. I will address them in order of value.

FIAT Industrial
(30.45% ownership interest;
34.9% of EXOR's Investment Value)

On January 1, 2011, FIAT Industrial began its life as the third largest business in the global capital goods industry by revenues. With 67,000 employees, the group includes CNH (agricultural and construction equipment), IVECO (trucks and commercial vehicles) and FPT Industrial (industrial and marine engines).

FIAT Industrial celebrated its first anniversary at year end with a strong set of results: on revenues of €24.3 billion Fiat Industrial generated an adjusted EBIT of €1.7 billion, well above guidance and ahead of the 2010 results (+14% in revenues terms, +54% for adjusted EBIT). Strong cash flow generation enabled a 35% reduction in net debt to €1.2 billion, and the Board's confidence was reflected in its decision to distribute €240 million in dividends in its first year as a stand-alone business.

2011 was a year of intense activity:

- CNH announced €400 million in investments in three major plants in Argentina, China and Brazil, where it will build some of the world's most powerful and technologically advanced tractors, combines and construction equipment to satisfy demand in these fast-growing areas of the world;
- IVECO launched the New Daily in Turin, the eighth generation of the Light Commercial Vehicles that just over 30 years from launch have sold more than 2.5 million units. At Auto Shanghai IVECO's joint venture, NAVECO, unveiled the new Yuejin Ouka to serve the growing Chinese Light Commercial Vehicles segment. IVECO also found time to take first and second place in the 33rd Dakar race, the world's most famous rally;

- FPT Industrial consolidated its leadership with several major developments in the Engine and Transmissions space, supplying not only Fiat Industrial's needs but also external customers, which account for 33% of its revenues.

The company has strength and depth in management, with competent CEOs heading each of the three businesses. I'm confident that, with the Industrial Executive Council and the benefit of Sergio Marchionne's leadership, they will deliver even greater results in the future.

FIAT Industrial was included in the Dow Jones Sustainability Index (for both the World and Europe) in its first year of operation, and it ranked as Industry Leader in the industrial engineering sector. As shareholders, we are pleased with these achievements as we encourage our companies to manage their businesses according to the best sustainability criteria.

During 2011 FIAT Industrial's Board of Directors proposed to shareholders the conversion of the Company's preference and savings shares into ordinary shares with the aim of streamlining the company's capital structure, benefiting all shareholders through a simplified ownership and the enhanced liquidity of the Company's shares.

SGS

SGS
(15% ownership interest;
21.9% of EXOR's Investment Value)

SGS is the world leader in verification, testing, control and certification. Since its founding in 1878, the company has been dedicated to making sure that what we eat, wear, trade, etc. meets the necessary standards.

SGS is a wonderful business, with more than 70,000 employees around the globe lead by Chris Kirk and the Operations Council (whose 24 members are drawn from the different businesses, geographies and main business functions). Thanks to their great work, SGS maintained its profitability and margins even during periods of economic contraction. We are fortunate indeed to be major owners of such a business, and we are determined to seize every opportunity to develop SGS's activities.

Despite a very challenging global trading environment during 2011, SGS delivered an increase in revenue on a constant currency basis of 13.7%, generating a total of CHF 4.8 billion. This was achieved through solid organic revenue growth of 10.5% and was attributable to increases in activity across most geographic areas and businesses, primarily in the Minerals, Consumer Testing, Industrial and Environmental businesses.

Acquisitions continued to be an essential part of SGS's growth plan, enabling the company to leverage its global capabilities and further consolidate its position as a world leader in its field. A record twenty-two acquisitions were completed in 2011, allowing SGS to grow six existing businesses in twelve countries, adding new expertise, faster access to new and emerging markets and, most importantly, highly qualified and talented individuals.

Adjusted EBIT increased by 10.7% in 2011 on a constant currency basis to CHF 815 million. Thanks to its strong cash flow generation, SGS has been a significant source of income for us, with its attractive dividend policy that has provided more than €210 million to EXOR since 2009.

FIAT
(30.47% ownership interest;
18.9% of EXOR's Investment Value)

2011 changed FIAT SpA forever. The spinoff of the capital goods businesses into FIAT Industrial, combined with the increase in FIAT's participation in Chrysler from 20% to 58.5%, allowed FIAT-Chrysler to act as a single company focused on being one of the leading car manufacturers in the world with 197,000 employees and annual shipments of four million vehicles.

As Benjamin Disraeli said: "The secret of success is consistency of purpose." And if you add great leadership, you have dramatically improved your chances of success. We are fortunate indeed to have Sergio Marchionne leading FIAT-Chrysler. He has worked wonders with the Group Executive Council, the top 22 leaders of the organization.

2011 was a year of many achievements. Revenues climbed to €60 billion, adjusted EBIT reached roughly €2.4 billion, and net industrial debt was in line with guidance at €5.5 billion whilst maintaining a high level of liquidity (ca. €21 billion).

These results are testament to the benefits of FIAT-Chrysler operating as “one firm”, something that can also be seen with the FIAT “500” model now on the streets of North America and the Chrysler products “300-Thema”, “Voyager” and “Freemont” riding the highways of Europe under the Lancia and FIAT brands.
Important labor agreements were reached in Italy during the year, with a new contract allowing for greater flexibility, while on October 26 the UAW ratified a new national four-year labor agreement with Chrysler Group.

Environment and safety continued to be priorities in 2011, with FIAT confirming its position as eco-leader for the fourth consecutive year in Europe and the Chrysler Group products seeing eleven vehicles named “Top Safety Pick for 2012” in December.

We are convinced that the FIAT-Chrysler journey has just begun and we will continue to harvest its fruits in the years to come.

As with FIAT Industrial, during 2011 the FIAT Board of Directors proposed a further simplification to shareholders with the conversion of the Company’s preference and savings shares into FIAT ordinary shares.

Cushman & Wakefield
(69.5% ownership interest;
7.8% of EXOR's Investment Value)

A global leader in commercial real estate services in which EXOR has a 78.3% economic interest, Cushman & Wakefield (C&W) opened for business in 1917 to serve the growing need for commercial real estate created by Manhattan's booming economic activity. This continues today, and the Company is a leader in what has grown to be one of the world's most important markets. Over the decades it has expanded all around the globe, but with a clear focus on big cities such as London, Sao Paolo, Hong Kong and many more.

2011 represented C&W's first full year under CEO Glenn Rufrano. Glenn got off to a good start, meeting his targets throughout the year, working hard on the operations, and also making strategic hires and targeted acquisitions to expand the Company's geographic footprint. These moves have contributed to a balanced business platform designed to provide consistent, high quality service to C&W's global clients.

The Company experienced significant revenue growth in all geographic regions and improved its year-on-year operating performance. It generated US$2 billion in revenue, implying year-on-year growth of 13.4%, which drove a 25%   improvement in adjusted EBIT to $65 million.

C&W's strong performance in 2011 was due, in part, to the successful execution of a number of high profile transactions on behalf of clients in all regions, including the sale of Capital Square in Singapore for $715 million, enhancing the firm's brand in that region. Prominent among C&W's other transactions was the €100 million acquisition of two buildings in Dublin, Ireland on behalf of Google, the largest investment in Dublin since 2007. In New York the firm arranged financing for the largest property acquisition of the year at 1633 Broadway.

C&W also executed some of the world's most important office leases, including the largest lease in the U.S. for Shell Oil involving 1.2 million square feet in Texas; the largest lease in Belgium, covering 495,000 square feet, to the European Commission; and the largest lease in New York: one million square feet for Condé Nast at One World Trade Center.
These accomplishments are illustrative of the great work being done by the leadership team and Cushman and Wakefield's 14,000 employees, all of whom are focused on improving on last year's results in 2012.

The balance of our investments (approximately 16% of Investment Value) had a mixed year, with a return in aggregate of minus 16%.

The good news came from Banca Leonardo, which performed well in its investment banking and private banking activities, with the former generating revenues of €87 million (a year-on-year increase of 70%) and the latter continuing to generate positive Net New Money inflows during the year. In the wider context, which saw Banca Leonardo withdraw from the asset management business and increase its focus on independent private banking, the company made an advantageous sale of its controlling interest in the French asset management company DNCA, generating a capital gain of €73 million.

Gerardo Braggiotti has proven to be a good steward of our capital, as the bank continued distributing its excess capital to shareholders whilst maintaining a solid capital base (Tier 1 ratio of 39% as of the 2011 year end).

There was, however, less good news from Sequana where weak paper demand, pricing pressure in the market and increased raw material costs led to a net loss of €77 million in 2011. The significant decline in EBIDTA at Arjowiggins, Sequana's paper manufacturing division, from €112 million in 2010 to €50 million in 2011, led to debt covenants being breached at the end of the year. The company is currently negotiating the amendment and extension of its existing credit facilities.

As I signaled last year, we want to reduce the number of small investments in order to concentrate on a few larger ones. We could, however, contemplate investing smaller amounts under two circumstances:

- A minority stake in a good business at attractive valuations with which we would be proud to be associated. *The Economist*, where we own 5%, is a good example of this principle;
- A business venture that starts small but has the potential to grow to be a larger company. Almacantar, a London (UK) property business where we are the largest shareholder, is well placed to develop in this way.

NEW INVESTMENTS

In 2011 we invested some €368 million in what we know really well.

First of all, we invested in EXOR shares through a buyback program. We strongly believe in the fundamentals of our current investments, so what could be better than to buy them at a discount through our own company shares?

We also decided to increase our interests in FIAT Industrial and FIAT-Chrysler. We are confident in their long term perspectives and the market gave us an opportunity to buy them at what we believe to be interesting prices.

Finally we allocated more capital to Almacantar, which is developing well under Mike Hussey's leadership. This facilitated the acquisition of interests in two real estate projects in London's West End: the Centre Point building and Marble Arch Tower.

NET FINANCIAL POSITION

The Company's net financial position as of December 31, 2011 was negative by €326 million. Gross debt decreased to €1,142 million, consisting of two bonds (one of €750 million due in 2017 and the other of €83 million due in 2031), utilized bank debt of €200 million, and €109 million of accrued interest and other financial liabilities. (EXOR also has €490 million of undrawn committed credit lines.)

The change in our net financial position in 2011 was entirely attributable to the allocation of capital to new investments, as EXOR achieved positive ordinary cash flow at the holding company level.

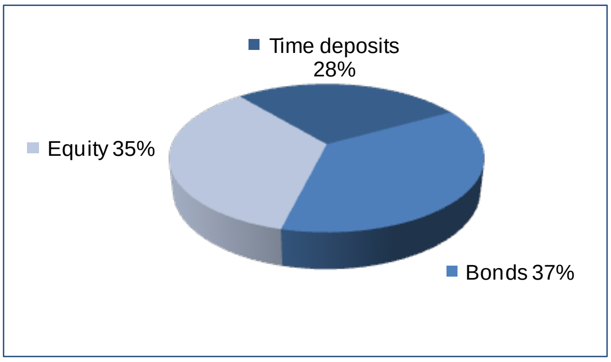
During 2011 the company repaid a €200 million bond and was able to issue through a private placement a ¥10 billion (€83 million) bond maturing in 2031. The issuance of this bond in the Japanese institutional market, the first in EXOR's history, is an encouraging sign of our ability and desire to be more present in the global capital markets.

We decided in 2011 to diversify our financial assets by increasing exposure to US corporate bonds and to commercial paper, while decreasing our exposure to European corporate and financial institution issuance by 22% and 16% respectively. We continued to avoid sovereign debt, preferring to own corporate debt for now.

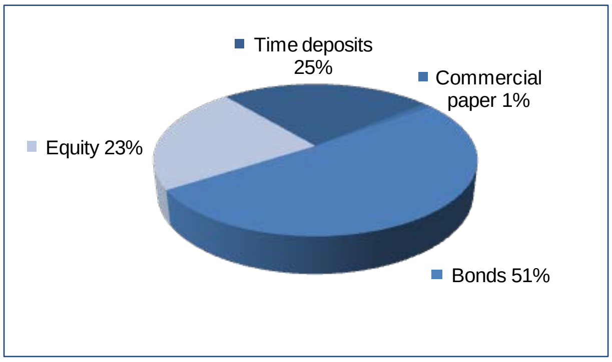
Our exposure to equities, consisting of a concentrated portfolio of selected "large- cap" companies which we started building in 2010, produced positive returns in 2011. Our largest position and star performer has been Mastercard, which during the year benefited from greater clarity in the US debit card regulatory environment and improved consumer spending patterns in the US. We also built a position in Microsoft, a company which we concluded was attractively priced considering its strong competitive advantages, resilience and cash flow generation.

Due to the fact that we decided to maintain a strong liquidity profile (consisting of time deposits, commercial paper and short duration investment grade bonds), our return on financial assets of 3.33% was below the 4.69% cost of our financial liabilities.

FINANCIAL ASSETS AS OF DECEMBER 31st, 2010



FINANCIAL ASSETS AS OF DECEMBER 31st, 2011



In November 2011, S&P confirmed EXOR's long term and short term debt ratings (respectively "BBB+" and "A-2"), and raised the outlook from "negative" to "stable". We view our rating affirmation, and most of all the improvement of its outlook, as recognition of the quality and solidity of our investments as well as the financial discipline we apply in the management of your company.

2012

The new year began with a renewal of positive sentiment regarding the future, and many of the worries with which 2011 ended seemed to fade away. This led to greater optimism in the world's capital markets, with equities rallying and the ability to issue debt significantly improved.

This scenario exceeded my own expectations as 2011 closed. While such a positive development is welcome, I consider it appropriate to remain cautious, particularly while consumption data, especially in the EU, remains weak. As the Romanian dramatist Eugène Ionesco said, "you can only predict things after they have happened," and with this limitation in mind we welcome the turn for the better without getting carried away by it.

Nevertheless, what we can say confidently about 2012 is that it will be a year of continuous simplification for our organization and our investments. I am convinced: for us, simpler is better.

I look forward to discussing the 2011 results and other matters regarding the Company's business at our Shareholders' Meeting to be held on May 29 at the Juventus Stadium, which was inaugurated this season. I very much look forward to meeting our shareholders at this venue, which is one of the newest and most advanced football arenas in Europe. It has made Juventus, of which we own 64%, the only team in Italy to have such a "real asset" on its balance sheet.

We will continue with the arrangement we began last year that has proven popular with shareholders by making it possible to ask questions in advance of the 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 itself.

John Elkann