LETTER TO SHAREHOLDERS

Dear Shareholders,

2009 was a very significant year for our Company. First and foremost in March we were able to complete the merger between IFIL and IFI, the two historical holding companies listed on the Italian Stock Exchange, to create EXOR, a company now 47% held by the market and 53% by Giovanni Agnelli e C., the private company fully owned by my family.

One of my main priorities after taking over as Chairman of IFIL in May 2008 was to explore ways to simplify the ownership structure of my family's investments in order to provide greater clarity and alignment with the interests of all our shareholders.

The origins of EXOR date back to 1927 when my great great-grandfather, Senator Giovanni Agnelli, founded IFI to manage his shareholdings in Fiat as well as his other investments. Over the years IFI and IFIL (a company originally established in 1919 by a group of Piedmontese industrialists and subsequently acquired by IFI), along with IFINT (established in 1964 and later renamed Exor Group) pioneered our investment activities at home and internationally, in good times and in bad, providing the foundations of the Company you own.

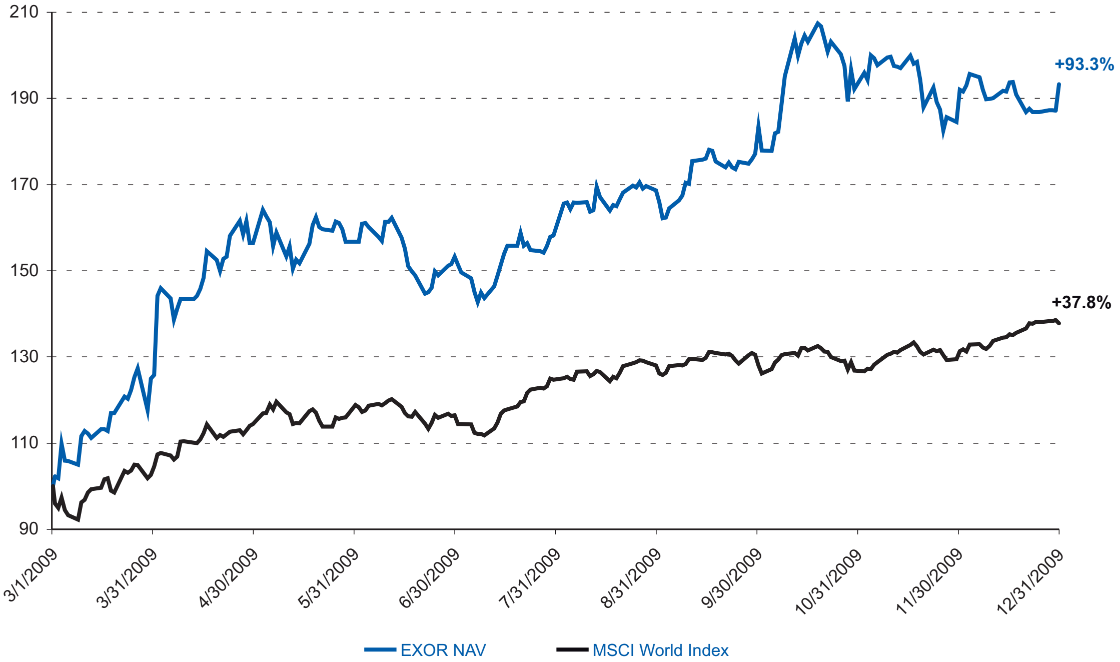
Today we look back proudly to the past but with our attention firmly focused on building the best long-term future for all of our shareholders.

How do we measure our performance?

I believe the best way to measure our performance is through the evolution of EXOR's NAV or Net Asset Value. This metric corresponds to the value of all of EXOR's investments and is determined as follows: we calculate the daily stock market values of our listed investments while for the private ones we rely on the annual appraisal values provided by Ernst & Young's independent experts specifically mandated for the purpose. The aggregate of these values is then adjusted for the Company's NFP, or Net Financial Position, which is defined as all financial assets less financial liabilities. To obtain the Net Asset Value, according to market practice we subtract our ordinary holding costs capitalized over a 10 year period.

€ millions	3/1/2009	**12/31/2009**	**Change**
Listed Investments	2,464	5,110	2,646
Private Investments	750	785	35
Investment Value	**3,214**	**5,895**	**2,681**
Financial liabilities	(1,157)	(1,131)	26
Financial assets	1,121	1,183	62
Net Financial Position	**(36)**	**52**	**88**
Ordinary holding costs capitalized over 10 years	**(210)**	**(210)**	**–**
Net Asset Value	**2,968**	**5,737**	**2,769**

The NAV evolution is measured not only in absolute terms but also relative to the MSCI World Index as can be seen in the chart below. This index denominated in Euros - which is diversified by sector, currency and geography – is the most meaningful external benchmark for our NAV.



As the chart above shows, EXOR's 2009 NAV performance was very positive. This was primarily due to the strong stock market performance of Fiat, our single largest investment, and also to the market recovery that occurred during the year. We are well aware that starting this measurement in March 2009 as financial markets approached their low point has helped our performance.

When asked about what the market would do, John Pierpont Morgan used to say: “It will fluctuate.”
We know we have to live with volatility. Having this in mind, our objective is to make long-term investments and, as Warren Buffett says, “to be fearful when others are greedy, and be greedy when others are fearful.”

Investments

Let me describe briefly how our investments performed in 2009. Last year the world economy faced the worst economic and especially manufacturing recession in sixty years. In this environment our investee companies reacted operationally by taking out costs and financially by preserving liquidity and refinancing themselves.

Fortunately, we did not have to undertake any capital increase to support them, and the large majority of them will distribute a dividend in 2010, having been able to achieve positive results.

We have decided to present our investments according to whether they are listed or private and to list them by value (in brackets is the percentage ownership).

Listed investments

- **Fiat (30.45%)**

  An automotive company operating in cars, industrial vehicles, car components, agricultural and construction equipment.

  Fiat, our single largest investment, today accounts for more than half of EXOR's NAV. For Fiat, as for all companies operating in the automotive sector, 2009 was an extremely challenging year due to a significant fall in revenues. However, under the outstanding leadership of Sergio Marchionne and as a result of the extraordinary commitment shown by all those who work at Fiat, the company succeeded in generating cash and delivered an operating profit for the year. The most significant event during the 12 months was undoubtedly the agreement with Chrysler, which from the very beginning - and even more so today - represented a great opportunity for Fiat. The words of the President of the United States Barack Obama, who called Fiat the best partner for the re-launch of Chrysler, made us feel very proud and filled the organization with enormous determination to succeed.

- **SGS (15%)**

  A world leader in the verification, testing, control and certification business.

  In one of the most difficult periods in recent economic history SGS proved once more to be an exceptional business, capable of delivering a higher level of operating profitability with total revenues almost unchanged compared to the previous year. We are extremely encouraged by the results achieved by SGS and, above all, by the numerous opportunities that the market offers. Indeed, the demand for inspection, verification and certification services continues to grow steadily.

- **Juventus FC (60%)**

  One of the world's most prestigious professional soccer clubs.

  Juventus has achieved financial stability, recording a net profit for 2009. It has made good progress both with the new stadium wholly owned by Juventus, where construction is proceeding on schedule, and with the development of the nursery for young talent that will produce tomorrow's champions. These key elements put Juventus in a position to compete at its best when the new UEFA rules on financial fair play come into effect. On the sporting front the season saw worse results than we originally hoped for, but I am confident that with time the required success which the club's many fans all around the world deserve will be delivered.

- **Sequana (26.65%)**

  A European player in paper production and distribution.

  2009 represented an important turning point for Sequana. Operating in a highly competitive sector, in a very difficult year, the company returned to an operating profit in every division. Furthermore, Sequana's debt was reduced largely due to Arjowiggins's operating performance and to the improvement of Antalis' working capital.

Private investments

■ Cushman & Wakefield (71.3%)

The largest private company operating in commercial real estate services.
The global crisis in the commercial property market had a significant impact on all companies operating in the sector including Cushman & Wakefield, which faced a large drop in revenues. However, the company responded rapidly, reducing its costs significantly. I would like to thank Bruce Mosler for all he has accomplished and also to extend my best wishes to Glenn Rufrano who has now taken the helm as CEO. We have a great deal of confidence in Glenn's experience and in his ability to strengthen Cushman & Wakefield as the market recovers.

■ Alpitour (100%)

Italy's largest integrated tourism and leisure group.
Despite the significant decline in sales in the tourism sector Alpitour closed the year with a net profit. Furthermore, in a challenging year the company was able to gain market share, strengthening its leadership position in the Italian tourism sector. If Alpitour has been able to do so, the credit goes to Daniel John Winteler and his team.

■ Gruppo Banca Leonardo (9.74%)

A pan-European bank specializing in advisory and wealth management businesses.
In spite of a difficult year, Banca Leonardo maintained strong levels of profitability in its principal operating businesses.
This was particularly the case in its Italian advisory and in its French wealth-management activities, where funds under management increased to the levels seen before the onset of the financial crisis.

■ Vision Investment Management (40%)

An asset management company specializing in funds of hedge funds in the Asian markets.
The year under review was particularly testing for Vision, not only because of market conditions, but also as a result of the conduct of some hedge funds that negatively affected sentiment towards the industry as a whole. We remain convinced that the Asian wealth-management sector in which Vision operates is set to grow strongly over the coming years. Before the competitive pressures increase again Vision has an excellent opportunity to increase its market share.

■ Banijay Holding (17.03%)

A new player in European television production.
Banijay spent 2009 operating in an environment characterized by an overall 15% decline in advertising revenues for the European broadcasters that are its largest clients. In this difficult context, Banijay continued to roll out its plans for growth both through the acquisition of companies in television production and content distribution as well as through the organic development of new formats. As a result of this rapid development Banijay has achieved primetime success in the French, German and Spanish markets.

- **Perella Weinberg Partners (1.96%)**
  A firm active in the advisory and wealth management businesses in the USA and Europe.
  2009 was a positive year for Perella Weinberg Partners. This was due to a number of high profile mandates including advisory roles with France Télécom on its acquisition of the Swiss operator Sunrise, and with Education Media & Publishing Group on the restructuring of its $8 billion debt. The bank's wealth management activities continued their healthy growth, more than doubling assets under management.

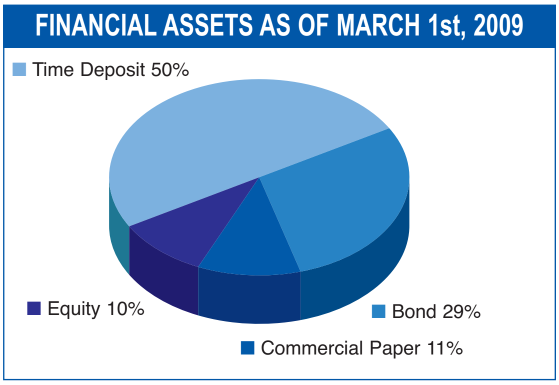
Our investments are led by highly talented individuals who generally have a large part of their personal wealth invested in these companies. This alignment of interests gives us even greater faith in the prospects of these businesses.

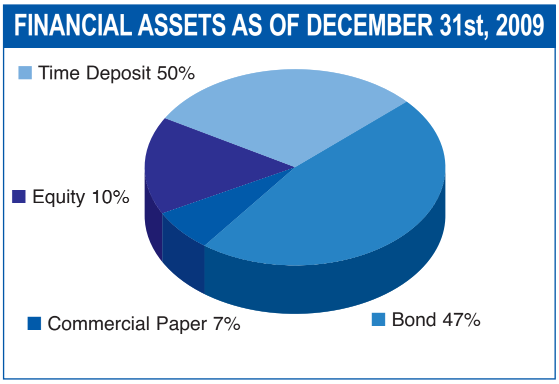
Net Financial Position

The Company's net financial position as of 31 December 2009 was €52 million. Gross debt totalled approximately €1.13 billion which consisted of two bonds (one of €200 million due in June 2011 and the other of €750 million due in June 2017) and bank debt of €150 million currently utilized and repayable within the next 12 months (EXOR has also €760 million of committed credit lines currently undrawn). To set against these financial liabilities EXOR had financial assets of approximately €1.18 billion.

During the year we focused a great deal of attention on the management of our financial assets. In an environment of near-zero interest rates we increased our allocation to equities and bonds paying careful attention to risk.

We have also been actively monitoring the liquidity profile keeping in mind that our financial assets might be better deployed were an interesting long-term investment opportunity to emerge.





I wish to state clearly that we are committed to a conservative balance sheet structure and to deploying our financial assets with a high level of rigour.

2010

Whilst most economies are showing signs of a recovery, we expect it to be slow with activity picking up primarily in emerging markets, where I have spent a good deal of the past three months travelling, particularly in China, India and Brazil. Our investee companies are operating in these countries and are intent on doing more: this fills me with a good deal of confidence for our future.

But 2010 is likely to remain challenging and all our investee companies are working under this assumption. We believe a number of investment opportunities will present themselves during the current year. With Carlo Sant'Albano and the EXOR team we want to be ready to capture them, particularly in Europe and the United States (where it's easier for us to move), as long as they meet the following four criteria:

1) People: we like outstanding individuals, both as people and as professionals, who have a record of success and who "think and act like owners".
2) Financial results: we look for companies that have strong cash and earnings generating capacity and a sound financial structure.
3) Competitive positioning: we like companies that have a sustainable competitive advantage over the long term and that are already or are capable of becoming best-in-class in what they do.
4) Governance: we seek to be directly represented on the Boards of Directors of these companies, so we can closely monitor their performance and contribute to their development.

To these four investment criteria I would add one more condition which I believe is indispensable: the price must be right.

We will discuss further our financial statements and other important issues relating to EXOR at the Annual General Meeting which this year will take place on April 29 at the Unione Industriale di Torino.

If you have any matters you wish to raise during the shareholder meeting please send us a short email with your question to meeting@exor.com. The emails we receive will be summarized and grouped together by subject matter. During the course of the meeting we will answer as many questions as possible.

I look forward to welcoming you there.

John Elkann