

Dear Shareholders,

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

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

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

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

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

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

EXOR NET ASSET VALUE (NAV)

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

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

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



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

As Leonardo da Vinci is reported to have said:

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

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

GROSS ASSET VALUE

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

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

INVESTMENTS (64.3% of GAV)

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

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

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

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

The essential points of the 2018 Plan are:

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

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

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

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

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

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

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

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

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

The mission to restore this kind of success has now passed to Sergio Marchionne who is committed to making sure Enzo Ferrari's legacy continues ("*the demands of mass production are contrary to my temperament...*") by preserving Ferrari's uniqueness on the road while recognizing the imperative of

success on the track: *“No one remembers who took second place”*, as the Drake used to say.

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

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

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

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

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

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

Which in terms of financial targets means:

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

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

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

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

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

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

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

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

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

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

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

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

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

In December 2014 the Company completed the acquisition of Massey Knakal, the largest investment under EXOR's ownership, making C&W the number one

investment-sales firm in New York by number of deals and advancing the company's ambitions in capital markets.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Banijay and The Economist had a strong twelve months. But it's important to signal that not all went well in 2014. It was a difficult year for Sequana: Pascal Lebard, its Chairman & CEO, was required to negotiate a financial restructuring of the company with a partial write-off by the banks of its debt and a rights issues of € 66 million (in which we participated for our pro-rata 17% share).

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

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

FINANCIAL INVESTMENTS (5.5% of GAV)

Our Financial Investments returned 14.3% on average in 2014.

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

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

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

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

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

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

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

CASH AND CASH EQUIVALENT (18.6% of GAV)

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

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

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

TREASURY STOCK (6.3% of GAV)

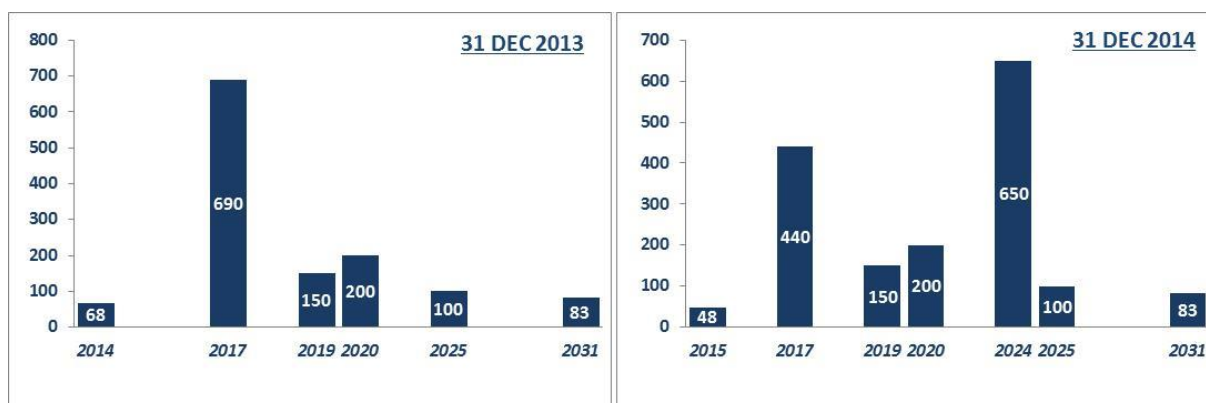
In 2014 our treasury stocks slightly outperformed our benchmark (+18.0% vs.+17.2%).

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

GROSS DEBT

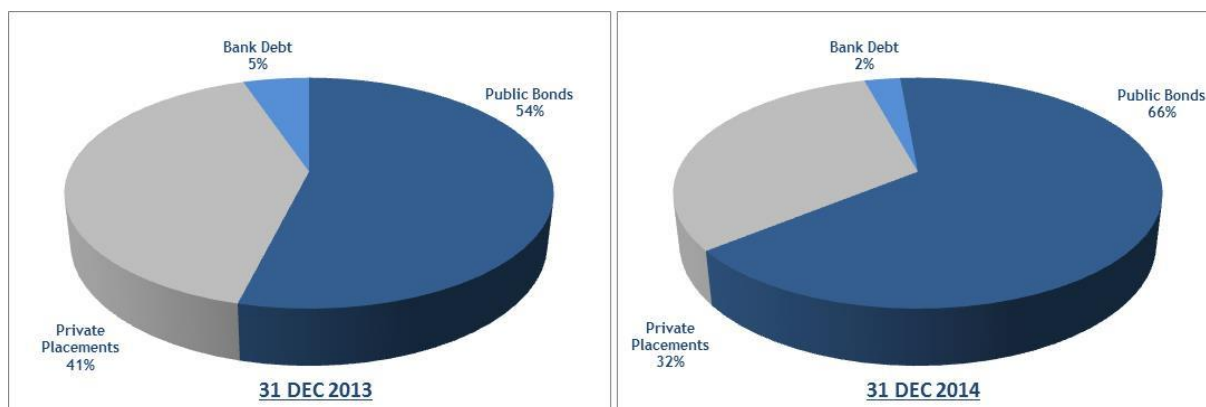
In 2014 we took advantage of favourable market conditions by buying back part of our outstanding bond issue due in 2017 and replacing it with a 10-year long bond publicly issued on the primary market in October followed by a tap-issue in December.

MATURITY SCHEDULE



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

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



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

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

2015

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

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

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

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

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

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

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

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

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

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

John Elkann