Dear Shareholders,

I would like to start this year's letter by remembering Sergio Marchionne who sadly left us far too early last summer.

Sergio was an incredible man and an extraordinary leader. He first crossed our path in 2001 when he was appointed as a board member and then CEO of SGS, which was then one of our companies. But it was when he agreed to become CEO of FIAT in 2004 – after a long dinner and a couple of "grappas" – that he became an integral part of all our lives and of mine in particular.

The journey we started together when Sergio took over FIAT, which was losing €5 million a day, led us to places we could not have imagined in our wildest dreams - from the turnaround of FIAT to the rescue of Chrysler, the creation of CNH Industrial, the foundation of FCA and the IPO of Ferrari. What used to be a troubled Italian Industrial conglomerate with an illustrious past became, under Sergio's leadership, three separate companies, all global leaders in their respective industries, with great futures ahead of them.

The financial side of this story is simply told. Total shareholder return from June 1st 2004 to July 20th 2018 was ~590%. In other words, if you had invested €6.0 when Sergio first became CEO, it would have become €41.4.

But as well as delivering these outstanding financial returns, Sergio also saved the livelihoods of many of the women and men working in these companies and restored to them, and their communities, pride and a future. For me that is an important part of Sergio's legacy - he showed us that with a great business leader financial results come hand in hand with benefits for all the stakeholders in a company.

I shared with my colleagues in FCA the attached letter: (https://www.fcagroup.com/en-US/SupportFiles/Documents/FCA_Letter_to_Employees/letter.html) which describes both how much Sergio did and how much he gave us. As Sergio once said: "The value we bring to anything is best measured by what remains after we have gone. It is measured by what we have changed for the better. It lives on in those we have helped grow."

Sergio bequeathed to us a culture of “high” performance. “Mediocrity is never worth the trip,” he said. It is about setting high standards and being accountable for reaching them, something that he did with tenacity.

But Sergio did more than this. He combined his rationality with emotionality and was able to be both strategic and operational, tough but caring and serious with a smile. Francis Scott Fitzgerald once wrote that, “the test of a first-rate intelligence is the ability to hold two opposed ideas in mind at the same time and still retain the ability to function.” If this is the test, then Sergio met and exceeded it.

Thank you, Sergio

NET ASSET VALUE

In 2018, EXOR's Net Asset Value per share in dollars, or NAV per share, declined by 13.6%, which underperformed by 3.2p.p. our benchmark, the MSCI World Index, denominated in dollars.

EXOR NAV PER SHARE PERFORMANCE vs. THE MSCI WORLD INDEX (in US Dollars)

Annual percentage change			
Year	1 - EXOR NAV per share in US$	2 - MSCI World Index in US$	Relative results (1-2)
2009	113.2	55.6	57.6
2010	33.7	9.6	24.1
2011	(26.2)	(7.6)	(18.6)
2012	21.6	13.2	8.4
2013	21.0	24.1	(3.1)
2014	0.8	2.9	(2.1)
2015	8.4	(2.7)	11.1
2016	9.6	5.3	4.3
2017	56.9	20.1	36.8
2018	(13.6)	(10.4)	(3.2)
Compounded annual rate	**17.8**	**9.8**	**8.0**

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

This was an unusual year when more asset classes had negative returns than has happened since 1901, with CNH Industrial and FCA particularly affected by the decrease that took place in the valuation of their sectors.

US$ million	31/12/2017	31/12/2018	Change vs 31/12/2017	
			Amount	%
Investments	26,550	**23,272**	(3,278)	-12.3%
Others	343	**501**	158	+46.1%
Gross Asset Value	26,893	**23,773**	(3,120)	-11.6%
Gross Debt	(3,921)	**(4,033)**	(112)	+2.9%
Net Asset Value (NAV)	22,972	**19,740**	(3,232)	-14.1%
NAV per Share ($)	95.32	**82.33**	(13)	-13.6%

INVESTMENTS (97.9% of GAV)

I would like to start by sharing some thoughts on the three companies in which Sergio was involved, which together represent ~60% of our Gross Asset Value (GAV). In 2018, all three achieved record earnings, which is a tribute both to Sergio's legacy and to their new leaders, Mike Manley at FCA, Louis Camilleri at Ferrari and Hubertus Mühlhäuser at CNH Industrial, who are all determined to continue to build these great companies.

FCA, which is the largest of the three in terms of Gross Asset Value, achieved ~€5 billion of adjusted Net Profit in 2018 and a net cash position of €1.9 billion, thanks to very strong Industrial Free Cash Flow of €4.3 billion. For the first time in nearly ten years, FCA will distribute an annual ordinary dividend, worth €1 billion.

The US made the biggest contribution to these results, with FCA increasing its market share to 12.6%, with Jeep and RAM performing particularly strongly in the pick-up and SUV segments. LATAM was also able to more than double its profit despite the political and economic uncertainties in Argentina and Brazil.

FCA's other two regions, APAC and EMEA, were more challenging due to trade and regulatory uncertainties. This impacted 2018 results and will continue to be a factor in 2019. Mike, who ran with huge success FCA's Jeep and RAM brands, which together represent the largest part of the company, is attacking these issues with his usual determination while strengthening the organization, appointing great leaders from within the company and from outside.

In addition to achieving its best ever results, FCA announced the sale of Magneti Marelli to Calsonic Kansei for €6.2 billion, a transaction which is expected to close in Q2 of 2019. Magneti Marelli has been on a very successful journey since Ercole Marelli and FIAT founded it together in 1919. A company that started as a "magnetos and electrical component" business has transformed itself into a major supplier of "cartronics" with very strong capabilities in lighting, electronics and hybrid & electric systems.

On a personal level, having started my career interning, while studying engineering, in the lighting division of Magneti Marelli, learning about "lean production" and

“Kaizen” (continuous improvement), and as a business owner, I have been determined to ensure a strong future for the company and its employees. I am therefore delighted that this opportunity has been secured for Magneti Marelli to become, by combining with Calsonic Kansei, one of the world’s largest independent automotive suppliers with ~$15 billion in sales.

* * *

Ferrari also achieved a record year in 2018 delivering 9,251 cars generating €3.4 billion in revenue, an adjusted EBITDA of €1.1 billion and an EBIT of €825 million.

I am very grateful to Louis Camilleri, Ferrari’s Senior Independent Director, who returned from semi-retirement following a very successful career leading Kraft, Altria and PMI, to become the CEO of Ferrari. Louis brings a wealth of experience and wisdom to Ferrari and worked very hard throughout the summer with the leadership team to prepare an ambitious plan presented last September to expand the product line with 15 new models and he is now working even harder to make it happen.

Five of these new models will be launched in 2019 across the four product pillars: traditional sports/performance cars, the more classical GT (Gran Turismo), special/limited series and the Iconas which started their life with the launch of the Ferrari Monza SP1 and SP2.

We manage the growth of Ferrari very carefully by launching very selectively new and unique cars that complement our existing range of the most beautiful and high performing vehicles in the world. This approach has made Ferrari a leading luxury brand with a financial performance that is amongst the very strongest in its industry.

On the motorsport front, Scuderia Ferrari had its most successful season of the last decade, although this was not enough to win the championships. Enzo Ferrari was very clear in saying “no one remembers who took second place and that will never be me,” and that mindset will continue to define our sporting ambition.

* * *

CNH Industrial has also had a record year, delivering revenues of ~$30 billion, adjusted EBIT of $2.1 billion and adjusted net income of $1.1 billion, while generating free cash flow, which allowed it to reduce its debt and improve its rating. Hubertus Mühlhäuser is off to a very strong start in his role as CEO and his professional background in the capital goods industry will serve the company well.

Importantly, Hubertus has set about simplifying the organizational structure of a company of 65,000 employees, 66 plants and 54 R & D centers which launched 50 new products in 2018. This new structure is leaner and will reinforce CNH Industrial’s customer centricity and its entrepreneurial culture.

Hubertus and his leadership team are excited about CNH Industrial’s future and are preparing to present their strategic plan at a Capital Markets Day later this year.

* * *

Our largest ever investment by value, PartnerRe, turned 25 years old in 2018 in good shape despite this being the fourth costliest cat year on record for the insurance industry following 2017, which was the costliest year ever. The company responded to this by improving its efficiency, taking $120 million out of its operating expenses (a 27% reduction on its 2015 cost base), and investing in its Life & Health business, which will increase the diversity and stability of its profit streams. Part of this was the successful integration of the acquisition of Aurigen, a Canadian Life reinsurance company.

Emmanuel Clarke continued to strengthen his leadership team with Nikhil Srinivasan joining as Chief Investment Officer, bringing valuable experience to a very important part of the business, alongside James Beedle, Philippe Meyenhofer and Greg Haft who were internally promoted to lead our Specialty and Property & Casualty businesses. I am also very grateful to Brian Dowd who has taken over from me as the Chair of PartnerRe, bringing his considerable knowledge of the industry to bear in this new role, expertise he had already been applying to great effect as an independent director.

This year has been one of considerable change within the industry with some notable transactions including AIG's acquisition of Validus and AXA's purchase of XL. The excellent news from our perspective is that the valuations revealed by these transactions are significantly higher than those applying when we acquired PartnerRe.

* * *

Across all our companies, this has been a year of leadership transition. This includes the Economist where we have recently welcomed a new Chair, Paul Deighton, and are in the process of recruiting a new CEO, and Juventus, which has gone through a large reorganization, promoting a new generation of leaders from within, while at the same time acquiring the best player in the world, Cristiano Ronaldo.

The importance of careful succession planning, most painfully demonstrated by our sudden loss of Sergio, has made me focus even more on ensuring that we have the strongest possible governance in place across all of our companies.

My great great grand-father apparently said that a board should be made up of uneven numbers – and three was too many – but he, of course, was a founder and founders have their own ways with corporate governance.

I do, however, believe that my great great grand-father was right that small boards, made up of uneven numbers, provide strong governance. We will aim to keep the boards of our public companies at between 9 to 11 directors, and to make the boards of our privately held companies even smaller, with 5 to 7 members. Across all our boards we will have a majority of independent directors because they act as truth tellers both to us and to our businesses. We will aim for less frequent boards, gathering for four or five substantive meetings each year, but providing an opportunity for directors to spend extensive time with the company's leadership team and their high potential colleagues.

We prefer to keep the roles of Chair and CEO separate within our operating companies as we believe that this creates the space for healthy challenge and support. Within our leadership team at EXOR, we have one person who has the lead responsibility for each of our companies. In some cases, this person will also take on the role of Chair, though never the role of CEO. One of the critical responsibilities for our EXOR leads, whatever formal role they play, is to make sure that each Board spends time on succession planning to keep us ready for both the expected and unexpected.

In EXOR we have reduced the size of the Board over the last decade from 17 to 9, while increasing the number of its independent directors from a quarter to more than a half, moving from having no women directors to a third, and increasing the Board's diversity. Our Board is now leaner, but it brings together very different and complimentary skills, and we are extremely grateful to both our current directors and to their predecessors for all of their constructive dialogue and challenges to our thinking.

I strongly believe that, in addition to choosing the right CEOs for our companies, selecting the right directors for our boards and putting in place a clear and simple governance process that allows them to operate effectively, is one of the most important ways in which we can make a difference to how our companies work and ultimately to how they perform. We will continue to evaluate and improve our governance framework, while ensuring that we don't become bureaucratic, complacent and rigid in the process.

OTHERS (2.1% of GAV)

In 2018 we started deploying part of our cash and cash equivalents, which have now grown to $306 million, into the equity portfolio that we manage for PartnerRe. At the end of March 2019, this investment portfolio has delivered a gross return of 56.2% in USD since its inception in 2017, and, in the period since EXOR also started investing, a gross return of 37.3%. The performance of MSCI World Total Return Index in those periods was 19.4% and 1.7% respectively. The portfolio is concentrated, with the two largest positions representing about 60% of the invested amount.

As I mentioned in last year's letter, our largest holding within this equity portfolio is Ocado. We have been invested in Ocado, a UK-based technology company focused on food e-commerce, since the beginning of 2017. From its origins as an online grocery provider, Ocado has transformed its business to focus on licensing its technology to other food retailers looking to enter or grow their ecommerce business.

Since Amazon's acquisition of Whole Foods in the summer of 2017, the pace and size of Ocado's licencing deals has materially increased. In particular, in May 2018, Ocado announced an agreement to provide its technology solution to Kroger, the largest supermarket chain in the US. This deal significantly accelerates Ocado's growth trajectory, with plans to open close to ten automated warehouses per year versus a run-rate of less than one a year previously.

On the back of this and previous partnership announcements, the shares have performed strongly and are up over 4x since our initial investment. However, we believe there is still significant opportunity for further growth as food retailing is a very large market, equating to approximately 50% of total retail spend, or $2 trillion globally, and the channel shift to online is still in its early stages and accelerating.

Our second largest position is in South African Platinum Mines. South Africa supplies 60% of the world's platinum, an essential metal used in catalysts for the automotive and chemical industries, as well as in jewellery manufacturing. Platinum miners are trading at historic lows following a period of oversupply and depressed metal prices. The enterprise value for the listed sector has therefore declined from over $20 billion in 2011 to less than $2 billion in 2018.

However, with platinum prices having languished for several years well below the levels required to justify building new mines, supply has declined while demand has grown. Combined platinum / palladium markets are now in deficit and inventories

are shrinking rapidly. With no new significant mines planned, undersupply is expected to become more acute over the next few years. We therefore expect prices to recover, driving a sharp recovery in profits and valuations for the sector.
The industry is also undergoing consolidation. Sibanye-Stillwater, our largest investment in the sector, has led the process, announcing the acquisition of Lonmin. This transaction will deliver significant cost savings, through the optimization of mine plans and by increasing the capacity utilization of downstream refining assets and should therefore be highly accretive.

* * *

Given the discount at which our shares were trading back in November 2018 (around 36%, well above its 5 year average), we decided to allocate €300 million of our cash resources - corresponding to 50% of the extraordinary dividend to be distributed by FCA on the back of the Magneti Marelli transaction – to share buybacks.

We will continue to do buybacks for extraordinary distributions if we think that this is an appropriate allocation of capital compared to the other investment opportunities that are available to us, while maintaining a regular ordinary dividend.

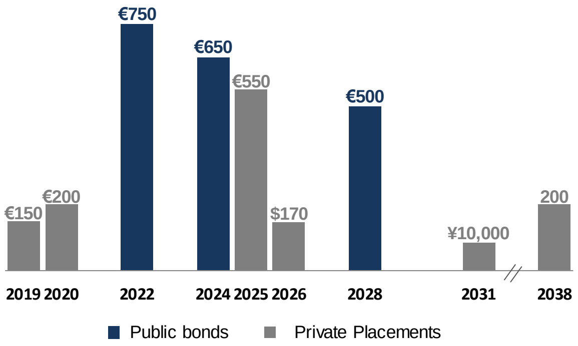
GROSS DEBT

In 2018 we successfully took advantage of a market window to issue €700 million of debt at a 2.1% average cost through a 10-year public and an inaugural 20-year euro-bond privately placed with institutional investors. These issuances have enabled us to extend EXOR's credit curve at attractive prices and to reduce our average cost of bond debt to 2.8% with an average maturity of above 6 years. The proceeds from these transactions fully repaid the remaining syndicated loan facilities put in place for the PartnerRe acquisition and were partly used to refinance our short-term debt.

In addition, we continued to retain flexibility and to diversify our funding sources by establishing our first Commercial Paper Program for up to €500 million, with access to borrowing at negative rates and laying the foundations for relations with a new investor base.

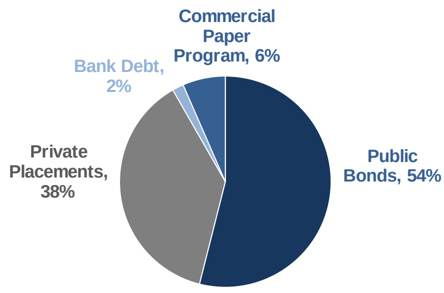
GROSS DEBT AS OF 31 DECEMBER 2018

MATURITY SCHEDULE[1]



1 Excluding Bank Debt, Commercial Paper and accrued interest
Note: All figures are expressed in millions and in the original currency of issuance.

BREAKDOWN



We are determined to continue to reduce our Gross Debt and will allocate a significant part of our ordinary cash flow for this purpose in 2019. Maintaining a strong balance sheet at EXOR and our companies remains a priority as we have entered an environment of increased economic and financial uncertainty.

2019

This year we turn 10 years old. It has been an extraordinary decade and one that has been very rewarding for our shareholders. On the day our shares started trading, March 2, 2009, they were worth €5.8. By March 1, 2019 they were valued at €54.3 and we had distributed €1.2 billion of capital in the form of dividends and buybacks, giving our shareholders a total return of close to 10x.

We are very conscious that, as our size increases, generating similar returns becomes harder but we are committed to growing our NAV per share at higher rates than the MSCI world index in dollars and to preserving our capital. This does not guarantee that we will be immune to volatility, but it does mean that we will focus on avoiding permanent losses.

We will take the opportunity this year to reflect on what has been done in the last 10: what we learned, what we did well and not so well…and how we can further define and strengthen our culture, which I believe is the basis for a successful organization and allows us to attract and self-select the right people. It is they who ultimately lie behind our success and the success of our companies.

2019 is also the 120th anniversary of the foundation of FIAT on 11th July 1899, when my family's entrepreneurial adventure began.

We are entering a period for the car industry which is similar to its early days when multiple technologies and new business models were emerging. Between 1898 to 1908, more than 100 car companies were founded in Italy alone. Today, like then, the challenges are large, but the potential is even larger. We are very excited about the opportunities offered by connectivity, electrification and autonomous technologies to make our business stronger financially and ever more environmentally sustainable.

For over a century we have been a source of stability for FIAT and latterly for FCA and the business has prospered. Our permanence in the capital of FCA has given its successive leadership teams the latitude to plan for the long term rather than having to react to daily pressures. This has made courageous and original decisions possible that have also respected the enduring interests of all our stakeholders. This approach and mindset remain as relevant to us today as ever and our commitment to FCA and to participating in its bold and profitable future is also unchanged.

The next 20 years for the automotive industry, like its first 20 years, are set to witness a greater level of change than during the intervening 100. We are determined that we and FCA will play our part actively and ambitiously in this new and exciting era.

We very much look forward to celebrating our 10th anniversary with you during our Investor Day on November 21st in Torino. This will be held in the same location as in 2017: in the house of the Founder of FIAT. That is of course where it all started 120 years ago, but when we meet, we will talk not about the past, but about the future.