



**2013 Annual Report**





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

## **2013 ANNUAL REPORT**

### **Letter to Shareholders**

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The 2013 Annual Report is available on the corporate website at: [www.exor.com](http://www.exor.com)

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This is an English translation of the Italian original document "Relazione Finanziaria 2013" approved by the EXOR S.p.A. board of directors on April 9, 2014 which has been prepared solely for the convenience of the reader. The version in Italian takes precedence and for complete information about EXOR S.p.A. and the Group, reference should be made to the full original report in Italian "Relazione Finanziaria 2013".

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Dear Shareholders,

EXOR's Net Asset Value, or NAV, grew by 16.2% in 2013, underperforming by 2.5% the MSCI World Index denominated in Euros – the benchmark against which we measure our performance - which at year-end reached its 2007 heights.

With this as context, I think it is interesting to highlight that the market value of Fiat and CNH Industrial, which together represent 51% of our Gross Asset Value and will determine most of our performance, closed the year 40% below the historical high of the Fiat Group's total value on July, 9<sup>th</sup> 2007, before the demerger of the capital goods businesses that now form part of CNH Industrial and before Fiat became involved in Chrysler. The combined entity (Fiat + CNH Industrial) in 2013 almost doubled its revenues and grew its trading profit by 66% compared to Fiat Group's figures in 2007. So, despite our NAV's 2013 underperformance versus our benchmark, we have reasons to be confident that valuations will catch up with underlying results in the years to come.

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

Year	Annual percentage change		Relative results (1-2)
	1 - EXOR NAV	2 - MSCI World Index Euro	
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
<b>Compounded annual rate</b>	<b>25.4</b>	<b>15.9</b>	<b>9.5</b>

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

#### EXOR NET ASSET VALUE (NAV)

€ millions	12/31/2012	12/31/2013	Change	
			absolute	percentage
<b>Gross Asset Value</b>	9,178	<b>10,313</b>	<b>1,135</b>	<b>+12.4%</b>
<b>Gross Debt</b>	(1,388)	<b>(1,291)</b>	<b>97</b>	<b>-7.0%</b>
<b>Ordinary holding costs over 10 years</b>	(170)	<b>(170)</b>	-	-
<b>Net Asset Value</b>	7,620	<b>8,852</b>	<b>1,232</b>	<b>+16.2%</b>

The most significant event for our company in 2013 was the €2 billion disposal to GBL (Groupe Bruxelles Lambert) of the entire stake in SGS, the world leader in verification, testing, control and certification. The transaction resulted in a €1.5 billion capital gain for EXOR which, together with the €360 million of dividends received over time, implies a five-fold cash-on-cash return on the investment we made 14 years ago.

We were delighted with the results of our investment in SGS and feel lucky to have been involved with the Company for many years.

As Thomas Jefferson said “I am a great believer in luck and I find the harder I work the more I have of it”. This explains well the success of SGS under the leadership of Sergio Marchionne (who ran SGS prior to becoming CEO of Fiat) and of his successor, Chris Kirk, who, together with the Operating Council and its associates, has worked extremely hard to obtain outstanding results.

At the time of our initial investment in SGS in 2000, the company’s revenues and operating income stood at CHF2.4 billion and CHF154 million respectively. Thanks to the relentless focus of its leadership on operational improvement and strong revenue growth, SGS has today become the global leader in its business with revenue rising to CHF5.8 billion (largely through organic growth) and operating income of CHF977 million.

We are confident that, under the stewardship of the Desmarais, Frère and von Finck families, the company will continue on its journey.

## **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:

<b>EXOR GROSS ASSET VALUE (GAV)</b>		
€ millions	12/31/2012	12/31/2013
Investments	7,533	6,445 (a)
Financial Investments	462	663
Cash and cash equivalents	862	2,572 (a)
Treasury stock	321	633
<b>Gross Asset Value</b>	<b>9,178</b>	<b>10,313</b>

(a) Change reflects the sale of the investment in SGS



## INVESTMENTS (62.5 % of GAV)

This line represents the principal component of our assets, so let's focus on the big three investments that represent 56.6% of our GAV.



**CNH Industrial**

**(27.18% ownership; 29.4% of GAV)**

In 2013, we said farewell to the old Fiat Industrial and welcomed the newly-created CNH Industrial. After having simplified its capital structure in 2012 by converting multiple classes of shares to just one, Fiat Industrial merged with CNH, in which it already had an 88% controlling stake, last September. The resulting entity, CNH Industrial, added a New York listing to its historical presence on the Milan stock exchange.

All of the group's capital-goods businesses – agricultural equipment, construction equipment, trucks, commercial vehicles and industrial engines – now sit under a single corporate umbrella, a move we believe will bring operational synergies and swifter decision-making.

2013 was a solid year for CNH Industrial, substantially in line with 2012 on a constant currency basis: revenues came in at €25.8 billion; adjusted EBIT was €2 billion; and net industrial debt was reduced to €1.6 billion. The contribution of the Agricultural Equipment business accounted for the lion's share of overall profits (around €1.5 billion), whereas the Construction Equipment and the Trucks and Commercial Vehicles businesses faced some challenges. The former was mostly affected by lower volumes (with no loss in market share though), the latter was affected by a negative market product-mix and tough price competition, primarily in southern Europe.

We're pleased to see that product leadership remains at the core of CNH Industrial's development: a significant R&D investment of €934 million was implemented by its 6,300 professionals across 48 research sites. In 2013, the company inaugurated a new product development center in Harbin (China). It is the largest facility of its kind in China and will help CNH Industrial develop advanced agricultural machinery products tailored to the needs of what will likely become the world's largest agricultural market.

In the past twelve months a number of awards were won by CNH Industrial products across all the businesses. Just to mention a few: Case Construction received a prestigious recognition in North America, as one of "Most Innovative Product of 2013" for its SR210 skid steer loader. Case IH was named "Most Desired Brand" in the category "Agricultural Machinery" in Brazil by the country's automotive and capital equipment Association FENABRAVE. At the same time, in Europe the New Holland Six Model T8 Auto Command Series Tractors were named "Machine of the Year 2014".

No less important were milestones like the 250,000<sup>th</sup> tractor manufactured in the Greater Noida Plant in India or the production of the six millionth engine in the Foggia Plant in Italy.

The range of activities and the geographic spread of this business are very broad, but despite its complexity there is every reason to believe it can join the leading competitors in its markets over time.

You will have the opportunity to learn more about how Rich Tobin, his leadership team and their 71,200 associates intend to get there when they present CNH Industrial's business plan on May 8.



**Fiat-Chrysler**

**(30.05% ownership; 21.6% of GAV)**

2013 was a good year at Fiat.

The company shipped 4.4 million vehicles, of which 2.2 million were in the NAFTA region, where the company recorded 45 and 49 consecutive months of year-on-year sales gains in the U.S. and Canada, respectively. Revenues climbed to €86.7 billion, adjusted EBIT reached €3.4 billion and net industrial debt was better than stated guidance at €6.6 billion while maintaining a high level of liquidity at €19.7 billion.

Fiat deployed €7.4 billion in capital expenditures last year, part of which was dedicated to the first stages of the €1 billion initiative to prepare the manufacturing plant in Melfi, Italy, to host production of the Jeep Renegade and its sister vehicle, the 500X. This is tangible proof of Fiat's commitment to utilize its Italian, state-of-the-art manufacturing capacity and expertise. Also, the first shoots of Fiat's "premium" strategy have begun to appear with the successful launches of the Maserati Quattroporte at the Detroit Auto Show in January and its little sister, the new Ghibli, at the Shanghai Show in May. (The U.S. and China were Maserati's largest markets in 2013.) Maserati shipped roughly 15,000 cars in 2013, 150% more than in 2012.

These are very encouraging signs for what has generally been met with a lot of skepticism. As the philosopher Schopenhauer said: "All truth passes through three stages: first it is ridiculed, second it is violently opposed, third it is accepted as being self-evident."

But those were not the only landmark achievements for Fiat during the year: Jeep established its all-time global sales record of 732,000 vehicles thanks to the introduction of the new Cherokee and great commercial success of the new Grand Cherokee. With the recent addition of the small Renegade to its line-up, Jeep has set itself the ambitious target of exceeding one million shipments in 2014.



Finally, Ferrari improved its results with a bold decision of selling fewer cars to maintain a high level of exclusivity and increase their value over the time: while reducing its unit sales, it set new records for revenues and profits. Furthermore, on February 18, 2014 a leading London-based brand valuation consultancy confirmed Ferrari as the world's Most Powerful Brand.



**Cushman & Wakefield**

**(68.46% ownership; 5.6% of GAV)**

Cushman & Wakefield delivered double-digit revenue and operating income growth in 2013. Gross revenue increased 21.9% to a record \$2.5 billion, compared with \$2.1 billion a year before. Adjusted EBITDA and adjusted income attributable to owners of the parent as measured under U.S. GAAP (which is the more analogous metric when comparing C&W to its listed competitors) increased 10.5% to \$145 million and 60.4% to \$46.2 million, respectively.

Growth was spread across all service lines. Commission and service fee revenue for Corporate Occupier & Investor Services increased 24.1% on a record figure for global property under management, which exceeded 1 billion square feet for the first time and included a number of notable wins from world-class organizations such as Citigroup, DLF and British Airways. Also in 2013, C&W acquired the Singapore-based Project Solution Group, which now makes them a project-management market leader in Asia Pacific. Commission and service fee revenue for Capital Markets increased 22.7% on record global investment sales transaction volumes, with a number of high-profile assignments including mandates for the London Stock Exchange, 113 Argyle Street in Hong Kong and 101 Murray Street in New York City. Commission and service fee revenue for the firm's Valuation & Advisory group increased 13.3% and the value of appraisals exceeded \$1 trillion for the second consecutive year and set an all-time record.

Last year the firm also underwent a leadership change. In June, the firm's President & CEO stepped down and Carlo Sant'Albano stepped in and led the firm as interim CEO, doing a great job. Before the year-end, the firm announced the appointment of Edward C. Forst as President & CEO following his tenure at Goldman Sachs & Co. as Global Co-Head of the Investment Management Division and a member of its management committee.

I look forward to working closely with Ed and the great professionals of the firm. I am confident that under his leadership Cushman & Wakefield will accelerate its growth while improving its financial performance. An exciting phase is starting for C&W as it heads towards its centennial in 2017. As owners we are strongly committed to its success.

Our remaining investments, which represent just 5.9% of GAV, turned in better overall performance in 2013 in terms of operating profits.

Almacantar is the largest of these.

As you may recall from last year's letter, I highlighted Almacantar as a prime example of a *small* investment with strong potential. We are delighted that it is starting to deliver on this early promise and is making material progress against its objective of becoming a leading player at the high end of the London real-estate market. We confirmed our confidence in Mike Hussey and his team in 2013 by subscribing to a new round of investment in which we contributed €58 million to further expand the product portfolio with the acquisition – amongst others – of 125 Shaftesbury Avenue, Almacantar's fourth major purchase in London's West End, and the 25% share that the company did not already own in the Centre Point building.

Mike and his team have so far demonstrated their ability to identify large London properties with high potential: the value of the Marble Arch Tower investment has already grown by 50% and Centre Point by 26%. London real estate both for commercial and residential usage has benefited from strong demand as it is perceived today as the "Global Capital City" with limited supply of new space, especially in the West End. All the same, this is the property and development business, where values can be volatile and returns must be measured on realizations, not estimates. Nevertheless, so far we are encouraged by the early results.

Last but not least, it's certainly worth celebrating the fact that in May 2013, Juventus FC won Italy's "Serie A" soccer championship for a second year in a row, further strengthening its leadership position as the team with the highest number of victories in history of the Italian league.

The good news for shareholders is the correlation between results on the field and revenues, which have increased by 33% to €284 million. Even more encouraging is the fact that revenues increased by more than the club's operating costs, which were up by 10%.



## **FINANCIAL INVESTMENTS (6.4% of GAV)**

Our Financial Investments returned 18.2% on average in 2013.

The largest holding is represented by the Black Ant Fund, which delivered a return of +23%. During the course of the year the fund increased its exposure to equities over credit.

In the second and third quarters we increased our financial investments by buying single equity names, mainly based in the U.S. and in the financial sector. Overall, our new direct investments - a concentrated list of stocks - returned nearly the same as the set of third-party managed funds in our portfolio and at year-end constituted almost one third of our Financial Investments by value.

## **CASH AND CASH EQUIVALENT (25.0% of GAV)**

The amount of cash and cash equivalents on our books increased meaningfully in June, after we received the €2.004 billion proceeds from the sale of SGS. At year-end these assets constituted our second largest “investment” after our holding in CNH Industrial.

We had constantly in mind the contribution that various uses of our cash could make to our NAV performance and we have carefully analyzed the possibility of passively exposing part of this cash to the trend of our benchmark through a variety of financial instruments.

Despite the low interest-rate environment, we ultimately decided to put a higher priority on capital preservation and to adhere to our investment discipline of deploying capital only when convinced of the single opportunity and not be constrained by benchmarks.

As Warren Buffett reminds us, “the trick is, when there is nothing to do, do nothing”.

Throughout the year we therefore stuck to a prudent asset allocation policy to reach reasonable return targets while maintaining high liquidity and a low risk profile: we allocated 74% to time deposits, 18% to third-party funds and the rest to direct investment in corporate credit issuances.

Our time deposit holdings yielded 1.21%, or a 108bp spread over the 2013 average one-month EURIBOR rate, while funds and corporate credit together returned 3.90% for a total overall return of 1.90%.

## TREASURY SHARES (6.1% of GAV)

The conversion of preferred and savings shares has been a milestone move to simplify our capital structure and eliminate classes of securities that had very limited trading volumes, replacing them with ordinary shares, whose liquidity has been enhanced through the transaction.

In 2013 we bought back €105.1 million of shares. This resulted in a current overall ownership of 23.883.746 issued shares at an average cost of €14.41.

As I mentioned in the past, we view buybacks in the context of capital allocation and as a way to invest in something we know. We will continue to buy back stock at attractive prices.

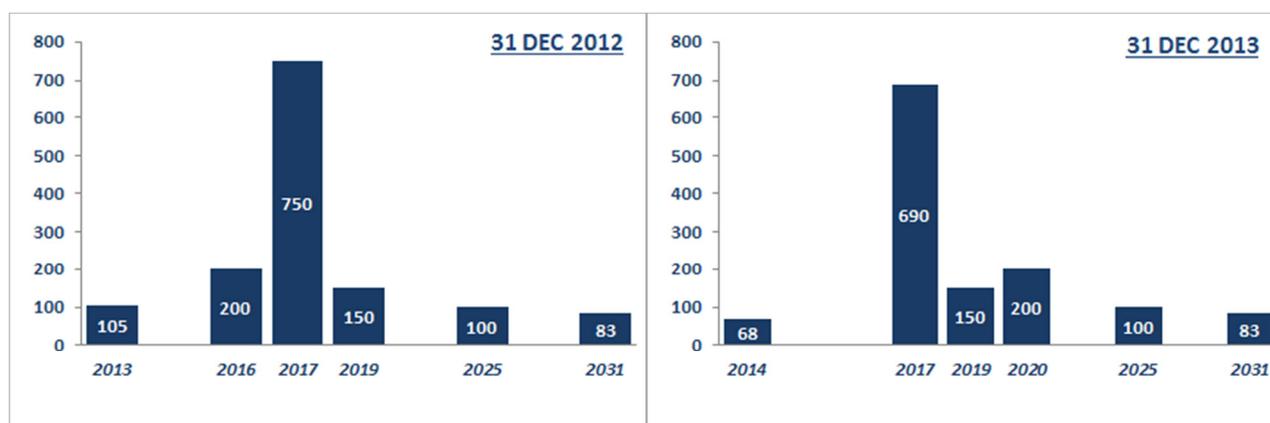
We have been buying in recent years because we felt our investments were compelling and our discount to NAV was high: in 2013, however, our discount halved from the 40% range to around 20%.

Today EXOR's average discount is in line with the major European multi-sector holding companies and our share price has recently reached its all-time high. Therefore we continue to test our assumptions for carrying out further buybacks by constantly monitoring expected returns versus our existing portfolio, our cost of debt and the available alternative investment opportunities.

## GROSS DEBT

The overall amount of EXOR's debt was slightly reduced in 2013 from €1.388 billion to €1.291 billion, with its average cost essentially unchanged at 5.05%, versus 5.06% in 2012.

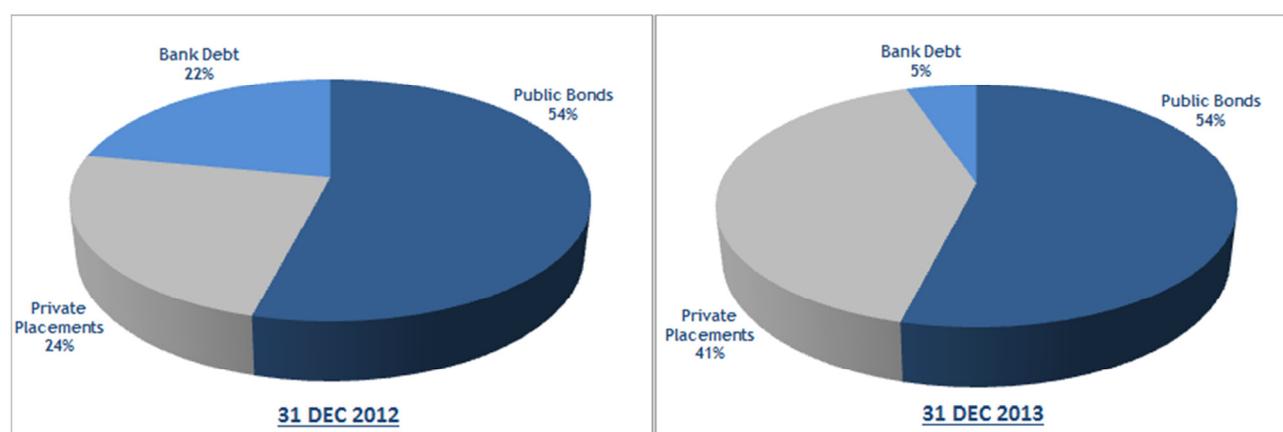
## MATURITY SCHEDULE



As you can see from the charts above, we replaced €200 million of drawn committed credit lines maturing in 2016 with €200 million of notes maturing in 2020, placed with institutional investors.

In the context of EXOR's latest private placement (November 2013), we repurchased - and then cancelled before the year-end - €60 million of 2017 public bonds in order to reduce the principal repayment due three years from now.

Our aim in 2013 was to continue to secure long-term financing, taking advantage of the current attractive interest rate environment, and also to spread our borrowings across smaller principal amounts and a broader range of maturities.



We have progressively changed our funding mix, mostly through private placements, reducing our bank debt. However, financial flexibility has value and borrowing under lines of credit rather than funded debt gives us the flexibility to draw down funds when and if needed. For this purpose we have in place €425 million of committed credit lines.

Bob Hope said it well when he noted that “a bank is a place that will lend you money if you can prove that you don’t need it”.

## 2014

We had a great start of the year with the announcement on 1<sup>st</sup> January of the acquisition by Fiat of the remaining stake in Chrysler from the VEBA trust for \$3.650 billion.

As von Clausewitz observed, “if a leader is filled with high ambition and if he pursues his aims with audacity and strength of will, he will reach them in spite of obstacles.”

This characterizes well Sergio Marchionne's leadership of Chrysler since the first announcement of Fiat's involvement in the company on April, 30, 2009.

With the support of the Presidential Task Force on the Auto Industry, a new chapter in Fiat's and Chrysler's history started and we have been on an incredible five-year journey since then: from 1 million cars sold by Chrysler back then to 2.6 million last year and from initial losses of \$8.2 billion to a profit of \$2.8 billion in 2013.

In 2014 a new chapter is beginning with the creation of FCA - Fiat Chrysler Automobiles - which will become the seventh largest auto manufacturer in the world by revenues. It will have a complete line up of products and will be present in every major market.

I have put together in the table below the key numbers that illustrate where the two companies were ten years ago and where they are today.

	2003		2013
	Chrysler Group	Fiat (a)	Fiat Chrysler Automobiles
			
<b>Worldwide shipments (units, mn)</b>	2.6	1.8	4.4
<b>Revenues (€bn)</b>	~ 50 (b)	~ 27 (c)	87
<b>Trading Profit (€bn)</b>	(0.5) (b)	(0.9) (c)	3.4
<b>Total number of employees</b>	93,000	104,000	~300,000 (d)

(a) Excl. Fiat Industrial

(b) In German GAAP

(c) In Italian GAAP

(d) Incl. Joint Ventures

What is interesting is how, despite the fact that in aggregate Chrysler and Fiat were selling the same number of cars ten years ago and employed fewer people, they were losing money. Together now they are profitable and that's the tangible proof of the benefit of their union.

And this is just the beginning. In the same way that CNH Industrial and Cushman & Wakefield will shortly map out their plans for the future, on May 6th you will be able to hear more about the exciting future of FCA and its 300,000 employees when the company presents its business plan in Detroit.

We are positive about the prospects for our investments. If they were to require additional capital for further, profitable development, we would be more than happy to provide it.



This year we will be holding our Shareholder Meeting on May 22 at the Giovanni Agnelli Plant in Grugliasco, near Turin, a plant that was inaugurated in 2013. Today 2,100 people are working there, building the great Maseratis that are now being sold all around the world.

This will also be an opportunity to celebrate the centenary of the brand, which was founded by the Maserati Brothers in Bologna in 1914.

We hope you will take the time to tour the plant and see how much care and precision goes into making these wonderful automobiles.

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](http://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](mailto:agm@exor.com). The latter will be grouped together, summarized by subject and answered during the meeting.

I look forward to seeing you at a busy Maserati plant!







## Honorary Chairmen

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Gianluigi Gabetti  
Pio Teodorani-Fabbri

## Board of Directors

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*Chairman and Chief Executive Officer*

*Vice Chairman*

*Vice Chairman*

*Non-independent Directors*

John Elkann  
Tiberto Brandolini d'Adda  
Alessandro Nasi  
Andrea Agnelli  
Vittorio Avogadro di Collobiano  
Luca Ferrero Ventimiglia  
Sergio Marchionne  
Lupo Rattazzi  
Eduardo Teodorani-Fabbri  
Victor Bischoff  
Giuseppina Capaldo (Lead Independent Director)  
Mina Gerowin  
Jae Yong Lee  
Giuseppe Recchi  
Michelangelo Volpi

*Independent Directors*

*Secretary to the Board*

Gianluca Ferrero

## Internal Control and Risk Committee

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Giuseppina Capaldo (*Chairman*), Victor Bischoff and Giuseppe Recchi

## Compensation and Nominating Committee

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Victor Bischoff (*Chairman*), Giuseppina Capaldo and Mina Gerowin

## Strategy Committee

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John Elkann (*Chairman*), Victor Bischoff, Mina Gerowin, Sergio Marchionne, Jae Yong Lee and Michelangelo Volpi

## Board of Statutory Auditors

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*Chairman*  
*Regular auditors*

Sergio Duca  
Nicoletta Paracchini  
Paolo Piccatti

*Alternate auditors*

Giorgio Ferrino  
Ruggero Tabone

## Independent Auditors

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Reconta Ernst & Young S.p.A.

## Expiry of terms of office

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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 2014 annual financial statements.

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

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## 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 51.39% of ordinary share capital, after the conversion of all the preferred and savings shares into ordinary shares on June 24, 2013.

Listed on Borsa Italiana's Stock Exchange with a Net Asset Value of approximately €9 billion at December 31, 2013, 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:



(a) EXOR holds 40.22% of the voting rights. In addition, Fiat holds a 2.52% stake and 3.72% of the voting rights.

(b) Stake equal to 82.40%.

**CNH Industrial** (27.18% stake. 2.52% stake also held by Fiat) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario (MTA) managed by Borsa Italiana and is included in the FTSE MIB Index. Operational since September 29, 2013 when the merger between Fiat Industrial S.p.A. and CNH Global N.V. was completed, 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 family of Case and New Holland brands), in addition to a broad range of powertrain applications (FPT Industrial). Each of the CNH Industrial Group's brands is a prominent international player in the respective industrial segment. CNH Industrial is present in 190 countries giving it a unique competitive position across its 12 brands, 62 manufacturing plant, 48 research and development centers and more than 71,000 employees.

**Fiat** (30.05% of share capital) is listed on Borsa Italiana's MTA and is included in the FTSE MIB Index. Founded in 1899, Fiat is today an industrial group with a global reach also through the integration with Chrysler. Fiat is an international auto group engaged in industrial activities in the automotive sector through companies located in 40 countries and has commercial relationships with customers in approximately 150 countries. The Group designs, engineers, manufactures, distributes and sells vehicles for the mass market under the Fiat, Alfa Romeo, Lancia, Abarth and Fiat Professional brands and Chrysler brands such as Chrysler, Jeep, Dodge and Ram brand vehicles and vehicles with the SRT (Street and Racing Technology team) vehicle performance designation, as well as

luxury cars under the Ferrari and Maserati brands. Fiat also operates in the components sector, through Magneti Marelli and Teksid, and in the production systems sector, through Comau and in after-sales services and products under the Mopar brand name. The Group's operations relating to mass market brands of 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, 2013 Fiat has 159 factories and 225,587 employees throughout the world.

**C&W Group** (68.46% of share capital) is a world leader in commercial real estate services. C&W Group has its headquarters in New York, where it was founded in 1917. It currently has approximately 250 offices and more than 16,000 employees in 60 countries.

 <b>38.29%</b>	 <b>63.77%</b>	 <b>17.37%</b>	 <b>17.09%</b>	 <b>4.72%</b>
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**Almacantar** (38.29% of share capital) is a company engaged in the real estate sector in commercial investment and development opportunities, for offices and residential units, situated in London.

**Juventus Football Club** (63.77% of share capital) is listed on Borsa Italiana's MTA. Founded in 1897, it is one of the most prominent professional football teams in the world.

**Gruppo Banca Leonardo** (17.37% of share capital) is a privately held and independent international investment bank offering a complete range of advisory and private banking services and other areas connected to the financial markets.

**Banijay Holding** (17.09% of share capital) is headquartered in Paris. The company is a new player in TV production through a network of companies specialized in the production and distribution of multimedia content.

**The Economist Group** (4.72% of share capital) is a company with its center of operations 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.

<b>EXOR Group – Consolidated Data – Shortened</b> (a)			
€ million	<b>2013</b>	2012 (b)	Change
Profit attributable to owners of the parent	<b>2,084.5</b>	298.3	1,786.2
Share of earnings (losses) of investments and dividends	<b>615.8</b>	362.0	253.8
Investments and non-current other financial assets	<b>5,764.0</b>	6,806.0	(1,042.0)
Issued capital and reserves attributable to owners of the parent	<b>6,947.4</b>	6,168.8	778.6
Consolidated net financial position of EXOR's "Holdings System"	<b>1,281.2</b>	(525.9)	1,807.1

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

(b) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures reported in the income statement and statement of financial position for 2012 have been restated for comparative purposes as required by IAS 1.

<b>Earnings per share (€)</b> (a)			
	<b>2013</b>	2012 (b)	Change
Profit attributable to owners of the parent – basic:			
- ordinary shares	<b>9.34</b>	1.30	8.04
- preferred shares	-	1.35	(1.35)
- savings shares	-	1.37	(1.37)
Profit attributable to owners of the parent – diluted:			
- ordinary shares	<b>9.33</b>	1.29	8.04
- preferred shares	-	1.34	(1.34)
- savings shares	-	1.37	(1.37)
Issued capital and reserves attributable to owners of the parent	<b>31.25</b>	27.16	4.09

(a) Further details on the calculation of basic and diluted earnings per share are provided in Note 13 to the consolidated financial statements.

(b) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures reported in the income statement and statement of financial position for 2012 have been restated for comparative purposes as required by IAS 1.

<b>EXOR S.p.A. - Separate Financial Statement Data</b>			
€ million	<b>2013</b>	2012	Change
Profit	<b>92.7</b>	150.5	(57.8)
Equity	<b>3,434.0</b>	3,519.6	(85.6)
Net financial position	<b>(474.2)</b>	(718.9)	244.7

The board of directors' meeting held on April 9, 2014 put forward a motion to the ordinary shareholders' meeting called to approve the separate financial statements for the year ended December 31, 2013 for the payment of dividends per share of €0.335 for a total of €74.5 million to the 222,346,104 ordinary shares outstanding at the same date.

Dividends paid by EXOR S.p.A. in 2013 from profit for the year ended December 31, 2012 are the following:

Class of shares	Number of shares	Dividends paid	
		Per share (€)	Total (€ ml)
Ordinary	149,739,639	0.335	50.2
Preferred	64,287,376	0.3867	24.9
Savings	8,319,089	0.4131	3.4
			<b>78.5</b>

## NET ASSET VALUE

At December 31, 2013 EXOR's Net Asset Value (NAV) is €8,852 million. This is a €1,232 million increase (+16%) over €7,620 million at December 31, 2012.

The composition and change in NAV are the following:

€ millions	01/03/2009 (a)	31/12/2012	31/12/2013	Change vs 12/31/2012	
				Amount	%
Investments	2,921	7,533	6,445	(1,088)	-14%
Financial investments	274	462	663	201	+44%
Cash and cash Equivalents	1,121	862	2,572	1,710	+198%
Treasury stock	19	321	633	312	+97%
<b>Gross Asset Value</b>	<b>4,335</b>	<b>9,178</b>	<b>10,313</b>	<b>1,135</b>	<b>+12%</b>
<b>Gross Debt</b>	<b>(1,157)</b>	<b>(1,388)</b>	<b>(1,291)</b>	<b>97</b>	<b>-7%</b>
<b>Ordinary holding costs over ten years</b>	<b>(210)</b>	<b>(170)</b>	<b>(170)</b>	<b>-</b>	<b>-</b>
<b>Net Asset Value (NAV)</b>	<b>2,968</b>	<b>7,620</b>	<b>8,852</b>	<b>1,232</b>	<b>+16%</b>

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

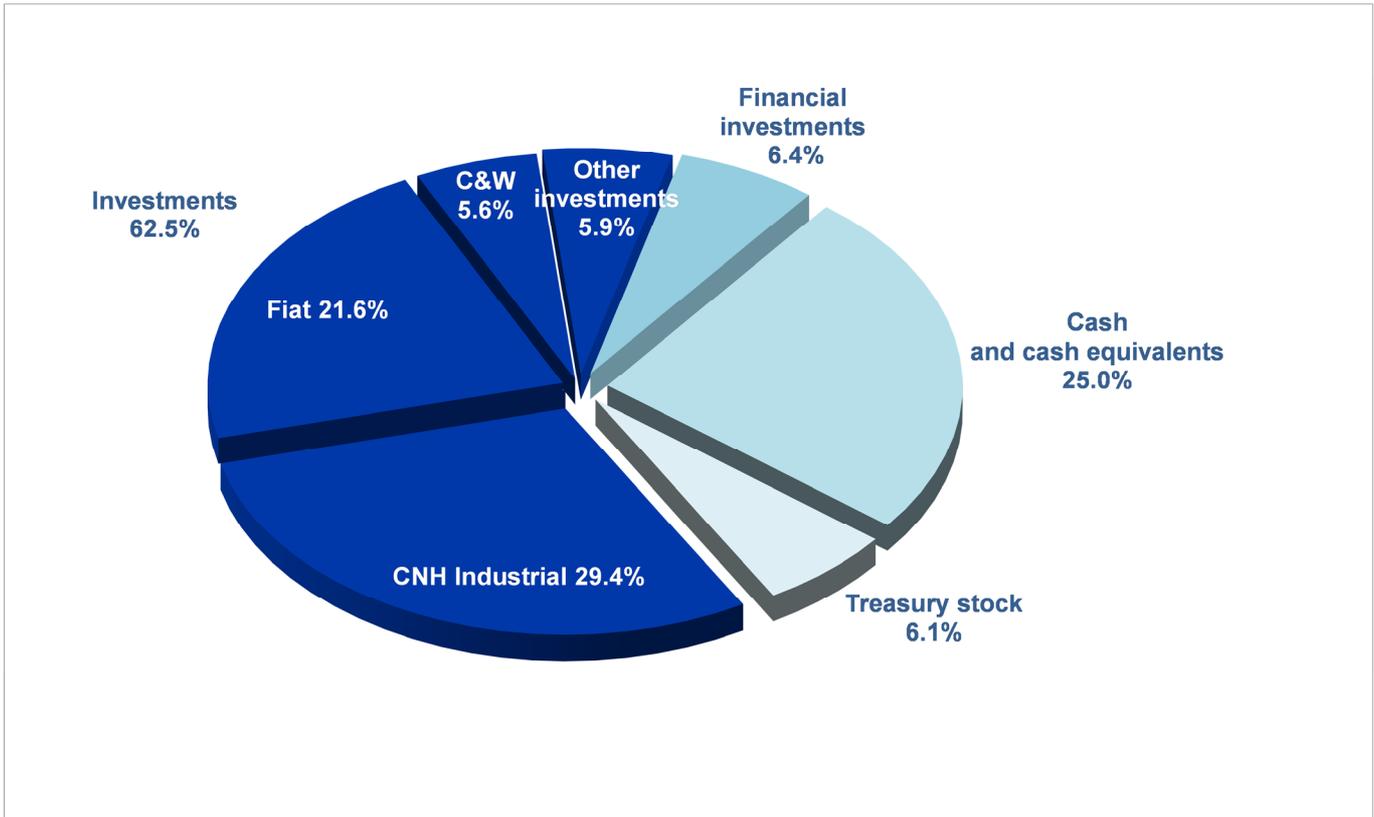
The gross asset value at December 31, 2013 has been calculated by valuing listed investments and other equity shares at trading prices, other private equity investments at fair value determined annually by independent experts and other private investment holdings (funds and similar instruments) at the most recently available fair value. Bonds held to maturity are measured at amortized cost. EXOR treasury stock is measured at share trading prices, except ordinary shares used to service Stock Option Plans, which are measured at the option exercise price if lower than the share trading price and the shares granted to recipients of the stock grant component of the new Incentive Plan approved on May 29, 2012 by the shareholders' meeting. The latter are deducted from the total number of treasury shares.

The decrease in "Investments" from December 31, 2012 is due to the sale of the investment in SGS which is compensated in part by the increase in Fiat market value. The sale led to an increase in "Cash and cash equivalents".

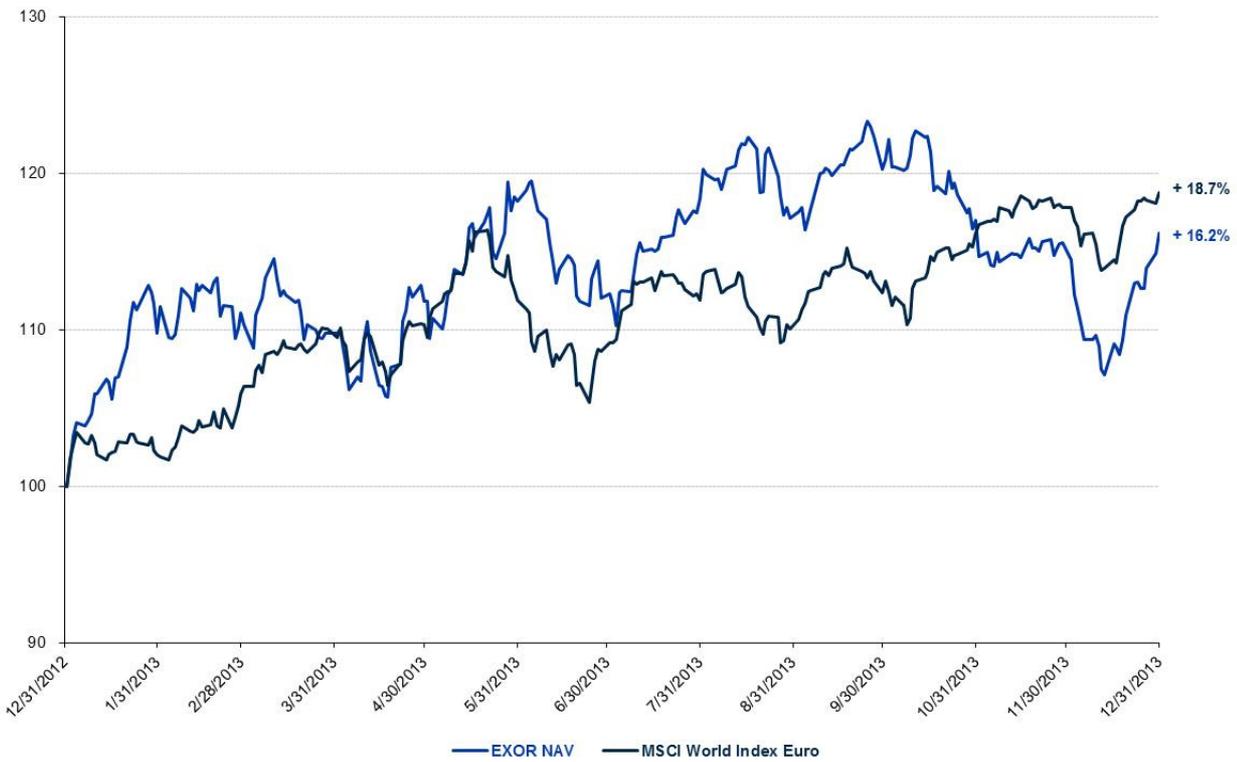
NAV is presented with the aim of aiding analysts and investors in forming their own assessments.

The following pie chart shows the composition of gross asset value at December 31, 2013 (€10,313 million). "Other investments" include the investments in Almacantar, Juventus Football Club, Gruppo Banca Leonardo, Banijay Holding, The Economist Group, 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, 2013 of 1.3791 and 0.8337, respectively.



**Change in NAV compared to the MSCI World Index in Euro**



<b>Stock Market Data</b>	<b>1/1/2014 2/28/2014</b>	<b>1/1/2013 12/31/2013</b>
Ordinary share price (Euro):		
period-end	29.44	28.91
maximum	30.73	29.97
minimum	28.05	19.39
Preferred share price (Euro) (b):		
period-end	n.a.	24.57
maximum	n.a.	24.96
minimum	n.a.	16.92
Savings share price (Euro) (b):		
period-end	n.a.	24.59
maximum	n.a.	25.07
minimum	n.a.	17.11
Average daily share volume traded during period:		
ordinary	352,083	426,848
preferred (b)	n.a.	70,779
savings (b)	n.a.	24,720
Euro average daily value of exchanges during period (in Euro): (a)		
ordinary	10,451,509	10,557,255
preferred (b)	n.a.	1,550,554
savings (b)	n.a.	527,687

(a) Average daily value (daily trading price by daily volume) handled by Borsa Italiana during the period of reference.

(b) Data available up to the last day of trading before conversion into ordinary shares (which took place on June 24, 2013).

Financial communication promoted by EXOR regarding its most important corporate events continued during 2013 with the aim of ensuring precise and comprehensive information and delivering data and updates on a daily basis in response to requests expressed by various national and international operators (institutional investors in the stock and bond markets, retail investors and the financial press).

The publication of the Letter to Shareholders which for four years now constitutes an occasion to communicate aimed, in particular, at the financial community, offers an opportunity to sum up the performance of the main investments and, in general, EXOR's development strategy. Both topics were covered in greater detail during the conference call with investors and financial analysts at the end of the annual general meeting of the shareholders in May.

Finally, during the first quarter of 2014, a new and enhanced version of the corporate website [www.exor.com](http://www.exor.com) was released which incorporates the interactive version of the corporate financial statements on-line.

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## CORPORATE GOVERNANCE

In its meeting held on April 9, 2014 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 2013 Annual Report and is available on the website [www.exor.com](http://www.exor.com).

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

### RISKS ASSOCIATED WITH GENERAL ECONOMIC CONDITIONS

The earnings and financial position of EXOR and its principal investment holdings are particularly influenced by the general state of the economy in the countries in which they operates and by the variables which affect performance, including increases or decreases in gross national product, access to credit, the level of consumer and business confidence, the cost of raw materials and the rate of unemployment.

The principal sectors of business are also subject to highly cyclical demand and tend to reflect the overall performance of the economy, in certain cases even amplifying the effects of economic trends.

In terms of severity, duration and scope, the recent financial crisis has caused the most severe economic recession of these last decades, both in the Eurozone and in a large part of the advanced economies. At present, economic growth and international trade are occurring at a moderate pace and irregularly across geographical areas. Moreover, the evolution of world monetary and financial market conditions and the associated uncertainties, especially in emerging markets, could adversely affect present economic conditions.

The principal risks associated with a slowdown in the markets in which the subsidiaries and associates currently operate comprise increases in energy prices and fluctuations in raw materials or possible contractions in infrastructure spending; in addition, in the euro area, unemployment, although tending to stabilize, remains at high levels, and a slow or in inefficient implementation of structural reforms and budget adjustments in the public and private sector will continue to hamper the pace of the recovery.

Therefore, it is not possible to provide any indication about the future trends of the above factors and variables which could nevertheless adversely affect the demand for products and services, earnings, business prospects or the financial situations of EXOR and its subsidiaries and associates.

### RISKS ASSOCIATED WITH EXOR’S ACTIVITIES

EXOR carries out investment activities which involve typical risks such as high exposure to certain sectors or investments, difficulties in identifying new investment opportunities that meet the characteristics of the Group’s 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 could have an adverse effect on the Group’s earnings and financial position.

The ability to access capital markets or other forms of financing and the related costs are dependent, among other things, on the Group’s credit rating.

Any downgrade by the rating agencies could limit the Group’s ability to access capital markets and increase the cost of capital, with a consequent adverse effect on its earnings and financial position.

Standard & Poor’s has confirmed EXOR’s long-term and short-term debt ratings, respectively, at ‘BBB+’ and ‘A-2’, with a stable 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, allocating 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.

However, in consideration of the current international financial market situation, market conditions which might negatively affect the normal operations of 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 worsening of the financial market conditions and the earnings of the principal investment holdings could affect EXOR's earnings and cash flows.

EXOR operates through its investments in subsidiaries and associates in Agricultural and Construction Equipment (CNH Industrial Group), in the automobile market (Fiat Group), in real estate services (C&W Group), in real estate (Almacantar Group) and in professional football (Juventus Football Club). As a result, EXOR is exposed to risks typical of the markets and industries in which such subsidiaries and associates operate.

At December 31, 2013, the investments in CNH Industrial (40.22% of share capital) and in Fiat (30.05% of share capital) represented, respectively, 29.4% and 21.6% 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 CNH Industrial Group and the Fiat Group has a very significant impact on EXOR's earnings and financial position.

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 could have an adverse effect on 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 connected with the outcome of pending litigation for which they set aside, if appropriate, specific risk provisions. However, negative effects on the earnings and financial position of EXOR and/or its subsidiaries and associates connected with such risks cannot be excluded.

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. Even though the companies consider that the tax estimates are reasonable, any disputes correlated thereto may have a material adverse effect on earnings.

The following paragraphs indicate the main specific risks and uncertainties of the companies in consolidation (CNH Industrial Group, Fiat Group, C&W Group and Juventus Football Club).

## CNH INDUSTRIAL GROUP

### Risks related to the business, strategy and operations

#### **CNH Industrial Group - Global economic conditions impact the business of CNH Industrial and its subsidiaries**

The Group's earnings and financial position are, and will continue to be, influenced by various macroeconomic factors – including increases or decreases in gross domestic product, the level of consumer and business confidence, changes in interest rates on consumer and business credit, energy prices, and the cost of commodities or other raw materials – which exist in the various countries in which the Group operates, it being understood that such macroeconomic factors vary from time to time and their effect on the Group's earnings and financial position cannot be specifically and singularly assessed and/or isolated.

Financial conditions in several regions continue to place significant economic pressures on existing and potential customers, including the Group's dealer networks. As a result, some dealers and customers may delay or cancel plans to purchase the Group's products and services and may not be able to fulfill their obligations to the Group in a timely fashion. Further, the Group's suppliers may be impacted by economic pressures, which may adversely affect their ability to fulfill their obligations to the Group. These factors could result in product delays, increased accounts receivable, defaults and inventory challenges. There is particular concern about economic conditions in Europe (and potentially the long-term viability of the euro currency at least in its current geography and overall structure), which is at risk of being impacted by sovereign debt levels (and government taxing and spending actions to address such issues) and other severe pressures on the banking system in certain European Union countries. It is uncertain whether central bank or governmental measures will reduce or eliminate this risk. In addition, other governments may continue to implement measures designed to slow the economic growth rate in those countries (e.g., higher interest rates, reduced bank lending and other anti-inflation measures). If there is significant deterioration in the global economy or the economies of key regions, the demand for the Group's products and services would likely decrease and the Group's results of operations, financial position and cash flows could be materially and adversely affected.

In addition, the continuation of adverse market conditions in certain businesses in which the Group participates could cause many companies, including the Group, to carefully evaluate whether certain intangible assets have become impaired. The factors that the Group would evaluate to determine whether an impairment charge is necessary require management judgment and estimates. The estimates are impacted by a number of factors, including, but not limited to, worldwide economic factors and technological changes. Any of these factors, or other unexpected factors, may require the Group to consider whether it needs to record an impairment charge. In the event the Group is required to record an impairment charge with respect to certain intangible assets, it would have an adverse impact on the Group's financial position and results of operations.

#### **CNH Industrial Group - The Group is exposed to political, economic and other risks as a result of operating a global business**

The Group manufactures and sells its products and offers its services on several continents and in numerous countries around the world. Given the global nature of the Group's activities, the Group is exposed to risks affecting any worldwide markets operator, including those related to:

- changes in (and possibly conflicting) 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;
  - 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 the Group's 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 Brazil;
- war, civil unrest and terrorism.



Unfavorable developments in any one of these areas (which may vary from country to country) could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

#### **CNH Industrial Group - CNH Industrial is subject to extensive anti-corruption and antitrust laws and regulations**

CNH Industrial's worldwide operations must comply with all applicable laws, which may include the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act or other anti-corruption laws, as well as antitrust regulations. These anti-corruption laws generally prohibit companies and their intermediaries from making improper payments or providing anything of value to improperly influence government officials or private individuals for the purpose of obtaining or retaining a business advantage regardless of whether those practices are legal or culturally expected in a particular jurisdiction. Antitrust regulations prohibit or limit various types of conduct, agreements or other arrangements entered into by the company and its subsidiaries. Recently, there has been a substantial increase in the global enforcement of anti-corruption and antitrust laws. CNH Industrial is committed to ongoing compliance with the applicable regulations, and has a compliance program in place designed to reduce the likelihood of potential violations of such laws. However, violations of these laws could result in criminal or civil sanctions and an adverse effect on CNH Industrial's reputation, business, results of operations and financial position.

#### **CNH Industrial Group - 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 repay or 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 recourse to capital markets or other sources of financing. A further decline in revenues 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 difficulty in obtaining financing could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

The Group's ability to access the capital markets or other forms of financing and related costs are highly dependent, among other things, on the credit ratings of the Group. CNH Industrial is currently rated below investment grade, with ratings on its long-term debt of "BB+" (with a stable outlook) and a short-term rating of "B" from Standard & Poor's Rating Services ("S&P"), and a "Ba1" corporate family rating with a stable outlook from Moody's Investors Service, Inc. ("Moody's"). Rating agencies may review their ratings, and any downgrade would increase the Group's cost of capital, could potentially limit its access to sources of financing and could have a material adverse effect on its business prospects, earnings and/or financial position.

#### **CNH Industrial Group - The Group is subject to risks associated with 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. The exposure to currency risk is mainly linked to the differences in the geographic distribution between the Group's manufacturing and commercial activities, resulting in cash flows from exports denominated in currencies different from those associated with production activities.

The Group uses various forms of financing to cover the funding requirements of its industrial activities and for financing offered to customers and dealers. The Group's financial services companies implement a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, future potential changes in interest rates can result in increases or decreases in revenues, finance costs and margins, which cannot be currently foreseen and quantified.

Consistent with its risk management policies, the Group seeks to manage currency and interest rate risk through the use of financial hedging instruments. Despite such hedges being in place, sudden fluctuations in currency or interest rates could have an adverse effect on the Group's business prospects, earnings and/or financial position.

The Group's financial services activities are also subject to the risk of insolvency of dealers and customers, as well as unfavorable economic conditions in markets where these activities are carried out, which the Group seeks to mitigate through credit policies applied to dealers and customers. In addition, the Group's financial services activities are subject to laws and government actions that may, among other things, prevent the Group's financial services subsidiaries from enforcing legal rights and remedies.

#### **CNH Industrial Group - The Group faces risks associated with its relationships with employees**

In many countries where the Group operates, Group 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 its flexibility in reshaping and/or strategically repositioning its business activities. Therefore, the Group's 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. Industrial action by employees could also have an adverse impact on the Group's business activities.

#### **CNH Industrial Group - 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;
- the demand for food products;
- 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;
- new residential and non-residential construction.

The performance of the trucks and 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;
- public infrastructure spending.

The above factors can significantly influence the demand for agricultural and construction equipment, as well as for trucks and commercial vehicles, and consequently, the Group's financial results.

Although the Group's business has not been influenced predominantly by any of the above factors individually, certain of the above factors have occurred in the past or may occur in the future (taking into account the global nature of the Group's activities).

#### **CNH Industrial Group - The Group depends on key suppliers for certain raw materials, parts and components**

The Group relies upon key suppliers for certain raw materials, parts and components. The Group cannot guarantee that it will be able to maintain appropriate supply arrangements with these suppliers or otherwise ensure access to raw materials, parts and components. In some cases this access may be affected by factors outside of the Group's control and the control of its suppliers. Adverse financial conditions and natural disasters, such as the March 2011 earthquake and tsunami in Japan, have in the past, and could in the future, cause some of the Group's suppliers to face severe financial hardship and disrupt the Group's access to critical raw materials, parts and components. Any disruption or shortage in the supply of raw materials, parts and components could negatively impact the Group's costs of production, its ability to fulfill orders, its ability to achieve growth in product sales and the profitability of the Group's business.

Certain companies within the Group use a variety of raw materials in their 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, at times in recent periods, prices have increased significantly in response to changing market conditions. The Group seeks to manage this exposure, but it may not be successful in hedging these risks. Substantial increases in the prices for raw materials would increase the Group's operating costs and could reduce profitability if the increased costs were not offset by changes in product prices.

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

Substantially all of the Group's revenues are generated in highly competitive sectors that include the production and distribution of agricultural and construction equipment, trucks and commercial vehicles, and related powertrain systems. The Group faces competition from other international manufacturers and distributors of trucks and commercial vehicles in Europe, Asia and Latin America and from global, regional and local agricultural and construction equipment manufacturers, distributors and component suppliers in Europe, Asia, North America and Latin America. Certain of the Group's 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 Company's product offerings. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays or



the Group's failure to price its products competitively could adversely affect our business, results of operations and financial position. Additionally, there has been a trend towards consolidation in the trucks and construction equipment industry that has resulted in larger and potentially stronger competitors in the Company's markets. These markets 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 Group's areas of activity in recent years. Should the Group be unable to adapt effectively to external market conditions, this could have an adverse effect on the Group's business prospects, earnings and/or financial position.

#### **CNH Industrial Group - Costs of ongoing compliance with, and failure to comply with, environmental laws and regulations could have an adverse effect on the Group's results of operations**

The Group's products and activities are subject to numerous local, national and international environmental laws and regulations, which are becoming increasingly stringent in many countries in which it operates. Such regulations govern, among other things, products – with requirements on emissions of polluting gases, 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 and regulations, the Group invests considerable research and development resources and expects it will continue to incur substantial costs in the future. Failure to comply with such laws and regulations would impact the products the Group sells and/or the markets in which such products are sold, which could adversely affect the Group's financial position, results of operations and cash flows.

#### **CNH Industrial Group - A decrease in government incentives may adversely affect the Group's results**

Government initiatives to stimulate consumer 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 these initiatives could have a material adverse effect on the Group's business prospects, operating results and/or financial position. For example, on December 31, 2013, the additional first-year "50% bonus" depreciation and increased expensing of property under Internal Revenue Code section 179 expired in the U.S. tax law. This could have an adverse effect on the Group's business prospects in the U.S.

#### **CNH Industrial Group - The Group's future performance depends on its ability to innovate and on market acceptance of new or existing products**

The success of the Group's businesses depends on their ability to maintain or increase their 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 Group's 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, could result in reduced market share, which could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

#### **CNH Industrial Group - 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 entail various risks. For example, the Group may encounter difficulties in obtaining the 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 international and domestic competitors. The emerging markets 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 flow. The emerging markets economies may also be subject to a further slow-down in gross domestic product expansion and/or be impacted by domestic currency volatility, potential hyperinflationary conditions and/or increase of public debt.

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

At December 31, 2013, CNH Industrial's defined benefit pension plans and other post-employment benefits had an underfunded status of €1,656 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 Group - Dealer equipment sourcing and inventory management decisions could adversely affect the Group's sales**

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 Group - 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. 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 Group - 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 Groups' results of operations**

A principal purpose of the Merger is to create a single class of liquid stock which, among other things, provides CNH Industrial with additional alternatives for funding future acquisitions and strategic alliances. The Group has engaged in the past, and may engage in the future, in mergers, acquisitions or enter into, expand or exit from strategic alliances which could involve risks that could prevent the Group from realizing the expected benefits of the transactions or the achievement of strategic objectives. Such risks 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;
- 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 Group - Risks associated with the termination of CNH Global's strategic alliance with Kobelco Construction Machinery Co., Ltd.**

Effective December 31, 2012, CNH Global and Kobelco Construction Machinery Co., Ltd. ("Kobelco") 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 will be entitled to purchase components and parts from the Kobelco group on a non-exclusive basis in order to continue to manufacture excavators based upon Kobelco's technology in the Group's plants. Moreover, starting from December 31, 2012,



the territorial sales and marketing restrictions limiting the right of the Kobelco group to distribute its excavators in certain significant markets (such as the Americas and Europe) expired. Similar restrictions which applied to the Group's construction equipment activities expired in the Asia/Pacific region 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 the Kobelco group) 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 Group - The Group's business operations may be impacted by various types of claims, lawsuits and other contingent obligations**

The companies within the Group are involved in various product liability, warranty, product performance, asbestos, personal injury, environmental claims and lawsuits, governmental investigations and other legal proceedings that arise in the ordinary course of 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 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 Group's 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, results of operations or profitability. 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, it 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.

#### **CNH Industrial Group - 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 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. Seasonal conditions also affect the Group's construction equipment business, but to a lesser extent than its agricultural equipment business. The Group's agricultural equipment business 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, then 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 schedules higher production, and anticipates higher inventories and wholesale shipments to dealers in the first quarter of the year. Thus, 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 its dealers' inventories are typically reduced.

To the extent the Group's production levels (and timing) do not correspond to retail demand, it 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 Group - Restrictive covenants in the Group's debt agreements could limit its financial and operating flexibility**

The indentures governing the majority of the Group's outstanding public indebtedness, and other credit agreements to which companies within the Group are a party, contain typical covenants that restrict the ability of companies within the Group 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;
- enter into sale and leaseback transactions.

Although CNH Industrial does not believe any of these covenants presently materially restrict its operations, a breach of one or more of the covenants could result in adverse consequences that could negatively impact the Group's businesses, results of operations and financial condition. 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 the Group's lenders, refusal by the Group's 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 Group - The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding and limit its financial and operating flexibility**

As of December 31, 2013, the Group had an aggregate of €21,714 million (including €17,087 million relating to financial services companies) of consolidated gross indebtedness, and its equity was €5,556 million, including non-controlling interests. The extent of the Group's indebtedness could have important consequences for 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 it at a competitive disadvantage;
- 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 its businesses;
- 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 resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone.

Among the anticipated benefits of the Merger is the expected reduction in funding costs over time due to improved debt capital markets positioning of CNH Industrial. However, certain of the circumstances and risks described above may delay or reduce the expected cost savings from the future funding structures and the expected cost savings may not be achieved.

#### **CNH Industrial Group - 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, and the Group collects and stores sensitive data. Increased information technology security threats and more sophisticated computer crime, including advanced persistent threats, pose a risk to the security of its systems and networks and the confidentiality, availability and integrity of its data.

In order to manage such risks, the Group implemented its Information Security System, an integrated set of policies, processes, methodologies, teams and technologies aimed at ensuring appropriate protection of the Group's data. The Information Security System has to be constantly aligned with evolving cyber threat scenarios in order for it to be effective. Recent security initiatives included in the group's Information Security Roadmap concern Product Development Data Loss Prevention, Data Classification (both structured and unstructured data) and Laptop Encryption. Actions are also in progress to increase the Group's capability to prevent, detect, and react to malicious data leakage attempts.

Despite the Group's efforts, 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 its reputation, competitive position, businesses and results of operations. In addition, such breaches in security could result in litigation, regulatory action and potential liability and the costs and operational consequences of implementing further data protection measures.

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

The Group's success is largely dependent on the ability of its senior executives and other members of management to effectively manage the Group and individual areas of business. 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, earnings and/or financial position.

### **Risks related to financial services activities**

The Group offers a wide range of financial services and products to dealers and customers. In particular, and by way of example, the principal financial services offered by the Agricultural and Construction Equipment Segment are represented by the retail financing for the purchase or lease of new and used Segment equipment and wholesale financing to dealers, while the principal financial services offered by the Trucks and Commercial Vehicles Segment to customers are represented by lease and retail financing for the purchase of new and used Segment vehicles.

In light of the above, the following risks associated with the Group's financial services activities should be considered.

### **CNH Industrial Group - 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;
- interest rates (and changes in the applicable rates);
- the experience and skills of the customer's management team;
- commodity prices;
- political events;
- the weather;
- 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 businesses. 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 loans default and the Group's financial services businesses repossess collateral securing the repayment of a loan, its 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 trucks and 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 trucks and 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 trucks and 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 Group - Funding risk**

The Group's financial services businesses have traditionally relied upon the asset-backed securitization ("ABS") market and committed asset-backed facilities as a primary source of funding and liquidity. Access to funding at competitive rates is essential to the Group's financial services businesses. From mid-2007 through 2009, events occurred in the global financial market, including the weakened financial condition of several major financial institutions, problems related to subprime mortgages and other financial assets, the devaluation of various assets in secondary markets, the forced sale of asset-backed and other securities by certain investors, and the lowering of ratings on certain ABS transactions, which caused a significant reduction in liquidity in the secondary market for ABS transactions outstanding at such time and a significant increase in funding costs. During these periods, conditions in the ABS market adversely affected the Group's ability to sell receivables on a favorable or timely basis. Similar conditions in the future would have an adverse impact on the Group's financial position and results of operations.

As the Group's financial services businesses finance a significant portion of the Group's sales of equipment, to the extent such financial services businesses are unable to access funding on acceptable terms, the Group's sales of equipment would be negatively impacted.

To maintain competitiveness in the capital markets and to promote the efficient use of various funding sources, additional reserve support was added to certain previously-issued ABS transactions. Such optional support may, in the future, be required to maintain credit ratings assigned to transactions if loss experiences are higher than anticipated. The need to provide additional reserve support could have an adverse effect on the Group's financial position, results of operations and cash flows.

#### **CNH Industrial Group - Repurchase risk**

In connection with the Group's 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 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 future repurchases could have an adverse effect on the Group's financial position, results of operations and cash flows.

#### **CNH Industrial Group - Regulatory risk**

The operations of the Group's financial services businesses 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;
- 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 the Group's financial services businesses and the Group's financial position and results of operations.

#### **CNH Industrial Group - Potential Impact of the Dodd-Frank Act**

The various requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), including the many implementing regulations yet to be released, may substantially affect the origination, servicing and securitization programs of the Groups' financial services businesses. 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 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 impact upon its access to the ABS market, these and future SEC regulations may impact the Group's ability to engage in these activities or increase the effective cost of ABS transactions in the future, which could adversely affect its financial position, results of operations and cash flows.

#### **Other risks**

##### **CNH Industrial Group - CNH Industrial intends to operate in a manner to be treated as resident in the UK for tax purposes, but other tax authorities may treat it as being tax resident elsewhere**

CNH Industrial is not incorporated in the UK; therefore, in order to be resident in the UK for tax purposes its central management and control must be located (in whole or in part) in the UK. The test of central management and control is largely a question of fact based on all the circumstances. Even if CNH Industrial's "central management and control" is in the UK, it would not be treated as UK-resident if (a) it were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) which has a double tax treaty with the UK; and (b) that tax treaty allocates exclusive residence to that other jurisdiction.



Even if CNH Industrial's central management and control are in the UK, CNH Industrial would normally be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes because it is incorporated in the Netherlands. Nevertheless, the UK and Dutch competent authorities have agreed, following a mutual agreement procedure (as contemplated by the Netherlands-UK tax treaty), that CNH Industrial will be regarded as solely resident in the UK provided that it operates as planned and provides evidence of its operations to the UK 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.

Residence of CNH Industrial for Italian tax purposes is also largely a question of fact and based on all circumstances. For Italian tax purposes, a rebuttable presumption of residence in Italy may apply under Italian tax legislation. However, CNH Industrial has a management and organizational structure such that it should be deemed resident in the UK from its initial incorporation for the purposes of the Italy-UK 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, it would be subject to corporate income tax in Italy and may be required to comply with withholding tax and/or reporting obligations under Italian law, which could result in additional costs and expenses.

#### **CNH Industrial Group - The Group's businesses 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 regional 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 or other unexpected events could result in physical damage to and complete or partial closure of one or more of the Group's **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 the Group's products to dealers and customers and delay in delivery of the products to distribution centers. Existing insurance arrangements may not provide protection for all of the costs that may arise from such events.

#### **CNH Industrial Group - 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 directly affect sales of agricultural equipment. While higher commodity prices will benefit the Group's 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. Moreover, changing alternative energy demands may cause farmers to change the types or quantities of the crops they raise, 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 Group - The Group is subject to negative conditions in the financial markets and the cyclicity of the capital goods sector**

More than other sectors, producers in the capital goods sector are subject to:

- the condition of financial markets, in particular, the ability to access the ABS market and prevailing interest rates in that market. In North America, in particular, the Group makes considerable use of ABS transactions to fund financing offered to dealers and customers. Adverse conditions in the financial markets, and the ABS market in particular, could have a significant impact on the Group's business prospects, earnings and/or financial position;

- cyclical, which can cause sudden (and sometimes material) declines in demand, with negative effects on inventory levels and product pricing, both new and used. In general, demand in the capital goods sector is highly correlated to the economic cycle and can be subject to even greater levels of volatility.

**CNH Industrial Group - CNH Industrial, as successor to Fiat Industrial S.p.A. (“Fiat Industrial”), is jointly liable with Fiat S.p.A. (“Fiat”), for certain obligations**

Fiat Industrial was formed as a result of the demerger of Fiat S.p.A. in favor of Fiat Industrial S.p.A. (the “Demerger”). CNH Industrial, as successor to Fiat Industrial, continues to be liable jointly with Fiat for any liabilities of Fiat that arose prior to effectiveness of the Demerger and that remained unsatisfied at the effective date of the Demerger in the event that Fiat fails to satisfy such liabilities. The statutory liability assumed by CNH Industrial is limited to the value of the net assets transferred to Fiat Industrial in the Demerger and survives until all the liabilities of Fiat existing as of the Demerger are satisfied in full. Furthermore, CNH Industrial may be responsible jointly with Fiat in relation to tax liabilities, even if such liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger. CNH Industrial estimates that the liabilities of Fiat that were outstanding as of December 31, 2013 for which CNH Industrial may be held jointly liable as described above in the event that Fiat fails to satisfy such obligations amount to approximately €4.2 billion.



## FIAT GROUP

### **Fiat Group - The Group's profitability depends on reaching certain minimum vehicle sales volumes. If vehicle sales deteriorate, the Group's results of operations and financial condition will suffer**

The Group's success requires it to achieve certain minimum vehicle sales volumes. As is typical for an automobile manufacturer, the Group has significant fixed costs and, therefore, changes in vehicle sales volume can have a disproportionately large effect on profitability. Moreover, the Group tends to operate with negative working capital and the Group generally receives payments from vehicle sales to dealers within a few days of shipment from the assembly plants, whereas there is a lag between the time when parts and materials are received from suppliers and when the Group pays for such parts and materials; therefore, if vehicle sales decline the Group will suffer a significant negative impact on cash flow and liquidity as the Group continues to pay suppliers during a period in which it receives reduced proceeds from vehicle sales. If vehicle sales do not increase, 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.

### **Fiat Group – The businesses of the Group are affected by global financial markets and general economic and other conditions over which it has no control**

The Group's earnings 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, energy prices, the cost of commodities or other raw materials and the rate of unemployment — within the various countries in which it operates.

Beginning in 2008, global financial markets have experienced severe disruptions, resulting in a material deterioration of the global economy. The global economic recession in 2008 and 2009, which affected most regions and business sectors, resulted in a sharp decline in demand for automobiles. Although more recently the Group has seen signs of recovery in certain regions, the overall global economic outlook remains uncertain.

In Europe, in particular, despite measures taken by several governments and monetary authorities to provide financial assistance to certain Eurozone countries and to avoid default on sovereign debt obligations, concerns persist regarding the debt burden of several countries. These concerns, along with the significant fiscal adjustments carried out in several countries, intended to manage actual or perceived sovereign credit risk, have led to further pressure on economic growth and to new periods of recession. These ongoing concerns could have a detrimental impact on the global economic recovery, as well as on the financial condition of European institutions, which could result in greater volatility, reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. In addition, widespread austerity measures in many countries in which the Group operates could continue to adversely affect consumer confidence, purchasing power and spending, which could adversely affect the Group's financial condition and results of operations.

Following the Group's acquisition of control of Chrysler and subsequent acquisition of 100 percent of Chrysler, a majority of the Group's revenues are generated in the NAFTA region. Although economic recovery in North America has been slower and less robust than many economic experts predicted, vehicle sales in North America have experienced significant growth from their 2009-2010 trough. However, this recovery may not be sustained or may be limited to certain classes of vehicles. In addition, the recovery may be partially attributable to the pent-up demand and average age of vehicles in North America following the extended economic downturn so there can be no assurances that improvements in general economic conditions or employment levels will lead to corresponding increases in vehicle sales. As a result, North America may experience limited growth or declines in vehicle sales in the future.

In addition, slower expansion is also being experienced in major emerging countries, such as China, Brazil and India. In addition to weaker export business, lower domestic demand also led to a slowing economy in these countries. All these potential developments could adversely affect the financial condition and results of operations of the Group.

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 it 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.

### **Fiat Group - The Group's future performance depends on its ability to enrich the Group's product portfolio and offer innovative products**

The success of the Group's businesses depends, among other things, on their ability to maintain or increase their 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 product, 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 production model 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 Group's 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 Group's strategy, which would have a material adverse effect on the Group's financial condition and results of operations. Additionally, the Group's high proportion of fixed costs, both due to its significant investment in property, plant and equipment as well as the requirements of its 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 its vehicles.

### **Fiat Group - The automotive industry is highly competitive and cyclical and the Group may suffer from those factors more than some of its competitors**

Substantially all of the Group's revenues are generated in the automobile industry, which is highly competitive, encompassing the production and distribution of passenger cars, light commercial vehicles and the related 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.

Competition, particularly in pricing, has increased significantly in the Group's industry in recent years. In addition, partly as a result of lower growth in demand for automobiles, global automobile production capacity significantly exceeds current demand. This overcapacity, combined with high levels of competition and weakness of major economies, 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 which have lower production costs have announced that they intend to export lower-cost automobiles to established markets. These actions have had, and could continue to have, a negative impact on the Group's vehicle pricing, market share, and operating results.

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 automobiles business or the Group's inability to adapt effectively to external market conditions could have a material adverse impact on the financial condition and results of operations of the Group.

### **Fiat Group - The Group may be unsuccessful in efforts to expand the international reach of some of its brands that the Group believes have global appeal and reach**

The Group's growth strategies include significant investments designed to expand several brands believed to have global appeal into new markets. That includes pursuing extension of the Jeep brand into Asia and Latin America and reintroduction of the Alfa Romeo brand into North America. This will require significant investments in production facilities and in distribution networks in these markets. If the Group is unable to introduce vehicles that appeal to consumers in these markets and achieve its brand expansion strategies, the Group may be unable to earn a sufficient return on these investments and this could have a material adverse impact on the financial condition and results of operations of the Group.



### **Fiat Group - Fiat's current credit rating is below investment grade and any further deterioration may significantly affect the Group's 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 the Group's credit ratings. Following downgrades by the major rating agencies, Fiat is currently rated below investment grade.

The rating agencies review these ratings regularly and, accordingly, new ratings may be assigned to Fiat during 2014. 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, with a consequent material adverse effect on the Group's business prospects, earnings and financial position.

In addition, the ratings agencies separately review and rate Chrysler on a stand-alone basis and it is possible that Fiat's credit ratings may not benefit from any improvements in Chrysler's credit ratings or that a deterioration in Chrysler's credit ratings could result in a negative rating review of Fiat.

### **Fiat Group - The Group may not be able to realize anticipated benefits from any acquisitions and challenges associated with strategic alliances may have an adverse impact on the Group's 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 the Group from realizing the expected benefits of the transactions or the achievement of 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;
- 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.

### **Fiat Group - The Group may not achieve the expected benefits from the integration with Chrysler**

The acquisition of 100% of the equity in Chrysler and the related integration of the two businesses is intended to provide the Group with a number of long-term benefits, including allowing new vehicle platforms and powertrain technologies to be shared across a larger volume, as well as procurement benefits, management services and global distribution opportunities, particularly the extension of brands into new markets. The integration is also intended to facilitate penetration of key brands in several international markets where the Group believes products would be attractive to consumers, but where they currently do not have significant market penetration.

The ability to realize the benefits of the integration is critical for the Group to compete with other automakers. If the Group is unable to convert the opportunities presented by the integration into long-term commercial benefits, either by improving sales of vehicles and service parts, reducing costs or both, the Group's financial condition and results of operations may be materially adversely affected.

As a result, any adverse development for Chrysler or Fiat, or the failure of the Group to achieve the intended benefits of the related integration could have a material adverse effect on the Group's business prospects, financial condition and results of operations.

### **Fiat Group - 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, environmental claims and lawsuits, governmental investigations and other legal proceedings including those that arise in the ordinary course of 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 lawsuits are not expected individually to have a material adverse effect on the Group's financial position or its results of operations, such lawsuits 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. In addition, while the Group maintains insurance coverage with respect to certain claims, it 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.

#### **Fiat Group - The Group may be exposed to shortfalls in Chrysler's pension plans**

Chrysler's defined benefit plans are currently underfunded and its 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. Chrysler'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 its defined benefit plans, as well as the investment strategy for the plans, Chrysler 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 increase the value of investments in fixed income securities and the present value of the obligations.

Any reduction in investment returns 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 Chrysler's financial condition and results of operations. If Chrysler fails to make required minimum funding contributions, it could be subjected to reportable event disclosure to the Pension Benefit Guaranty Corporation<sup>1</sup> as well as interest and excise taxes calculated based upon the amount of any funding deficiency.

With Fiat's ownership in Chrysler now exceeding 80%, Fiat may become subject to certain US legal requirements making it secondarily responsible for a funding shortfall in certain of Chrysler's pension plans in the event these pension plans were terminated and Chrysler were to be insolvent.

#### **Fiat Group - The Group may not be able to provide adequate access to financing for its dealers and retail customers**

The Group's dealers enter into wholesale financing arrangements to purchase vehicles to hold in inventory and retail customers use a variety of finance and lease programs to acquire vehicles.

Unlike many of its competitors, the Group does not own and operate its own finance company dedicated solely to its operations. Instead it has elected to partner with specialized financing services providers through joint ventures and commercial agreements. The Group's lack of a captive finance company may increase the risk that 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 Group's competitors are better able to implement financing programs designed to maximize vehicle sales in a manner that optimizes profitability for them and their captive 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, its lack of a captive finance company could adversely affect its results of operations.

Any independent financing services provider will face other demands on its capital, including the need or desire to satisfy funding requirements for dealers or customers of the Group's competitors as well as liquidity issues relating to other investments. Furthermore, they may also 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. Additionally, if consumer interest rates increase substantially or if financing service providers tighten lending standards or restrict their lending to certain classes of credit, consumers may not be able to obtain financing to purchase or lease the Group's vehicles.

To the extent that a financing services provider is unable or unwilling to provide sufficient financing at competitive rates to the Group's dealers and consumers, such dealers and consumers may not have sufficient access to financing to purchase or lease the Group's vehicles. As a result, the Group's vehicle sales and market share may suffer, which would adversely affect the Group's financial condition and results of operations.

<sup>1</sup> The Pension Benefit Guaranty Corporation (PBGC) is an independent agency of the United States government that was created by the Employee Retirement Income Security Act of 1974 (ERISA) to encourage the continuation and maintenance of voluntary private-sector defined benefit pension plans.



### **Fiat Group - Vehicle sales depend heavily on affordable interest rates for vehicle financing**

In certain regions, 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. To the extent that 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 consumers or steer consumers to less expensive vehicles, adversely affecting the Group's financial condition and results of operations. Furthermore, because 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 Group's competitors.

### **Fiat Group - Limitations on the Group's liquidity and access to funding may limit its ability to execute its business plan and improve its business, 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 recourse 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 the Group's 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 its 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 and financial service providers, to do business with the Group, which may adversely affect the Group's financial condition and results of operations.

### **Fiat Group - The Group's ability to achieve cost reductions and to realize production efficiencies is critical to maintaining its competitiveness and long-term profitability**

The Group is continuing to implement a number of cost reduction and productivity improvement initiatives in automotive operations, for example, by increasing the number of vehicles that are based on common platforms, reducing dependence on sales incentives offered to dealers and consumers, leveraging purchasing capacity and volumes between Fiat and Chrysler and implementing World Class Manufacturing, or WCM, principles. The Group's future success depends upon its ability to implement these initiatives successfully throughout its operations. In addition, while some of the productivity improvements are within its 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 its 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.

### **Fiat Group - Product recalls may result in direct costs and loss of vehicle sales that could have material adverse effects on Group's business**

From time to time, the Group has been required to recall vehicles to address performance, compliance or safety-related issues. The costs the Group incurs to recall vehicles typically include the cost of replacement parts and labor to remove and replace the problem parts, and may substantially depend on the nature of the remedy and the number of vehicles affected. Product recalls may also harm the Group's reputation and may cause consumers to question the safety or reliability of its products. Any costs incurred, or lost vehicle sales, resulting from product recalls could materially adversely affect the Group's financial condition or results of operations. Moreover, if the Group faces consumer complaints, or receives information from vehicle rating services that calls into question the safety or reliability of one of its vehicles and the Group does not issue a recall, or if the Group does not do so on a timely basis, its reputation may also be harmed and the Group may lose future vehicle sales.

### **Fiat Group – Failure to maintain adequate financial and management processes and controls could lead to errors in the financial reporting, which could harm the Group's business reputation**

The Group continuously monitors and evaluates changes in its internal controls over financial reporting. In support of a drive toward common global systems, the Group is extending the current 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 its previous processes. The Group's management believes that the implementation of this system will continue to improve and enhance internal controls over financial reporting. Failure to maintain adequate financial and management processes and controls could lead to errors in the Group's financial reporting.

#### **Fiat Group - 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 remittances and other payments to or from subsidiaries;
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on the repatriation of funds. In particular, current regulations limit the Group ability to access and transfer liquidity out of Venezuela to meet demands in other countries and also subject the Group to increased risk of devaluation or other foreign exchange losses. In December 2010 and February 2013, the Venezuelan government announced devaluations of the official Venezuelan Bolivar (VEF)-USD exchange rate, which resulted in devaluation of the Group VEF denominated balances;
- the introduction of more stringent laws and regulations.

Unfavorable developments in any one 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.

#### **Fiat Group - 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). In Brazil, in recent years the Group has been the market leader, which has provided a key contribution to the Group's performance in terms of revenues and profitability. 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 and political developments in Brazil and other emerging markets, including economic crises or political instability, have had and could in the future have material adverse effects on the Group's financial condition and results of operations.

The Group continues to increase its presence in emerging markets such as China and India through a series of partnerships. In 2013, the Group entered into a joint venture with Guangzhou Automobile Group Co., Ltd (GAC Group) for the production of engines and passenger cars for the Chinese market, as well as securing exclusive distribution of Fiat branded cars in China. The Group has also entered into a joint venture with TATA Motors for the production of C-segment cars, engines and transmissions in India. Maintaining and strengthening its position in these emerging markets is a key component of the Group's global growth strategy. However, with competition from many of the largest global manufacturers as well as numerous smaller domestic manufacturers, the automotive market, both in China and India, is highly competitive. As these markets continue to grow, the Group anticipates that additional competitors, both international and domestic, will seek to enter these markets and that existing market participants will act aggressively to protect or increase their market share. Increased competition may result in price reductions, reduced margins and the Group's inability to gain or hold market share.

#### **Fiat Group - Laws, regulations and governmental policies, including those regarding increased fuel economy requirements and reduced GHG emissions, may have a significant effect on how the Group does business and may adversely affect the Group's 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, which could result in limitations on the types of vehicles the Group sells and where it can sell them, which could have a material adverse impact on the financial condition and results of operations of the Group.

Government initiatives to stimulate consumer demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new vehicles, can substantially influence the timing and level of revenues. The size and duration of such government measures are unpredictable and outside of the Group's control. Any adverse change in government policy relating to those measures could have material adverse effects on the Group's business prospects, earnings and financial position.

### **Fiat Group - Labor laws and labor unions could impact the ability of the Group to increase the efficiency of its operations**

Substantially all of the Group's production employees are represented by trade unions, are covered by collective bargaining agreements and/or 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 may impede the Group's ability to restructure its business successfully to compete more effectively, especially with those automakers whose employees are not represented by unions or are subject to less stringent regulations.

### **Fiat Group - Amounts required to develop and commercialize vehicles incorporating sustainable technologies for the future are significant, as are the barriers that still limit the mass-market potential of such vehicles**

The Group's product strategy is driven by the objective of achieving sustainable mobility by reducing the environmental impact of vehicles over their entire life cycle. The Group therefore intends to continue investing capital resources to develop new sustainable technology. It aims to increase the use of alternative fuels, such as natural gas, by continuing to offer a complete range of dual-fuel passenger cars and commercial vehicles. Additionally, it plans to continue developing alternative propulsion systems, particularly for vehicles driven in urban areas (such as the zero-emission Fiat 500e).

In many cases, technological and cost barriers limit the mass-market potential of sustainable natural gas and in particular electric vehicles. In some other cases the technologies that the Group plans to employ are not yet commercially practical and depend on significant future technological advances by the Group and by suppliers. There can be no assurance that these advances will occur in a timely or feasible way, that the funds that the Group has budgeted for these purposes will be adequate, or that it will be able to establish its right to these technologies. Further, the Group's competitors and others are pursuing similar technologies and other competing technologies and there can be no assurance that they will not acquire similar or superior technologies sooner than it does or on an exclusive basis or at a significant price advantage.

### **Fiat Group - The Group depends on its relationships with suppliers**

The Group purchases raw materials and components from a large number of suppliers and depends on services and products provided by companies outside the Group. Close collaboration between a manufacturer 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.

### **Fiat Group - Risks associated with increases in costs, disruptions of supply or shortages of raw materials**

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 at times in recent periods, these commodity prices have increased significantly in response to changing market conditions. The Group seeks to manage this exposure, but it may not be successful in hedging its exposure to these risks. Substantial increases in the prices for raw materials would increase the Group's operating costs and could reduce profitability if the increased costs cannot be offset by changes in vehicle prices. In addition, certain raw materials are sourced only 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 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 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 its 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 results of operations.

### **Fiat Group - 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 the Group's 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 its industrial activities and for financing customers and dealers. Moreover, liquidity for industrial activities is also principally invested in variable-rate or short-term financial instruments. The Group's 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 revenues, finance costs and margins.

The Group seeks to manage risks associated with fluctuations in currency and interest rates through financial hedging instruments. Despite such hedges being in place, fluctuations in currency or interest rates could have a material adverse effect on the Group's financial condition and results of operations.

The Group's financial services activities are also subject to the risk of insolvency of dealers and end-customers, as well as unfavorable economic conditions in markets where these activities are carried out. Despite the Group's efforts to mitigate such risks through the credit approval policies applied to dealers and end-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.

### **Fiat Group - The Group's success largely depends on the ability of its current management team to operate and manage effectively**

The Group's success largely depends on the ability of its senior executives and other members of management to effectively manage the Group and individual areas of the business. The loss of any senior executive, manager or other key employees without an adequate replacement or the inability to attract, retain and incentivize senior executive managers, other key employees or new qualified personnel could therefore have a material adverse effect on the Group's business prospects, earnings and financial position.

### **Fiat Group - The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding 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 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 it at a competitive disadvantage;
- 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 its 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.

Among the anticipated benefits of the corporate reorganization announced in January 2014 is the expected reduction in funding costs over time due to improved debt capital markets positioning of the combined entity. However, certain of the circumstances and risks described may delay or reduce the expected cost savings from the future funding structures and the expected cost savings may not be achieved in full or at all.

Even after the acquisition by Fiat, Chrysler continues to manage financial matters, including funding and cash management, separately. Additionally, Fiat has not provided guarantees or security or undertaken any other similar commitment in relation to any financial obligation of Chrysler, nor does it have any commitment to provide funding to Chrysler in the future.

Furthermore, certain bonds issued by Fiat include covenants that may be affected by circumstances related to Chrysler. In particular, these bonds include cross-default clauses which may accelerate the relevant issuer's obligation to repay its bonds in the event that a "material subsidiary" of Fiat fails to pay certain debt obligations on maturity or is otherwise subject to an acceleration in the maturity of any of those obligations. Chrysler Group LLC is a "material subsidiary" and certain of its subsidiaries may become material subsidiaries of Fiat within the meaning of those bonds. Therefore, the cross-default provision could require early repayment of the Notes or those bonds in the event Chrysler's debt obligations are accelerated or are not repaid at maturity. There can be no assurance that



the obligation to accelerate the repayment by Chrysler of its debts will not arise or that it will be able to pay its debt obligations when due at maturity.

In addition, one of Fiat's existing revolving credit facilities, expiring in July 2016, provides for some limits on Fiat's ability to provide financial support to Chrysler.

#### **Fiat Group - Restrictive covenants in the Group's debt agreements could limit its 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 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;
- enter into sale and leaseback transactions.

#### **Fiat Group - Risk associated with restrictions arising out of Chrysler's debt instruments**

Chrysler is party to a credit agreement for certain senior secured credit facilities and an indenture for two series of secured senior notes. These debt instruments include covenants that restrict Chrysler's ability to 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, Chrysler paid a distribution of \$1.9 billion to its members. With certain exceptions, further distributions will be limited to 50 percent of Chrysler's consolidated net income (as defined in the agreements) from the period from January 2012 until the end of the most recent fiscal quarter, less the amount of the January 2014 distribution.

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 addition, the senior credit facilities contain, and future indebtedness may contain, other and more restrictive covenants and also prohibit Chrysler from prepaying certain of its indebtedness. The senior credit facilities require Chrysler to maintain borrowing base collateral coverage and a liquidity threshold. A breach of any of these covenants or restrictions could result in an event of default on the indebtedness and any of the other indebtedness of Chrysler or result in cross-default under certain of its indebtedness.

If Chrysler 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, Chrysler 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 Chrysler in such circumstances, it may not be available on acceptable terms.

In addition, compliance with certain of these covenants could restrict Chrysler's ability to take certain actions that its management believes are in Chrysler's and the Group's best long-term interests.

Should Chrysler be unable to undertake strategic initiatives due to the covenants provided for by the above instruments, the Group's business prospects, financial condition and results of operations could be adversely impacted.

## **C&W Group**

The following is a summary of the risks and uncertainties that could potentially have a significant impact on the activities of C&W Group, Inc. (C&W).

Additional risks and uncertainties not presently known to C&W or that C&W currently believes to be immaterial may also adversely affect C&W's business.

### **C&W – Risks associated with general economic conditions**

C&W's success depends, in part, on the basic strength of the real estate markets in which C&W operates. Periods of economic weakness or recession, significantly rising interest rates, declining employment levels, declining demand for commercial real estate, falling real estate values, or the public perception that any of these events may occur, may negatively affect the performance of some or all of C&W's business lines.

These economic conditions can result in a general decline in acquisition, disposition and leasing activity, increase in credit cost and lack of credit availability, as well as a general decline in the value of commercial real estate and rents, which in turn can reduce revenue from property management and valuation fees and commissions derived from property sales, leasing and financing activities and increase volatility of certain business lines, such as capital markets, that generate fees based on the timing, size and pricing of transactions. The performance of the real estate markets depends upon many factors, almost all of which are beyond C&W's control. Any prolonged downturn in the real estate markets could have a significant adverse effect on C&W's ability to generate revenue and profits and on C&W's business as a whole.

### **C&W – Risks associated with C&W's credit facility**

C&W's credit agreement imposes operating and other restrictions on C&W and many of its subsidiaries which may limit or prohibit various activities including: financing ongoing operations, strategic acquisitions, investments, paying dividends or making distributions on or repurchases of capital stock. The credit facility is guaranteed by the main assets of C&W Group. Failure to meet payments or other obligations under C&W's credit agreement (financial covenants) could lead to increased interest rates.

### **C&W – Risks associated with seasonality**

A significant portion of C&W's revenue is seasonal which can affect C&W's ability to compare financial condition and consolidated results of operations on a quarter-by-quarter basis. Historically, this seasonality has caused revenue, operating income, net income and cash flows from operating activities to be lower in the first two quarters and higher in the third and fourth quarters of each year. The seasonality of C&W's business makes it more difficult to determine during the course of the year whether C&W's business expectations will be achieved, and to adjust timely to changes in conditions.

### **C&W – Risks associated with the impairment of C&W's goodwill and other intangible assets**

In connection with EXOR's acquisition of Cushman & Wakefield, Inc. in 2007 and as a result of subsequent acquisitions, C&W has significant goodwill and other intangible assets on its books. A significant and sustained decline in future cash flows, a significant adverse change in the economic environment or slower revenue and EBITDA growth rates could result in the recognition of goodwill or other intangible asset impairment charges.

### **C&W – Risks associated with currency fluctuation**

C&W's revenue from non-U.S. operations is denominated primarily in the local currency where the associated revenue was earned while the reporting currency of C&W is the U.S. dollar. Over time, fluctuations in the value of the U.S. dollar relative to the other currencies in which earnings are generated could adversely affect C&W's business, financial condition and operating results. In addition, constantly changing currency exposures and the volatility of currency exchange rates may make it more difficult to perform period-to-period comparisons of reported results of operations.

### **C&W – Risks associated with litigation**

C&W's licensed employees and the licensed employees of C&W's global subsidiaries are subject to statutory due diligence, disclosure and standard-of-care obligations. Failure to fulfill these obligations could result in litigation from parties who purchased, sold or leased properties C&W brokered or managed, as well as any party who may have relied on a valuation by C&W. In addition, C&W hires and supervises third-party contractors to provide certain services for C&W's managed properties. Depending on the terms of the contracts with C&W's clients, C&W may be subject to claims resulting from actions of such third-party contractors that it does not control. Any material claim or litigation could divert senior management's attention and delay implementation of C&W's business



strategy, which could ultimately harm C&W's financial condition and results of operations. Some of these litigation risks may be mitigated by insurance maintained by C&W in amounts it believes are appropriate.

#### **C&W – Risks associated with competition**

C&W competes across a variety of business disciplines within the commercial real estate services industry. Although many of its competitors are local or regional firms and are substantially smaller than C&W, some of these competitors are larger on a local or regional basis. C&W is also subject to competition from other large national and multi-national firms that have similar service competencies to C&W. In general, there can be no assurance that C&W will be able to compete effectively, to maintain current fee levels or margins, or maintain or increase C&W's market share.

#### **C&W - Risks associated with ability to attract and retain qualified and experienced employees**

C&W's continued success is highly dependent upon the efforts of its executive officers and other key employees. If any of C&W's key employees leave and C&W is unable to quickly hire and integrate a qualified replacement, C&W's business, financial condition and results of operations may suffer. In addition, the growth of C&W's business is largely dependent upon C&W's ability to attract and retain qualified personnel in all areas of C&W's business, including brokerage and property management personnel, and competition for key employees among C&W and its competitors is intense. If C&W is unable to attract and retain qualified personnel, C&W's growth may be limited and its business and operating results could suffer.

#### **C&W – Risks associated with operations in multiple jurisdictions with complex and varied tax regimes**

C&W operates in many jurisdictions with complex and varied tax regimes and is subject to different forms of taxation resulting in a variable effective tax rate. Adverse tax filings, failure to adequately support tax positions, non-compliance with tax regulations, errors in tax preparation and disagreements with the tax authorities on the application of tax law and tax claims arising from tax audits may result in the disqualification of tax positions taken, tax penalties and could have an adverse effect on C&W's results of operations.

#### **C&W – Risks associated with the protection of C&W's intellectual property**

C&W's business depends, in part, on C&W's ability to identify and protect proprietary information and other intellectual property such as C&W's trade and service marks, domain names, client lists and information, business methods and research. C&W's inability to detect unauthorized use or take appropriate or timely steps to enforce C&W's intellectual property rights may have an adverse effect on business and lead to claims against C&W.

#### **C&W - Risks associated with non-compliance with policies and Global Code of Business Conduct**

The global nature of C&W's business makes it challenging to communicate the importance of adherence to C&W's policies and Global Code of Business Conduct, to monitor and enforce compliance with its provisions on a worldwide basis and to ensure local compliance with US and UK laws that apply globally in some circumstances (e.g. the Foreign Corrupt Practices Act, the Patriot Act and the UK Bribery Act). Breaches of C&W's Global Code of Conduct could have a material adverse effect.

#### **C&W – Risks associated with the security of C&W's information and technology networks, including personally identifiable and client information**

C&W collects and stores sensitive data such as personally identifiable information of C&W's employees, clients and other third parties. The secure processing, maintenance and transmission of this information is critical to C&W's operations. Despite C&W's security measures, C&W's information technology systems may be vulnerable to attacks by hackers or breaches due to employee error, malfeasance or other disruptions. Such events could expose C&W to liability, damage C&W's reputation and adversely affect revenues and competitive position. Additionally, C&W increasingly relies on third-party data storage providers, including cloud storage solution providers, resulting in less direct control over C&W's data. Such third parties may also be vulnerable to security breaches and compromised security systems, which could adversely affect C&W's reputation.

In order to manage such risks, C&W has recently deployed a third-party Managed Security Service to monitor activity and provide alerts of risky events, a third-party application vulnerability assessment service to monitor client-facing, public-facing, and internal web application vulnerabilities, and a risk assessment program for information technology related service providers. C&W is currently taking steps to increase its ability to prevent, detect, and react to malicious activity intended to misappropriate C&W's data or computing resources.

## JUVENTUS FOOTBALL CLUB

### **Juventus Football Club - Risks associated with general economic conditions**

Overall, Juventus' financial position, income statement and cash flows are affected by general economic conditions. However, despite the fact that most of the company's income items are tied to long-term contracts, if the situation of weakness and uncertainty which characterizes the Italian and European economy 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 from the stadium and all sales activities targeting supporters.

### **Juventus Football Club - Risks associated with the sponsorship market**

From a general viewpoint, the crisis which has hit financial markets in recent years and the consequent ongoing recession are affecting the market of sports sponsorships which currently has a narrower timeframe of promotional and advertising investments made by partner companies. The effect of this shift in the market in the short term has been to lower the proportion of long-term sponsorship revenues compared with the past. If the economic crisis should continue, growth in sponsorship revenues may fall below expectations, with the result that Juventus' financial position, income statement and cash flows may be impacted.

### **Juventus Football Club - Risks associated with 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. The inability to keep "key people" may have a negative impact on the actual ability to manage and on the Club's growth prospects.

### **Juventus Football Club - Risks associated with funding requirements**

Numerous factors affect Juventus' financial position. In particular, these include the fulfillment 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. In addition to this, the company holds its cash and cash equivalents as demand deposits or short-term deposits with a suitable number of different banks, to ensure the prompt availability of the funds. Nevertheless, given the adverse 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 associated with business sector**

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

In addition, given that the business also focuses on the commercial exploitation of the trademark, trademark infringement by third parties is another risk the company faces. The arrival on the market of a large number of imitation goods bearing the Juventus trademark or the occurrence of events that may impair the market value of the trademark would potentially have an adverse impact on the company's financial position, income statement and cash flows. Finally, the company is exposed to risks connected with supporter behavior, which may result in fines, sanctions or other punishments being levied on Juventus, and indirect damages to the Club's image, which may lead to lower stadium turnout and lower merchandising sales.

### **Juventus Football Club - Risks associated with the Transfer Campaign**

The company's business and financial performance are affected significantly by the acquisitions and disposals made as part of Transfer Campaigns. The difficulties in correlating the single transactions compared with the Development Plan and guidelines related to sports management defined annually could result in negative impacts on the company's financial situation. Moreover, having a squad of players that do not meet the technical and tactical requirements of the trainer and the strategic needs of the sporting director raises the risk of not being able to optimize the playing side, bringing unexpected or excessive costs, amortization charges and players' wages.

### **Juventus Football Club - Risks related to relations with footballers**

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



It cannot be excluded that these trends may continue in future years, affecting the company's strategy and the dynamic management of its playing assets, and may have negative effects on the company's financial position, income statement and cash flows, as well as on its activities, strategies and prospects.

For the relations in question, it is important to underline the risk connected with a failure of footballers who are no longer part of the company's technical program to accept transfers with the consequent incurring of costs for unexpected or excessive amortization charges and players wages, a risk that all football clubs have in common.

#### **Juventus Football Club – Risks associated with any unlawful behavior of registered players**

As current sports regulations hold football clubs liable for certain behavior of its players, the possibility that the company may be fined by sports bodies in the future, for facts beyond its control, with negative effects that may also be significant on the financial position and performance, cannot be ruled out.

#### **Juventus Football Club - Risks associated with 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. New rules governing the ownership of broadcasting rights to sports events and the distribution of proceeds, have reduced Juventus' revenues on a national level, bearing a significant impact on the financial position, income statement and cash flows of Juventus. A possible decrease in the rights market as well as a different application of the new criteria adopted by the *Lega* for the distribution of proceeds from centralized and collective sale of radio and television rights may lead to an additional significant reduction of revenues in the future with negative impact on Juventus' financial position, income statement and cash flows.

Moreover, in recent years live streaming and piracy on Internet have caused and continue to cause the loss of income for TV broadcasters which could lead them to change the investments in the sector with a negative impact on Juventus' financial position, income statement and cash flows.

#### **Juventus Football Club – Risks associated with 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 some registered players and/or their relatives, relatives by marriage and attorneys-in-fact, 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 negative effects on the financial position and performance, cannot be ruled out.

#### **Juventus Football Club - Risks associated with management of the company-owned stadium**

Starting with the 2011/2012 season, Juventus became the first *Serie A* team to own its own stadium. This means that the company is now responsible for it with the consequent risks related to the structure of the stadium and management of the surrounding public areas used for parking. Activities at the Juventus Stadium could be suspended following natural disasters and other events beyond the company's control with consequent negative impacts on Juventus' financial position, income statement and cash flows.

Management of the new stadium and public parking areas during events may also lead to unexpected costs, including due to damage or vandalism which is beyond Juventus' control. Lastly, a reduction of supporters and played matches would have a negative effect on Juventus' financial position, income statement and cash flows.

#### **Juventus Football Club – Risks associated with 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 procedures considered necessary to avoid the infringement of these regulations, the company cannot rule out the possibility that facts may occur beyond its control that result in sanctions (including suspension from the field, fines and bans from competitions), and that cause concern among fans at the stadium, reducing their number 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 expense 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 associated with 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, financial 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 in any significant way to the risk of exchange rate fluctuations.

#### **Juventus Football Club - Risks associated with the missed qualification for sports tournaments**

The company's financial performance is 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 for the tournament, 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 new so-called "Financial Fair Play" rules, could potentially have an adverse impact on the company's financial position and income statement.

#### **Juventus Football Club - Risks associated with Financial Fair Play**

The UEFA Executive Committee recently approved the European-wide introduction of a licensing system for the admission of football clubs to the club competitions that it organizes (UEFA Champions League, UEFA Europe 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 principle, according to which the clubs can participate in European competitions only if they can demonstrate a balance between generated revenues and incurred costs. A short description is given below of the main financial-economic and equity parameters applied by UEFA for admission to its competitions. As of the 2013/2014 Football Season, each club will be required to show it has:

- financial statements certified by an independent auditor demonstrating that the club is a going concern;
- non-negative equity;
- no overdue payables towards football clubs, employees, and/or social/tax authorities;
- a positive break-even result, demonstrating compliance with the break-even rule, for the two years preceding the entry into force of the new UEFA regulations (i.e., for the 2011/2012 and 2012/2013 football seasons) or, for future applicants, for the three consecutive years preceding the club's application for a UEFA License.

The company has obtained the UEFA license to play in European championships for the 2013/2014 football season, however it is not possible to predict if in the future these requirements (or new requirements approved in the meantime) will be complied with, nor can it be excluded that clubs may be required to have additional funding to meet the requirements needed for the UEFA License. If the company is not able to meet the above requirements, it may be excluded from participation in European competitions, bearing an adverse impact on its financial position and income statement.

#### **Juventus Football Club - Risks associated with 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' financial position, income statement and cash flows cannot be excluded on the basis of the current disputes.

#### **Juventus Football Club – Risks associated with tax litigation**

Considering the specific nature of the football industry and in particular of the transactions regulating the Transfer Campaign, which are interpreted in different ways by football clubs and the Financial Administration, claims could be made by the Financial Administration in the future, even concerning a significant amount, with adverse effects on the company's financial position and performance.

## SIGNIFICANT EVENTS IN 2013

### Appointment of the common representative of the holders of EXOR preferred shares

On January 15, 2013, the shareholders' meeting of EXOR preferred shares appointed Oreste Cagnasso as the preferred shareholders' common representative.

### Mandatory conversion of preferred and savings shares

The meeting of the board of directors of EXOR S.p.A. held on February 11, 2013 put forward a motion to the shareholders to convert the Company's preferred and savings shares into ordinary shares.

The conversion had the intention of simplifying the capital structure and governance of the Company, creating conditions for greater transparency and eliminating the classes of shares that had very limited trading volumes, replacing them with ordinary shares, which, thanks to the conversion, will benefit from greater liquidity and create advantages for all shareholders.

The proposals were approved by the special meetings of the preferred and savings shareholders and the general meeting of the shareholders (in extraordinary session) respectively on March 19, and March 20, 2013.

Holders of preferred shares and savings shares who did not participate in the approval of the proposed conversions (i.e., holders who did not attend the meetings or voted against the proposed resolution or abstained) were able to exercise withdrawal rights for a fifteen-day period following registration of the approved resolutions in the Turin Company Register pursuant to article 2437-*bis* of the Italian Civil Code. On May 3, 2013, at the end of the withdrawal period, EXOR announced that the conditions precedent, approved by the shareholders' meeting on March 20, 2013, were satisfied. This shareholders' meeting, in fact, had resolved that the conversion of each class of shares would be conditional upon the cash amount to be paid by the Company pursuant to article 2437-*quater* of the Italian Civil Code for exercise of the withdrawal rights not exceeding €80 million, in the case of the preferred shares, and €20 million in the case of savings shares. In the event that either of these limits was exceeded for any given class, the conversion of both classes of shares would nevertheless become effective if the aggregate cash amount to be paid by the Company for the exercise of the withdrawal rights in respect of both classes did not exceed €100 million.

The conversions were executed on June 24, 2013, following the ex-dividend date for the 2012 dividends.

As from that same date, the share capital of EXOR S.p.A. is composed of 246,229,850 ordinary shares of par value €1 each for a total of €246,229,850.

### Purchases of treasury stock

Within the framework of the treasury stock buyback program resolved by the board of directors' meeting on May 29, 2012 and subsequently modified on February 11, 2013 by the board of directors' meeting which increased the maximum amount authorized by the buyback program from €50 million to €200 million, in the first half of 2013 EXOR purchased 3,790,857 ordinary shares (2.36% of the class) at the average cost per share of €21.96 for a total of €83.3 million, 823,400 preferred shares (1.07% of the class) at the average cost per share of €21.66 for a total of €17.8 million, in addition to 184,100 savings shares (2.01% of the class) at the average cost per share of €21.83 for a total of €4 million. The overall investment was €105.1 million.

On December 31, 2013, following the mandatory conversion of the preferred and savings shares into ordinary shares, carried out on June 24, 2013, EXOR S.p.A. held 23,883,746 ordinary treasury shares (9.7% of the class) at the average cost per share of €14.41 for a total of €344.1 million.

### Investment in Almacantar

On April 4, 2013 and May 2, 2013 EXOR S.A. paid in to Almacantar respectively £8 million (€9.4 million) and £4 million (€4.7 million) against the remaining amount due on the capital increase by Almacantar S.A. that was fully subscribed to in 2011 but had not been entirely paid.

On July 5, 2013, EXOR S.A. paid in to Almacantar the remaining balance of £19.2 million (€22.3 million).

In order to ensure additional financial resources for new investments, on July 11, 2013 EXOR S.A. subscribed to a new capital increase for an equivalent amount of £50 million (€57.9 million). Following this transaction, EXOR S.A. holds approximately 38.29% of Almacantar S.A. share capital.

### **Resolutions passed by the May 30, 2013 shareholders' meeting**

The EXOR shareholders' meeting held May 30, 2013 approved the payment of dividends, unchanged from the prior year, of €0.335 for each ordinary share, €0.3867 for each preferred share and €0.4131 for each savings shares, for a total maximum amount of €78.5 million. The declared dividends were payable beginning June 27, 2013.

The same shareholders' meeting approved the Compensation Report pursuant to art. 123-*ter* of Legislative Decree 58/98 and passed the resolution to renew the authorization for the purchase and disposal of EXOR treasury stock. Under the authorization the Company may purchase and sell on the market, for 18 months from the date of the shareholders' resolution, ordinary and/or preferred and/or savings shares for a maximum number such as not to exceed the limit set by law, for a maximum disbursement of €450 million. Therefore, the authorization for the purchase and disposal of treasury stock approved by the shareholders' meeting on May 29, 2012 for the part not used is considered revoked and subsequently modified and integrated on March 20, 2013.

Finally, the shareholders' meeting approved, pursuant to articles 2443 and 2420-*ter* of the Italian Civil Code, the renewal of the five-year authorization to increase share capital, at one or more times, also in divisible form, up to a maximum nominal amount of €500 million and to issue, at one or more times, bonds convertible into shares up to a maximum of €1 billion.

### **Sale of investment in SGS S.A.**

On June 10, 2013 EXOR S.A. finalized the agreement signed on June 2, 2013 for the sale of its entire investment in SGS S.A. (15% of share capital) to Serena S.à.r.l., a wholly-owned subsidiary of Groupe Bruxelles Lambert (GBL) at a price per share of CHF 2,128, for a total equivalent amount of more than €2 billion.

The sale forms part of the strategy of continual portfolio evaluation and optimization; the proceeds will be used to take advantage of new investment opportunities consistently with EXOR's investment strategy.

EXOR realized a net gain on the sale at consolidated level of €1,534 million.

### **Fiat Industrial and CNH Global merger**

The deed for the merger of Fiat Industrial S.p.A. with and into CNH Industrial N.V. and the deed for the merger of CNH Global N.V. with and into CNH Industrial N.V. were executed on September 27 and 28, 2013, respectively. The integration of these two companies was completed on September 29, 2013.

At closing, CNH Industrial issued 1,348,867,772 common shares which were allotted to Fiat Industrial and CNH Global shareholders on the basis of the established exchange ratios. In particular, Fiat Industrial shareholders received one CNH Industrial common share for each Fiat Industrial ordinary share held and CNH Global shareholders received 3.828 CNH Industrial common shares for each CNH Global common share held.

CNH Industrial also issued special voting shares (non-tradable) which were allotted to eligible Fiat Industrial and CNH Global shareholders who had elected to receive special voting shares in connection with the closing of the merger. On the basis of the requests received, CNH Industrial issued a total of 474,474,276 special voting shares.

On September 30, 2013 CNH Industrial N.V. common shares began trading on the New York Stock Exchange and the MTA managed by Borsa Italiana S.p.A.

EXOR with its 366,927,900 Fiat Industrial ordinary shares received 366,927,900 CNH Industrial common shares and the same number of special voting shares. At December 31, 2013 EXOR thus holds directly a 27.18% stake and 40.22% of the voting rights.



### **EXOR 2013-2020 bond issue and cancellation of a part of the EXOR 2007/2017 bond issue**

On November 12, 2013 EXOR issued non-convertible bonds for €200 million maturing November 12, 2020 through a private placement to institutional investors.

The bonds, admitted to listing on the Regulated Market of the Luxembourg Stock Exchange, were rated 'BBB+' by Standard & Poor's. The bonds were issued at a price of 99.053% and pay a fixed annual coupon of 3.375%.

Net proceeds will be used for EXOR's general corporate purposes and in order to extend the average maturity of its debt.

Following purchases on the market for a nominal €60 million of its outstanding €750 million 5.375% bonds due 2017 listed on Luxembourg Stock Exchange, EXOR had completed the cancellation of a nominal amount of bonds for the same amount on December 17, 2013.

As a result of the cancellation, the outstanding aggregate nominal amount of the bonds is now €690 million.

### **Criminal case relative to the contents of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005**

The Court of Appeals, in its decision handed down on February 21, 2013, completely acquitted, because the alleged criminal acts were not committed, EXOR S.p.A. and Giovanni Agnelli e C.

On December 17, 2013, the Italian Supreme Court annulled the February 21, 2013 judgment of the Turin Court of Appeal on the positions of Gianluigi Gabetti and Franzo Grande Stevens, without referring the case back to the lower court for a re-hearing, on the grounds that the offense is now statute-barred.

## SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2014

### Dividends and distribution of reserves to be received during 2014

The dividends and distributions of reserves already resolved by some investment holdings are presented below:

Holding	Class of shares	Number of shares		Dividends	
				Per share	Total (€/ml)
CNH Industrial N.V.	common	366,927,900	€	0.2	73.4
<b>EXOR's share to be received</b>					<b>73.4</b>
Gruppo Banca Leonardo S.p.A.	ordinary	45,459,968	€	0.12	5.5
<b>EXOR S.A.'s share to be received</b>					<b>5.5</b>



## BUSINESS OUTLOOK

EXOR S.p.A. expects to report a profit for the year 2014.

At the consolidated level, the year 2014 will show a profit which, however, will largely depend upon the performance of the principal subsidiaries and associates. Their most recent forecasts formulated and reported in their financial reports at December 31, 2013 are presented below.

### **CNH Industrial Group**

Projected improvements by the CNH Industrial Group in operating performances in the Trucks and Commercial Vehicles and Construction Equipment businesses, coupled with continued industrial efficiencies, are expected to offset the projected decline in unit demand of agricultural equipment forecasted for 2014. Accordingly, CNH Industrial is setting its 2014 guidance as follows:

- revenues flat to up 5%;
- trading margin between 7.8% and 8.2%;
- net industrial debt between €1.5 billion and €1.7 billion.

### **Fiat Group**

As already announced and now increasingly relevant following the acquisition of the minority stake in Chrysler previously held by the VEBA Trust, the Fiat Group will be presenting an updated business plan in early May 2014 that will give increased visibility of the Fiat Group's strategic direction and execution priorities. Notwithstanding that process, the Fiat Group indicates the following guidance for 2014:

- revenues approximately €93 billion;
- trading profit approximately €3.6 to €4.0 billion;
- net income approximately €0.6 to €0.8 billion, with EPS to improve from approximately €0.10 (ex-unusuals) to approximately €0.44 - €0.60. Includes increased deferred tax charge of approximately €0.5 billion due to the recognition of net deferred tax assets at year-end 2013 related to Chrysler.
- net industrial debt €9.8 billion to €10.3 billion. Guidance for net industrial debt includes cash outflows for the purchase of the remaining 41.5% minority stake in Chrysler Group LLC from the VEBA trust (€2.7 billion) on January 21, 2014, in addition to the impact of the adoption of IFRS 11 – *Joint Arrangements*, effective January 1, 2014, of approximately €0.3 billion).

### **C&W Group**

Despite continued soft economic conditions in many emerging markets, Cushman & Wakefield delivered double-digit revenue and operating income growth for full-year 2013, while still investing in the firm's growth initiatives. Business momentum picked up across the company's global platform translating into increased activity and stronger pipelines of transactions and assignments. This is a reflection of a more confident business environment, as well as the focus and drive of Cushman & Wakefield's professionals.

Looking ahead, Cushman & Wakefield expects activity to improve further in 2014 and remains focused on enhancing market share in key markets around the globe.

### **Almacantar**

During the final quarter of 2013, Almacantar continued to focus on activities to move Centre Point towards a start on site and a planning application was submitted for the Marble Arch Tower and Edgware Road scheme. Almacantar plans to maximize income generation in the period before the start of redevelopment.

It is Almacantar's intention to further expand the portfolio and a range of investment opportunities are being reviewed.

The London real estate market should remain stable due to the strong demand for rental space and activity by institutional investors.

The company expects to report a profit for the year 2014.

### ***Juventus Football Club***

During the first phase of the 2013/2014 Transfer Campaign Juventus made significant investments to further strengthen the First Team bench, and increase its competitiveness.

At present, it is possible that the resulting increase in costs relating to sports management may not be fully offset by increases in revenues due to the elimination from the UEFA Champions League.

Moreover, the First Team's progress in the UEFA Europa League tournament under way and the optimization actions that will be implemented could contribute to possible significant reductions in the loss for the present year which is currently forecast to exceed the loss for the 2012/2013 financial year.

In the second half of the 2013/2014 financial year, operations will, in any event, be focused on the objective of continuing to improve the financial performance achieved during the previous two financial years.



## REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

EXOR S.p.A. closed the year 2013 with a profit of €92.7 million (€150.5 million in 2012).

The negative change is due to lower gains (2013 includes the gain on the sale of The Black Ant Value Fund to the subsidiary EXOR S.A., whereas 2012 comprised the gain on the sale of the investment in Alpitour), higher recurring and non-recurring general expenses (€6 million), higher net financial expenses (€11.8 million) and higher income tax charges (€6.3 million), net of higher dividends received from investments (€20 million).

The separate condensed income statement and 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	2013	2012	Change
Dividends from investments	1	102.8	82.8	20.0
Gains (losses) on disposals and impairments of investments	2	82.2	135.9	(53.7)
Net financial income (expenses)	3	(60.3)	(48.5)	(11.8)
Net general expenses	4	(22.8)	(19.1)	(3.7)
Non-recurring other income (expenses) and general expenses	5	(1.9)	0.4	(2.3)
Non-deductible VAT and other taxes and duties		(1.6)	(1.5)	(0.1)
<b>Profit before income taxes</b>		<b>98.4</b>	150.0	(51.6)
Income taxes		(5.7)	0.5	(6.2)
<b>Profit for the year</b>		<b>92.7</b>	150.5	(57.8)

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

€ million	Note	12/31/2013		12/31/2012		Change
		Amount	%	Amount	%	
Investments and other financial assets						
available-for-sale	6	3,930.8	83.0	4,252.6	86.7	(321.8)
Other non-current financial assets		94.2	2.0	125.4	2.6	(31.2)
Current financial assets		702.7	14.9	518.1	10.6	184.6
Financial receivables from subsidiaries		1.0	0.0	1.8	0.0	(0.8)
Tax Receivables		6.0	0.1	4.5	0.1	1.5
Other current and non-current assets		1.2	0.0	1.4	0.0	(0.2)
<b>Total Assets</b>		<b>4,735.9</b>	<b>100.0</b>	4,903.8	100.0	(167.9)
Equity	7	3,434.0	72.6	3,519.6	71.8	(85.6)
Bonds		1,228.5	25.9	1,104.5	22.5	124.0
Current and non-current bank debt		0.0	0.0	200.0	4.1	(200.0)
Other current financial liabilities		33.7	0.7	45.3	0.9	(11.6)
Provisions and other current and non-current liabilities		39.7	0.8	34.4	0.7	5.3
<b>Total Equity and Liabilities</b>		<b>4,735.9</b>	<b>100.0</b>	4,903.8	100.0	(167.9)

#### 1. Dividends from investments

In 2013 dividends from investments amount to €102.8 million and include dividends received from CNH Industrial for €82.6 million, EXOR S.A. for €20 million, Rho Immobiliare Fund for €0.1 million and Emittenti Titoli (€0,1 million).

In 2012 dividends from investments amounted to €82.8 million and included dividends collected from Fiat Industrial for €71.3 million, Fiat for €10.8 million, Rho Immobiliare Fund for €0.7 million and Emittenti Titoli (€35 thousand).

## 2. Gains (losses) on disposals and impairments of investments

In 2013, gains (losses) on disposals and impairments of investments include the gain of €87.2 million relating to the sale of The Black Ant Value Fund to the subsidiary EXOR S.A., net of price adjustments relating to the sale of Alpitour in 2012.

In 2012, this line item included the gain on the sale of the investment in Alpitour.

## 3. Net financial income (expenses)

Net financial expenses amount to €60.3 million in 2013 and show a net increase of €11.8 million from 2012 (€48.5 million). The increase is mainly due to a different mix in the debt structure, the increase in cash and non-recurring expenses for a total of €18.2 million. The non-recurring expenses refer to the early closing of the interest rate hedging instruments on non-current loans of €200 million and losses on the partial cancellation (for a nominal €60 million) of the non-convertible 2007/2017 bonds.

## 4. Net general expenses

Net general expenses total €22.8 million (€18.2 million net of the notional cost of the EXOR stock option plan) and increased €3.7 million (€2.2 million net of the notional cost of the EXOR stock option plan) compared to the amount in 2012 of €19.1 million (€16 million net of the notional cost of the EXOR stock option plan).

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

The net balance of non-recurring expenses of €1.9 million relates to legal fees incurred for defense in the cases relating to the content of the press releases issued by IFIL and by Giovanni Agnelli e C. on August 24, 2005 and tax consulting fees.

## 6. Investments and other financial assets held-for-sale

€ million	12/31/2013	12/31/2012	Change
<b>Investments accounted for at cost</b>			
CNH Industrial N.V.	1,690.3	1,690.3	0.0
Fiat S.p.A.	1,324.7	1,324.7	0.0
EXOR S.A.	746.4	746.6	(0.2)
Juventus Football Club S.p.A.	95.7	95.7	0.0
Arenella Immobiliare S.r.l.	26.0	26.0	0.0
Emittenti Titoli S.p.A.	0.3	0.3	0.0
	<b>3,883.4</b>	<b>3,883.6</b>	<b>(0.2)</b>
<b>Financial assets available-for-sale</b>			
The Black Ant Value Fund	0.0	323.3	(323.3)
Rho Immobiliare Fund	11.7	11.8	(0.1)
Other	35.7	33.9	1.8
	<b>47.4</b>	<b>369.0</b>	<b>(321.6)</b>
<b>Total</b>	<b>3,930.8</b>	<b>4,252.6</b>	<b>(321.8)</b>

The decrease compared to December 31, 2012 is principally the result of the sale of The Black Ant Value Fund to the subsidiary EXOR S.A.

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

	Number	Carrying amount		Trading price December 30, 2013	
		Per share	Total	Per share	Total
		(€)	(€ million)	(€)	(€ million)
CNH Industrial N.V.	366,927,900	4.61	1,690.3	8.273	<b>3,035.6</b>
Fiat S.p.A.	375,803,870	3.52	1,324.7	5.926	<b>2,227.0</b>
Juventus Football Club S.p.A.	642,611,298	0.149	95.7	0.225	<b>144.6</b>
<b>Total</b>			<b>3,110.7</b>		<b>5,407.2</b>

## 7. Equity

Equity at December 31, 2013 is €3,434 million (€3,519.6 million at December 31, 2012). The negative change of €85.6 million is summarized in the following table:

€ million	
<b>Equity at December 31, 2012</b>	<b>3,519.6</b>
Dividends paid	(78.5)
Purchase of treasury stock	(105.1)
Other net changes	5.3
Profit for the year	92.7
<b>Net change during the year</b>	<b>(85.6)</b>
<b>Equity at December 31, 2013</b>	<b>3,434.0</b>

Further details are provided in the statement of changes in equity in the separate financial statements of EXOR S.p.A. at December 31, 2013.

## 8. Net financial position

The net financial position at December 31, 2013 is a negative €474.2 million, an improvement of €244.7 million compared to a negative €718.9 million at the end of 2012.

The balance is composed as follows:

€ million	12/31/2013			12/31/2012		
	Current	Non current	Total	Current	Non current	Total
Financial assets (a)	<b>117.3</b>	<b>83.9</b>	<b>201.2</b>	180.2	110.4	290.6
Financial receivables from subsidiary	<b>1.0</b>	<b>0.0</b>	<b>1.0</b>	1.8	0.0	1.8
Cash and cash equivalents	<b>585.7</b>	<b>0.0</b>	<b>585.7</b>	338.5	0.0	338.5
<b>Total financial assets</b>	<b>704.0</b>	<b>83.9</b>	<b>787.9</b>	520.5	110.4	630.9
EXOR bonds 2011-2031	<b>(0.7)</b>	<b>(68.8)</b>	<b>(69.5)</b>	(0.7)	(87.7)	(88.4)
EXOR bonds 2018-2025	<b>(4.8)</b>	<b>(97.8)</b>	<b>(102.6)</b>	(0.4)	(97.7)	(98.1)
EXOR bonds 2013-2020	<b>(0.9)</b>	<b>(198.0)</b>	<b>(198.9)</b>	0.0	0.0	0.0
EXOR bonds 2012-2019	<b>(1.5)</b>	<b>(147.5)</b>	<b>(149.0)</b>	(1.5)	(147.2)	(148.7)
EXOR bonds 2007-2017	<b>(20.7)</b>	<b>(687.8)</b>	<b>(708.5)</b>	(22.4)	(746.9)	(769.3)
Bank debt and other financial liabilities	<b>(33.6)</b>	<b>0.0</b>	<b>(33.6)</b>	(45.3)	(200.0)	(245.3)
<b>Total financial liabilities</b>	<b>(62.2)</b>	<b>(1,199.9)</b>	<b>(1,262.1)</b>	(70.3)	(1,279.5)	(1,349.8)
<b>Net financial position of EXOR S.p.A.</b>	<b>641.8</b>	<b>(1,116.0)</b>	<b>(474.2)</b>	450.2	(1,169.1)	(718.9)

(a) The amount of €25.7 million in the current portion and €83.5 million in the non-current portion (in 2012 the non-current portion was €109.5 million) relates 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 €244.7 million in 2013 is described in the following table:

€ million	
<b>Net financial position at December 31, 2012</b>	<b>(718.9)</b>
Dividends received from investment holdings	102.8
- CNH Industrial N.V.	82.6
- EXOR S.A.	20.0
- Emittenti Titoli	0.1
- Rho Immobiliare Fund	0.1
Sale of The Black Ant Value Fund	387.3
Treasury stock purchases	(105.1)
Dividends paid by EXOR S.p.A.	(78.5)
Other changes	(61.8)
- Net general expenses (excluding the notional cost of EXOR's stock option plans)	(18.2)
- Non-recurring other income (expenses) and general expenses	(1.9)
- Indirect taxes and duties	(7.8)
- Net financial expenses	(61.2) (a)
- Other net changes	27.3 (b)
<b>Net change during the year</b>	<b>244.7</b>
<b>Net financial position at December 31, 2013</b>	<b>(474.2)</b>

(a) Does not include €0.9 million of interest income on the financial receivable from Alpitour, not included in the net balance of the net financial position.

(b) Includes the valuation of interest rate swaps on loans for €26.6 million and other net changes for €0.7 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, 2013 and December 31, 2012 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.

€ million	Profit (Loss)		Equity	
	2013	2012	12/31/2013	12/31/2012
<b>Separate financial statements of EXOR S.p.A.</b>	<b>93</b>	150	<b>3,434</b>	3,520
Effect of the application of the amendment to IAS 19 - Employee Benefits		(100)		996
Difference between the carrying amounts of investments and the corresponding equity at the end of the prior year			<b>2,649</b>	1,494
Net balance between the changes during the year in the equity of consolidated companies and companies accounted for by the equity method (excluding the result)			<b>(1,128)</b>	18
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	<b>2,182</b>	300	<b>2,182</b>	200
Elimination of dividends received from consolidated companies and companies accounted for by the equity method	<b>(105)</b>	(84)	<b>(105)</b>	(84)
Adjustments of gains/losses on disposals and impairments of investments	<b>(85)</b>	34	<b>(85)</b>	34
Other consolidation adjustments	<b>0</b>	(2)		(9)
<b>Consolidated financial statements of the EXOR Group (attributable to owners of the parent)</b>	<b>2,085</b>	298	<b>6,947</b>	6,169

## REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP – SHORTENED

Through the subsidiary EXOR S.A., EXOR holds some important investments and controls some companies which contribute to the Group's investment and financial resource management activities. These companies constitute the so-called Holdings System (the complete list of these companies is presented below).

EXOR presents annual consolidated financial statements (statement of financial position and income statement) prepared by applying the “shortened” consolidation criterion. In accordance with this criterion, the separate 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 (CNH Industrial, Fiat, C&W Group, Juventus Football Club, Almacantar and Arenella Immobiliare) are accounted for using the equity method on the basis of their consolidated financial statements or accounting data or separate financial statements (in the case of Juventus Football Club and Arenella Immobiliare) drawn up in accordance with IFRS.

Such shortened form financial statements, in order to facilitate the analysis of the financial position and cash flows, as well as the results of operations of the Group, are also presented along with the half-year condensed consolidated financial statements and the interim reports at March 31 and September 30 of each year.

Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures previously reported in the income statement for 2012 and in the statement of financial position at January 1, 2012 and December 31, 2012, have been restated for comparative purposes as required by IAS 1.

The effects of the restatements on the statement of financial position and the income statement are attributable to CNH Industrial Group, Fiat Group and C&W Group. Compared to the data reported in the statement of financial position at December 31, 2012, the application of the amendment generated a reduction in equity at January 1, 2012 and at December 31, 2012, respectively, of €467.5 million and €995.6 million. Compared to the data reported in the income statement for 2012 the reduction in profit was €99.9 million (due to the reduction in the share of the profit (loss) of investments accounted for using the equity method).

It should be noted that the data relating to CNH Industrial Group refer to the Group after the merger between Fiat Industrial and CNH Global, completed on September 29, 2013. The merger had no impact on the consolidated activities of the former Fiat Industrial Group and therefore the results presented in the Report on Operations relating to the share of profit (loss) of investments and the value of the investment (measured using the equity method) are consistent and comparable with those previously reported by the EXOR Group. Nevertheless, in the context of this transaction, the stake held in the investment decreased from 30.88% to 27.96% following the entry of the minority shareholders of CNH Global.

This reduction had no effect on the measurement criteria for the CNH Industrial Group since *de facto* control was retained.

As far as the accounting effects of the dilution are concerned, these are represented by a change between the attributable equity of owners of the parent and the non-controlling interests; in particular, there was a net increase in the equity reserves attributable to owners of the parent of approximately €40 million because of the different accounting equity value of the companies participating in the merger as compared with the market values considered for the purpose of the exchange ratios.

Since the merger was completed at the end of the third quarter, the share of the profit recorded in the income statement was calculated on the basis of 30.88% (the pre-merger consolidation percentage) for the first nine months of 2013 and at 27.96% for the fourth quarter of 2013.

The following table shows the consolidation and valuation methods of the investment holdings.

	% of consolidation	
	12/31/2013	12/31/2012
<b>Companies in the Holdings System consolidated line-by-line</b>		
- Exor S.A. (Luxembourg)	100	100
- Exor Capital Limited (Ireland)	100	100
- Exor Inc. (USA)	100	100
- Ancom USA Inc. (USA)	100	100
- Exor N.V. (the Netherlands)	100	-
<b>Investments in operating subsidiaries and associates, accounted for using the equity method</b>		
- CNH Industrial Group (a)	27.96 (b)	30.88
- Fiat Group	30.90	30.91
- C&W Group (c)	82.40	78.95
- Almacantar Group	38.29	36.29
- Juventus Football Club S.p.A.	63.77	63.77
- Arenella Immobiliare S.r.l.	100	100

(a) Resulting from the merger of Fiat Industrial and CNH Global completed on September 29, 2013.

(b) The 2.9% reduction arises from the merger of Fiat Industrial and CNH Global with and in CNH Industrial.

(c) The percentage is calculated on issued share capital, net of treasury stock held and net of the estimate of treasury stock purchases from non-controlling interests to be made by C&W Group.

The EXOR Group ends the year 2013 with a consolidated profit of €2,084.5 million; the year 2012 closed with a consolidated profit of €298.3 million. The positive change of €1,786.2 million derives principally from higher net gains realized during 2013 of €1,520.4 million (of which €1,534 million relates to the sale of the entire investment in SGS), the increase in the share of the results of investments of €264.1 million and the reduction in net financial expenses of €12 million, compensated in part by lower dividends from investments (-€10.3 million).

The consolidated equity attributable to owners of the parent amounts to €6,947.4 million at December 31, 2013, with a net increase of €778.6 million compared to €6,168.8 million at the end of 2012. Further details are provided in note 10.

The positive balance of the consolidated net financial position of the Holdings System at December 31, 2013 is €1,281.2 million, with an increase of €1,807.1 million compared to the negative balance of €525.9 million at year-end 2012. Further details are provided in note 11.



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	2013	2012 (a)	Change
Share of the profit (loss) of investments accounted for using the equity method	1	554.1	290.0	264.1
Dividends from investments	2	61.7	72.0	(10.3)
Gains (losses) on disposals and impairments of investments, net	3	1,528.2	7.8	1,520.4
Net financial income (expenses)	4	(30.2)	(42.2)	12.0
Net general expenses	5	(26.0)	(24.5)	(1.5)
Non-recurring other income (expenses) and general expenses	6	(3.6)	(2.5)	(1.1)
Other taxes and duties		(1.8)	(1.7)	(0.1)
<b>Profit before income taxes</b>		<b>2,082.4</b>	298.9	1,783.5
Income taxes		2.1	(0.6)	2.7
<b>Profit attributable to owners of the parent</b>		<b>2,084.5</b>	298.3	1,786.2

(a) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures previously reported in the income statement for 2012 have been restated for comparative purposes as required by IAS 1.

### EXOR GROUP – Consolidated Statement of Financial Position - shortened

1/1/2012 (a) € million	Note	12/31/2013	12/31/2012 (a)	Change
<b>Non-current assets</b>				
4,355.1 Investments accounted for using the equity method	7	4,809.9	4,009.7	800.2
Other financial assets:				
1,734.6 - Investments measured at fair value	8	367.8	2,236.3	(1,868.5)
206.5 - Other investments	9	572.9	544.4	28.5
1.0 - Other financial assets		10.9 (b)	15.6 (b)	(4.7)
0.7 Other property, plant and equipment and intangible assets		0.2	0.3	(0.1)
6,297.9		<b>5,761.7</b>	6,806.3	(1,044.6)
<b>Current assets</b>				
701.0 Financial assets and cash and cash equivalents	11	2,488.0	752.0	1,736.0
27.5 Tax receivables and other receivables		7.5	5.8	1.7
728.5		<b>2,495.5</b>	757.8	1,737.7
70.3		<b>0.0</b>	7.4	(7.4)
7,096.7		<b>8,257.2</b>	7,571.5	685.7
5,935.9 <b>Capital issued and reserves attributable to owners of the parent</b>	10	<b>6,947.4</b>	6,168.8	778.6
<b>Non-current liabilities</b>				
1,045.8 Bonds and other financial debt	11	1,199.9	1,279.5	(79.6)
2.2 Provisions for employee benefits		2.3	2.4	(0.1)
6.5 Deferred tax liabilities, other liabilities and provisions for risk		7.3 (c)	6.4 (c)	0.9
1,054.5		<b>1,209.5</b>	1,288.3	(78.8)
<b>Current liabilities</b>				
96.3 Bonds, bank debt and other financial liabilities	11	90.8	108.5	(17.7)
10.0 Other liabilities		9.5	5.9	3.6
106.3		<b>100.3</b>	114.4	(14.1)
7,096.7		<b>8,257.2</b>	7,571.5	685.7

(a) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures previously reported in the statement of financial position at January 1, 2012 and December 31, 2012 have been restated for comparative purposes as required by IAS 1.

(b) Includes mainly the financial receivable by EXOR from Alpitour for €10 million, which is the remaining balance of the Deferred Price on the sale of Alpitour (€15 million), inclusive of interest capitalized at December 31, 2013 (€1.7 million) and adjusted by expenses (€6.7 million) for the settlement of certain disputes that arose with the buyer in the period subsequent to acquisition and relating to events prior to the sale by EXOR. This receivable is not included in the net financial position balance.

(c) Includes the estimate of expenses for €2.9 million (€3.5 million at December 31, 2012) provided for the disputes which arose with the Alpitour buyer in the period subsequent to the sale.

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

In 2013 the share of the profit (loss) of investments accounted for using the equity method is a profit of €554.1 million. The positive change of €264.1 million compared to the balance in 2012 (€290 million) principally reflects the increase in the profit reported by the Fiat Group (€265.8 million) and the Almacantar Group (€23.6 million), offset in part by the decrease in the results of the other investments for a total of € 25.3 million.

	Profit (Loss) (million)		EXOR's share (€ million)		
	2013	2012	2013	2012	Change
CNH Industrial Group (a)	€ 789,0	€ 791,0	238,3 (b)	244,5	(6,2)
Fiat Group (a)	€ 904,0 (c)	€ 44,0	274,7	8,9	265,8
C&W Group	\$ 28,7	\$ 43,2	17,8	26,5	(8,7)
Juventus Football Club S.p.A. (d)	€ (22,4)	€ (2,8)	(14,3)	(1,7)	(12,6)
Almacantar Group	£ 83,3	£ 31,1	37,5	13,9	23,6
Arenella Immobiliare S.r.l.	€ 0,1	€ (0,2)	0,1	(0,2)	0,3
Sequana Group	€ -	€ (6,9)	-	(1,9)	1,9
<b>Total</b>			<b>554,1</b>	<b>290,0</b>	<b>264,1</b>

(a) Includes consolidation adjustments.

(b) The percentage of profit of CNH Industrial considers that the merger between Fiat Industrial and CNH Global was completed on September 29, 2013; it therefore includes a percentage equal to 30.88% of the profit of CNH Industrial Group to September 30, 2013 for €190.1 million and a percentage equal to 27.96% of the profit for the fourth quarter of 2013 for €48.2 million.

(c) The profit of the Fiat Group (€1,951 million including the profit attributable to non-controlling interests) comprises €1,500 million from the recognition of net deferred tax assets related to Chrysler.

(d) The loss results from the accounting data prepared for the company's consolidation by EXOR and refers to the period January 1 to December 31, 2013

For comments on the Review of Performance of the Operating Subsidiaries and Associates, please refer to the next sections.

## 2. Dividends from investments

In 2013 dividends from investments amount to €61.7 million (€72 million in 2012) and include dividends received from SGS for €55.7 million (€63.2 million in 2012), Gruppo Banca Leonardo for €2.3 million (€4.6 million in 2012) and other investment holdings for €3.7 million (€4.2 million in 2012).

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

The gains (losses) on disposals and impairments of investments, net, amount to €1,528.2 million. Details are as follows:

€ million	2013	2012	Change
<b>Sales:</b>			
- SGS	1,534.0 (a)	-	1,534.0
- Alpitour	(5.0) (b)	157.5 (c)	(162.5)
- Other	(0.8)	(2.3)	1.5
Sequana, dilution on share increase	0.0	(147.4) (d)	147.4
<b>Total</b>	<b>1,528.2</b>	<b>7.8</b>	<b>1,520.4</b>

(a) Determined by recording the balance of the available-for-sale financial assets fair value reserve relating to SGS in the income statement at the date of finalizing the sale (€1,575.2 million), net of the negative difference of €41.2 million between the fair value of the investment determined at the same date on the basis of its market price (€2,044.9 million) and the sales price agreed between the parties (€2,003.7 million, net of expenses of €0.1 million incurred on the sale).

(b) Reduction in the Deferred Price on the sale of Alpitour regarding certain disputes that arose with the buyer.

(c) Equal to the difference between the proceeds on the sale of €225 million, net of expenses incurred for the transaction of €6.6 million (of which €4.6 million relates to the costs surrounding the disputes that arose between EXOR and Alpitour subsequent to the sale of the investment), and the carrying amount at June 30, 2011 of €60.9 million.

(d) Of which -€103.8 million is for the fair value adjustment, -€50.6 million for the dilutive effect on capital and +€7 million for other consolidation adjustments.

#### 4. Net financial income (expenses)

In 2013 the balance of net financial expenses is €30.2 million (a net financial expense balance of €42.2 million in 2012). Details on the composition of the balance of net financial income (expenses) are as follows:

€ million	2013	2012	Change
<b>Interest and other financial income</b>			
Income on non-current securities and other investments	18.4 <sup>(b)</sup>	4.0	14.4
Income on securities held for trading <sup>(a)</sup>	4.0	15.6	(11.6)
Interest income on:			
- receivables from banks	16.6	6.4	10.2
- bonds	11.2	16.0	(4.8)
- receivables from the tax authorities	0.3	0.0	0.3
Exchange gains	4.5	1.7	2.8
Other financial income	1.4	1.0	0.4
<b>Interest and other financial income</b>	<b>56.4</b>	<b>44.7</b>	<b>11.7</b>
<b>Interest and other financial expenses</b>			
EXOR bond interest expenses	(59.8)	(47.9)	(11.9)
Expenses for interest rate hedges	(15.5) <sup>(d)</sup>	(3.5)	(12.0)
Loss on cancellation of EXOR 2007 - 2017 bonds	(6.5)	0.0	(6.5)
Exchange losses	(5.1)	(3.6)	(1.5)
Bank interest and other financial expenses	(4.7)	(7.0)	2.3
Financial expenses on securities held for trading <sup>(a)</sup>	(1.8)	(38.6)	36.8
Expenses on non-current securities and other investments	(1.0) <sup>(c)</sup>	(0.3)	(0.7)
<b>Interest and other financial expenses</b>	<b>(94.4)</b>	<b>(100.9)</b>	<b>6.5</b>
<b>Fair value adjustments to current and non-current financial assets</b>			<b>0.0</b>
Positive adjustments	8.8 <sup>(e)</sup>	16.0	(7.2)
Negative adjustments	(1.0)	(2.0)	1.0
<b>Fair value adjustments to current and non-current financial assets</b>	<b>7.8</b>	<b>14.0</b>	<b>(6.2)</b>
<b>Net financial income (expenses)</b>	<b>(30.2)</b>	<b>(42.2)</b>	<b>12.0</b>

(a) Includes mainly realized gains and losses.

(b) Includes the net gain realized on the redemption of the NoCo B Fund for €17.1 million.

(c) Includes the net loss realized on the redemption of the Perella Weinberg Real Estate I Fund for €0.3 million.

(d) Includes non-recurring expenses of €11.7 million on the early closing of the interest rate hedging transactions on loans for a total of €200 million.

(e) Includes the credit risk adjustment component recorded in the income statement relating to the valuation of the cross currency swap in accordance with IFRS 13 for €1.6 million.

Considering only the assets and liabilities included in the balance of the consolidated net financial position of the Holdings System (see note 11) the balance of net financial expenses is €49 million (a net financial expense balance of €44.7 million in 2012).

Details are as follows:

€ million	2013	2012	Change
Interest and other financial income	36.8	40.1	(3.3)
Interest and other financial expenses	(93.6)	(100.7)	7.1
Fair value adjustments of current and non-current financial assets	7.8	15.9	(8.1)
<b>Net financial income (expenses) generated by the financial position</b>	<b>(49.0) <sup>(a)</sup></b>	<b>(44.7)</b>	<b>(4.3)</b>

(a) Includes non-recurring expenses of €18.2 million.

## 5. Net general expenses

In 2013 net general expenses amount to €26 million, with an increase of €1.5 million compared to the prior year (€24.5 million).

The balance includes the notional cost of the EXOR stock option plans for a total of €4.7 million (€3.3 million in 2012). The increase of €1.4 million is due to the introduction of the Long Term Incentive Plan approved on May 29, 2012 and recognized when the grants were awarded in July and September 2012 and for the full year 2013.

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

€ million	2013	2012	Change
Personnel costs	(13.9)	(11.9)	(2.0)
Compensation to and other costs relating to directors	(5.3)	(5.1)	(0.2)
Purchases of goods and services	(6.0)	(6.3)	0.3
Other operating expenses, net of revenues and cost	(0.8)	(1.2)	0.4
<b>Total</b>	<b>(26.0)</b>	<b>(24.5)</b>	<b>(1.5)</b>

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

Details of the main items are as follows:

€ million	2013	2012	Change
Expenses incurred for defense in legal cases	(1.0)	(1.1)	0.1
Costs connected with investment transactions	(0.4)	(0.6)	0.2
Other	(2.2)	(0.8)	(1.4)
<b>Total</b>	<b>(3.6)</b>	<b>(2.5)</b>	<b>(1.1)</b>

## 7. Investments accounted for using the equity method

Details are as follows:

€ million	Carrying amount at		Change
	12/31/2013	12/31/2012	
CNH Industrial Group	1,410.2	1,343.5	66.7
Fiat Group	2,634.1	1,977.0	657.1
C&W Group	480.5	481.5	(1.0)
Almacantar Group	225.1	133.5	91.6
Juventus Football Club S.p.A.	34.1	48.3	(14.2)
Arenella Immobiliare S.r.l.	25.9	25.9	0.0
<b>Total</b>	<b>4,809.9</b>	<b>4,009.7</b>	<b>800.2</b>

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

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

€ million	12/31/2013		12/31/2012		Change
	%	Carrying amount	%	Carrying amount	
Gruppo Banca Leonardo S.p.A.	17.37	76.0	17.40	75.0	1.0
Banijay Holding S.A.S.	17.09	37.0	17.09	37.8	(0.8)
The Economist Group	4.72	37.0	4.72	35.5	1.5
Sequana S.A.	17.38	24.8	18.74	38.6	(13.8)
NoCo A.L.P.	2.00 (a)	16.0	2.00 (a)	16.5	(0.5)
SGS S.A.	-	-	15.00	1,969.3	(1,969.3)
Other		177.0 (b)		63.6 (b)	113.4
<b>Total</b>		<b>367.8</b>		<b>2,236.3</b>	<b>(1,868.5)</b>

(a) Percentage ownership interest in the limited partnership, measured at cost.

(b) Includes €173.5 million relating to listed investments (€52.6 million at December 31, 2012).

The increase in the investment in Gruppo Banca Leonardo is due to the positive fair value adjustment of €4.2 million (with recognition in the reserves in equity) compensated in part by the reimbursement of reserves recorded as a reduction of the carrying amount of the investment for €3.2 million.

The decrease in the investment in Banijay Holding is the result of the negative fair value adjustment of €0.8million (with recognition in the reserves in equity).

The increase in the investment in The Economist Group derives from the positive fair value adjustment of €1.5million (with recognition in the reserves in equity).

The decrease in the investment in Sequana comes mainly from the negative fair value adjustment totaling €11 million, on the basis of the trading price at December 31, 2013 (€5.7 per share). During the year 337,844 shares (approximately 1.4% of capital) were also sold for a total equivalent amount of €2.1 million and a net loss recorded of €1.3 million. At December 31, 2013 the negative adjustment to fair value recognized in equity amounts to €19.8 million.

The reduction in the investment in SGS is due to the sale of the entire stake held (1,173,400 shares, equal to 15% of share capital) to Serena S.à.r.l.; the agreement was finalized on June 10, 2013. The agreed per share price was CHF 2,128 for an equivalent amount of €2,003.7 million (net of expenses on the sale of €0.1 million); the net gain at consolidated level was €1,534 million generated by the reclassification to the income statement of the available-for-sale financial assets fair value reserve of €1,575.2 million, net of the negative difference of €41.2 million between the fair value of the investment determined at the date of finalizing the transaction on the basis of the investment's market price (€2,044.9 million) and the sales price agreed between the parties (€2,003.7 million).

The investment in SGS, which at December 31, 2012 included the original purchase cost of €469.7 million and the positive adjustment to fair value recorded in equity of €1,499.6 million, was further increased by €75.6 million to bring the investment value in line with the trading price at May 31, 2013 (the date preceding the sale) equal to CHF 2,162 per share (€1,742.7 per share at the EUR-CHF exchange rate of 1.2406). The fair value reserve recorded in equity at May 31, 2013 thus amounted to €1,575.2 million and, when the transaction was finalized, it was reclassified to the income statement as established by IAS 39.

## 9. Non-current other financial assets – Other investments

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

€ million	12/31/2013	12/31/2012	Change
<b>Investments measured at fair value</b>			
- The Black Ant Value Fund	<b>381.6</b>	323.3	58.3
- Perella Weinberg Funds	<b>46.5</b>	83.2	(36.7)
- Rho Immobiliare Fund	<b>11.7</b>	11.8	(0.1)
- Other funds	<b>49.6</b>	16.9	32.7
	<b>489.4</b>	435.2	54.2
<b>Investments measured at amortized cost</b>			
- Other bonds held to maturity	<b>83.5</b>	109.2	(25.7) <sup>(a)</sup>
<b>Total</b>	<b>572.9</b>	544.4	28.5

(a) Reclassified to current financial assets.

As established in the agreements and taking into account the positive performance of The Black Ant Value Fund in 2012, during the first quarter of 2013, 150,000 shares were redeemed for an equivalent amount of €16.2 million, with a gain of €1.2 million. This decrease was more than compensated by the positive fair value alignment of €74.5 million at December 31, 2013 (with recognition in equity).

The net decrease in the Perella Weinberg Funds, equal to €36.7 million, was due principally to the redemptions of the NoCo B and Perella Weinberg Real Estate I funds, respectively for \$51.4 million (€38.5 million) and €2.4 million, purchases during the period of €2.1 million and the positive adjustment to fair value of €2.1 million. The net gain realized is equal to €16.8 million.

At December 31, 2013 the positive adjustment to fair value recognized in equity amounts to €6.5 million. The remaining investment commitments in NoCo B L.P. and in the Perella Weinberg Real Estate I Fund total, respectively, \$6.6 million (€4.8 million) and €8.4 million.

## 10. Capital issued and reserves attributable to owners of the parent

Details are as follows:

€ million	12/31/2013	12/31/2012	Change
Share capital	246.2	246.2	0.0
Reserves	7,045.3	6,161.6	883.7
Treasury stock	(344.1)	(239.0)	(105.1)
<b>Total</b>	<b>6,947.4</b>	<b>6,168.8</b>	<b>778.6</b>

Details of the changes during the year are as follows:

€ million	
<b>Balance at December 31, 2012 - reported</b>	<b>7,164.4</b>
Effect arising from the application of the amendment to IAS 19 - Employee benefits	(995.6)
<b>Balance at December 31, 2012</b>	<b>6,168.8</b>
Fair value adjustments of investments and other financial assets:	
- SGS S.A. (note 8)	75.6
- The Black Ant Value Fund (note 9)	74.5
- Perella Weinberg Funds (note 9)	2.1
- Other investments and other financial assets	17.4
Transfer of fair value to income statement	
- SGS S.A. (note 8)	(1,575.2)
- Perella Weinberg Funds (note 9)	(16.8)
- The Black Ant Value Fund (note 9)	(1.2)
- Other investments	(0.4)
Measurement of EXOR S.p.A.'s derivative financial instruments	26.6
Treasury stock purchases	(105.1)
Attributable exchange differences on translating foreign operations (-€395.1 million) and other net changes recorded in equity, shown by EXOR S.p.A., its subsidiaries and the investments consolidated and accounted for using the equity method (+€670.2 million)	275.1
Dividends paid by EXOR S.p.A.	(78.5)
Profit attributable to owners of the parent	2,084.5
<b>Net change during the year</b>	<b>778.6</b>
<b>Balance at December 31, 2013</b>	<b>6,947.4</b>

### Treasury stock

Within the framework of the treasury stock buyback program resolved by the board of directors' meeting on May 29, 2012 and subsequently modified on February 11, 2013 by the board of directors' meeting, which increased the maximum amount authorized by the buyback program from €50 million to €200 million, in the first half of 2013 EXOR purchased 3,790,857 ordinary shares (2.36% of the class) at the average cost per share of €21.96 for a total of €83.3 million, 823,400 preferred shares (1.07% of the class) at the average cost per share of €21.66 for a total of €17.8 million, in addition to 184,100 savings shares (2.01% of the class) at the average cost per share of €21.83 for a total of €4 million. The overall investment was €105.1 million.

On December 31, 2013, following the mandatory conversion of the preferred and savings shares into ordinary shares, carried out on June 24, 2013, EXOR S.p.A. held 23,883,746 ordinary treasury shares (9.7% of the class) at the average cost per share of €14.41 for a total of €344.1 million.

## 11. Consolidated net financial position of the Holdings System

At December 31, 2013 the consolidated net financial position of the Holdings System is a positive €1,281.2 million and a positive change of €1,807.1 million compared to the balance at year-end 2012 (-€525.9 million) deriving mainly from the sale of the entire investment in SGS for proceeds of €2,003.7 million. The balance is composed as follows:

€ million	12/31/2013			12/31/2012		
	Current	Non current	Total	Current	Non current	Total
Financial assets	581.7	83.9	665.6	235.8	110.1	345.9
Financial receivables from third parties and Group companies	6.1	0.0	6.1	1.8	0.0	1.8
Cash and cash equivalents	1,900.2	0.0	1,900.2	514.4	0.0	514.4
<b>Total financial assets</b>	<b>2,488.0</b>	<b>83.9</b>	<b>2,571.9</b>	<b>752.0</b>	<b>110.1</b>	<b>862.1</b>
EXOR bonds	(28.6)	(1,199.9)	(1,228.5)	(25.0)	(1,079.5)	(1,104.5)
Financial payables to associates	(28.5)	0.0	(28.5)	(38.3)	0.0	(38.3)
Bank debt and other financial liabilities	(33.7)	0.0	(33.7)	(45.2)	(200.0)	(245.2)
<b>Total financial liabilities</b>	<b>(90.8)</b>	<b>(1,199.9)</b>	<b>(1,290.7)</b>	<b>(108.5)</b>	<b>(1,279.5)</b>	<b>(1,388.0)</b>
<b>Consolidated net financial position of the "Holdings System"</b>	<b>2,397.2</b>	<b>(1,116.0)</b>	<b>1,281.2</b>	<b>643.5</b>	<b>(1,169.4)</b>	<b>(525.9)</b>

**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 is able, 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 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.

**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 since the primary objective is having investments which can readily be converted into cash. The counterparties are chosen according to their creditworthiness and reliability.

**Bonds** issued by EXOR are analyzed as follows:

Issue date	Maturity date	Issue price	Coupon	Rate (%)	Currency	Nominal amount	Balance at (a)	Balance at (a)
						(in millions)	12/31/2013 (€ million)	12/31/2012 (€ million)
6/12/2007	6/12/2017	99.554	Annual	fixed 5.375	€	690.0 (b)	(708.3)	(769.3)
10/16/2012	10/16/2019	98.136	Annual	fixed 4.750	€	150.0	(149.0)	(148.7)
11/12/2013	11/12/2020	99.053	Annual	fixed 3.375	€	200.0	(198.9)	0.0
12/7/2012	1/31/2025	97.844	Annual	fixed 5.250	€	100.0	(102.7)	(98.1)
5/9/2011	5/9/2031 (c)	100.000	Semiannual	fixed 2.80	Yen	10,000.0	(69.6)	(88.4)
							<b>(1,228.5)</b>	<b>(1,104.5)</b>

(a) Includes the current portion.

(b) The reduction €60 million from the original amount of €750 million is due to the cancellation of a portion of the bonds.

(c) To protect itself against currency fluctuations, a hedging transaction was put in place using a cross currency swap as a result of which EXOR pays a fixed rate in Euro of 6.012% per year.

**Financial payables to associates** of €28.5 million refer to the payable to Almacantar S.A. for the share of the capital increase subscribed by EXOR S.A. in July 2013, but not yet paid.

**Bank debt and other financial liabilities** (non-current and current portion) consist of loans secured from leading banking institutions and the measurement of cash flow hedges.

The net positive change of €1,807.1 million in 2013 is described in the following table:

€ million	
<b>Consolidated net financial position of the Holdings System at December 31, 2012</b>	<b>(525.9)</b>
Dividends from investment holdings	146.3
- SGS	55.7
- CNH Industrial	82.6
- Gruppo Banca Leonardo	2.3
- The Economist Group	2.3
- C&W Group	2.0
- Other	1.4
Reimbursement of reserves	4.6
- Gruppo Banca Leonardo	3.2
- Other	1.4
EXOR S.p.A. treasury stock purchases	(105.1)
- ordinary shares	(83.3)
- preferred shares	(17.8)
- savings shares	(4.0)
Investments	(182.8)
- Almacantar	(57.9)
- Other investments in listed companies and investment funds	(124.9)
Sales/Redemptions/Reimbursements	2,070.7
- SGS	2,003.7
- Noco B	38.8
- The Black Ant Value Fund	16.2
- Other	12.0
Dividends paid by EXOR S.p.A.	(78.5)
Other changes	
- Net general expenses (excluding the nominal cost of EXOR stock option plan)	(21.3)
- Non-recurring other income (expenses) and general expenses	(3.6)
- Net financial expenses	(49.0) (a) (b)
- Other taxes and duties	3.4 (c)
- Other net changes	22.4 (d)
<b>Net change during the year</b>	<b>1,807.1</b>
<b>Consolidated net financial position of the Holdings System at December 31, 2013</b>	<b>1,281.2</b>

(a) Includes interest income and other financial income (+€56.4 million), interest expenses and other financial expenses (-€94.4 million), fair value adjustments of current and non-current financial assets (+€7.8 million), net of the net gain realized on the redemption of Perella Weinberg Funds for €16.8 million and income on non-current financial assets (-€2 million), therefore, not included in the balance of the net financial position.

(b) Includes non-recurring expenses of €18.2 million (of which €11.7 million relates to the early closing of the interest rate hedge transaction on loans for a total of €200 million and €6.5 million relating to the loss on the cancellation of the EXOR 2007/2017 bonds).

(c) Includes the refund of the 15% tax withholdings (€9.2 million) on dividends received from SGS in 2011.

(d) Includes primarily the increase in value of the interest rate swaps on loans for +€26.6 million and the change in non-financial receivables and payables for +€1.5 million.

At December 31, 2013 EXOR S.p.A. has undrawn irrevocable credit lines due after December 31, 2014 for €425 million, as well as undrawn revocable credit lines for over €595 million.

EXOR's long-term and short-term debt rating assigned by Standard & Poor's is respectively 'BBB+' and 'A-2' with a "stable" outlook.

## OTHER INFORMATION

### **Direction and coordination**

EXOR S.p.A. is not subject to the direction and coordination of any other company or entity and is fully independent in the decisions regarding its general strategic and operating guidelines.

### **Related party transactions**

Information and balances referring to 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 SUBSIDIARIES AND ASSOCIATES***





(27.18% stake  
Fiat also holds a 2.52% stake)

The main consolidated figures of the CNH Industrial Group for 2013 are as follows:

€ million	Year		
	2013	2012 <sup>(1)</sup>	Change
Net revenues	25,778	25,785	(7)
Trading profit/(loss)	1,985	2,063	(78)
Operating profit/(loss)	1,868	1,846	22
Profit/(loss) for the year	917	900	17
Profit/(loss) attributable to owners of the parent	789	791	(2)

€ million	At	
	12/31/2013	12/31/2012 <sup>(1)</sup>
Total assets	40,941	38,861
Net (debt)/cash	(16,888)	(15,994)
- of which: Net industrial (debt) / cash	(1,592)	(1,642)
Equity attributable to owners of the parent	5,504	4,628

(1) The figures for the full year 2012 and at December 31, 2012 have been restated following the adoption of IAS 19 Revised.

### Net revenues

The CNH Industrial Group reported 2013 **net revenues** of €25.8 billion, in line with 2012; on a constant currency basis revenues increased 4.3%.

€ million	Year		
	2013	2012	Change %
Agricultural and Construction Equipment	16,006	16,056	(0.3)
Trucks and Commercial Vehicles	8,752	8,924	(1.9)
Powertrain	3,331	2,933	13.6
Eliminations and other	(2,311)	(2,128)	
<b>Net revenues</b>	<b>25,778</b>	<b>25,785</b>	<b>(0.0)</b>

**Agricultural and Construction Equipment** reported revenues of €16.0 billion for the year, in line with 2012 (up 4.7% on a constant currency basis) as strong demand for Agricultural Equipment continued to offset a challenging business environment in the Construction Equipment business. The geographic distribution of industrial net revenues for the year was 43% NAFTA, 28% EMEA, 18% LATAM, and 11% APAC.

Agricultural Equipment full-year net revenues were up 3.6% over 2012 (up 9% on a constant currency basis) driven by positive net pricing, increased volumes and favorable product mix. All geographic regions except APAC reported increased revenue on a constant currency basis. Worldwide Agricultural Equipment market share performance was substantially flat for both tractors and combines. Worldwide Agricultural Equipment production was in line with retail sales during 2013 but 17% below retail sales for the fourth quarter, as the CNH Industrial Group implemented the scheduled production slowdown to reduce company and dealer inventory to target year-end levels.

Construction Equipment net revenues decreased 16.4% over 2012 (down 11% on a constant currency basis), as continued weakness in most geographic regions was only partially offset by strength in LATAM. Worldwide Construction Equipment market share was substantially flat for both heavy and light equipment. Worldwide Construction Equipment production was 4% below retail sales for 2013, reflecting actions taken in the fourth quarter to realign dealer inventory to retail demand.

**Trucks and Commercial Vehicles** reported full-year revenues of €8.8 billion, an increase of 1.5% on a constant currency basis (-1.9% on a reported basis). A modest recovery in demand in Europe, mainly in the fourth quarter of 2013, and a sustained increase in LATAM were largely offset by the negative market mix of products sold, as well as reduced activity in the parts and services business.

During 2013, Trucks and Commercial Vehicles delivered a total of 135,709 vehicles (including buses and specialty vehicles), representing a 1% decrease from the prior year. The overall decrease was largely attributable to light vehicles, with deliveries down 7% for the year mainly to realign dealer inventory to retail demand. Volumes were up 16% for medium vehicles, 2% for heavy and 3% for buses. Deliveries were down 1% in EMEA and up 15% in LATAM.

**Powertrain** reported 2013 revenues of €3.3 billion, an increase of 13.6% over the prior year (up 14.6% on a constant currency basis) with higher volumes recorded for both CNH Industrial Group companies and external customers. For 2013, sales to external customers accounted for 34% of total revenues, in line with 2012.

### Trading profit /(loss)

The CNH Industrial Group reported **trading profit** for the year of €1,985 million (trading margin of 7.7%), down €78 million largely as a result of negative exchange rates. On a constant currency basis, trading profit was in line with 2012 as higher volumes and positive mix in the Agricultural and Construction Equipment Segment and higher revenues and better capacity utilization for Powertrain compensated for Euro VI transitional costs and a less favorable product mix and pricing environment in the Trucks and Commercial Vehicles Segment.

€ million	Year		Change
	2013	2012 <sup>(1)</sup>	
Agricultural and Construction Equipment	1,783	1,554	229
Trucks and Commercial Vehicles	101	466	(365)
Powertrain	158	141	17
Eliminations and other	(57)	(98)	41
<b>Trading profit</b>	<b>1,985</b>	<b>2,063</b>	<b>(78)</b>
Trading margin (%)	<b>7.7</b>	<b>8.0</b>	

(1) The figures for the full year 2012 have been restated following the adoption of IAS 19 Revised.

**Agricultural and Construction Equipment** trading profit increased to €1,783 million for the year, up €229 million (+14.7%) from the prior year, with a trading margin of 11.1% (9.7% in 2012), reflecting positive pricing, mix and industrial productivity compared to 2012.

**Trucks and Commercial Vehicles** closed the year with a trading profit of €101 million, compared to €466 million for 2012. Negative market and product mix and tight price competition continued to affect margins primarily in Southern Europe. In LATAM, new product launch costs and unfavorable foreign exchange rate impacts more than offset positive market trends and pricing.

**Powertrain** closed the year with a trading profit of €158 million, an increase of 12%, representing a trading margin of 4.7%, compared to €141 million (trading margin of 4.8%) for 2012. Higher revenues and better capacity utilization drove the improvement, which was partially offset by an increase in R&D costs aimed at maintaining technological leadership.

### Operating profit/(loss)

**Operating profit** increased €22 million to €1,868 million in 2013 mainly as a result of reduced restructuring costs from the prior year.

### Profit (loss) for the year

**Net financial expense** totaled €463 million for 2013, compared to €467 million for 2012.

**Income taxes** totaled €590 million, representing an effective tax rate of 39% for the year, slightly above full year CNH Industrial Group expectations mainly due to one-time merger related impacts. For 2014, CNH Industrial Group expects an effective tax rate between 35% and 38%.

CNH Industrial Group **net profit** was €917 million for 2013 (€900 million for 2012), or €0.63 per share (€0.65 for 2012).

**Profit attributable to owners of the parent** was €789 million for 2013 compared to €791 million for 2012.

### Equity

**Equity attributable to owners of the parent** of CNH Industrial at December 31, 2013 was €5,504 million compared to €4,628 million at December 31, 2012.

### Net debt

**Net debt** at December 31, 2013 came to €16,888 million (€15,994 million at December 31, 2012). **Net industrial debt** of €1,592 million at December 31, 2013 was €50 million lower than year-end 2012.

€ million	At		Change
	12/31/2013	12/31/2012	
Debt	(21,714)	(20,633)	(1,081)
- Asset backed financing	(10,679)	(9,708)	(971)
- Other debt	(11,035)	(10,925)	(110)
Other financial assets (liabilities) <sup>(1)</sup>	121	24	97
Cash and cash equivalents and current securities	4,705	4,615	90
<b>Net debt</b>	<b>(16,888)</b>	<b>(15,994)</b>	<b>(894)</b>
	<b>Industrial Activities</b>	<b>(1,592)</b>	<b>50</b>
	<b>Financial Services</b>	<b>(15,296)</b>	<b>(944)</b>

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

### Significant events subsequent to December 31, 2013

On January 28, 2014, CNH Industrial and BNP Paribas Leasing Solutions, the two shareholders of CNH Industrial Capital Europe, agreed on the extension of the joint-venture services to CNH Industrial Trucks and Commercial Vehicles business in Italy, Germany, France, the United Kingdom and other major European markets. This extension has been approved by the French banking regulatory authority (ACPR). Prior to this agreement, the joint venture provided leasing and financing to CNH Industrial customers in the Agricultural and Construction Equipment businesses in Europe starting from 1997. The company currently finances over 40,000 customers in nine countries, for a total outstanding portfolio of €1.7 billion. As a result of this increase in scope, CNH Industrial Capital Europe is now the captive finance company for all CNH Industrial Group businesses in major European countries. CNH Industrial Capital Europe will henceforth use the CNH Industrial Capital and Iveco Capital brands for dealer and customer-oriented financing activities.



(30.05% of share capital)

The main consolidated figures of the Fiat Group for 2013 are as follows.

€ million	Year		
	2013	2012 <sup>(1)</sup>	Change
Net revenues	<b>86,816</b>	83,957	2,859
Trading profit/(loss)	<b>3,394</b>	3,541	(147)
EBIT	<b>2,972</b>	3,404	(432)
Profit/(loss) for the year	<b>1,951</b>	896	1,055
Profit/(loss) attributable to owners of the parent	<b>904</b>	44	860

€ million	At	
	12/31/2013	12/31/2012 <sup>(1)</sup>
Total assets	<b>86,774</b>	82,106
Net debt	<b>(9,793)</b>	(9,600)
- of which: Net industrial debt	<b>(6,649)</b>	(6,545)
Equity attributable to owners of the parent	<b>8,326</b>	6,187

(1) The figures previously reported for the full year 2012 and at December 31, 2012 have been restated to reflect application of the amendment to IAS 19.

### Net revenues

For 2013 Fiat Group revenues totaled €86.8 billion, up 3% over the prior year (+7% at constant exchange rates).

€ million	Year		Change %
	2013	2012	
<b>NAFTA</b> (mass-market brands)	<b>45,777</b>	43,521	5.2
<b>LATAM</b> (mass-market brands)	<b>9,973</b>	11,062	(9.8)
<b>APAC</b> (mass-market brands)	<b>4,621</b>	3,128	47.7
<b>EMEA</b> (mass-market brands)	<b>17,420</b>	17,800	(2.1)
<b>Luxury Brands</b> (Ferrari, Maserati)	<b>3,809</b>	2,898	31.4
<b>Components</b> (Magneti Marelli, Teksid, Comau)	<b>8,080</b>	8,030	0.6
<b>Other</b>	<b>929</b>	979	(5.1)
<b>Eliminations and adjustments</b>	<b>(3,793)</b>	(3,461)	n.m.
<b>Net revenues</b>	<b>86,816</b>	83,957	3.4

Revenues in **NAFTA** were up 5% to €45.8 billion (constant exchange rates +9%) on the back of higher volumes. **LATAM** reported revenues of €10 billion, down 10% in nominal terms (constant exchange rates +1%). **APAC** was up 48% to €4.6 billion, driven by strong volume performance. For **EMEA**, revenues were down 2% to €17.4 billion, mainly reflecting volume declines in Europe during the first half. For **Luxury Brands**, revenues were up 31% to €3.8 billion, with Ferrari up 5% and Maserati more than doubling to €1.7 billion on the strength of new models introduced during the year. **Components** revenues were in line with 2012 at €8.1 billion (constant exchange rates +4%).

### Trading profit/(loss)

**Trading profit** was €3,394 million, down 4% over the prior year, but up 1% at constant exchange rates; trading profit for 2013 includes €0.3 billion in higher R&D amortization. **NAFTA** reported a trading profit of €2,220 million (€2,443 million for 2012, IAS 19 restated) down 9% in nominal terms (constant exchange rates -6%), with positive volume and pricing more than offset by higher industrial costs, including content enhancements for new models and increased R&D amortization. **LATAM** posted a trading profit of €619 million (€1,056 million in 2012, IAS 19 restated) down 41% in nominal terms (constant exchange rates -33%), with the decrease primarily due to input cost inflation, unfavorable production mix and lower result in Venezuela. **APAC** increased 38% to €358 million, driven by strong volume growth. In **EMEA**, losses were reduced by one-third to €470 million, mainly on the back of improved product mix and cost efficiencies. For **Luxury Brands**, trading profit increased by 36% to €535 million,

with Ferrari up 9% to €364 million, and Maserati tripling from the prior year's level to €171 million. For Components, trading profit was 16% higher at €201 million (CONSTANT EXCHANGE RATES +21%).

## EBIT

**EBIT** was €2,972 million (€3,404 million for 2012, IAS 19 restated). Net of unusuals, there was a year-over-year decrease of 4% to €3,491 million (€3,648 million for 2012, IAS 19 restated).

For full-year 2013, net unusual expense of €519 million included approximately €390 million in asset write-downs mainly associated with the rationalization of architectures associated with the new product strategy, particularly for the Alfa Romeo, Maserati and Fiat brands, as well as charges related to asset impairments for the cast-iron business in Teksid. In addition there was a €56 million write-off of the book value of the Equity Recapture Agreement Right considering the agreement closed in January 1, 2014 to purchase the remaining minority equity stake in Chrysler from the VEBA Trust. Other unusual charges in the year were the €115 million charge related to the June 2013 voluntary safety recall and customer satisfaction action in NAFTA and the net €43 million charge related to the February 2013 devaluation of the Venezuelan bolivar (VEF) relative to the U.S. dollar, offset by the €166 million gain following amendments to Chrysler's U.S. and Canadian salaried defined benefit pension plans. For 2012, there was net unusual expense of €244 million.

For mass-market brands by region, NAFTA reported EBIT of €2,290 million, an 8% decrease over 2012 (IAS 19 restated) mainly reflecting lower trading profit and higher positive net unusual items. LATAM posted EBIT of €492 million (€1,025 million in 2012), reflecting lower trading profit performance and higher net unusual charges. APAC's EBIT increased 25% to €318 million, with higher trading profit partially offset by losses in the Chinese joint ventures due to industrial costs related to new product launches. During the period, EMEA reduced losses by €217 million to EBIT of €520 million, reflecting a reduced trading loss and lower contribution from equity investments. Luxury Brands posted EBIT of €470 million (€392 million for 2012), with the trading profit improvement partially offset by €65 million in unusual charges. For Components, the EBIT was €146 million (€165 million for 2012), with net unusual charges of €60 million (€11 million for 2012).

€ million	Year		Change %
	2013	2012 <sup>(1)</sup>	
<b>NAFTA</b> (mass-market brands)	<b>2,290</b>	2,491	(8.1)
<b>LATAM</b> (mass-market brands)	<b>492</b>	1,025	(52.0)
<b>APAC</b> (mass-market brands)	<b>318</b>	255	24.7
<b>EMEA</b> (mass-market brands)	<b>(520)</b>	(737)	29.4
<b>Luxury Brands</b> (Ferrari, Maserati)	<b>470</b>	392	19.9
<b>Components</b> (Magneti Marelli, Teksid, Comau)	<b>146</b>	165	(11.5)
<b>Other</b>	<b>(167)</b>	(149)	(12.1)
<b>Eliminations and adjustments</b>	<b>(57)</b>	(38)	(50.0)
<b>EBIT</b>	<b>2,972</b>	3,404	(12.7)

(1) The figures previously reported for the full year 2012 have been restated to reflect application of the amendment to IAS 19.

## Profit/(loss) for the year

**Net financial expense** totaled €1,964 million, an increase of €79 million over 2012. Excluding the impact of the Fiat stock option-related equity swaps (gains of €31 million for 2013, at their expiration, compared to €34 million for 2012), net financial expense increased by €76 million, largely due to a higher average net debt level. Profit before taxes was €1,008 million (€1,519 million for 2012, IAS 19 restated). The €511 million decrease reflected the €432 million decrease in EBIT and higher net financial expense.

**Profit before taxes** was €1,008 million (€1,519 million for 2012, IAS 19 restated). The €511 million decrease reflected the €432 million decrease in EBIT and higher net financial expense.

**Income taxes** were a positive €943 million, including a positive one-off of €1,500 million from the recognition of net deferred tax assets related to Chrysler. Net of this item, income taxes were a cost of €557 million (€623 million for 2012), of which €244 million for Fiat excluding Chrysler primarily related to the taxable income of companies operating outside Italy and employment-related taxes in Italy.

**Net profit** was €1,951 million (€896 million for 2012, IAS 19 restated), of which €904 million was **attributable to owners of the parent** (€44 million for 2012). Excluding unusual items and the positive deferred tax impact, net profit was €943 million (€1,140 million for 2012, IAS 19 restated). On the same basis, Fiat excluding Chrysler reported a net loss of €911 million (€787 million in 2012).

## Equity

**Equity attributable to owners of the parent** of Fiat S.p.A. amounted to €8,326 million at December 31, 2013 compared to €6,187 million at December 31, 2012.

## Net debt

At December 31, 2013 consolidated **net debt** was €9,793 million, up €193 million from €9,600 million at the beginning of the year.

Net industrial debt at December 31, 2013 was €6.6 billion and increased by €0.1 billion for the year. Net of equity investments, the cash flow was a positive €0.1 billion, with cash absorption for Fiat excluding Chrysler of €1.6 billion more than compensated for by cash generation from Chrysler.

In 2013, total capital expenditure for the Fiat Group was €7.4 billion, substantially in line with 2012 (€7.5 billion), but 3% higher at constant exchange rates. Working capital contributed €1.5 billion (€0.7 billion in 2012).

€ million	At		Change
	12/31/2013	12/31/2012	
Debt	<b>(29,902)</b>	(27,889)	(2,013)
- Asset-backed financing	<b>(596)</b>	(449)	(147)
- Other debt	<b>(29,306)</b>	(27,440)	(1,866)
Current financial receivables from jointly-controlled financial services companies <sup>(1)</sup>	<b>27</b>	58	(31)
<b>Gross debt</b>	<b>(29,875)</b>	(27,831)	(2,044)
Other financial assets (liabilities) <sup>(2)</sup>	<b>396</b>	318	78
Cash and cash equivalents and current securities	<b>19,686</b>	17,913	1,773
<b>Net debt</b>	<b>(9,793)</b>	(9,600)	(193)
	<b>Industrial Activities</b>	(6,545)	(104)
	<b>Financial Services</b>	(3,055)	(89)

(1) Includes current financial receivables from the FGA Capital Group.

(2) Includes the fair value of derivative financial instruments.

## Significant events in 2013

### Alliances and acquisitions

On July 30<sup>th</sup>, Fiat Group Automobiles ("FGA"), Crédit Agricole ("CASA") and Crédit Agricole Consumer Finance ("CACF") reached an agreement to extend the 50/50 Joint Venture in FGA Capital ("FGAC") up to December 31, 2021. The extension of the alliance is intended by the partners to ensure the long-term sustainability of FGAC, a captive finance company that manages FGA's main activities in retail auto financing, dealership financing, long-term car rental and fleet management in 14 European countries. FGAC will continue to benefit from the financial support of Crédit Agricole Group, while strengthening its own position as an active player in the securitization and debt markets.

In connection with its participation in the recapitalization of RCS MediaGroup S.p.A. (RCS), Fiat subscribed 75,791,217 new RCS ordinary shares for a total amount of nearly €94 million (including cost of the rights). Following completion of the RCS capital increase on July 17<sup>th</sup>, Fiat holds 87,327,360 RCS ordinary shares, representing 20.55% of new ordinary share capital.

### *Major financing transactions*

On June 21<sup>st</sup>, Fiat S.p.A. signed an agreement for a €2 billion 3-year committed revolving credit facility to replace the €1.95 billion 3-year revolving credit facility signed in July 2011. The syndication was successfully completed on July 18 with 19 banks. As a result of the positive response, the facility was increased on that date to €2.1 billion.

Taking advantage of market conditions and its improved credit profile, on June 21<sup>st</sup>, Chrysler Group LLC announced that it had reduced the interest rate for its \$3.0 billion Tranche B Term Loan and its undrawn \$1.3 billion revolving credit facility. Certain loan covenants were also amended to be consistent with those in the Company's bond agreement. Subsequently, on December 23rd, Chrysler Group LLC further reduced the interest rate on the Tranche B Term Loan. The interest rate re-pricing for the two transactions is expected to reduce annual interest costs by approximately \$72 million.

Fiat accessed the debt capital market four times during the year:

- an €1.25 billion bond was issued on March 15th (fixed coupon 6.625%, due March 2018).
- an €850 million bond was issued on July 21st (fixed coupon 6.75%, due October 2019). On September 17th, following re-opening of the transaction, a further €400 million of bonds was issued, increasing the total principal amount of the bond to €1.25 billion.
- a CHF 450 million bond was issued on November 22nd (fixed coupon 4.00%, due November 2017).

All of the above bonds were issued by Fiat Finance and Trade Ltd. S.A. and guaranteed by Fiat S.p.A. under the GMTN Program. In all cases the notes were rated 'B1' by Moody's, 'BB-' by Standard & Poor's and 'BB-' by Fitch.

### *Rating actions*

On February 25<sup>th</sup>, Fitch Ratings lowered its rating on Fiat S.p.A.'s long-term debt from 'BB' to 'BB-', while the short-term rating was confirmed at 'B', with a negative outlook. Fitch Ratings then confirmed its ratings and outlook on September 18<sup>th</sup>.

### **Significant events subsequent to December 31, 2013**

On January 1<sup>st</sup>, 2014, Fiat S.p.A. announced an agreement with the VEBA Trust, under which its wholly-owned subsidiary, Fiat North America LLC ("FNA"), would acquire all of the VEBA Trust's equity membership interests in Chrysler Group LLC ("Chrysler Group"), representing 41.4616% of Chrysler Group. The transaction closed on January 21, 2014. In consideration for the sale of its membership interests in Chrysler Group, the VEBA Trust received an aggregate consideration of \$3,650 million consisting of a special distribution paid by Chrysler Group to its members, in an aggregate amount of \$1,900 million (FNA's portion of the special distribution was paid by FNA to the VEBA Trust as part of the purchase consideration) and a payment from FNA for the remainder of \$1,750 million in cash purchase consideration to the VEBA Trust. Fiat funded the \$1,750 million in cash from available cash on hand and Chrysler Group funded the special distribution from available cash on hand.

Contemporaneously, Chrysler Group and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (the "UAW") entered into a memorandum of understanding ("MoU") to supplement Chrysler Group's existing collective bargaining agreement. Under the MoU, Chrysler Group will provide additional payments to the VEBA Trust of an aggregate of \$700 million in four equal annual installments. In consideration for these payments, the UAW has agreed to certain commitments to continue to support the industrial operations at Chrysler and the further implementation of the Fiat-Chrysler alliance, including using best efforts to cooperate in the continued roll-out of Fiat-Chrysler World Class Manufacturing programs.

On January 10<sup>th</sup>, Standard & Poor's Ratings Services:

- raised its ratings on Chrysler Group LLC, including the corporate credit rating, to 'BB-' from 'B+'. The outlook is stable;
- confirmed its rating on Fiat S.p.A.'s long-term debt at 'BB-'. The short-term rating was confirmed at 'B'. The outlook remains stable.

On February 11<sup>th</sup>, Moody's Investors Service lowered Fiat S.p.A.'s Corporate Family Rating from 'Ba3' to 'B1' and consequently, in accordance with their methodology, ratings on the notes issued by Fiat Finance & Trade Ltd. S.A. and Fiat Finance North America Inc. were also lowered from 'B1' to 'B2'



(68.46% of share capital through EXOR S.A.)

The data presented and commented on below is taken from C&W Group's consolidated accounting data as of and for the year ended December 31, 2013, prepared in accordance with International Financial Reporting Standards ("IFRS").

\$ million			Change	
	2013	2012	Amount	%
Net revenues (Commission and service fee) (A)	1,808.5	1,597.0	211.5	13.2
Reimbursed costs - managed properties and other costs (B)	690.1	453.1	237.0	52.3
<b>Gross revenues (A+B)</b>	<b>2,498.6</b>	<b>2,050.1</b>	<b>448.5</b>	<b>21.9</b>
Adjusted EBITDA (1)	130.1	127.7	2.4	1.9
EBITDA	119.1	127.7	(8.6)	(6.7)
Operating income	89.1	79.1	10.0	12.6
Adjusted income attributable to owners of the parent (2)	34.0	26.0	8.0	30.8
Income attributable to owners of the parent, as reported	28.7	43.2	(14.5)	(33.6)

- 1) EBITDA represents earnings before net interest expense, income taxes, and depreciation and amortization, while Adjusted EBITDA removes the impact of acquisition-related charges of \$2.0 million and non-recurring reorganization-related charges of \$9.0 million. Management believes that EBITDA and Adjusted EBITDA are useful in evaluating operating performance compared to that of other companies in the industry, as they assist in providing a more complete picture of results from operations. Because EBITDA and Adjusted EBITDA are not calculated under IFRS, C&W's EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures used by other companies.
- 2) Adjusted income attributable to owners of the parent excludes the tax-affected impacts of acquisition-related charges of \$2.0 million and non-recurring reorganization-related charges of \$9.0 million, respectively, in the current year, and certain non-recurring income tax net benefits of \$3.8 million and \$17.2 million, respectively, in the current year and the prior year.

\$ million	31/12/2013	31/12/2012 (3)	Change
Equity attributable to owners of the parent	804,2	804,6	(0,4)
Consolidated net financial position	3,9	(87,4)	91,3

- 3) Following the application of the amendment to IAS 19 – *Employee benefits*, retrospectively, from January 1, 2013, figures previously reported in the statement of financial position at December 31, 2012 have been restated accordingly.

In 2013, C&W Group capitalized on the market's strength to post double-digit commission and service fee revenues ("net revenues") growth across all regions and nearly all service lines, including Capital Markets, Valuation & Advisory ("V&A"), Corporate Occupier & Investor Services ("CIS") and Global Consulting, supported by continued investment in its strategic service lines across key global markets.

With respect to its financial performance for the full year, C&W Group reported double-digit gross revenue growth of 21.9%, or 22.8% excluding the impact of foreign exchange, to \$2,498.6 million, as compared to \$2,050.1 million for the same period in the prior year, while net revenues increased 13.2%, or 14.3% excluding the impact of foreign exchange, to \$1,808.5 million, as compared to \$1,597.0 million for the prior year period.

The following presents the breakdown of gross and net revenues by geographical area:

\$ million	2013		2012		Change	
	Amount	%	Amount	%	Amount	%
Americas	1,842.5	73.7%	1,484.2	72.4%	358.3	24.1
EMEA	463.8	18.6%	424.3	20.7%	39.5	9.3
Asia	192.3	7.7%	141.6	6.9%	50.7	35.8
<b>Gross revenues</b>	<b>2,498.6</b>	<b>100.0%</b>	<b>2,050.1</b>	<b>100.0%</b>	<b>448.5</b>	<b>21.9</b>
Americas	1,271.2	70.3%	1,135.9	71.1%	135.3	11.9
EMEA	399.1	22.1%	347.2	21.7%	51.9	14.9
Asia	138.2	7.6%	113.9	7.1%	24.3	21.3
<b>Net revenues</b>	<b>1,808.5</b>	<b>100.0%</b>	<b>1,597.0</b>	<b>100.0%</b>	<b>211.5</b>	<b>13.2</b>

Net revenues also increased across all three regions, all registering double-digit revenue growth, with notable revenue gains in the Americas, primarily in the U.S. where revenues grew \$127.3 million, or 14.0%.

The following presents the breakdown of net revenues by service line:

\$ million	2013		2012		Change	
					Amount	%
Leasing	<b>892.3</b>	<b>49.4%</b>	839.1	52.5%	53.2	6.3
Capital Markets	<b>266.5</b>	<b>14.7%</b>	217.2	13.6%	49.3	22.7
CIS	<b>425.4</b>	<b>23.5%</b>	342.7	21.5%	82.7	24.1
Valuation & Advisory	<b>205.1</b>	<b>11.3%</b>	181.0	11.3%	24.1	13.3
Global Consulting	<b>19.2</b>	<b>1.1%</b>	17.0	1.1%	2.2	12.9
<b>Net revenues</b>	<b>1,808.5</b>	<b>100.0%</b>	1,597.0	100.0%	211.5	13.2

From a service line perspective, net revenues were driven by strong growth across all service lines, with CIS, Capital Markets, V&A and Global Consulting registering double-digit growth, while Leasing revenue grew 6.3% year-over-year, despite weak market conditions.

The following table presents the changes in net revenues by region and by service line for the year ended 2013, as compared to the prior year:

\$ million	Americas		EMEA		ASIA		Total	
	Change	%	Change	%	Change	%	Change	%
Leasing	36.6	5.5	12.1	9.7	4.5	8.8	53.2	6.3
Capital Markets	28.6	21.5	17.1	25.4	3.6	21.3	49.3	22.7
CIS	51.7	25.1	14.6	14.3	16.4	47.8	82.7	24.1
Valuation & Advisory	16.8	12.8	6.8	5.7	0.5	7.5	24.1	13.3
Global Consulting	1.6	53.3	1.3	14.1	(0.7)	(14.6)	2.2	12.9
<b>Net revenues</b>	<b>135.3</b>	<b>11.9</b>	<b>51.9</b>	<b>14.9</b>	<b>24.3</b>	<b>21.3</b>	<b>211.5</b>	<b>13.2</b>

CIS revenue performance, which reported double-digit revenue gains in all three regions, was primarily driven by outstanding performance in the Facilities, Project and Property Management subservice lines. Facilities Management contributed approximately \$28.8 million to the total increase in CIS revenues, primarily in the Americas, which increased \$21.9 million, evenly split between the U.S. and Latin America. Project Management reported an increase of \$27.9 million, primarily driven by the U.S. and Asia, where revenues grew \$11.3 million and \$11.4 million, respectively, while Property Management contributed \$14.0 million, \$6.3 million in EMEA, \$4.7 million in the U.S. and \$2.6 million in the Asia Pacific region. CIS revenue performance came from organic growth and new major client wins in the latter part of 2012 and in 2013, as well as targeted acquisitions, as the Company continues to expand its platform across the globe and enhance its recurring revenue streams through key hires and targeted acquisitions.

The Client Services Group ("CSG"), the Atlanta- and Dallas-based third party client services business acquired from Cousins Properties Incorporated, which was purchased by the Company on September 28, 2012, and the Singapore-based project management company Project Solution Group ("PSG"), which was acquired on July 1, 2013, contributed \$8.5 million and \$7.5 million, respectively to the total increase. Cushman & Wakefield also had a number of notable wins from well-known global companies and iconic brands including facilities management for Citigroup's 27 million square foot real estate portfolio in the United States and Canada as well as property management of a 17 million square foot portfolio for DLF, the largest developer in India. Cushman & Wakefield was also appointed by British Airways as its preferred real estate services provider in the UK (Airport sites), EMEA and the U.S. as well as by the Port Authority of New York & New Jersey as Property Manager of the common areas and key operational facilities for the new World Trade Center campus in Lower Manhattan.

Leasing revenue performance, which also increased in all three regions driven by a strong performance in the second half of the year, was primarily attributable to revenue gains in the Office Leasing subservice line, up \$32.8 million, followed by Industrial and Retail Leasing revenues, up \$12.0 million and \$9.8 million, respectively, reflecting C&W's ability to drive year-over-year growth amid an improving, yet sluggish economic climate. Cushman & Wakefield's Leasing business remains well positioned to capture opportunities presented by recovering markets, as evidenced by appointments as exclusive leasing agent for two major office towers in Manhattan, 75 Rockefeller Plaza and 1221 Avenue of the Americas, as well as joint marketing agent in Singapore to lease both Marina One and DUO. Cushman & Wakefield also won assignments in London with the leasing mandate on the Scalpel, WR

Berkley's 400,000 square foot iconic development in London and as Retail & Leisure consultant on the 1 million square feet Battersea Power Station development. In addition, Group was chosen by Syniverse Technologies for a strategic tenant advisory assignment for a 200,000 square foot Class A global headquarters.

**Capital Markets** strong performance in all three regions was primarily attributable to revenue gains in the Investment Sales & Acquisitions segment of the business, which, alone, contributed \$44.3 million of the total increase, reflecting improved business confidence across the globe, as investors are becoming less risk averse when it comes to investing their capital. Capital Markets executed several high profile assignments, including advising Mitsubishi Estate Company on the sale of King Edward Court, the headquarters building of the London Stock Exchange, to Oxford Properties for £235 million and Aberdeen Asset Management Deutschland AG on the sale of the "Park", a complex of twelve office buildings in Prague, to an affiliate of Starwood Capital Group, the largest investment deal in the Czech Republic ever. Other successes include arranging the sale of a 30-story office building at 113 Argyle Street in Hong Kong for \$372 million, representing ownership in the \$400 million sale of a ground lessor's position at 625 Madison Avenue to Ashkenazy Acquisition Corporation and representing St. John's University in the sale of 101 Murray Street to a partnership between Fisher Brothers and The Witkoff Group for \$223 million, the largest residential development site sale in Lower Manhattan.

The **V&A** business, which, along with CIS, is a major component of the Company's strategic growth plan and initiatives to enhance recurring revenue streams, also continued to grow steadily, primarily in the U.S., Latin America and the EMEA region, where revenues grew \$10.7 million, or 9.5%, \$6.7 million, or 15.6%, and \$4.8 million, or 93.3%, respectively, fueled by higher Capital Markets transactions. Momentum in V&A's business was driven by a national scope assignment of over 700 department stores, distribution centers and a corporate headquarters campus for a major U.S. retailer. V&A was also appointed to value the retail element of Canary Wharf, in the U.K., consisting of over 200 retail units and 68,300 square meters, on behalf of Canary Wharf Group PLC, as well as to appraise the 1,501 room Mandarin Orchard and the 125,293 square foot Mandarin Gallery for OUE Hospitality Trust prior to one of Singapore's largest hotel and retail asset Initial Public Offerings ("IPO") in recent years.

Operating expenses for the year ended December 31, 2013 increased \$110.3 million, or 12.7%, to \$979.4 million, as compared to \$869.1 million for the prior year, primarily due to increases in employment-related expenses and other direct costs in line with C&W Group's revenue growth and strategic plan initiatives. Also included in operating expenses for the current year are certain acquisition and non-recurring reorganization-related charges of approximately \$4.6 million, which are excluded from Adjusted EBITDA.

At the operating level, C&W Group's income rose \$10.0 million, or 12.6%, to \$89.1 million for the full year 2013, as compared to \$79.1 million in the prior year.

Other expense, net increased \$18.8 million to \$19.9 million for the year ended December 31, 2013, as compared to \$1.1 million for the prior year, primarily due to an increase in the charge related to C&W's non-controlling shareholder put option liability of \$14.5 million, largely attributable to an increase in share repurchase requirements in excess of previous estimates and certain non-recurring reorganization charges of \$4.4 million, which are excluded from Adjusted EBITDA, and an acquisition-related charge in the current year period of approximately \$2.0 million, which is also excluded from Adjusted EBITDA.

Adjusted EBITDA was \$130.1 million for the current year, representing an increase of \$2.4 million over EBITDA of \$127.7 million for 2012, which was not impacted by any acquisition or non-recurring reorganization-related charges. EBITDA, as reported, decreased \$8.6 million to \$119.1 million in 2013, as compared to full-year 2012.

The Company recorded income tax expense of \$32.0 million for the full year 2013, as compared to \$26.3 million for the prior year. The increase in income tax expense for the year ended December 31, 2013, as compared to the prior year, is primarily attributable to certain non-recurring income tax benefits in the prior year.

Adjusted income attributable to owners of the parent increased \$8.0 million, or 30.8%, to \$34.0 million, as compared to Adjusted income attributable to owners of the parent of \$26.0 million for the prior year. The income attributable to owners of the parent, as reported, decreased to \$28.7 million for the year ended December 31, 2013, from \$43.2 million in the prior year.

C&W Group's net financial position improved \$91.3 million to a positive \$3.9 million (principally cash in excess of debt) as of December 31, 2013, as compared to a negative \$87.4 million (principally debt in excess of cash) as of December 31, 2012.



# almacantar

(38.29% of share capital through EXOR S.A.)

The key consolidated income figures of the Almacantar Group for 2013 are as follows:

£ million	2013	2012	Change
Net property income	17.2	14.3	2.9
Profit after tax	90.9	33.7	57.2
Profit attributable to owners of the parent	83.3	31.1	52.2

Net property income increased by £2.9 million compared to the prior year reflecting the full year impact of the acquisition in CAA House in July 2012 and the acquisition of 125 Shaftesbury Avenue. Such higher income was partially offset by higher operating expenses which include non-recurring costs.

Profit after tax increased by £57.2 million to £90.9 million for the year 2013 from £33.7 million in 2012. This includes the effects of the investment property revaluation gains of £84.4 million pursuant to IAS 40, driven mainly by the progress in the town planning process for Centre Point and Marble Arch Tower.

The most significant transactions during the year relate to the acquisition of:

- 125 Shaftesbury Avenue for £116.8 million;
- non-controlling interests in Centre Point (25% interest) held by Frogmore for £36 million;
- other investment property for £29.8 million.

Almacantar also incurred £12.9 million of additional pre-development costs for Centre Point and Marble Arch Tower: there is a move towards start on site for Centre Point and the planning application has been submitted for Marble Arch Tower/Edgware Road.

Work has also begun to explore the redevelopment options available for 125 Shaftesbury Avenue with small amounts of costs incurred during 2013; it is expected this expenditure will increase in 2014.

Almacantar largely funded these expenditures from a previous capital increase drawn down for £146.4 million and an additional £47.5 million loan facility.

At the beginning of November 2013, Almacantar reached an agreement with Starwood Property Trust Inc. and Starwood European Real Estate Finance Limited to refinance the existing loan relating to Centre Point for an equivalent amount of £220 million.

The key consolidated balance sheet figures of the Almacantar Group at December 31, 2013 are as follows:

£ million	12/31/2013	12/31/2012	Change
Investment property (excluding headlease asset)	614.7	369.6	245.1
Net debt	(165.2)	(117.6)	(47.6)

The increase in investment property reflects the acquisition of 125 Shaftesbury Avenue, other investment property, as well as additional pre-development capital expenditure for Centre Point and Marble Arch Tower and the revaluation uplift.

Net debt increased by £47.6 million mainly following the acquisition of 125 Shaftesbury Avenue to £165.2 million at December 31, 2013 compared to £117.6 million at December 31, 2012.

At the beginning of July, share capital was increased following the issue of additional shares at a nominal amount of £109.9 million plus premium of £5.5 million. After this transaction Almacantar's share capital is £385.7 million and £55 million is not yet called for payment.



(63.77% of share capital)

The results for the first half of the financial year 2013/2014 of Juventus Football Club S.p.A. are as follows:

€ million	Half 1	Half 1	Change
	2013/2014	2012/2013	
Revenues	<b>155.2</b>	149.4	5.8
Operating costs	<b>114.1</b>	101.9	12.2
Operating income	<b>11.9</b>	17.3	(5.4)
Profit for the period	<b>4.8</b>	11.3	(6.5)

Interim data cannot be construed as representing the basis for a full-year projection.

For a correct interpretation of the six-month data it should be noted that Juventus' financial year 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 participation in football competitions in Europe, particularly the UEFA Champions League, the calendar of sports events and the two phases of the football players' Transfer Campaign.

The financial position and cash flows of the company are also affected by the seasonal nature of the economic components; in addition, some revenues items are collected in a period different from the recognition period.

€ million	At		Change
	12/31/2013	12/31/2012	
Shareholders' equity	<b>53.5</b>	48.6	4.9
Net financial debt	<b>188.0</b>	160.3	27.7

The **first half** of the 2013/2014 financial year closed with a **profit** of €4.8 million, posting a negative change of €6.5 million compared to the profit of €11.3 million registered in the same period a year earlier. This performance substantially derived from the increase in players' wages and technical staff costs of €11.6 million, a slight increase in revenues of €5.8 million (also negatively influenced by one less home match in the 2013/2014 half year), as well as other net negative changes of €0.7 million. These net negative changes mainly included operating costs (€0.6 million), net financial expenses (€0.8 million), amortization of players' registration rights (€0.7 million) and income taxes (€0.3 million), partly offset by lower provisions and impairments (€1.7 million).

**Revenues** for the first half of 2013/2014, totaling €155.2 million, showed an increase of 3.9% compared to the figure of €149.4 million for the first half of 2012/2013.

**Operating costs** for the first half of the 2013/2014 amounted to €114.1 million and increased 12% compared to €101.9 million for the corresponding period of the prior year.

**Shareholders' equity** at December 31, 2013 totaled €53.5 million, an increase compared to the balance of €48.6 million at June 30, 2013 due mainly to the profit reported for the first half (+€4.8 million).

Net financial debt at December 31, 2013 amounted to €188 million (€160.3 million at June 30, 2013). The increase in net financial debt of €27.7 million was driven by Transfer Campaign net payments (-€25.7 million), advances paid to the City of Turin and various suppliers in relation to the Continassa Project (-€4.6 million), other investments (-€4.5 million) and financial flows (-€3.7 million). These negative cash flows were partially offset by positive cash flows from operations (+€10.6 million) and other net changes (+€0.2 million).

## Significant events in the first half of 2013/2014 financial year and subsequently

### Football season

During the first half of the 2013/2014 financial year, the First Team played in the group stage of the UEFA Champions League, taking third place in its round. As a result, Juventus did not qualify for the round of 16 but for the knockout phase of the UEFA Europa League, the second most important European football competition.

## Transfer Campaign 2013/2014 – first phase

### *Acquisitions and disposals*

The transactions finalized in the first phase of the Transfer Campaign 2013/2014, conducted from July 1 to September 2, 2013, resulted in an increase in invested capital of €39.2 million as a result of acquisitions of €66.5 million and disposals of €27.3 million (carrying amount of disposal rights).

The net capital gains generated by the disposals totaled €13.1 million.

The total net financial commitment, distributed over five years, came to €25 million and includes capitalized 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 €23.2 million, later reduced to €16.2 million after payments made during the half year.

## Season Ticket Campaign 2013/2014

The Season Ticket Campaign for the 2013/2014 closed with the sale of all 28,000 season tickets available for net proceeds of €20.2 million, including *Premium Seats* and additional services, compared to €19.8 million in the previous season.

## New technical sponsorship

An agreement was finalized on October 24, 2013 with adidas International Marketing B.V. (“adidas”) for a technical sponsorship starting from the 2015/2016 football season.

adidas will be the technical sponsor of all Juventus teams for a fixed consideration of €139.5 million for the six-year term. The consideration does not include the value of adidas products that will be annually supplied to the club or the program of performance related incentives and bonuses available to the club.

adidas will manage all Juventus’ licensing and merchandising activities for a fixed consideration of €6 million per annum.

Juventus may also benefit from additional royalty payments upon exceeding a threshold of sales.

For the current season and the 2014/2015 season, Nike will continue in its role of technical sponsor and trademark licensee.

## The Continassa Area Project

On July 30, 2013, Juventus submitted the Agreed Executive Plan (PEC) pertaining to the development of the Continassa Project to the competent officials of the City of Turin.

On September 12, 2013, the preliminary works were initiated for fencing off and securing the area, as well as the initial preparatory and introductory activities for the start of the works envisaged in the PEC and the associated Environmental Plan.

As provided for in the agreement signed with the City of Turin on June 14, 2013, at the end of December Juventus paid the balance of the amount for the acquisition of the long-term lease on the area, totaling €3.3 million.

At the beginning of January 2014 Juventus granted Beni Stabili Gestioni S.p.A. – Società di Gestione del Risparmio (“BSG”) the exclusive assignment to set up a real estate investment fund for the purpose of developing the Continassa Project (“Fund”).

BSG, with assistance and cooperation from Juventus, will work over the next few months to obtain the financial resources needed by the Fund to complete the Continassa Project, both using equity from third party investors and through financial borrowing.

Furthermore, Juventus and BSG will work together to complete the administrative process (indicatively by the end of April with the approval of the PEC and the signing of the related agreement with the City of Turin) to select the designers and construction companies, as well as the managers of the businesses that will be located in the area.

Over a time frame of four years, the Continassa Project provides for the urban development and revitalization of an area of around 180,000 square meters, adjacent to the Juventus Stadium, on which Juventus has acquired a 99-year renewable long-term lease, which will be transferred and/or sold to the Fund.

Using a total Gross Floor Area of 38,000 square meters, the new Training and Media Center for the First Team will be developed, as well as the new registered office of Juventus, a hotel, a services center for people and businesses, and private residences.

### **Mutu/Chelsea FC proceedings**

On October 7, 2013 the Company was served with the decision of FIFA's Dispute Resolution Chamber, following the hearing held on April 25, 2013, which ruled that Juventus was jointly liable with player Adrian Mutu for payment to Chelsea FC plc of the damages deriving from the player's dismissal for serious breach of contract, quantified in €17 million in addition to any interest.

This decision was based on earlier legal proceedings deriving from Mutu's dismissal by Chelsea for drug use in 2005. Those proceedings had only involved Chelsea and Mutu, as Juventus did not contribute in any way to the player's breach of contract which led to the termination of his employment contract.

On October 29, 2013 the Company filed an appeal against FIFA's decision before the Court of Arbitration for Sport (CAS). According to the consistent case law of the CAS, the appeal suspends the enforceability of the said decision. A hearing is set to be scheduled by the arbitration board.

Juventus believes that it has valid arguments to support its position and is of the opinion that it is very unlikely that it will lose the case and has therefore made no allocation to the provision for risks and charges. Should CAS's decision be unfavorable, Juventus will still have the opportunity to file an appeal with the Federal Supreme Court of Switzerland.

### **Receivable due from Finanziaria Gilardi S.p.A. and Campi di Vinovo S.p.A.**

In reference to the receivables due from Finanziaria Gilardi S.p.A. and Campi di Vinovo S.p.A., totaling €6.9 million and €10.3 million, respectively, and due December 31, 2013, Finanziaria Gilardi S.p.A. proposed further deferral of the payment to Juventus given the serious crisis which has affected all economic and financial sectors, as well as the delayed completion of the development of the "Mondo Juve – Parco Commerciale" compared to the timetable.

In February 2014 Juventus, based on the above arguments and against payment by Finanziaria Gilardi S.p.A. of €2 million on December 31, 2013, granted the counterparties deferral of payment of the total remaining payable of €14.4 million according to the following due dates: €2 million by September 30, 2014, €4 million by December 31, 2015 and €8.4 million by July 31, 2016. Interest will be earned on the installments at market rates starting from January 1, 2014.

The receivables which originated in the 2007/2008 fiscal year derive from the sale to Finanziaria Gilardi S.p.A. (originally Costruzioni Generali Gilardi S.p.A.) of the investment in Campi di Vinovo S.p.A. and also the sale of the business relating to the "Mondo Juve - Parco Commerciale" project to be built on the land of Campi di Vinovo S.p.A.

The remaining receivables due from Finanziaria Gilardi S.p.A. and Campi di Vinovo S.p.A. are secured by collateral (pledge on Campi di Vinovo shares) which will decrease with the collection of the instalment payments.

### **Significant events subsequent to December 31, 2013**

#### **Transfer Campaign 2013/2014 – second phase**

##### *Acquisitions and disposals*

The transactions finalized in the second phase of the Transfer Campaign 2013/2014 will lead to an increase in invested capital of €6.8 million. Disposals will generate net capital gains of €6.8 million.

The net total financial receipts (including capitalized auxiliary expenses as well as financial income and expenses implicit on deferred receipts and payments) will amount to €0.1 million.

The transactions finalized in the two phases of the Transfer Campaign 2013/2014 will bring an increase in invested capital of €46 million deriving from acquisitions of €73.9 million and disposals of €27.9 million (carrying amount of disposed rights).

The net capital gains generated by the disposals will amount to €19.9 million.

The total net financial commitment (including capitalized auxiliary expenses as well as financial income and expenses implicit on deferred receipts and payments) will come to €24.9 million, distributed as follows: €11.8 million in the 2013/2014 financial year, €10.4 million in the 2014/2015 financial year, €4.4 million in the 2015/2016 financial year, -€2 million in the 2016/2017 financial year and €0.3 million in the 2017/2018 financial year.

# ARENELLA IMMOBILIARE S.r.l.

(100% of capital)

The key figures taken from the financial statements of Arenella Immobiliare S.r.l. for the year ended December 31, 2013 are as follows:

€ million	12/31/2013	12/31/2012	Change
Profit (loss) for the year	<b>0.1</b>	(0.2)	0.3
Equity	<b>25.9</b>	25.9	0.0
Lido Arenella hotel property	<b>26.7</b>	27.0	(0.3)
Net financial position	<b>0.1</b>	0.5	(0.4)

Arenella continued its business of leasing and managing the Lido Arenella hotel property purchased in 2012.

Profit for the year 2013 increased €0.3 million, from a loss of €0.2 million to a profit of €0.1 million, benefiting from the first actual year of leasing and managing the hotel complex.

The net reduction in the carrying amount of the Lido Arenella hotel property at December 31, 2013 is due to the depreciation charge for the year of €0.6 million which is partially offset by investments for extraordinary maintenance work of €0.3 million.



## EXOR S.A.

(100% of capital)

The highlights of the financial statements of EXOR S.A. for the year ended December 31, 2013, prepared under the laws of Luxembourg, are as follows:

€ million	12/31/2013	12/31/2012	Change
Profit (loss) for the year	<b>1,071.4</b>	(105.8)	1,177.2
Equity	<b>3,082.8</b>	2,031.4	1,051.4
Investments and non-current other financial assets	<b>3,544.9</b>	2,171.1	1,373.8
Net financial position	<b>(462.0)</b>	(138.7)	(323.3)

EXOR S.A. closed the year 2013 with a profit of €1,071.4 million compared to a loss of €105.8 million in 2012. The positive change of €1,177.2 million is mainly due to higher net gains realized in 2013 of €1,016 million (of which €987.5 million relates to the disposal of the entire investment in SGS), lower impairment charges recognized on investments and financial assets of €159.2 million and other net positive changes of €2 million.

Additional details on the disposal of SGS are provided under “Significant events in 2013”.

At December 31, 2013 investments and non-current other financial assets comprise the following:

	Number of shares	12/31/2013		12/31/2012	Change
		% of capital	Carrying amount		
Exor Capital Ltd	4,000,000	<b>100</b>	<b>1,904.0</b>	320.0	1,584.0
C&W Group Inc.	511,015	<b>68.46</b>	<b>405.0</b>	405.0	0.0
EXOR N.V.	450	<b>100</b>	<b>300.0</b>	0.0	300.0
Almacantar S.A.	147,680,355	<b>38.29</b>	<b>171.9</b>	113.9	58.0
Gruppo Banca Leonardo S.p.A.	45,459,968	<b>17.37</b>	<b>73.6</b>	76.8	(3.2)
Banijay Holding S.A.S.	351,590	<b>17.09</b>	<b>35.3</b>	35.3	0.0
The Economist Group	1,190,000	<b>4.72</b>	<b>30.3</b>	30.4	(0.1)
Sequana S.A.	4,348,000	<b>17.38</b>	<b>24.8</b>	38.6	(13.8)
SGS S.A.	-	-	<b>0.0</b>	1,016.3	(1,016.3)
Other			<b>135.1</b>	38.6	96.5
<b>Total investments</b>			<b>3,080.0</b>	2,074.9	1,005.1
Non-current other financial assets			<b>464.9</b>	96.2	368.7
<b>Total investments and non-current other financial assets</b>			<b>3,544.9</b>	2,171.1	1,373.8

## 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, 2013 and, considering that the legal reserve is equal to one-fifth of share capital, we motion to appropriate the profit for the year of €92,726,030.44 as follows:

- to the 222,346,104 ordinary shares currently outstanding, dividends per share of € 0.335, equal to a maximum	€	74,485,944.84
- to the Extraordinary Reserve, the remaining amount, equal to a minimum	€	18,240,085.60
<hr/>		
<b>Profit for the year 2013</b>	<b>€</b>	<b>92,726,030.44</b>
<hr/>		

The declared dividends, equal to a maximum €74,485,944.84, will become payable on June 26, 2014 (ex-dividend stock market date June 23) and will be paid to the shares of record as of June 25, 2014 (record date).

Turin, April 9, 2014

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







**Separate Financial Statements  
at December 31, 2013**

## EXOR S.p.A. - INCOME STATEMENT

€	Note	2013	2012	Change
<b>Investment income (expenses)</b>				
Dividends from investments	1	102,766,167	82,803,666	19,962,501
Gains (losses) on disposals of investments	2	82,259,433	135,911,562	(53,652,129)
<b>Net investment income</b>		<b>185,025,600</b>	218,715,228	(33,689,628)
<b>Financial income (expenses)</b>				
Financial expenses from third parties	3	(88,302,330)	(97,433,372)	9,131,042
Financial expenses from related parties	37	(1,484,841)	0	(1,484,841)
Financial income from third parties	4	29,369,154	48,325,821	(18,956,667)
Financial income from related parties	37	20,530	3,487	17,043
Gains (losses) on exchange	5	123,445	640,519	(517,074)
<b>Net financial expenses</b>		<b>(60,274,042)</b>	(48,463,545)	(11,810,497)
<b>Net general expenses</b>				
Personnel costs	6	(12,297,394)	(8,844,659)	(3,452,735)
Purchases of goods and services from third parties	7	(4,564,408)	(4,599,566)	35,158
Purchases of goods and services from related parties	37	(5,407,642)	(5,296,889)	(110,753)
Other operating expenses	8	(993,879)	(815,119)	(178,760)
Depreciation and amortization		(49,928)	(56,520)	6,592
		(23,313,251)	(19,612,753)	(3,700,498)
Revenues from third parties		8,332	10,662	(2,330)
Revenues from related parties	37	503,738	486,857	16,881
		512,070	497,519	14,551
<b>Net general expenses</b>		<b>(22,801,181)</b>	(19,115,234)	(3,685,947)
<b>Non-recurring other income (expenses) and general expenses</b>	9	<b>(1,908,843)</b>	413,319	(2,322,162)
<b>Indirect taxes</b>				
Non-deductible VAT	10	(1,609,506)	(1,517,861)	(91,645)
Other indirect taxes		(5,230)	(10,455)	5,225
<b>Indirect taxes</b>		<b>(1,614,736)</b>	(1,528,316)	(86,420)
<b>Profit before income taxes</b>		<b>98,426,798</b>	150,021,452	(51,594,654)
<b>Income taxes</b>	11	<b>(5,700,768)</b>	473,106	(6,173,874)
<b>Profit for the year</b>		<b>92,726,030</b>	150,494,558	(57,768,528)

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

€	2013	2012
<b>Profit for the year</b>	<b>92,726,030</b>	150,494,558
<b>Items that will not be classified to the income statement:</b>		
Gains (losses) on remeasurement of defined benefit plans	<b>4,053</b>	(425,090)
Related tax	<b>0</b>	0
<b>Total other comprehensive income (loss) that will not be reclassified to income statement, net of tax</b>	<b>4,053</b>	(425,090)
<b>Items that will be reclassified to Income Statement:</b>		
Gains (losses) recognized directly in cash flow hedge reserve	<b>26,566,855</b>	(21,114,905)
Gains (losses) recognized in fair value reserve	<b>(21,182,549)</b>	22,367,333
Related tax	<b>(2,640,377)</b>	(311,751)
<b>Total other comprehensive income (loss) that will be reclassified to income statement, net of tax</b>	<b>2,743,929</b>	940,677
<b>Total other comprehensive income (loss), net of tax</b>	<b>2,747,982</b>	515,587
<b>Total comprehensive income</b>	<b>95,474,012</b>	151,010,145

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

€	Note	12/31/2013	12/31/2012	Change
<b>Non-current assets</b>				
Investments accounted for at cost	12	3,883,401,892	3,883,634,263	(232,371)
Available-for-sale financial assets	12	47,432,695	368,948,261	(321,515,566)
	Total	3,930,834,587	4,252,582,524	(321,747,937)
Held-to-maturity financial instruments	13	83,455,093	109,498,361	(26,043,268)
Other financial assets	14	10,478,670	15,654,703	(5,176,033)
Intangible assets		109,635	112,954	(3,319)
Property, plant and equipment		116,629	152,838	(36,209)
Other receivables		1,301	1,901	(600)
	<b>Total Non-current assets</b>	<b>4,024,995,915</b>	<b>4,378,003,281</b>	<b>(353,007,366)</b>
<b>Current assets</b>				
Held-to-maturity financial instruments	13	25,687,237	0	25,687,237
Financial assets held for trading	15	87,196,319	176,458,157	(89,261,838)
Cash and cash equivalents	16	585,694,598	338,375,314	247,319,284
Other financial assets	14	4,157,147	3,337,208	819,939
Tax receivables	17	5,974,942	4,532,812	1,442,130
Financial receivables from related parties	37	974,017	1,753,487	(779,470)
Financial receivables from third parties		279,467	553,151	(273,684)
Trade receivables from related parties	37	354,422	332,646	21,776
Other receivables	18	505,837	500,724	5,113
	<b>Total Current assets</b>	<b>710,823,986</b>	<b>525,843,499</b>	<b>184,980,487</b>
	<b>Total Assets</b>	<b>4,735,819,901</b>	<b>4,903,846,780</b>	<b>(168,026,879)</b>
<b>Equity</b>				
Share capital	19	246,229,850	246,229,850	0
Capital reserves	20	1,094,212,604	1,096,102,859	(1,890,255)
Retained earnings and other reserves	21	2,344,913,855	2,265,776,582	79,137,273
Treasury stock	23	(344,119,774)	(239,005,324)	(105,114,450)
Profit for the year		92,726,030	150,494,558	(57,768,528)
	<b>Total Equity</b>	<b>3,433,962,565</b>	<b>3,519,598,525</b>	<b>(85,635,960)</b>
<b>Non-current liabilities</b>				
Non-convertible bonds	25	1,199,907,703	1,079,497,095	120,410,608
Bank debt	26	0	200,000,000	(200,000,000)
Deferred tax liabilities	27	25,428,366	23,647,617	1,780,749
Provisions for employee benefits	28	2,272,534	2,394,918	(122,384)
Provisions for risks and charges	29	2,867,000	3,500,000	(633,000)
Other payables	33	205,020	461,902	(256,882)
	<b>Total Non-current liabilities</b>	<b>1,230,680,623</b>	<b>1,309,501,532</b>	<b>(78,820,909)</b>
<b>Current liabilities</b>				
Non-convertible bonds	25	28,596,948	25,006,034	3,590,914
Other financial liabilities	30	33,678,051	45,295,510	(11,617,459)
Trade payables and other payables to related parties	37	160,913	117,959	42,954
Trade payables to third parties	31	1,359,093	1,034,975	324,118
Tax payables	32	4,361,609	1,034,563	3,327,046
Other payables	33	3,020,081	2,257,659	762,422
Bank debt		18	23	(5)
	<b>Total Current liabilities</b>	<b>71,176,713</b>	<b>74,746,723</b>	<b>(3,570,010)</b>
	<b>Total Equity and Liabilities</b>	<b>4,735,819,901</b>	<b>4,903,846,780</b>	<b>(168,026,879)</b>

## EXOR S.p.A. – STATEMENT OF CASH FLOWS

€	Note	2013	2012
<b>Cash and cash equivalents, at beginning of year</b>		<b>338,375,314</b>	<b>94,243,148</b>
<b>Cash flows from (used in) operating activities</b>			
<b>Profit for the year</b>		<b>92,726,030</b>	150,494,558
Adjustments for:			
(Gains) losses on disposals of investments	2	(87,237,891)	(135,911,562)
Effective portion of losses on cash flows hedges reclassified to income statement	3	14,915,167	3,505,452
Depreciation and amortization		49,928	56,520
Notional cost of EXOR stock option plan	24	4,584,575	3,124,537
EXOR share conversion expenses		(1,890,253)	0
Deferred income taxes released		(539,483)	(539,483)
Losses (Gains) on sale of property, plant and equipment		0	(126)
<b>Total adjustments</b>		<b>(70,117,957)</b>	<b>(129,764,662)</b>
Change in working capital:			
Other financial assets, current and non-current	14	4,356,094	(9,980,248)
Tax receivables, excluding items adjusting profit for the year	17	(1,442,130)	20,611,511
Trade receivables from related parties		(21,776)	82,851
Other receivables, current and non-current		(4,513)	634,840
Other financial receivables		273,684	(149,514)
Other payables, current and non-current	33	505,540	(1,080,981)
Other financial liabilities, current and non-current	30	14,949,397	1,131,847
Trade payables and other payables to related parties, excluding items adjusting profit		42,954	(848,812)
Trade payables to third parties		324,116	(196,520)
Taxes payable		3,327,046	387,272
Provisions for employee benefits, excluding remeasurements of defined benefit plans recognized in equity		(118,330)	(262,420)
Provisions for risks and charges	29	(633,000)	3,500,000
<b>Change in working capital</b>		<b>21,559,082</b>	<b>13,829,826</b>
<b>Cash flows from (used in) operating activities</b>		<b>44,167,155</b>	<b>34,559,722</b>
<b>Cash flows from (used in) investing activities</b>			
Change in investments in:			
Property, plant and equipment		(10,398)	(61,141)
Held-to-maturity financial instruments, current and non-current	13	356,031	82,392,132
Current financial assets	15	89,261,838	173,290,860
Disposal of investments and securities	12	387,250,761	218,438,120
Investment acquisitions		0	(334,199,612)
<b>Cash flows from (used in) investing activities</b>		<b>476,858,232</b>	<b>139,860,359</b>
<b>Cash flows from (used in) financing activities</b>			
Change in financial receivables from related parties		779,470	(1,732,213)
Issue of bonds 2013/2020		197,989,682	0
Issue of bonds 2012/2019		0	147,170,389
Issue of bonds 2012/2025		0	97,709,870
Other changes in bonds		(73,988,161)	(11,157,178)
Net change in bank debt		(200,000,005)	23
Changes in fair value of cash flow hedge derivatives		(14,915,167)	(3,505,452)
Dividends paid		(78,459,323)	(80,123,720)
Treasury stock purchases		(105,114,450)	0
(Purchase) sale of further ownership interests in subsidiaries)		0	(78,651,486)
Dividends statute-barred and other net changes		1,851	1,852
<b>Cash flows from (used in) financing activities</b>		<b>(273,706,103)</b>	<b>69,712,085</b>
<b>Total change in cash and cash equivalents</b>		<b>247,319,284</b>	<b>244,132,166</b>
<b>Cash and cash equivalents, at end of year</b>		<b>585,694,598</b>	<b>338,375,314</b>

## 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
<b>Equity at December 31, 2011</b>	<b>246,229,850</b>	<b>1,096,102,859</b>	<b>(239,005,324)</b>	<b>2,306,887,236</b>	<b>58,690,739</b>	<b>2,335,880</b>	<b>(25,806,917)</b>	<b>3,445,434,323</b>
Reclassification 2011 profit				58,690,739	(58,690,739)			0
Dividends paid to shareholders (€ 0.335 per ordinary share, € 0.3867 per preferred share, € 0.4131 per savings share)				(80,123,720)				(80,123,720)
Dividends statute-barred				1,852				1,852
Increase corresponding to notional cost of EXOR stock option plan				3,275,925				3,275,925
Total comprehensive income				(425,090)	150,494,558	22,055,582	(21,114,905)	151,010,145
<b>Net changes during the year</b>	<b>246,229,850</b>	<b>1,096,102,859</b>	<b>(239,005,324)</b>	<b>2,288,306,942</b>	<b>150,494,558</b>	<b>24,391,462</b>	<b>(46,921,822)</b>	<b>3,519,598,525</b>
Reclassification 2012 profit				150,494,558	(150,494,558)			0
Dividends paid to shareholders (€ 0.335 per ordinary share, € 0.3867 per preferred share, € 0.4131 per savings share)				(78,459,323)				(78,459,323)
Treasury stock purchase			(105,114,450)					(105,114,450)
Dividends statute-barred				1,852				1,852
Net increase corresponding to notional cost of EXOR stock option				4,352,204				4,352,204
Allocation of preferred and savings shares mandatory conversion expenses		(1,890,255)						(1,890,255)
Total comprehensive income				4,053	92,726,030	(23,822,926)	26,566,855	95,474,012
<b>Net changes during the year</b>	<b>0</b>	<b>(1,890,255)</b>	<b>(105,114,450)</b>	<b>76,393,344</b>	<b>(57,768,528)</b>	<b>(23,822,926)</b>	<b>26,566,855</b>	<b>(85,635,960)</b>
<b>Equity at December 31, 2013</b>	<b>246,229,850</b>	<b>1,094,212,604</b>	<b>(344,119,774)</b>	<b>2,364,700,286</b>	<b>92,726,030</b>	<b>568,536</b>	<b>(20,354,967)</b>	<b>3,433,962,565</b>
Note	19	20	23	21		21	21	



## EXOR S.p.A. – NOTES TO THE FINANCIAL STATEMENTS

### GENERAL INFORMATION ON THE ACTIVITIES OF THE COMPANY

EXOR S.p.A. is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.a. which holds 51.39% 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.

Further 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, 2013 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.

Since the year 2009, 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. The line item includes 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 separate 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 37.

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 separate financial statements, the amounts are expressed in Euro.

In the notes, unless otherwise indicated, the data are expressed in thousands of Euro.

#### **Accounting principles, amendments and interpretations adopted from January 1, 2013**

On May 12, 2011, the IASB issued IFRS 13 – *Fair value measurement* which clarifies rules for determination of fair value for reporting purposes and applies to all IFRSs that require or permit fair value measurements or disclosures about fair value measurements. IFRS 13 also requires additional disclosure for fair value measurements. In accordance with the transitional provisions, the Company adopted the new fair value measurement guidance prospectively from January 1, 2013 without providing the additional disclosures required by the standard for the comparative figures presented. Other than the additional disclosures on fair value measurement provided in Note 34, adoption of the new standard had no material effect on the 2013 financial statements.

On June 16, 2011, the IASB issued an amendment to IAS 1 – *Presentation of financial statements: Presentation of Items of Other Comprehensive Income* which requires items of Other comprehensive income to be grouped on the basis of whether they will be reclassified subsequently to the income statement when specific conditions are met. The Company adopted these amendments in these financial statements and modified the presentation of items of Other comprehensive income. Comparative information has been reclassified accordingly.

On June 16, 2011, the IASB issued amendments to IAS 19 – *Employee Benefits*, applicable retrospectively for the year beginning January 1, 2013. The amendment modifies the requirements for recognition of defined benefit plans and termination benefits and eliminates the option of deferring actuarial gains and losses under the off balance sheet "corridor method", requiring instead that they be recognized directly in Other comprehensive income. In addition, the amendments require immediate recognition of past service costs in the income statement. The result of those amendments is the recognition of the entire plan deficit or surplus in balance sheet. The Company adopted these amendments retrospectively from January 1, 2013 and adoption had no impacts.

On December 16, 2011, the IASB issued certain amendments to IFRS 7 – *Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities*. The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. The Company applied the amendments since January 1, 2013 retrospectively. The adoption of the amendments had no impacts on the disclosure or on the amounts recognized in these financial statements.

On May 17, 2012, the IASB issued a number of amendments to IFRSs ("*Annual Improvements to IFRSs – 2009-2011 Cycle*") that are applicable retrospectively from January 1, 2013. The adoption of these amendments had no impacts on these financial statements.

#### **Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Company**

On May 12, 2011, the IASB issued: IFRS 10 – *Consolidated Financial Statements*, IFRS 11 – *Joint Arrangements* and IFRS 12 – *Disclosure of Interests in Other Entities* (subsequently amended on June 28, 2012). As a consequence the IASB also amended IAS 27 – *Consolidated and Separate Financial Statements* which was renamed IAS 27 – *Separate Financial Statements*. The new IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in the separate financial statements, including the additional disclosures required. The standard confirms that investments in subsidiaries, joint ventures and associates are accounted for at either cost or fair value. The same accounting treatment is to be applied for each category of investment. If an entity elects to measure investments at fair value in its consolidated financial statements, it is required to use the same method of measurement in the separate financial statements. The new standard is applicable retrospectively for annual periods beginning on or after January 1, 2013. The European Union has completed the process for endorsement of the standard and postponed the effective date to January 1, 2014 although early adoption is permitted from January 1, 2013. The Company will apply the new standard from January 1, 2014 and application is not expected to have any material effect.

On December 16, 2011, the IASB issued certain amendments to IAS 32 – *Financial Instruments: Presentation* to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively. No significant effect is expected from the first time adoption of the standard.

On May 29, 2013, the IASB issued an amendment to IAS 36 – *Recoverable Amount Disclosures for Non-Financial Assets* addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2014. No significant effect is expected from the first-time adoption of this amendment.

On June 27, 2013, the IASB issued narrow-scope amendments to IAS 39 – *Financial Instruments: Recognition and Measurement* entitled *Novation of Derivatives and Continuation of Hedge Accounting*. The amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2014. No material effect is expected from first time adoption of these amendments.

In addition, at the reporting date, the European Union had not yet completed the process for endorsement of the following standards and amendments:

- On November 12, 2009, the IASB issued IFRS 9 – *Financial Instruments*. The standard was reissued in October 2010 and amended in November 2013. The standard addresses classification, measurement, recognition and hedge accounting for financial assets and liabilities and replaces parts of IAS 39. The amendments issued in November 2013 removed the mandatory effective date of January 1, 2015. The IASB announced that an effective date will be decided upon when the entire IFRS 9 project is completed.
- On May 20, 2013, the IASB issued IFRIC 21 – *Levies*, an interpretation of IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*. The interpretation provides guidance on recognition of liabilities to pay levies that are not income taxes. IFRIC 21 is applicable for annual periods beginning on or after January 1, 2014. Early adoption is permitted.
- On December 12, 2013, the IASB issued a set of amendments to the IFRS (*Annual Improvements to IFRSs 2010–2012 Cycle*) and (*Annual Improvements to IFRSs 2011–2013 Cycle*).

#### **Investments accounted for at cost**

Investments accounted for at cost include investments in subsidiaries, associates and other companies stated at cost.

Subsidiaries are enterprises controlled by the Company, as defined in IAS 27 – *Consolidated and Separate Financial Statements*. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

Associates are enterprises over which the Company has significant influence, as defined in IAS 28 – *Investments in Associates*, but not control or joint control over the financial and operating policies.

Investments in other companies include non-current financial assets and not destined for trading.

Under the cost method, investments are tested for impairment annually or more frequently whenever there is objective evidence of an 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 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.

#### **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 assets**

Held-to-maturity securities are assets with fixed or determinable payments and fixed maturities that EXOR 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 of the financial asset's 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**

Except for derivative instruments, other financial assets are recognized initially at cost, which generally coincides with 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 movements 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 (OCI);
- 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 recognized at cost which corresponds initially 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, 2013 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.

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 are only managed using derivative financial instrument denominated interest rate swaps on some of the loans received.

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 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 €102,766 thousand (€82,804 thousand in 2012) and were received from the following companies:

€ thousand	2013	2012
CNH Industrial N.V.	82,559	71,291
Fiat S.p.A.	-	10,836
EXOR S.A.	20,000	-
Rho Immobiliare Fund	139	642
Other	68	35
<b>Total dividends</b>	<b>102,766</b>	<b>82,804</b>

### 2. Gains (losses) on disposals of investments

In 2013 the gains amount to €87,238 thousand and refer almost entirely to the disposal of the Irish-registered fund, The Black Ant Value Fund, in the manner described in the following paragraphs.

At the beginning of February 150,000 shares were redeemed on the basis of the fair value at the end of December 2012 for €16,165 thousand: this redemption generated a gain of €1,164 thousand.

In December 2013 the remaining shares in the fund were sold to the subsidiary EXOR S.A. for a transfer amount of €371,086 thousand, corresponding to the most recent fair value available (October 2013): the sale generated a gain of €86,074 thousand.

Losses total €4,978 thousand and refer to the sale of Alpitour in 2012, following disputes that arose with the buyer relating to events prior to the sale.

In 2012, the gains amounted to €135,912 thousand and derived from the sale of the investment in Alpitour S.p.A.

### 3. Financial expenses from third parties

€ thousand	2013	2012	Change
Interest on bonds	59,793	47,889	11,904
Interest on bank debt	2,533	5,079	(2,546)
Interest rate hedge expenses	3,788	3,522	266
Non-recurring expenses for the early closing of interest rate hedging transactions on total loans of €200 million	11,722	0	11,722
Bank commissions	1,977	1,665	312
Loss on cancellation of EXOR 2007/2017 bonds (a)	6,464	0	6,464
Financial expenses on securities held for trading:			
- Losses on shares and securities trading	535	36,160	(35,625)
- Fair value adjustments	953	124	829
- Other expenses (b)	537	2,994	(2,457)
<b>Total financial expenses from third parties</b>	<b>88,302</b>	<b>97,433</b>	<b>(9,131)</b>

(a) The non-recurring loss comes from the difference between the average per unit purchase price of €110.77 and the nominal amount of €100.00 on nominal €60 million.

(b) In 2012 other expenses included, among other things, €2,429 thousand of losses on forward contracts.

#### 4. Financial income from third parties

€ thousand	2013	2012	Change
Interest income and other income on held-to-maturity securities	9,755	13,156	(3,401)
Interest income on receivables from banks and tax authorities (a)	11,151	5,381	5,770
Income on interest rate hedges	595	17	578
Income on securities held for trading:			
- Gains on shares and bonds trading	3,613	3,094	519
- Gains on put/call sales	0	11,313	(11,313)
- Fair value adjustments	1,083	10,443	(9,360)
- Dividends	0	256	(256)
- Interest on fixed-rate securities	659	2,820	(2,161)
- Other income (b)	0	987	(987)
Interest from others (c)	885	845	40
Sundry income (d)	1,628	14	1,614
<b>Total financial income from third parties</b>	<b>29,369</b>	<b>48,326</b>	<b>(18,957)</b>

- (a) Higher interest income relates to higher average balances of cash and cash equivalents.  
(b) In 2012 other income was formed by income on the sale of forward rate contracts.  
(c) This is interest income earned on the Deferred Price relating to the sale of Alpitour S.p.A.  
(d) Relating to the credit risk adjustment recognized in income on the measurement of cross currency swaps pursuant to IFRS 13.

#### 5. Gains (losses) on exchange

€ thousand	2013	2012	Change
Losses on exchange, realized	(21)	(140)	119
Gains on exchange, realized	144	780	(636)
<b>Total Gains (losses) on exchange</b>	<b>123</b>	<b>640</b>	<b>(517)</b>

#### 6. Personnel costs

These amount to €12,297 thousand (€8,845 thousand in 2012) and show a total net increase of €3,452 thousand. Details are as follows:

€ thousand	2013	2012	Change
Salaries and expenses for similar services	7,476	5,289	2,187
Social security contributions	1,148	1,113	35
Employee leaving entitlement, other long-term benefit plans and defined benefit plans in addition to payments of plan contributions	268	270	(2)
Notional cost of EXOR long-term incentive plans (a)	2,902	1,621	1,281
Other personnel costs (b)	503	552	(49)
<b>Total personnel costs</b>	<b>12,297</b>	<b>8,845</b>	<b>3,452</b>

- (a) Information on the EXOR stock option plan is provided in Note 24.  
(b) These costs include €173 thousand (€219 thousand in 2012) of costs referring to related parties.

At the end of 2013, the number of employees is 35, unchanged compared to December 31, 2012. The average number of employees in 2013 was 35, summarized by category as follows:

	2013	2012
Managers	3	4
Middle management	18	18
Clerical staff	11	11
Messengers	3	4
<b>Average number of employees</b>	<b>35</b>	<b>37</b>

The net change of €3,452 thousand in personnel costs is attributable for €2,171 thousand to the addition of new professional staff which, in 2012, only referred to the period July to December, and for remaining difference of €1,281 thousand to the notional costs of the long-term incentive plans due to the introduction of the EXOR 2012 new incentive plan recognized in 2012 from when the grants were awarded (July and September) but for the full year in 2013.

#### Compensation policies

The overall compensation is composed of a fixed and a variable portion, as well as additional benefits.

The fixed compensation is connected with the responsibilities of the person's role, the level of individual expertise and the experience acquired; since 2009, variable compensation is discretionary.

The 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.

Further information on employee benefits is presented in Note 28.

### 7. Purchases of goods and services from third parties

These amount to €4,564 thousand and decreased €35 thousand compared to 2012 (€4,599 thousand). Details are as follows:

€ thousand	2013	2012	Change
Sundry consulting and services	1,318	1,606	(288)
Computer system	556	521	35
Directors' liability insurance	415	348	67
Travel, entertainment and transport expenses	220	296	(76)
Notary fees	376	224	152
Telephone and postal expenses	224	213	11
Bank and financial commissions	188	173	15
Securities' listing fees	204	166	38
Shareholders' meetings' fees	277	164	113
Compensation to control bodies, excluding the board of statutory auditors	112	115	(3)
Sundry costs	674	773	(99)
<b>Total purchases of goods and services from third parties</b>	<b>4,564</b>	<b>4,599</b>	<b>(35)</b>

### 8. Other operating expenses

These total €994 thousand (€815 thousand in 2012). Details are as follows:

€ thousand	2013	2012	Change
Donations	770	668	102
Association dues	146	127	19
Sundry expenses	78	20	58
<b>Total other operating expenses</b>	<b>994</b>	<b>815</b>	<b>179</b>

### 9. Non-recurring other income (expenses) and general expenses

In 2013 the net non-recurring expense balance of €1,909 thousand is related to employee reduction plans (€234 thousand), legal defense fees in the cases relating to the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005 (€919 thousand), tax consulting fees (€583 thousand) and other consulting fees (€166 thousand).

In 2012 the balance of net non-recurring income amounted to €413 thousand and related to non-recurring income for the year net of the costs for employee reduction plans, legal defense fees in the cases relating to the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005 and tax consulting fees.

## 10. Indirect taxes – Non-deductible VAT

Both in 2013 and in 2012, the prorated amount of non-deductible VAT was 100%. Non-deductible VAT was €1,610 thousand in 2013 and €1,518 thousand in 2012.

## 11. Income taxes

The taxable income calculated in accordance with tax regulations is equal to €62,469 thousand, which was partially compensated, as allowed by current tax laws, by losses of prior years, with provision for the relative taxes of €3,436 thousand. The tax benefit recorded in the income statement (€539 thousand) refers to the release of deferred taxes in respect of the taxation for the year on one-fifth of the gain realized in 2011 on the sale of the building in Corso Matteotti 26, deferred over five years, net of other taxes due.

Income taxes also include the separate tax of €2,804 thousand referring to the Controlled Foreign Companies (CFC) paid in 2013.

Deferred tax assets have not been booked on tax losses (€248 million, in total) and on the deductible temporary differences represented mainly 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	2013	2012
Pre-tax profit	98,427	150,021
Increases:		
- 1/5 of the gain on the sale of the building realized in 2011	1,962	1,962
- temporary differences <sup>(a)</sup>	65,656	35,903
- permanent differences	1,401	1,493
<b>Total increases</b>	<b>69,019</b>	<b>39,358</b>
Decreases:		
- 95% of dividends received	(97,496)	(78,663)
- 95% of the gain on the sale of Alpitour	0	(129,196)
- deductions of temporary differences	(3,029)	(3,451)
- deductions of permanent differences	(4,452)	(3,985)
<b>Total decreases</b>	<b>(104,977)</b>	<b>(215,295)</b>
<b>Taxable income (loss)</b>	<b>62,469</b>	<b>(25,916)</b>
Tax losses utilized	(49,975)	0
<b>Taxable</b>	<b>12,494</b>	<b>0</b>
<b>Tax 27.5%</b>	<b>3,436</b>	<b>0</b>

(a) Mainly includes net interest expenses non-deductible for the year.

For the years up to December 31, 2008, the ordinary terms of the statute of limitation for tax purposes have expired.

## 12. Investments accounted for at cost and available-for-sale financial assets

€ thousand	12/31/2013		12/31/2012		Change
	% of class of shares	Amount	% of class of shares	Amount	
<b>Investments accounted for at cost</b>					
CNH Industrial N.V. - ordinary shares	27.18	1,690,342	30.01	1,690,342	0
CNH Industrial N.V. - special voting shares	77.33	0		0	0
CNH Industrial N.V.		1,690,342		1,690,342	0
Fiat S.p.A.	30.05	1,324,660	30.05	1,324,660	0
EXOR S.A.	100.00	746,390	100.00	746,622	(232)
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
Emittenti Titoli S.p.A.	6.43	272	6.43	272	0
<b>Investments accounted for at cost</b>		<b>3,883,402</b>		3,883,634	(232)
<b>Available-for-sale financial assets</b>					
The Black Ant Value Fund		0		323,296	(323,296)
Rho Immobiliare Fund		11,653		11,758	(105)
Alpitour S.p.A.	9.85	3,544	9.85	10,000	(6,456)
Other listed securities		32,236		23,894	8,342
<b>Total available-for-sale financial assets</b>		<b>47,433</b>		368,948	(321,515)
<b>Total</b>		<b>3,930,835</b>		4,252,582	(321,747)

The changes during the year are as follows:

€ thousand	Balances at 12/31/2012	Changes in 2013			Balances at 12/31/2013
		Increases	Decreases	Other changes	
<b>Investments accounted for at cost</b>					
CNH Industrial N.V. - ordinary shares	1,690,342				1,690,342
CNH Industrial N.V. - special voting shares	0				0
CNH Industrial N.V.	1,690,342	0	0	0	1,690,342
Fiat S.p.A.	1,324,660				1,324,660
EXOR S.A.	746,622			(232)	746,390
Juventus Football Club S.p.A.	95,688				95,688
Arenella Immobiliare S.r.l.	26,050				26,050
Emittenti Titoli S.p.A.	272				272
<b>Investments accounted for at cost</b>	3,883,634	0	0	(232)	3,883,402
<b>Available-for-sale financial assets</b>					
The Black Ant Value Fund	323,296		(323,296)		0
Rho Immobiliare Fund	11,758			(105)	11,653
Alpitour S.p.A.	10,000			(6,456)	3,544
Other listed securities	23,894			8,342	32,236
<b>Total available-for-sale financial assets</b>	368,948	0	(323,296)	1,781	47,433
<b>Total</b>	4,252,582	0	(323,296)	1,549	3,930,835

The changes during the year are described below.

### *Investments accounted for at cost*

**CNH Industrial N.V.** The deed for the merger of Fiat Industrial S.p.A. with and into CNH Industrial N.V. and the deed for the merger of CNH Global N.V. with and into CNH Industrial N.V. were executed on September 27 and 28, 2013, respectively, and the integration of these two companies was completed on September 29, 2013. At closing, CNH Industrial issued 1,348,867,772 common shares which were allotted to Fiat Industrial and CNH Global shareholders on the basis of the established exchange ratios. In particular, Fiat Industrial shareholders received one CNH Industrial common share for each Fiat Industrial ordinary share held and CNH Global shareholders received 3.828 CNH Industrial common shares for each CNH Global common share held. CNH Industrial also issued special voting shares (non-tradable) which were allotted to eligible Fiat Industrial and CNH Global shareholders who had elected to receive special voting shares in connection with the closing of the merger. On the basis of the requests received, CNH Industrial issued a total of 474,474,276 special voting shares.

On September 30, 2013 CNH Industrial N.V. common shares began trading on the New York Stock Exchange and the MTA managed by Borsa Italiana S.p.A.

EXOR with its 366,927,900 Fiat Industrial ordinary shares received 366,927,900 CNH Industrial common shares and the same number of special voting shares.

The special voting shares have a nominal value of €0.01 each and carry one vote (like common shares). They are not traded on the stock market, have only the right to vote and the right to receive the nominal value in the event of liquidation, but subordinate to the common shares.

They may only be obtained by legitimate shareholders who have the same number of common shares registered for at least a period of three years recorded in a separate register.

Whenever a legitimate shareholder decides to trade its common shares recorded in the separate register (that is, the common shares that were registered in order to obtain special shares), such shareholder is bound to offer and transfer (for no consideration) the special shares to the company and all the voting rights connected to such special shares will be suspended.

Since these shares cannot be sold, disposed of, transferred, pledged or subjected to any lien, their fair value is considered to be zero. Therefore the new investment in CNH Industrial (common shares and special shares) has the same value as the preceding investment in Fiat Industrial.

The exchange of Fiat Industrial shares with the newly issued CNH Industrial shares was recorded based on the reported carrying amounts, in addition to having a neutral tax effect.

At December 31, 2013 EXOR directly holds a 27.18% stake and 40.22% of the voting rights.

EXOR S.A. The investment decreased by €232 thousand after accounting for €117 thousand of the 2013 portion of long-term incentive plans, relating to EXOR S.A. employees and subsidiaries, and the reversal of the cost recorded from 2008 to 2012 of €349 thousand for the 300,000 options that expired during the course of the current year.

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

	Number	Carrying amount		Trading price December 30, 2013	
		Per share (€)	Total (€ thsd)	Per share (€)	Total (€ thsd)
CNH Industrial N.V.	366,927,900	4.61	1,690,342	8.273	3,035,595
Fiat S.p.A.	375,803,870	3.53	1,324,660	5.926	2,227,014
Juventus Football Club S.p.A.	642,611,298	0.15	95,688	0.225	144,587
<b>Total</b>			<b>3,110,690</b>		<b>5,407,196</b>

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 €/000	Profit (loss) €/000		
	Number of shares	Par value	Number of Amount shares/quotas	% ownership of Sh. cap. Per share €	Carrying amount €/000				
CNH Industrial N.V. (the Netherlands) common shares	1,350,073,530	€ 0.01	13,500,735	366,927,900	27.18	4.61	1,690,342		
CNH Industrial N.V. (the Netherlands) shares with special voting rights	474,474,276 1,824,547,806	€ 0.01	4,744,743 18,245,478	366,927,900	77.33		0 1,690,342	5,504,000 (a)	789,000 (a)
Fiat S.p.A. - (Turin)	1,250,687,773	€ 3.58	4,477,462,227	375,803,870	30.05	3.53	1,324,660	8,326,000 (a)	2,117,000 (a)
EXOR S.A. (Luxembourg)	1,110,742	€ 150	166,611,300	1,110,742	100.00	672.18	746,390	3,082,787 (b)	1,071,378 (b)
Juventus Football Club S.p.A. (Turin)	1,007,766,660	-	8,182,133	642,611,298	63.77	0.15	95,688	53,500 (c)	4,800 (c)
Arenella Immobiliare S.r.l. (Turin)	1	-	150,000	1	100.00	-	26,050	25,947 (b)	55 (b)

(a) Data taken from the consolidated financial statements at December 31, 2013.

(b) Data taken from the separate financial statements at December 31, 2013.

(c) Data taken from the half-yearly financial report at December 31, 2013.

#### Available-for-sale financial assets

The Black Ant Value Fund. In December 2013 the 2,850,000 shares held in this Irish-registered fund were entirely sold to the subsidiary EXOR S.A. based on the most recent fair value available (October 2013), resulting in proceeds of €371,086 thousand and a gain of €86,074 thousand.

Previously, at the beginning of February, 150,000 shares were redeemed from the fund on the basis of their fair value in December 2012 for €16,165 thousand and a gain of €1,164 thousand.

The decrease in the Rho Immobiliare Fund of €105 thousand reflects the fair value adjustment of the carrying amount at year end.

Alpitour S.p.A. The reduction for an amount of €6,456 thousand reflects the fair value adjustment of the carrying amount of the investment that at December 31, 2013 corresponds to the share of equity (considered representative of the fair value of the company) resulting from the consolidated financial statements at October 31, 2013, adjusted to take into account the capital increase concluded by Alpitour S.p.A. in January 2014. EXOR S.p.A. decided not to subscribe to the increase and its ownership interest is now diluted to the current 7.17% from 9.85% at the end of 2013.

The increase in other listed securities of €8,342 thousand reflects the adjustment to fair value at the end of the year.

### 13. Held-to-maturity financial instruments - current and non-current

€ thousand	12/31/2013	12/31/2012
Non-current assets	83,455	109,498
Current assets	25,687	0
<b>Total</b>	<b>109,142</b>	109,498

These are represented by bonds issued by leading counterparties with maturities between 2014 and 2017. The bonds are recorded and measured at amortized cost.

### 14. Other financial assets – current and non-current

Other financial assets – non-current total €10,479 thousand (€15,655 thousand at December 31, 2012) and consist mainly of the Deferred Price receivable from Alpitour S.p.A. equal to €10,023 thousand (€14,750 thousand year-end 2012), being the remaining balance of the price on the sale of Alpitour, inclusive of interest capitalized (€1,730 thousand, of which €885 thousand relates to 2013) calculated using an annual 8% interest rate.

During 2013, the receivable was adjusted by €5,612 thousand for the settlement of certain disputes that arose with the buyer subsequent to acquisition. This receivable is not included in the net financial position balance.

Other financial assets – current total €4,157 thousand (€3,337 thousand at December 31, 2012) and consist principally of accrued interest at December 31, 2013 on bonds in portfolio and time deposits.

## 15. Financial assets held for trading - current

€ thousand	12/31/2013	12/31/2012	Change
Bonds	19,732	62,986	(43,254)
Mutual funds	67,464	113,472	(46,008)
<b>Total</b>	<b>87,196</b>	176,458	(89,262)

The net change of €89,262 thousand reflects the management strategy for the securities portfolio and the investment of financial resources.

These assets are measured at year-end at fair value using the market price translated, where appropriate, at the year-end rate.

Mutual funds are measured at year-end at fair value using the most recent price available.

Changes in fair value are recognized in the income statement under financial income (expenses) from third parties.

## 16. Cash and cash equivalents - current

€ thousand	12/31/2013	12/31/2012	Change
Bank deposits	180,695	111,375	69,320
Time deposits	405,000	227,000	178,000
<b>Total cash and cash equivalents</b>	<b>585,695</b>	338,375	247,320

These represent current account bank balances in Euro and other currencies other than Euro, 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. Tax receivables - current

Tax receivables from the tax authorities refer to:

€ thousand	12/31/2013	12/31/2012	Change
Receivables for current and prior years' taxes, carried forward	5,975	3,978	1,997
Receivables for prior years' taxes, refunds requested	0	555	(555)
<b>Total tax receivables</b>	<b>5,975</b>	4,533	1,442

The change in receivables from the tax authorities during 2013 is summarized as follows:

€ thousand	Refund requested	Carried forward	Total
<b>Balances at December 31, 2012</b>	<b>555</b>	<b>3,978</b>	<b>4,533</b>
Receivables reimbursed by tax authorities	(555)		(555)
Used for compensation of withholding taxes		(516)	(516)
Sale of receivables to Group companies		(696)	(696)
Tax balance		(217)	(217)
IRES tax advance for separate tax of controlled foreign companies (CFC)		1,566	1,566
IRPEF tax advance on leaving entitlement revaluation		5	5
Receivables arising during the year (withholdings paid)		2,204	2,204
Reimbursement of foreign withholding taxes paid		(331)	(331)
Other changes		(18)	(18)
<b>Balances at December 31, 2013</b>	<b>0</b>	<b>5,975</b>	<b>5,975</b>

## 18. Other receivables

Other receivables amount to €506 thousand (€501 thousand at December 31, 2012) and mainly refer to prepaid insurance premiums.

## 19. Equity - Share capital

At December 31, 2013, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850 and consists of 246,229,850 ordinary shares with a par value of €1.

At December 31, 2013, 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 and possible in relation to the results of operations, 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 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 holdings. A very prudent approach is adopted with regard to the use of financial leveraging.

### **Mandatory conversion of EXOR's preferred and savings shares**

The meeting of the board of directors of EXOR S.p.A. held on February 11, 2013 put forward a motion to the shareholders to convert the Company's preferred and savings shares into ordinary shares.

The conversion had the intention of simplifying the capital structure and governance of the Company, creating conditions for greater transparency. In addition, the conversion eliminated classes of securities that had very limited trading volumes, replacing them with ordinary shares, whose liquidity would be enhanced through the conversion, to the benefit of all shareholders.

The proposals were approved by the special meetings of the preferred and savings shareholders and the general meeting of the shareholders (in extraordinary session) respectively on March 19, and March 20, 2013.

Holders of preferred shares and savings shares who did not participate in the approval of the proposed conversions (i.e., holders who did not attend the meetings or voted against the proposed resolution or abstained) were able to exercise withdrawal rights for a fifteen-day period following registration of the approved resolutions in the Turin Company Register pursuant to article 2437-*bis* of the Italian Civil Code. On May 3, 2013, at the end of the withdrawal period, EXOR announced that the conditions precedent, approved by the shareholders' meeting on March 20, 2013, were satisfied. This shareholders' meeting, in fact, had resolved that the conversion of each class of shares would be conditional upon the cash amount to be paid by the Company pursuant to article 2437-*quater* of the Italian Civil Code for exercise of the withdrawal rights not exceeding €80 million, in the case of the preferred shares, and €20 million in the case of savings shares. In the event that either of these limits was exceeded for any given class, the conversion of both classes of shares would nevertheless become effective if the aggregate cash amount to be paid by the Company for the exercise of the withdrawal rights in respect of both classes did not exceed €100 million.

The conversions were executed on June 24, 2013, following the ex-dividend date for the 2012 dividends. As from that same date, the share capital of EXOR S.p.A. is composed of 246,229,850 ordinary shares of par value €1 each for a total of €246,229,850.

## 20. Equity – Capital reserves

€ thousand	12/31/2013	12/31/2012	Change
Additional paid-in capital	604,053	605,943	(1,890)
Extraordinary reserve	458	458	0
Merger surplus	88,303	88,303	0
Share exchange difference	401,399	401,399	0
<b>Total capital reserves</b>	<b>1,094,213</b>	<b>1,096,103</b>	<b>(1,890)</b>

## 21. Equity - Retained earnings and other reserves

€ thousand	12/31/2013	12/31/2012	Change
Revaluation reserve Law 408/90	243,894	243,894	0
Revaluation reserve Law 413/91	2,586	2,586	0
Revaluation reserve Law 74/52	157	157	0
Revaluation reserve Law 576/75	32,107	32,107	0
Revaluation reserve Law 72/83	64,265	64,265	0
Legal reserve	49,246	49,246	0
Fair value reserve	569	24,391	(23,822)
Stock option reserve	11,197	6,847	4,350
Cash flow hedge reserve	(20,355)	(46,922)	26,567
Reserve for purchase of treasury stock	449,296	450,000	(704)
Extraordinary reserve	858,398	785,657	72,741
Additional paid-in capital	153,332	153,332	0
Merger surplus	309,218	309,218	0
Difference on exchange ratio	188,761	188,761	0
Retained earnings	2,243	2,237	6
<b>Total retained earnings and other reserves</b>	<b>2,344,914</b>	<b>2,265,776</b>	<b>79,138</b>

The composition of Other comprehensive income recognized directly in equity included in the statement of comprehensive income is as follows:

€ thousand	2013	2012
Effective portion of gains (losses) on cash flow hedges arising during the year	11,903	(24,620)
Effective portion of gains (losses) on cash flow hedges reclassified to the income statement	14,664	3,505
<b>Effective portion gains (losses) on cash flow hedges</b>	<b>26,567</b>	<b>(21,115)</b>
Gains (losses) on remeasurement of available-for-sale financial assets arising during the year	1,780	22,367
Gains (losses) on remeasurement of available-for-sale financial assets reclassified to the income statement	(22,963)	-
<b>Gains (losses) on remeasurement of available-for-sale financial assets</b>	<b>(21,183)</b>	<b>22,367</b>
Gains (losses) on the remeasurement of defined benefit plans	4	(425)
<b>Gains (losses) on the remeasurement of defined benefit plans</b>	<b>4</b>	<b>(425)</b>
<b>Tax effect on Other comprehensive income</b>	<b>(2,640)</b>	<b>(312)</b>
<b>Total Other comprehensive income (losses), net of tax</b>	<b>2,748</b>	<b>515</b>

The tax effect in 2013 is as follows:

€ thousand	Gross amount	Tax benefit (expense)	Net amount
Effective portion of gains (losses) on cash flow hedges	26,567		26,567
Gains (losses) on remeasurement of available-for-sale financial assets	(21,183)	(2,640)	(23,823)
Remeasurement of defined benefit plans	4		4
<b>Total Other comprehensive income (losses)</b>	<b>5,388</b>	<b>(2,640)</b>	<b>2,748</b>

## 22. 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 12/31/2013	Possibility of use	Amount available
<b>Capital reserves:</b>			
Additional paid-in capital (a)	604,053	A,B,C	604,053
Extraordinary reserve	458	A,B,C	458
Merger surplus	88,303	A,B,C	88,303
Share exchange difference	401,398	A,B,C	401,398
<b>Earnings reserves:</b>			
Revaluation reserve Law 74/52 (b)	157	A,B,C	157
Revaluation reserve Law 576/75 (b)	32,107	A,B,C	32,107
Revaluation reserve Law 72/83 (b)	64,265	A,B,C	64,265
Revaluation reserve Law 408/90 (b)	243,894	A,B,C	243,894
Revaluation reserve Law 413/91 (b)	2,586	A,B,C	2,586
Legal reserve	49,246	B	-
Extraordinary reserve (c)	858,398	A,B,C	514,278
Paid-in-capital	153,332	A,B,C	153,332
Share exchange difference	188,762	A,B,C	188,762
Merger surplus	309,218	A,B,C	309,218
Retained earnings	2,243	A,B,C	2,243
Reserve for purchase of treasury stock	449,296	A,B,C	449,296
<b>Stock option reserve</b>	<b>11,197</b>	-	-
<b>Cash flow hedge reserve</b>	<b>(20,355)</b>	-	-
<b>Fair value reserve</b>	<b>569</b>	-	-
<b>Total</b>	<b>3,439,127</b>		<b>3,054,350</b>

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, 2013, 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 2010, 2011 and 2012, no reserves were used to absorb losses.

At December 31, 2013, tax-deferred reserves are recorded for a total of €345,041 thousand, of which €343,009 thousand relates to monetary revaluation reserves and €2,032 thousand to the legal reserve; if distributed they 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 equity of the merged company IFIL S.p.A., were replenished 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.

## 23. Equity - Treasury stock

Within the framework of the treasury stock buyback program resolved by the board of directors' meeting on May 29, 2012 and subsequently modified on February 11, 2013 by the board of directors' meeting, which increased the maximum amount authorized by the buyback program from €50 million to €200 million, in the first half of 2013 EXOR purchased 3,790,857 ordinary shares (2.36% of the class) at the average cost per share of €21.96 for a total of €83,261 thousand, 823,400 preferred shares (1.07% of the class) at the average cost per share of €21.66 for a total of €17,834 thousand, in addition to 184,100 savings shares (2.01% of the class) at the average cost per share of €21.83 for a total of €4,019 thousand. The overall investment was €105,114 thousand.

At December 31, 2013, following the mandatory conversion of preferred and savings shares into ordinary shares, carried out on June 24, 2013, EXOR S.p.A. held 23,883,746 ordinary treasury shares (9.7% of the class) at the average cost per share of €14.41 for a total of €344,120 thousand.

The changes during the year are as follows:

	Carrying amount		
	Number	Per share (€)	Total (€ thsd)
<b>Ordinary shares</b>			
Balance at December 31, 2012	6,729,000	14.03	94,430
Purchases	3,790,857	21.96	83,261
From conversion of preferred shares	12,514,084	12.36	154,629
From conversion of savings shares	849,805	13.86	11,800
<b>Balance at December 31, 2013</b>	<b>23,883,746</b>	<b>14.41</b>	<b>344,120</b>
<b>Preferred shares</b>			
Balance at December 31, 2012	11,690,684	11.70	136,794
Purchases	823,400	21.66	17,835
Conversion to ordinary shares	(12,514,084)	12.36	(154,629)
<b>Balance at December 31, 2013</b>	<b>0</b>		<b>0</b>
<b>Savings shares</b>			
Balance at December 31, 2012	665,705	11.70	7,781
Purchases	184,100	21.83	4,019
Conversion to ordinary shares	(849,805)	13.86	(11,800)
<b>Balance at December 31, 2013</b>	<b>0</b>		<b>0</b>

## 24. Long-term incentive plans

### *Stock option plan 2008-2019*

The IFIL ordinary shareholders' meeting held on May 13, 2008 had approved the stock option plan (Stock Option Plan IFIL 2008 - 2019) for the Chief Executive Officer pro-tempore for 3,000,000 stock options corresponding to the same number of IFIL ordinary shares and for the employees of the IFIL Group (IFIL S.p.A. and the companies in the Holdings System) who were or would have been regarded as key people in the organization on the basis of the positions held or activities performed, for a maximum of 12,000,000 stock options.

Following the merger of IFIL in EXOR, the stock option plan was taken over by EXOR S.p.A. The EXOR S.p.A. board of directors' meeting held on March 2, 2009 however had made changes to the stock option Plan resulting from the Merger, particularly adjusting the ratio between the number of options and the number of underlying shares and the exercise price on the basis of the Merger's exchange ratio. Such adjusted exercise price is €19.97 for each EXOR share.

The Stock Option Plan EXOR 2008-2019 thus covers a maximum number of 15,000,000 options corresponding to a maximum of 3,975,000 EXOR ordinary shares. 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.

The board of directors' meeting held on March 28, 2011 granted the Chairman and Chief Executive Officer, John Elkann, by virtue of his new operational role, 3,000,000 options corresponding to 795,000 EXOR ordinary shares.

In July 2013, under this plan, 300,000 options were forfeited corresponding to 79,500 EXOR ordinary shares.

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
<b>Balance at December 31, 2012</b>	<b>7,423,000</b>	<b>1,967,095</b>
Granted in 2013	0	0
Options forfeited	(300,000)	(79,500)
<b>Balance at December 31, 2013</b>	<b>7,123,000</b>	<b>1,887,595</b>

The total cost of the 7,123,000 options outstanding at December 31, 2013 is equal to €12,485 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, EXOR S.p.A.	3,000,000	795,000	6,329	1,232
Key employees (at the grant date) of EXOR S.p.A. and other similar persons	3,823,000	1,013,095	5,630	819
Total EXOR S.p.A.	6,823,000	1,808,095	11,959	2,051
Key employees (at the grant date) of EXOR S.A. and other subsidiaries in the Holdings System	300,000	79,500	526	66
<b>Total</b>	<b>7,123,000</b>	<b>1,887,595</b>	<b>12,485</b>	<b>2,117</b>

The cost referring to the year amounts to €2,117 thousand of which €1,232 thousand is classified as compensation to the Chairman and Chief Executive Officer and €819 thousand as personnel costs. The cost relating to key employees of EXOR S.A. and other companies in the Holdings System (€66 thousand) was recognized as an increase in the carrying amount of the investment held in EXOR S.A. The offsetting entry for the total of €2,117 thousand was recorded in the stock option reserve.

The cost relating to 2012 amounted to €2,075 thousand of which €1,235 thousand was classified as compensation to the Chairman and Chief Executive Officer, €708 thousand as personnel costs and €132 thousand as an increase in the carrying amount of the investment held in EXOR S.A.

#### *Long-term incentive plan*

The EXOR shareholders' meeting held on May 29, 2012 approved a new 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:

- under the first part of the Plan, denominated "Long-Term Stock Grant", a total of 400,000 rights will be granted to approximately 30 recipients; this will allow 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. At year-end 2013, 347,456 options were granted under this plan to 31 employees;
- under the second part of the Plan, denominated "Company Performance Stock Options", a total of 3 million options will be granted to the recipients; this will allow 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 will become exercisable from the time they vest until 2021, subject to reaching performance objectives and continuation of a professional relationship with the Company and with the Companies in the Holdings System. The performance objectives will be considered to have been reached when the annual variation in EXOR's NAV will be 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 and received 750,000 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. At December 31, 2013, 1,760,732 options were granted to 10 recipients.

The Plans are serviced by treasury stock and therefore do not have a dilutive effect 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 and other similar persons	339,456	6,081	1,051
EXOR S.A. employee	8,000	155	28
<b>Total</b>	<b>347,456</b>	<b>6,236</b>	<b>1,079</b>

The cost referring to the year for this plan amounts to €1,079 thousand of which €1,051 thousand is classified as personnel costs. The cost relating to the employee of EXOR S.A. (€28 thousand) is recognized as an increase in the carrying amount of the investment held in EXOR S.A. The offsetting entry for a total of €1,079 thousand was recorded in the specific equity reserve.

The cost relating to 2012 amounted to €403 thousand of which €396 thousand was classified as personnel costs and €7 thousand as an increase in the carrying amount of the investment held in EXOR S.A.

In 2013, 2,000 options relating to a beneficiary were forfeited and 2,000 options were granted to a new beneficiary. Therefore at December 31, 2013 the number of options granted and beneficiaries has remained unchanged compared to December 31, 2012.

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, EXOR S.p.A.	750,000	2,708	451
Key employees (at the grant date) of EXOR S.p.A. and other similar persons	1,720,732	6,102	1,032
<b>Total EXOR S.p.A.</b>	<b>2,470,732</b>	<b>8,810</b>	<b>1,483</b>
Key employees (at the grant date) of EXOR S.A.	40,000	142	24
<b>Total</b>	<b>2,510,732</b>	<b>8,952</b>	<b>1,507</b>

The cost referring to the year for this plan amounts to €1,507 thousand of which €451 thousand is classified as compensation to the Chairman and Chief Executive Officer and €1,032 thousand as personnel costs. The cost relating to the key employee of EXOR S.A. (€24 thousand) was recognized as an increase in the carrying amount of the investment in EXOR S.A. The offsetting entry for the total of €1,507 thousand was recorded in the stock option reserve.

The cost relating to 2012 amounted to €797 thousand of which €268 thousand was classified as compensation to the Chairman and Chief Executive Officer, €517 thousand as personnel costs and €12 thousand as an increase in the carrying amount of the investment held in EXOR S.A.

In 2013 there were no movements in either the number of shares or beneficiaries.

## 25. Non-convertible bonds

Issue date	Maturity date	Issue price	Coupon	Rate	Currency	Nominal value (000)	Equivalent amount (€/000)	Balance at 12/31/2013 <sup>(a)</sup>	Balance at 12/31/2012 <sup>(a)</sup>
6/12/2007	6/12/2017	99.554	Annually	Fixed 5.375%	€	690,000	690,000	<b>708,349</b>	769,303
11/12/2013	11/12/2020	99.053	Annually	Fixed 3.375%	€	200,000	200,000	<b>198,915</b>	0
10/16/2012	10/16/2019	98.136	Annually	Fixed 4.75%	€	150,000	150,000	<b>149,033</b>	148,673
12/7/2012	1/31/2025	97.844	Annually	Fixed 5.25%	€	100,000	100,000	<b>102,656</b>	98,069
5/9/2011	5/9/2031	100.000	Semiannually	Fixed 2.80% <sup>(b)</sup>	Yen	10,000,000 <sup>(c)</sup>	69,099	<b>69,552</b>	88,458
<b>Total</b>								<b>1,228,505</b>	1,104,503

(a) Including the current portion of €28,597 thousand at December 31, 2013 and €25,006 thousand at December 31, 2012.

(b) Equivalent fixed rate in Euro is 6.012%.

(c) Nominal value of Japanese Yen 10 billion aligned to the December 31, 2013 exchange rate, equal to Yen/€114.72.

The balance at December 31, 2013 includes €28,597 thousand of interest expenses referring to the current period that will be paid within 12 months (€25,006 thousand at December 31, 2012).

In November 2013 non-convertible 2013/2020 bonds were issued for a nominal €200 million at the issue price of 99.053% with a fixed annual coupon of 3.375%.

During 2013 EXOR repurchased a nominal €60 million of its non-convertible 2007/2017 bonds and then canceled the nominal amount purchased.

As a result of the cancellation, the original nominal amount of €750 million is now equal to €690 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 providing for periodic disclosure. The 2012/2031 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, 2013.

Finally, a change of control of EXOR would give the bondholders the right to ask for early repayment of both bonds.

Standard & Poor's rated the two bond issues "BBB+", in line with the current rating of EXOR S.p.A. 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, the financial situation of the EXOR and other factors which could affect such decisions.

## 26. Bank debt – current and non-current

At the end of 2013, early repayments were made on non-current bank debt, which at December 31, 2012 amounted to €200 million, and outstanding hedges were closed.

At December 31, 2013, the Company has credit lines for €1,020.3 million, of which €595.3 million is revocable and €425 million is irrevocable. The expiration dates of such irrevocable credit lines are as follows:

€ million	
Within 1 year	0
From 2 to 5 years	425
<b>Total</b>	<b>425</b>

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 €325 million.

## 27. 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" and held as "available-for-sale" and the tax-deferral of two-fifths of the gain realized in 2011 on the sale of the building in Corso Matteotti 26.

The changes during the year are as follows:

€ thousand	To equity	To income statement	Total
<b>Balance at December 31, 2012</b>			<b>23,648</b>
Tax deferral of three-fifths of gain on the sale of the building in Corso Matteotti 26		(539)	<b>(539)</b>
Provision (release) relating to the fair value increase (decrease) of:			
- The Black Ant Value Fund	5,778		<b>5,778</b>
- Rho Immobiliare Fund	430		<b>430</b>
- Other listed available-for-sale securities	2,210		<b>2,210</b>
Release as a result of sale of The Black Ant Value Fund	(6,099)		<b>(6,099)</b>
<b>Changes during the year</b>	<b>2,319</b>	<b>(539)</b>	<b>1,780</b>
<b>Balance at December 31, 2013</b>			<b>25,428</b>

## 28. Provisions for employee benefits

€ thousand	12/31/2013	12/31/2012	Change
Employee leaving entitlements	<b>2,147</b>	2,275	(128)
Other provisions for employees	<b>126</b>	120	6
<b>Total provisions for employee benefits</b>	<b>2,273</b>	2,395	(122)

Details of the changes during 2013 and 2012 are as follows:

€ thousand	2013			2012		
	Employee leaving entitlements	Other provisions for employees	Total	Employee leaving entitlements	Other provisions for employees	Total
<b>Balance at beginning of year</b>	<b>2,275</b>	<b>120</b>	<b>2,395</b>	2,135	97	2,232
Current service cost	<b>182</b>	<b>11</b>	<b>193</b>	163	7	170
Financial expenses	<b>68</b>	<b>6</b>	<b>74</b>	93	6	99
Actuarial (gains) losses	<b>(87)</b>	<b>1</b>	<b>(86)</b>	301	40	341
Benefits paid	<b>(291)</b>	<b>(12)</b>	<b>(303)</b>	(417)	(30)	(447)
<b>Balance at end of year</b>	<b>2,147</b>	<b>126</b>	<b>2,273</b>	2,275	120	2,395

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 296/06) 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.

After the changes made to the regulations for employee leaving entitlements by Law 296 of December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations, 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 of the accrued portion of employee leaving entitlements beginning January 1, 2007, 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 currently expected retirement age, on the basis of 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 up to the date of the termination of employment. 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, 2013 and December 31, 2012, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2013	12/31/2012
Discount rate	3.20%	3.20%
Expected remuneration increase rate	2.0-3.50%	2.0-3.50%
Cost-of-living increase	2.00%	2.00%

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.

## 29. Provisions for risks and charges

At December 31, 2013 these provisions amount to €2,867 thousand (€3,500 thousand at December 31, 2012) and include the best estimate regarding disputes between EXOR and the Alpitour Group which arose in the period subsequent to its sale in 2012.

## 30. Other financial liabilities - current

€ thousand	12/31/2013	12/31/2012	Change
Fair value of cash flow hedge derivatives	32,997	42,270	(9,273)
Commissions on undrawn credit lines	350	486	(136)
Payables to shareholders and other financial payables	331	412	(81)
Loans – current portion (interest and hedges)	0	2,128	(2,128)
<b>Total current other financial liabilities</b>	<b>33,678</b>	<b>45,296</b>	<b>(11,618)</b>

### 31. Trade payables to third parties

These amount to €1,359 thousand (€1,035 thousand at December 31, 2012) and refer to trade payables due within one year.

### 32. Tax payables

These total €4,362 thousand (€1,035 thousand at December 31, 2012) and mainly refer to current IRES taxes referring to the year payable for €3,436 thousand and IRPEF withholding taxes payable of €766 thousand.

### 33. Other payables – current and non-current

€ thousand	12/31/2013		12/31/2012	
	Non-current	Current	Non-current	Current
Payable to INPS for Solidarity Fund under M.D. 158 of 4/28/2000	205	270	462	452
Payable to employees		1,881		1,006
Contributions payable		588		514
Sundry		281		285
<b>Total other payables</b>	<b>205</b>	<b>3,020</b>	462	2,257

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 €475 thousand, of which €270 thousand is current and €205 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.

### 34. Fair value measurement

IFRS 13 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 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, 2013:

€ thousand	Note	Level 1	Level 2	Level 3 (a)	Totale
<b>Assets at fair value</b>					
Non-current assets					0
Available-for-sale financial assets	12	32,236		15,197	47,433
Current assets					0
Financial assets held for trading	15	87,097		99	87,196
Other financial assets					0
<b>Total assets</b>		<b>119,333</b>	<b>0</b>	<b>15,296</b>	<b>134,629</b>
<b>Liabilities at fair value</b>					
Current liabilities					0
Other financial liabilities	30		32,997		32,997
<b>Total liabilities</b>		<b>0</b>	<b>32,997</b>	<b>0</b>	<b>32,997</b>

(a) This refers to the Rho Immobiliare Fund (€11,653 thousand), the Alpitour S.p.A. investment (€3,544 thousand) and mutual funds (€99 thousand).

In 2013, 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 managements of the same funds.

As regards the valuation of the investment in Alpitour, at December 31, 2013, the fair value was considered equal to the share of equity at Alpitour's closing date (October 31, 2013) adjusted to account for the capital increase concluded by Alpitour in January 2014, and not subscribed to by EXOR, and the relative dilutive effect.

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 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, and the discounted expected cash flow method.

Details regarding changes in Level 3 are the following:

€ thousand	Balance at 12/31/2012	Gains (losses) recognized in		Increase	Decrease	Balance at 12/31/2013
		income statement	equity			
Available-for-sale investments	345,054		(6,561)		(323,296) (a)	15,197
Financial assets held for trading	113,472	220		50,000	(96,228)	67,464
<b>Total assets</b>	<b>458,526</b>	<b>220</b>	<b>(6,561)</b>	<b>50,000</b>	<b>(419,524)</b>	<b>82,661</b>

(a) The Black Ant Value Fund sale.

#### *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 value, it is assumed that the carrying value 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	12/31/2013		12/31/2012	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>					
Held-to-maturity investments	13	109,142	116,511	109,498	117,700
Other financial assets	14	14,636	12,507	18,992	16,542
<b>Total assets</b>		<b>123,778</b>	<b>129,018</b>	<b>128,490</b>	<b>134,242</b>
<b>Financial liabilities</b>					
Non-convertible bonds	25	1,228,505	1,321,085	1,104,503	1,146,048
Other financial liabilities	30	681	681	3,026	3,026
<b>Total liabilities</b>		<b>1,229,186</b>	<b>1,321,766</b>	<b>1,107,529</b>	<b>1,149,074</b>

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.

Other financial assets are largely composed of a loan due from third parties whose fair value, classifiable in Level 3 of the fair value hierarchy, was measured on the basis of the present value of future cash flows using market rates at the balance sheet date, adjusted to take into account the credit quality of the counterparty.

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, 2013 equal to €69,099 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.

### 35. 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.

€ thousand	12/31/2013		
	Carrying amount	Income	Expenses
<b>Financial assets</b>			
At fair value through income statement:			
- held for trading	87,196	5,355	1,597
- designated initially			0
Derivative instruments designated as hedges			0
Held-to-maturity investments	109,142	9,755	407
Loans and receivables	602,133	11,938	0
Available-for-sale assets	47,433	139	0
<b>Total</b>	<b>845,904</b>	<b>27,187</b>	<b>2,004</b>
<b>Financial liabilities</b>			
At fair value through income statement:			
- held for trading			0
- designated initially			0
Derivative instruments designated as hedges	32,997	2,222	15,510
Amortized cost	1,199,908		66,257
Debt	29,353		5,995
Financial guarantees			0
<b>Total</b>	<b>1,262,258</b>	<b>2,222</b>	<b>87,762</b>

€ thousand	31.12.2012		
	Carrying Amount	Income	Expenses
<b>Financial assets</b>			
At fair value through income statement:			
- held for trading	176,458	16,612	36,411
- designated initially			0
Derivative instruments designated as hedges		987	2,429
Held-to-maturity investments	109,498	13,156	411
Loans and receivables	360,177	7,053	0
Available-for-sale assets	368,948	642	0
<b>Total</b>	<b>1,015,081</b>	<b>38,450</b>	<b>39,251</b>
<b>Financial assets</b>			
At fair value through income statement:			
- held for trading		11,314	0
- designated initially			0
Derivative instruments designated as hedges	42,270	17	3,522
Amortized cost	1,079,497		47,889
Debt	228,072		6,744
Financial guarantees			0
<b>Total</b>	<b>1,349,839</b>	<b>11,331</b>	<b>58,155</b>

### 36. Information on financial risks

#### *Credit risk*

The maximum nominal exposure to which EXOR S.p.A. is exposed at December 31, 2013 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, 2013 and December 31, 2012, 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 the receipt 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.

€ thousand	2013					Total
	Within 6 months or until canceled	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	
Non-convertible bonds						
EXOR bonds 2017	36,741		793,773			830,514
EXOR bonds 2019		7,125	21,375	164,250		192,750
EXOR bonds 2020		6,750	20,250	13,500	206,750	247,250
EXOR bonds 2025	5,250		15,750	10,500	131,500	163,000
EXOR bonds 2031	2,506	2,506	15,036	10,024	141,006	171,078
Non-current bank debt						0
Current bank debt						0
Trade payables and other payables to related parties	75					75
Trade payables and other payables to third parties	1,359					1,359
Trading and derivative financial instruments designated as hedges	32,997					32,997
<b>Total</b>	<b>78,928</b>	<b>16,381</b>	<b>866,184</b>	<b>198,274</b>	<b>479,256</b>	<b>1,639,023</b>

€ thousand	2012					Total
	Within 6 months or until canceled	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	
Non-convertible bonds						
EXOR bonds 2017	40,313		120,938	790,312		951,563
EXOR bonds 2019		7,125	21,375	14,250	157,125	199,875
EXOR bonds 2025	789		15,750	10,500	136,750	163,789
EXOR bonds 2031	2,506	2,506	15,036	10,024	146,019	176,091
Non-current bank debt	3,828	3,828	218,666			226,322
Current bank debt						0
Trade payables and other payables to related parties	40					40
Trade payables and other payables to third parties	1,035					1,035
Trading and derivative financial instruments designated as hedges	42,270					42,270
<b>Total</b>	<b>90,781</b>	<b>13,459</b>	<b>391,765</b>	<b>825,086</b>	<b>439,894</b>	<b>1,760,985</b>

At December 31, 2013, the Company has credit lines for €1,020.3 million, of which €425 million is irrevocable.

The expiration dates of the lines of credit are as follows:

€ million	Lines extended	Of which, irrevocable
Within 1 year	595.3	0.0
From 2 to 5 years	425.0	425.0
<b>Total</b>	<b>1,020.3</b>	<b>425.0</b>

#### 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 (€32,236 thousand), financial assets held for trading and cash and cash equivalents at December 31, 2013 (€99 thousand and €375 thousand respectively) 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.

#### Interest rate risk

The analysis of debt by interest rate shows that the rates are between 0.110% and 6.012% in 2013 (between 0.108% and 6.012% in 2012).

A sensitivity analysis was performed on the financial instruments exposed to interest rate risk at the date of the preparation of the financial statements. The analysis assumes that the exposure for variable-rate liabilities at the end of the year has remained unchanged for the entire year. The assumptions used for the model are as follows:

- for debt: a symmetrical change of 50 basis points was applied
- for interest rate swaps: the fair value was remeasured applying a parallel and symmetrical shift of 50 basis points to the current interest rate curve at the reporting date

The effects of an increase or decrease of 50 basis points in the interest rates would be the following:

€ thousand	12/31/2013		12/31/2012	
	Income statement	Equity	Income statement	Equity
<b>+50 bsp</b>				
cash and cash equivalents/financing	<b>2,928</b>		-	
hedging instruments				4,559
<b>-50 bsp</b>				
cash and cash equivalents/financing	<b>(2,928)</b>		-	
hedging instruments				(3,718)

#### 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 €2,372 thousand higher or lower and the amount recognized in the income statement relating to securities held for trading would be €4,360 thousand higher or lower.

### **37. 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](http://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 2013, 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 2013 is presented below. All amounts are expressed in thousands of Euro.

Counterparty	Financial receivables	Trade payables and receivables other payables	Trade
Giovanni Agnelli e C. S.a.p.az.		12	
Arenella Immobiliare S.r.l.	974 (a)	18	
Fondazione Agnelli		15	
Holdings System		135	
Juventus Football Club S.p.A.		25	
Fiat Group		42	75
Directors and statutory auditors for other receivables		107	
Statutory auditors for compensation to be received			86
<b>Total transactions with related parties</b>	<b>974</b>	<b>354</b>	<b>161</b>
Total current assets	710,824	710,824	
Total current liabilities			71,177
<b>% incidence of total transactions with related parties to total of statement of financial position line items</b>	<b>0.14%</b>	<b>0.05%</b>	<b>0.23%</b>

Information regarding dividends received (€102,766 thousand) is provided in Note 1.

Counterparty	Financial expenses	Financial income	Gains on sale of investments	Purchases of goods and services	Revenues (c)
Holdings System	1,485 (b)		86,074 (e)		147
Juventus Football Club S.p.A.				35	25
Fiat Group				611	42
Giovanni Agnelli e C. S.a.p.az.					40
Fondazione Agnelli					15
Arenella Immobiliare S.r.l.		21 (a)			30
Emoluments to directors, corporate boards and committees:					
- Chairman				3,683 (d)	
- Board of directors				150	90
- Special fees to directors				500	
- Internal control committee				35	
- Compensation and nominating committee				35	
- Strategy committee				200	
- Directors' expense reimbursements				14	
- Board of statutory auditors				145	
- Cost recoveries from statutory auditors					8
- Directors for other revenues					107
<b>Total transactions with related parties</b>	<b>1,485</b>	<b>21</b>	<b>86,074</b>	<b>5,408</b>	<b>504</b>
Total transactions with third parties	88,302	29,369	1,164	4,564	8
<b>Total of income statement line items</b>	<b>89,787</b>	<b>29,390</b>	<b>87,238</b>	<b>9,972</b>	<b>512</b>
<b>% incidence of total transactions with related parties to total of income statement line items</b>	<b>1.65%</b>	<b>0.07%</b>	<b>98.67%</b>	<b>54.23%</b>	<b>98.44%</b>

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

- a) In October 2012 EXOR granted a loan to the subsidiary Arenella Immobiliare S.r.l. for a maximum €5 million originally due on December 31, 2013 and renewed at the end of 2013 to December 31, 2014, bearing interest calculated at the 3-month Euribor plus a 1% spread.  
At December 31, 2013 the loan amounted to €974 thousand, including financial income earned for €24 thousand (of which €21 thousand relates to the year 2013).
- b) At the end of June 2013 the subsidiary EXOR S.A. extended EXOR S.p.A. a loan for a maximum amount of €700 million due July 1, 2014 and drawn down for €500 million, bearing interest calculated at the 1-month Euribor plus a 0.5% spread. This loan was fully repaid at the end of December, including interest for €1,485 thousand.
- c) Compensation waived by the corporate boards (€90 thousand), performance of services (€389 thousand), compensation for posts on corporate boards (€25 thousand).
- d) Special compensation for €2 million and the notional cost of the EXOR stock option due the Chairman and the Chief Executive Officer for €1,683 thousand.
- e) It should be noted that in December 2013 EXOR S.p.A. sold all the shares held in the Irish-registered fund, The Black Ant Value Fund, to EXOR S.A. for a transfer amount of €371.1 million, corresponding to the most recent fair value available (October 2013).

Also in December 2013 EXOR S.p.A. purchased a nominal €56.9 million of non-convertible bonds 2007/2017 from EXOR S.A. for a total equivalent amount of €63 million.

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.

### 38. Guarantees, commitments and pending litigation

As concerns the criminal proceedings regarding the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005, the Court of Appeals, in its decision handed down on February 21, 2013, completely acquitted, because the alleged criminal acts were not committed, EXOR S.p.A. and Giovanni Agnelli e C. S.a.p.az.

On December 17, 2013, the Italian Supreme Court annulled the February 21, 2013 judgment of the Turin Court of Appeal on the positions of Gianluigi Gabetti and Franzo Grande Stevens, without referring the case back to the lower court for a re-hearing, on the grounds that the offense is now statute-barred.

### 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 2013 are the following:

€ thousand	Service provider	EXOR S.p.A.
<b>Type of services</b>		
<i>Audit</i>	Reconta Ernst & Young S.p.A.	58
<i>Other services</i>	Reconta Ernst & Young S.p.A.	20 (a)
<b>Total</b>		<b>78</b>

(a) Confirmation of financial ratios and issuance of the Comfort Letter for the 2013 bond issues of €200 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	12/31/2013	12/31/2012	Change
Non-current held-to-maturity financial instruments (a)	83,455	109,498	(26,043)
Cash and cash equivalents	585,695	338,375	247,320
Non-current other financial assets, with third parties	456	905	(449)
Other financial assets held for trading	87,196	176,458	(89,262)
Current held-to-maturity financial instruments	25,687	-	25,687
Financial receivables from third parties	279	553	(274)
Financial receivables from related parties	974	1,753	(779)
Current other financial assets, with third parties	4,157	3,337	820
<b>Total financial assets</b>	<b>787,899</b>	<b>630,879</b>	<b>157,020</b>
Non-current financial payables, with third parties	(1,199,908)	(1,279,497)	79,589
Current financial payables with third parties	(62,275)	(70,302)	8,027
<b>Total financial liabilities</b>	<b>(1,262,183)</b>	<b>(1,349,799)</b>	<b>87,616</b>
<b>Net financial position</b>	<b>(474,284)</b>	<b>(718,920)</b>	<b>244,636</b>
- with related parties	974	1,753	(779)
- with third parties	(475,258)	(720,673)	245,415

(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, 2013 were approved by the board of directors on April 9, 2014 which authorized their publication, together with the independent auditors' report and the board of statutory auditors' report, in accordance with the law.

Turin, April 9, 2014

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, 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, 2013.

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 9, 2014

The Chairman and CEO  
John Elkann

Executive responsible for the preparation  
of the Company's financial reports  
Enrico Vellano



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**Independent auditors' report  
pursuant to art. 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.

1. We have audited the financial statements of EXOR S.p.A. as of December 31, 2013 and for the year then ended, comprising the income statement, the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of EXOR S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated April 17, 2013.

3. In our opinion, the financial statements of EXOR S.p.A. at December 31, 2013 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of EXOR S.p.A. for the year then ended.
4. The Directors of EXOR S.p.A. are responsible for the preparation, in accordance with the applicable laws and regulations, of the Report on Operations and the Report on Corporate Governance published in the section "Corporate Governance" of EXOR S.p.A.'s website. Our responsibility is to express an opinion on the consistency with the financial statements of the Report on Operations and of the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance, as required by law. For this purpose, we have performed the procedures required

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under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) in the Report on Corporate Governance, are consistent with the financial statements of EXOR S.p.A. at December 31, 2013.

Turin, April 11, 2014

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, 2013**

## CONSOLIDATED INCOME STATEMENT (\*)

€ million	Note	2013	2012 (a)	Change
Net revenues	1	<b>113,740</b>	110,671	3,069
Cost of sales	2	<b>(96,359)</b>	(93,326)	(3,033)
Selling, general and administrative costs	3	<b>(9,124)</b>	(9,140)	16
Research and development costs	4	<b>(2,833)</b>	(2,410)	(423)
Other income (expenses)	5	<b>(15)</b>	(148)	133
		<b>Trading profit (loss)</b>	5,647	(238)
Result from investments:				
- Share of profit (loss) of investments accounted for using the equity method		<b>227</b>	192	35
- Other income (expenses) from investments		<b>63</b>	73	(10)
Result from investments	6	<b>290</b>	265	25
Gains (losses) on the disposal of investments	7	<b>1,517</b>	(118)	1,635
Restructuring costs	8	<b>(69)</b>	(181)	112
Other unusual income (expenses)	9	<b>(574)</b>	(155)	(419)
		<b>Earnings before interests and taxes (EBIT)</b>	5,458	1,115
Financial income (expenses)	10	<b>(2,472)</b>	(2,409)	(63)
		<b>Profit (loss) before taxes</b>	3,049	1,052
Income taxes	11	<b>(326)</b>	1,209	(1,535)
		<b>Profit (loss) from continuing operations</b>	1,840	2,587
		<b>Profit (loss) from Discontinued Operations</b>	0	0
		<b>Profit (loss)</b>	1,840	2,587
<b>Profit (loss) attributable to:</b>				
- Owners of the parent		<b>2,085</b>	298	1,787
- Non-controlling interests		<b>2,342</b>	1,542	800
<b>Earnings (Loss) per share</b>	13			
<b>Basic earnings (loss) from continuing operations (€):</b>				
- per ordinary share		<b>9.34</b>	1.30	8.04
- per savings share		-	1.37	n.s.
- per preferred share		-	1.35	n.s.
<b>Basic earnings (loss) from Discontinued Operations (€):</b>				
- per ordinary share		<b>9.33</b>	1.29	8.04
- per savings share		-	1.37	n.s.
- per preferred share		-	1.34	n.s.

(\*) 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 35.

(a) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures reported for 2012 have been restated for comparative purposes as required by IAS 1. Additional details are provided under "Accounting standards and amendments adopted from January 1, 2013".

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	Note	2013	2012 (a)
<b>PROFIT (LOSS) (A)</b>	<b>30</b>	<b>4,427</b>	1,840
<b>Other comprehensive income that will not be reclassified subsequently to the income statement:</b>			
Gains/(losses) on remeasurement of defined benefit plans		<b>2,794</b>	(2,045)
Share of gains/(losses) on remeasurement of defined benefit plans for equity accounted entities		<b>(10)</b>	1
Tax effect		<b>172</b>	33
<b>Total Other comprehensive income that will not be reclassified subsequently to the income statement, net of tax (B1)</b>		<b>2,956</b>	(2,011)
<b>Other comprehensive income that may be reclassified subsequently to the income statement</b>			
Gains (losses) on cash flow hedges		<b>297</b>	211
Gains (losses) on fair value of available-for-sale financial assets		<b>(1,416)</b>	482
Exchange differences on translating foreign operations		<b>(1,346)</b>	(503)
Share of other comprehensive income of entities accounted for using the equity method		<b>(141)</b>	29
Tax effect		<b>(59)</b>	(33)
<b>Total Other comprehensive income that may be reclassified subsequently to the income statement, net of tax (B2)</b>		<b>(2,665)</b>	186
<b>Total other comprehensive income, net of tax (B) = (B1) + (B2)</b>		<b>291</b>	(1,825)
<b>TOTAL COMPREHENSIVE INCOME (A)+(B)</b>		<b>4,718</b>	15
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Owners of the parent		<b>902</b>	336
Non-controlling interests		<b>3,816</b>	(321)

(a) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures reported for 2012 have been restated for comparative purposes as required by IAS 1. Additional details are provided under "Accounting standards and amendments adopted from January 1, 2013".

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (\*)

1/1/2012 (a)	€ million	Note	12/31/2013	12/31/2012 (a)	Change
<b>Non-current assets</b>					
15,951	Goodwill, brands, trademarks and other intangible assets with indefinite useful lives	14	15,051	15,659	(608)
7,019	Other intangible assets	15	9,680	8,668	1,012
25,157	Property, plant and equipment	16	28,125	26,858	1,267
Investments and other financial assets:					
2,503	- Investments accounted for using the equity method	17	2,275	2,105	170
2,759	- Other investments and financial assets	17	1,372	3,295	(1,923)
5,262	Total Investments and other financial assets		3,647	5,400	(1,753)
603	Leased assets	18	769	624	145
131	Defined benefit plan assets	31	137	133	4
2,979	Deferred tax assets	11	4,110	2,967	1,143
63	Other non-current assets		93	89	4
57,165	<b>Total Non-current assets</b>		61,612	60,398	1,214
<b>Current assets</b>					
13,988	Inventories	19	15,692	14,133	1,559
4,321	Trade receivables	20	3,618	4,303	(685)
17,861	Receivables from financing activities	21	19,594	18,938	656
8	Other financial receivables	22	6	4	2
1,093	Current tax receivables	23	558	553	5
3,196	Other current assets	24	3,827	3,368	459
Current financial assets:					
137	- Current investments	26	35	32	3
640	- Current securities	26	828	492	336
677	- Other financial assets	27	724	641	83
1,454	Total Current financial assets		1,587	1,165	422
23,494	Cash and cash equivalents	28	26,153	22,813	3,340
65,415	<b>Total Current assets</b>		71,035	65,277	5,758
389	<b>Assets held for sale</b>	29	33	87	(54)
122,969	<b>Total Assets</b>		132,680	125,762	6,918
<b>Equity</b>					
5,936	Issued capital and reserves attributable to owners of the parent	30	6,947	6,169	778
11,316	Non-controlling interests		13,989	10,333	3,656
17,252	<b>Total Equity</b>		20,936	16,502	4,434
<b>Provisions</b>					
11,742	Employee benefits	31	10,232	13,673	(3,441)
11,092	Other provisions	32	11,894	11,466	428
22,834	<b>Total Provisions</b>		22,126	25,139	(3,013)
<b>Financial debt</b>					
10,177	Asset backed financing	33	11,269	10,149	1,120
38,113	Other financial debt		41,898	39,929	1,969
48,290	<b>Total Financial debt</b>		53,167	50,078	3,089
<b>Other liabilities</b>					
611	Other financial liabilities	27	239	342	(103)
21,514	Trade payables	34	22,652	21,423	1,229
899	Current tax payables		643	467	176
956	Deferred tax liabilities	11	555	1,040	(485)
10,379	Other liabilities	35	12,341	10,771	1,570
34,359	<b>Total Other liabilities</b>		36,430	34,043	2,387
234	<b>Liabilities held for sale</b>	29	21	0	21
122,969	<b>Total Equity and Liabilities</b>		132,680	125,762	6,918

(\*) 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 statement of financial position provided on the following pages and are further described in Note 41.

(a) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures reported in the statement of financial position at January 1, 2012 and December 31, 2012 have been restated for comparative purposes as required by IAS 1. Additional details are provided under "Accounting standards and amendments adopted from January 1, 2013".

## CONSOLIDATED STATEMENT OF CASH FLOWS (\*)

€ million	Note	2013	2012 (a)
<b>A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	28	<b>22,813</b>	23,494
<b>B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE YEAR:</b>			
Profit (loss)		<b>4,427</b>	1,840
Amortization and depreciation	15-16	<b>5,424</b>	4,952
(Gains) losses on disposal of:			
Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)		<b>17</b>	(8)
Investments		<b>(1,539)</b>	119
Other non-cash items	42	<b>508</b>	751
Dividends received		<b>219</b>	268
Change in provisions		<b>556</b>	169
Change in deferred taxes		<b>(1,628)</b>	22
Change in items due to buy-back commitments	42	<b>171</b>	(168)
Change in operating lease items	42	<b>(157)</b>	(99)
Change in working capital		<b>1,473</b>	321
<b>TOTAL</b>		<b>9,471</b>	8,167
<b>C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:</b>			
Investments in:			
Property, plant and equipment and intangible assets	15-16	<b>(9,058)</b>	(8,967)
Investments in consolidated subsidiaries		<b>(27)</b>	(55)
Other investments		<b>(297)</b>	(28)
Investments in financial assets made by EXOR and by subsidiaries in the Holdings System	17	<b>(555)</b>	(390)
Proceeds from the sale of:			
Property, plant and equipment and intangible assets		<b>84</b>	147
Other investments		<b>5</b>	65
Proceeds from the disposal of financial assets by EXOR and by subsidiaries in the Holdings System		<b>2,444</b>	322
Net change in financial receivables		<b>(2,261)</b>	(1,796)
Net change in current securities		<b>(320)</b>	170
Other changes		<b>(57)</b>	(38)
<b>TOTAL</b>		<b>(10,042)</b>	(10,570)
<b>D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:</b>			
New issuance of bonds	33	<b>3,892</b>	3,364
Repayment of bonds	33	<b>(1,753)</b>	(1,450)
Issuance of other medium-term borrowings	33	<b>4,705</b>	4,255
Repayment of other medium-term borrowings	33	<b>(4,110)</b>	(3,536)
Net change in other financial debt and other financial assets/liabilities	33	<b>2,723</b>	98
Increases in share capital by subsidiaries		<b>7</b>	73
(Purchase) sale of treasury stock		<b>(105)</b>	0
Dividends paid by EXOR S.p.A.		<b>(78)</b>	(80)
Dividends paid by subsidiaries		<b>(188)</b>	(450)
(Purchase) sale of ownership interests in subsidiaries	42	<b>(14)</b>	(47)
Other changes		<b>(32)</b>	(9)
Distribution for state withholding taxes on behalf of non-controlling interests		<b>(6)</b>	0
<b>TOTAL</b>		<b>5,041</b>	2,218
Translation exchange differences		<b>(1,130)</b>	(496)
<b>E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>3,340</b>	(681)
<b>F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	28	<b>26,153</b>	22,813

(\*) 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 a specific statement of cash flows format provided on the following pages.

(a) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures reported for 2012 have been restated for comparative purposes as required by IAS 1. Additional details are provided under “Accounting standards and amendments adopted from January 1, 2013”.

## 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 companies accounted for using the equity method	Total Owners of the parent	Non-controlling interests	Total
<b>Equity at December 31, 2011, as reported</b>	<b>246</b>	<b>(239)</b>	<b>125</b>	<b>5,002</b>	<b>(98)</b>	<b>359</b>	<b>1,064</b>		<b>(56)</b>	<b>6,403</b>	<b>13,568</b>	<b>19,971</b>
IAS 19 revised adoption effect				(56)		(1)		(409)	(1)	(467)	(2,252)	(2,719)
<b>Equity at January 1, 2012</b>	<b>246</b>	<b>(239)</b>	<b>125</b>	<b>4,946</b>	<b>(98)</b>	<b>358</b>	<b>1,064</b>	<b>(409)</b>	<b>(57)</b>	<b>5,936</b>	<b>11,316</b>	<b>17,252</b>
<b>Changes in equity for 2012</b>												
Share-based payments				16						16	17	33
Capital increases										0	40	40
Dividends paid				(80)						(80)	(452)	(532)
Total comprehensive income for the year				298	48	(139)	482	(401)	48	336	(321)	15
Effect of the change in the percentage ownership of consolidated companies (a)				43	(1)	7		(43)	0	6	(294)	(288)
Effect of the change in the percentage ownership of companies accounted for using the equity method				(46)						(46)		(46)
Other changes				1						1	27	28
Total changes	0	0	0	232	47	(132)	482	(444)	48	233	(983)	(750)
<b>Equity at December 31, 2012</b>	<b>246</b>	<b>(239)</b>	<b>125</b>	<b>5,178</b>	<b>(51)</b>	<b>226</b>	<b>1,546</b>	<b>(853)</b>	<b>(9)</b>	<b>6,169</b>	<b>10,333</b>	<b>16,502</b>

€ 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 companies accounted for using the equity method	Total Owners of the parent	Non-controlling interests	Total
<b>Equity at December 31, 2012, as reported</b>	<b>246</b>	<b>(239)</b>	<b>125</b>	<b>5,335</b>	<b>(51)</b>	<b>211</b>	<b>1,546</b>	<b>0</b>	<b>(9)</b>	<b>7,164</b>	<b>14,504</b>	<b>21,668</b>
IAS 19 revised adoption effect				(157)		15		(853)		(995)	(4,171)	(5,166)
<b>Equity at January 1, 2013</b>	<b>246</b>	<b>(239)</b>	<b>125</b>	<b>5,178</b>	<b>(51)</b>	<b>226</b>	<b>1,546</b>	<b>(853)</b>	<b>(9)</b>	<b>6,169</b>	<b>10,333</b>	<b>16,502</b>
<b>Changes in equity for 2013</b>												
Share-based payments				16	0	0	0	0	0	16	19	35
Purchase of treasury stock		(105)		0						(105)		(105)
Capital increases				0	0	0	0	0	0	0	4	4
Dividends paid				(78)	0	0	0	0	0	(78)	(202)	(280)
Total comprehensive income for the year				2,085	74	(356)	(1,421)	566	(46)	902	3,816	4,718
Effect of the change in the percentage ownership of consolidated companies (b)				56	1	(1)	0	(1)	(2)	53	(31)	22
Effect of the change in the percentage ownership of companies accounted for using the equity method				1	0	0	0	0	0	1	0	1
Other changes				(11)	0	0	0	0	0	(11)	51	40
Total changes	0	(105)	0	2,069	75	(357)	(1,421)	565	(48)	778	3,656	4,434
<b>Equity at December 31, 2013</b>	<b>246</b>	<b>(344)</b>	<b>125</b>	<b>7,247</b>	<b>24</b>	<b>(131)</b>	<b>125</b>	<b>(288)</b>	<b>(57)</b>	<b>6,947</b>	<b>13,989</b>	<b>20,936</b>
Note	30	30									30	

- (a) Of which €31 million relates to the Fiat Group, €23 million to the Alpitour Group, -€7 million to the CNH Industrial Group, €4 million to the C&W Group, -€3 million to Juventus and -€5 million to other minor investments.
- (b) Of which, €34 million to the CNH Industrial Group and €22 million to the C&W Group.

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

€ million	Note 41	2013		2012	
		Total	Of which Related parties	Total	Of which Related parties
Net revenues		113,740	3,042	110,671	3,078
Cost of sales		(96,359)	(3,445)	(93,326)	(3,908)
Selling, general and administrative costs		(9,124)	(96)	(9,140)	(102)
Research and development costs		(2,833)	(2)	(2,410)	(9)
Other income (expenses)		(15)	33	(148)	13
		<b>Trading profit (loss)</b>		<b>5,647</b>	
Result from investments:					
- Share of the profit (loss) of investments accounted for using the equity method		227	227	192	192
- Other income (expenses) from investments		63	56	73	66
Result from investments		290		265	
Gains (losses) on the disposal of investments		1,517		(118)	
Restructuring costs		(69)		(181)	
Other unusual income (expenses)		(574)		(155)	
		<b>EARNINGS BEFORE INTEREST AND TAXES (EBIT)</b>		<b>5,458</b>	
Financial income (expenses)		(2,472)	(25)	(2,409)	(27)
		<b>Profit (loss) before taxes</b>		<b>3,049</b>	
Income taxes		(326)		1,209	
		<b>Profit (loss) from continuing operations</b>		<b>1,840</b>	
		<b>Profit (loss) from Discontinued Operations</b>		<b>0</b>	
		<b>Profit (loss)</b>		<b>1,840</b>	
<b>Profit (loss) attributable to:</b>					
- Owners of the parent		2,085		298	
- Non-controlling interests		2,342		1,542	

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

€ million	Note 41	12/31/2013	of which Related parties	12/31/2012	of which Related parties
		Total		Total	
<b>Non-current assets</b>					
Goodwill, brands, trademarks and other intangible assets with indefinite useful lives		15,051		15,659	
Other intangible assets		9,680		8,668	
Property, plant and equipment		28,125		26,858	
Investments and other financial assets:					
- Investments accounted for using the equity method		2,275	2,275	2,105	2,105
- Other investments and financial assets		1,372	65	3,295	69
Total Investments and other financial assets		3,647		5,400	
Leased assets		769		624	
Defined benefit plan assets		137		133	
Deferred tax assets		4,110		2,967	
Other non-current assets		93		89	
<b>Total Non-current assets</b>		<b>61,612</b>		<b>60,398</b>	
<b>Current assets</b>					
Inventories		15,692	2	14,133	1
Trade receivables		3,618	295	4,303	409
Receivables from financing activities		19,594	150	18,938	193
Other financial receivables		6		4	
Current tax receivables		558		553	
Other current assets		3,827	11	3,368	24
Current financial assets:					
- Current investments		35		32	
- Current securities		828		492	
- Other financial assets		724		641	
Total Current financial assets		1,587		1,165	
Cash and cash equivalents		26,153		22,813	
<b>Total Current assets</b>		<b>71,035</b>		<b>65,277</b>	
<b>Assets held for sale</b>		<b>33</b>		<b>87</b>	<b>54</b>
<b>Total Assets</b>		<b>132,680</b>		<b>125,762</b>	
<b>Equity</b>					
Issued capital and reserves attributable to owners of the parent		6,947		6,169	
Non-controlling interests		13,989		10,333	
<b>Total Equity</b>		<b>20,936</b>		<b>16,502</b>	
<b>Provisions</b>					
Employee benefits		10,232	9	13,673	7
Other provisions		11,894	17	11,466	18
<b>Total Provisions</b>		<b>22,126</b>		<b>25,139</b>	
<b>Financial debt</b>					
Asset backed financing		11,269	85	10,149	56
Other financial debt		41,898	345	39,929	169
<b>Total Financial debt</b>		<b>53,167</b>		<b>50,078</b>	
<b>Other liabilities</b>					
Other financial liabilities		239		342	
Trade payables		22,652	971	21,423	1,053
Current tax payables		643		467	
Deferred tax liabilities		555		1,040	
Other liabilities		12,341	166	10,771	144
<b>Total Other liabilities</b>		<b>36,430</b>		<b>34,043</b>	
<b>Liabilities held for sale</b>		<b>21</b>		<b>0</b>	
<b>Total Equity and Liabilities</b>		<b>132,680</b>		<b>125,762</b>	

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

€ million	2013		2012	
	Total	Of which Related parties	Total	Of which Related parties
<b>A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>22,813</b>		<b>23,494</b>	
<b>B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE YEAR:</b>				
Profit (loss) for the year from continuing operations	4,427		1,840	
Amortization and depreciation	5,424		4,952	
(Gains) losses on disposal of:				
Property, plant and equipment and intangible assets	17		(8)	
Investments	(1,539)		119	
Other non-cash items:	508		751	
Dividends received	219	219	268	235
Change in provisions	556		169	
Change in deferred taxes	(1,628)		22	
Change in items due to buy-back commitments	171	2	(168)	2
Change in items due to operating lease transactions	(157)		(99)	
Change in working capital	1,473	140	321	(122)
<b>TOTAL</b>	<b>9,471</b>	<b>361</b>	<b>8,167</b>	<b>113</b>
<b>C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:</b>				
Investments in:				
Property, plant and equipment and intangible assets	(9,058)		(8,967)	
Investments in consolidated subsidiaries	(27)		(55)	
Other investments	(297)	(236)	(28)	(24)
Investments in financial assets made by EXOR and by subsidiaries in the Holdings System	(555)	(58)	(390)	
Proceeds from the sale of:				
Property, plant and equipment and intangible assets	84		147	
Other investments	5		65	1
Proceeds from the disposal of financial assets by EXOR and by subsidiaries in the Holdings System	2,444		322	
Net change in financial receivables	(2,261)	23	(1,796)	(39)
Change in current securities	(320)		170	
Other changes	(57)		(38)	
<b>TOTAL</b>	<b>(10,042)</b>	<b>(271)</b>	<b>(10,570)</b>	<b>(63)</b>
<b>D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:</b>				
New issuance of bonds	3,892		3,364	
Repayment of bonds	(1,753)		(1,450)	
Issuance of other medium-term borrowings	4,705		4,255	
Repayment of other medium-term borrowings	(4,110)		(3,536)	
Net change in other debt and other financial assets/liabilities	2,723	209	98	(71)
Increases in share capital by subsidiaries	7		73	
(Purchase) sale of treasury stock	(105)		0	
Dividends paid by EXOR S.p.A.	(78)	(44)	(80)	(44)
Dividends paid by subsidiaries	(188)		(450)	
(Purchase) sale of ownership interests in subsidiaries	(14)		(47)	
Other changes	(32)		(9)	
Distribution for state withholding taxes on behalf of non-controlling interests	(6)		0	
<b>TOTAL</b>	<b>5,041</b>	<b>165</b>	<b>2,218</b>	<b>(115)</b>
Translation exchange differences	(1,130)		(496)	
<b>E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>3,340</b>		<b>(681)</b>	
<b>F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>26,153</b>		<b>22,813</b>	

# 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 51.39% of ordinary share capital, subsequent to the conversion of all the preferred and savings shares into ordinary shares.

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 auto industry, in agricultural and construction equipment, trucks and commercial vehicles, real estate services and professional football.

Further 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

### Accounting policies applied in the preparation of the consolidated financial statements

The consolidated financial statements of the EXOR Group at December 31, 2013 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 2013 consolidated financial statements are prepared under the historical cost convention, modified as required for the valuation of certain financial instruments, as well as on the going concern assumption. In this respect, despite operating in an economic and financial environment that continues to be difficult, 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, also considering the ongoing integration between the Fiat Group and Chrysler, and its industrial and financial flexibility.

### Format 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), rather than the nature of expenses, as it is more representative of the format used for internal reporting and management purposes by the principal subsidiaries, the Fiat and CNH Industrial Groups, and is consistent with international practice in the automotive and capital goods sectors.

In addition, starting from 2012, the EXOR Group, in following the presentation of its subsidiaries and associates, measures the performance of its operating segments on the basis of trading profit and EBIT which, defined as the Group's profitability before interest and taxes, includes all revenues and costs, income and expenses arising directly from the Group's ongoing operations, whether recurring or non-recurring

Trading profit (loss) reflects the profit (loss) from ongoing operations before the profit (loss) from investments and unusual items that are separately reported in accordance with IAS 1 paragraph 85 which are: gains (losses) on the disposal of investments, restructuring costs, 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 are not expected to occur frequently and other income (expenses) such as the effect of defined benefit plan amendments, acquisition costs related to a business combination or costs arising from operations terminated or disposed of in prior years, since they are not expected to occur frequently.

The definition "unusual" adopted by the EXOR Group differs from the definition provided in the Consob Communication of July 28, 2006, under which unusual and/or abnormal 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., close to 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 selected 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 companies and financial services companies that are part of the Fiat and CNH Industrial Groups. The investment portfolios of the financial services companies of Fiat 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 Fiat and CNH Industrial Groups only obtain a portion of their funding from the market: the remainder is obtained from Fiat S.p.A. and CNH Industrial S.p.A. through their treasury companies (included under industrial activities), which provide funding both to industrial companies and financial services companies in the groups, as the need arises. This financial service structure within the Fiat 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 comparison with financial assets, which are categorized on the basis of their normal operating cycle. However suitable disclosure as to the due date of 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 for related party transactions so as not to compromise an overall reading of the statements.

### **Accounting standards and amendments adopted from January 1, 2013**

The following accounting principles and amendments have been adopted by the Group since January 1, 2013.

#### *Amendments to IAS 19 – Employee Benefits*

The Group adopted IAS 19, as amended, effective January 1, 2013. The revised standard modifies the requirements for recognizing defined benefit plans and termination benefits. The main changes relate to the:

- Recognition of the plan deficit or surplus: the amendments remove the previous option of deferring actuarial gains and losses under the off balance sheet "corridor method", and require them to be recognized directly in Other comprehensive income. In addition, the amendments require the immediate recognition of past service costs in the Income statement.  
These amendments led to the recognition of the entire plan deficit or surplus in the balance sheet.
- Net interest expense: the interest expense, calculated by using a discount rate, and the expected return on plan assets, calculated by using a long-term rate of return of assets, are replaced by the net interest expense on the plan deficit or surplus, which consists of (i) the interest expense calculated on the present value of the obligations, (ii) the interest income arising from the valuation of the plan assets, and (iii) the interest expense or income on the effect of the asset ceiling. All above components are calculated by using the discount rate applied for measuring the obligation at the beginning of the period.
- Classification of net interest expense: the Group recognizes net interest expense in financial income (expenses). Under the previous version of IAS 19, the Group recognized all income and expense arising from the measurement of funded pension plan assets and liabilities in operating costs, by function, while the interest expense relating to unfunded defined benefit plans was included in financial income (expenses).
- Administrative expenses: the amendments require that the cost of managing plan assets should be deducted from the return on plan assets (through Other comprehensive income) and all other administrative costs relating to assets should be recognized in the income statement in the year they occur. Under the previous version of IAS 19, the Group recognized all administrative costs and costs for managing plan assets in the income statement in the year in which they occur, as a deduction from the expected return on assets.

The Group applied the relevant transitional provisions and restated the comparative amounts reported in these financial statements on a retrospective basis. The impacts of the adoption of these amendments on amounts previously reported are set out below:

### Effects on Income Statement

€ million	Amounts		
	previously reported	IAS 19 revised adoption effect	Amounts as restated
Net revenues	110,671		110,671
Cost of sales	(93,093)	(233)	(93,326)
Selling, general and administrative costs	(9,102)	(38)	(9,140)
Research and development costs	(2,395)	(15)	(2,410)
Other income (expenses)	(144)	(4)	(148)
<b>Trading profit (loss)</b>	<b>5,937</b>	<b>(290)</b>	<b>5,647</b>
Result from investments:			
- Share of profit (loss) of investments accounted for using the equity method	192		192
- Other income (expenses) from investments	73		73
Result from investments	265	0	265
Gains (losses) on the disposal of investments	(118)		(118)
Restructuring costs	(181)		(181)
Other unusual income (expenses)	(155)		(155)
<b>EARNINGS BEFORE INTEREST AND TAXES (EBIT)</b>	<b>5,748</b>	<b>(290)</b>	<b>5,458</b>
Financial income (expenses)	(2,156)	(253)	(2,409)
<b>Profit before taxes</b>	<b>3,592</b>	<b>(543)</b>	<b>3,049</b>
Income taxes	(1,215)	6	(1,209)
<b>Profit (loss) from continuing operations</b>	<b>2,377</b>	<b>(537)</b>	<b>1,840</b>
<b>Profit (loss) from Discontinued Operations</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Profit (loss)</b>	<b>2,377</b>	<b>(537)</b>	<b>1,840</b>
<b>Profit (loss) attributable to:</b>			
- Owners of the parent	398	(100)	298
- Non-controlling interests	1,979	(437)	1,542

### Effects on earnings per share

€ million	2012		
	Amounts previously reported	IAS 19 revised adoption effect	Amounts as restated
Basic earnings per ordinary share	1.74	(0.44)	1.30
Basic earnings per savings share	1.81	(0.44)	1.37
Basic earnings per preferred share	1.79	(0.44)	1.35
Diluted earnings per ordinary share	1.73	(0.44)	1.29
Diluted earnings per savings share	1.8	(0.43)	1.37
Diluted earnings per preferred share	1.78	(0.44)	1.34

### Effects on Statement of Comprehensive Income

€ million	2012		
	Amounts previously reported	IAS 19 revised adoption effect	Amounts as restated
<b>PROFIT (LOSS) (A)</b>	2,377	(537)	<b>1,840</b>
Total Other comprehensive income that will not be reclassified subsequently to the income statement, net of tax (B1)	0	(2,011)	(2,011)
Total Other comprehensive income that may be reclassified subsequently to the income statement, net of tax (B2)	91	95	186
<b>Total other comprehensive income, net of tax (B) = (B1) + (B2)</b>	91	(1,916)	<b>(1,825)</b>
<b>TOTAL COMPREHENSIVE INCOME (A)+(B)</b>	2,468	(2,453)	<b>15</b>

### Effects on cash flows

€ million	2012		
	Amounts previously reported	IAS 19 revised adoption effect	Amounts as restated
Profit (loss) for the year	2,377	(537)	1,840
Other non-cash items	214	537	751

## Effects on Statement of Financial Condition

€ million	At January 1, 2012			At December 31, 2012		
	Amounts previously reported	IAS 19 revised adoption effect	Amounts as restated	Amounts previously reported	IAS 19 revised adoption effect	Amounts as restated
<b>Non-current assets</b>						
Goodwill, brands, trademarks and other intangible assets with indefinite useful lives	15,951		15,951	15,659		15,659
Other intangible assets	7,019		7,019	8,668		8,668
Property, plant and equipment	25,157		25,157	26,858		26,858
Investments and other financial assets:						
- Investments accounted for using the equity method	2,500	3	2,503	2,108	(3)	2,105
- Other investments and financial assets	2,759		2,759	3,295		3,295
Total Investments and other financial assets	5,259	3	5,262	5,403	(3)	5,400
Leased assets	603		603	624		624
Defined benefit plan assets	312	(181)	131	362	(229)	133
Deferred tax assets	2,862	117	2,979	2,824	143	2,967
Other non-current assets	63		63	89		89
<b>Total Non-current assets</b>	<b>57,226</b>	<b>(61)</b>	<b>57,165</b>	<b>60,487</b>	<b>(89)</b>	<b>60,398</b>
<b>Current assets</b>						
Inventories	13,988		13,988	14,133		14,133
Trade receivables	4,321		4,321	4,303		4,303
Receivables from financing activities	17,861		17,861	18,938		18,938
Other financial receivables	8		8	4		4
Current tax receivables	1,093		1,093	553		553
Other current assets	3,196		3,196	3,368		3,368
Current financial assets:						
- Current investments	137		137	32		32
- Current securities	640		640	492		492
- Other financial assets	677		677	641		641
Total Current financial assets	1,454	0	1,454	1,165	0	1,165
Cash and cash equivalents	23,494		23,494	22,813		22,813
<b>Total Current assets</b>	<b>65,415</b>	<b>0</b>	<b>65,415</b>	<b>65,277</b>	<b>0</b>	<b>65,277</b>
<b>Assets held for sale</b>	<b>389</b>		<b>389</b>	<b>87</b>		<b>87</b>
<b>Total Assets</b>	<b>123,030</b>	<b>(61)</b>	<b>122,969</b>	<b>125,851</b>	<b>(89)</b>	<b>125,762</b>
<b>Equity</b>						
Issued capital and reserves attributable to owners of the parent	6,403	(467)	5,936	7,164	(995)	6,169
Non-controlling interests	13,568	(2,252)	11,316	14,504	(4,171)	10,333
<b>Total Equity</b>	<b>19,971</b>	<b>(2,719)</b>	<b>17,252</b>	<b>21,668</b>	<b>(5,166)</b>	<b>16,502</b>
<b>Provisions</b>						
Employee benefits	9,084	2,658	11,742	8,594	5,079	13,673
Other provisions	11,092		11,092	11,466		11,466
<b>Total Provisions</b>	<b>20,176</b>	<b>2,658</b>	<b>22,834</b>	<b>20,060</b>	<b>5,079</b>	<b>25,139</b>
<b>Financial debt</b>						
Asset backed financing	10,177		10,177	10,149		10,149
Other financial debt	38,113		38,113	39,929		39,929
<b>Total Financial debt</b>	<b>48,290</b>	<b>0</b>	<b>48,290</b>	<b>50,078</b>	<b>0</b>	<b>50,078</b>
<b>Other liabilities</b>						
Other financial liabilities	611		611	342		342
Trade payables	21,514		21,514	21,423		21,423
Current tax payables	899		899	467		467
Deferred tax liabilities	955	1	956	1,042	(2)	1,040
Other liabilities	10,380	(1)	10,379	10,771		10,771
<b>Total Other liabilities</b>	<b>34,359</b>	<b>0</b>	<b>34,359</b>	<b>34,045</b>	<b>(2)</b>	<b>34,043</b>
<b>Liabilities held for sale</b>	<b>234</b>	<b>0</b>	<b>234</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Equity and Liabilities</b>	<b>123,030</b>	<b>(61)</b>	<b>122,969</b>	<b>125,851</b>	<b>(89)</b>	<b>125,762</b>

### IFRS 13 – Fair Value Measurement

The new standard clarifies the measurement of fair value for the purpose of the financial statements and is applicable to all IFRSs permitting or requiring a fair value measurement or the presentation of disclosures based on fair value. Moreover, IFRS 13 includes extensive disclosure requirements on the fair value measurements. In accordance with the relevant transitional provision, the Group adopted the new fair value measurement guidance prospectively since January 1, 2013 without applying the new disclosure requirements in the standard for comparative information reported in these consolidated financial statements. Other than the additional disclosures on the fair value measurement reported in Note 40, the adoption of the new standard had no significant effect on the amounts recognized in these consolidated financial statements.

### Amendments to IAS 1 – Presentation of Financial Statements: Presentation of items of Other Comprehensive Income

The amendments require items of Other comprehensive income to be grouped on the basis of whether they will be reclassified subsequently to the income statement when specific conditions are met. The Group adopted these amendments in these financial statements and modified the presentation of items of Other comprehensive income. Comparative information has been reclassified accordingly.

#### *Amendments to IFRS 7 – Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities*

The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. The Group applied the amendments since January 1, 2013 retrospectively. The adoption of the amendments had no impacts on the disclosure or on the amounts recognized in these consolidated financial statements.

#### *Amendments to IAS 1 – Presentation of Financial Statements (as part of the Annual Improvements to IFRS's – 2009-2011 Cycle)*

On May 17, 2012, the IASB issued a number of amendments to IFRSs ("*Annual Improvements to IFRS's – 2009-2011 Cycle*"). The amendments that are relevant to the Group, effective January 1, 2013, are the amendments to IAS 1 – *Presentation of Financial Statements*. The amendments clarify the way in which comparative information should be presented when an entity changes accounting policies or retrospectively restates or reclassifies items in its financial statements and when an entity provides comparative information in addition to the minimum comparative financial statements. The amendments were applied by the Group for the restatement of the amounts presented in the statements of financial position as a result of applying the amendments to IAS 19 by adding a third statement of financial position as of January 1, 2012.

#### **New standards and interpretations not yet applicable**

In May 2011, a package of three standards was issued by the IASB: IFRS 10 – *Consolidated Financial Statements*, IFRS 11 – *Joint Arrangements* and IFRS 12 – *Disclosure of Interests in Other Entities*. IAS 27 – *Consolidated and Separate Financial Statements* (which has been renamed IAS 27 – *Separate Financial Statements*) and IAS 28 – *Investments in Associates* (which has been renamed IAS 28 – *Investments in Associates and Joint Ventures*) were consequently revised. Subsequently, other amendments were issued to clarify transitional guidance on the first-time adoption of the standards. The new standards are effective for annual periods beginning on or after January 1, 2013, and must be applied retrospectively. The European Union endorsed these standards by postponing their effective date to January 1, 2014, allowing early adoption from January 1, 2013. The Group will apply the new standards from January 1, 2014. In particular:

- IFRS 10 – *Consolidated Financial Statements* will replace SIC-12 – *Consolidation: Special Purpose Entities* and parts of IAS 27 – *Consolidated and Separate Financial Statements* (which has been renamed IAS 27 – *Separate Financial Statements* and addresses the accounting treatment of investments in separate financial statements). The new standard builds on existing principles by identifying a single control model applicable to all entities, including "structured entities". The standard also provides additional guidance to assist in the determination of control where this is difficult to assess. At the date of these financial statements, adoption of this new standard would have no effect as no changes to the control conclusions reached before and after the adoption of the new standard would arise. The EXOR Group used this standard to interpret the notion of de facto control for purposes of the application of the current IAS 27 in force.
- IFRS 11 – *Joint Arrangements* supersedes IAS 31 – *Interests in Joint Ventures* and SIC-13 – *Jointly Controlled Entities: Non-monetary Contributions by Venturers*. The adoption of this new standard for the Group will require the reclassification of investments classified as jointly controlled entities as either Joint Ventures (if the Group has right only to the net assets of an arrangement) or Joint Operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement). The classification will focus on the rights and obligations of the arrangements, rather than their legal form. Notwithstanding the reclassification, the Group investments that will be classified as Joint Ventures under IFRS 11 will continue to be recognized by applying the equity method and the Group expects no impact on its consolidated financial statements for these investments. In relation to interests in Sevel S.p.A. and in Fiat India Automobiles Limited, held through the Fiat Group, that will be classified as Joint Operations upon the adoption of IFRS 11, the Group will recognize its share of assets, liabilities, revenues and expenses instead of recognizing its interests by using the equity method. At December 31, 2013, this adoption of IFRS 11 would have led to an estimated increase in total Assets recognized of approximately €440 million, an increase in debt of approximately €380 million (the effect on Net industrial debt is an increase of approximately €360 million). No effect is expected to arise on the Group's profit (loss) or equity from the adoption of the standard.
- IFRS 12 – *Disclosure of Interests in Other Entities*, is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other unconsolidated vehicles. The application of the new standard will result in expanded disclosure in the notes to the consolidated financial statements.

On December 16, 2011, the IASB issued certain amendments to IAS 32 – *Financial Instruments: Presentation* to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively. No significant effect is expected from the first time adoption of the standard.

On May 29, 2013, the IASB issued an amendment to IAS 36 – *Recoverable Amount Disclosures for Non-Financial Assets* addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2014. Earlier application is permitted for periods when the entity has already applied IFRS 13. The application of this amendment will result in an expanded disclosure in the notes to the consolidated financial statements in case of impairment based on fair value less cost of disposal.

On June 27, 2013, the IASB issued narrow-scope amendments to IAS 39 – *Financial Instruments: Recognition and Measurement* entitled “*Novation of Derivatives and Continuation of Hedge Accounting*”. The amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. Similar relief will be included in IFRS 9 – *Financial Instruments*. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2014. No material effect is expected from first time adoption of the amendments.

In addition, the European Union had not yet completed its endorsement process for these standards and amendments at the date of these financial statements:

- On November 12, 2009, the IASB issued IFRS 9 – *Financial Instruments*. The new standard was reissued in October 2010 and subsequently amended in November 2013. The standard addresses the classification, measurement and recognition of financial assets and financial liabilities and hedge accounting. It replaces the relevant parts of IAS 39 – *Financial Instruments: Recognition and measurement*. As part of the November 2013 amendments, among other, the IASB removed the standard’s mandatory effective date, previously set on January 1, 2015. This date will be added to the standard when all phases of the IFRS 9 project are completed and a final complete version of the standard is issued.
- On May 20, 2013, the IASB issued IFRIC 21 – *Levies*, an interpretation of IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*. The interpretation provides guidance on recognition of liabilities to pay levies that are not income taxes. IFRIC 21 is applicable for annual periods beginning on or after January 1, 2014. Early adoption is permitted.
- On November 21, 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.
- On December 12, 2013 the IASB issued the *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 payment*, the aggregation of operating segments in IFRS 8 – *Operating Segments*, the definition of key management personnel 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 (as defined in IFRS 11 – *Joint Arrangements*) and to clarify the application of certain exceptions in IFRS 13 – *Fair value Measurement*.

The Group will comply with these new standards and amendments based on their relevant effective dates when endorsed by the European Union and it will evaluate their potential impacts on the consolidated financial statements.

### Scope of consolidation

The consolidated financial statements of EXOR include the companies over which EXOR exercises control, and from which, directly or indirectly, EXOR is able to derive benefit by virtue of its power to govern their corporate financial and operating policies. The companies/groups included in the scope of consolidation at December 31, 2013 are the following:

Company/Group	Country	Percentage of consolidation	Consolidation method
Fiat Group	Italy	30.90%	Line-by-line
CNH Industrial Group	Italy	27.96%	Line-by-line
C&W Group	USA	82.40%	Line-by-line
Juventus Football Club S.p.A.	Italy	63.77%	Line-by-line
EXOR S.A.	Luxembourg	100.00%	Line-by-line
EXOR Capital Ltd	Ireland	100.00%	Line-by-line
EXOR Inc.	USA	100.00%	Line-by-line
EXOR N.V.	the Netherlands	100.00%	Line-by-line
Ancom USA Inc.	USA	100.00%	Line-by-line
Arenella Immobiliare S.r.l.	Italy	100.00%	Line-by-line

### Change in the scope of consolidation

In 2013, there were no significant changes in the scope of consolidation except for certain minor changes that occurred in the Fiat Group principally due to the line-by-line consolidation of the VM Motori group (previously considered a joint venture accounted for using the equity method) and the Brazilian subsidiary, CMP Componentes e Modulos Plasticos Industria e Comercio Ltda (previously classified as held for sale on acquisition).

### Acquisitions or disposals during the year

No significant subsidiaries were acquired or disposed of in 2013.

No significant subsidiaries were acquired or disposed of in 2012. Nevertheless, in January 2012, as a result of the occurrence of the third performance event ("Ecological Event") established in Chrysler's LLC Operating Agreement, Fiat acquired a further 5% interest in Chrysler with no monetary consideration. At December 31, 2012, Fiat therefore had a 58.5% ownership interest in Chrysler.

### Merger of Fiat Industrial and CNH Global

The deed for the merger of Fiat Industrial S.p.A. with and into CNH Industrial N.V. and the deed for the merger of CNH Global N.V. with and into CNH Industrial N.V. were executed on September 27 and 28, 2013, respectively, and the integration of these two companies was completed on September 29, 2013.

At closing, CNH Industrial issued 1,348,867,772 common shares which were allotted to Fiat Industrial and CNH Global shareholders on the basis of the established exchange ratios. In particular, Fiat Industrial shareholders received one CNH Industrial common share for each Fiat Industrial ordinary share held and CNH Global shareholders received 3.828 CNH Industrial common shares for each CNH Global common share held.

CNH Industrial also issued special voting shares (non-tradable) which were allotted to eligible Fiat Industrial and CNH Global shareholders who had elected to receive special voting shares in connection with the closing of the merger. On the basis of the requests received, CNH Industrial issued a total of 474,474,276 special voting shares. EXOR with its 366,927,900 Fiat Industrial ordinary shares received 366,927,900 CNH Industrial common shares and the same number of special voting shares. At December 31, 2013 EXOR thus holds 40.22% of the voting rights.

At December 31, 2013 the stake held in the investment decreased from 30.88% to 27.96%. This reduction had no effect on the consolidation method for CNH Industrial Group since *de facto* control was retained.

As far as the accounting effects of the dilution are concerned, these are represented by a change between the attributable equity of owners of the parent and the non-controlling interests; in particular, there was a net increase in the equity reserves attributable to owners of the parent of approximately €40 million because of the different accounting equity value of the companies participating in the merger as compared with the market values considered for the purpose of the exchange ratios.

Since the merger was completed at the end of the third quarter of 2013, the profit of the CNH Industrial Group was attributed to the owners of the parent on the basis of 30.88% for the first nine months of 2013 and 27.96% for the fourth quarter of 2013.

It should be noted that the data relating to CNH Industrial Group refer to the Group after the merger between Fiat Industrial and CNH Global, completed on September 29, 2013. The merger had no impact on the consolidated activities of the former Fiat Industrial Group and therefore the data of the CNH Industrial Group presented in these consolidated financial statements and referring to the prior year are consistent and comparable with those previously published by the EXOR Group and referring to the Fiat Industrial Group.

### *Subsidiaries*

Subsidiaries are enterprises controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences 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 consolidated 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 subsidiaries that do not result in the loss of control are accounted for as equity transactions. 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 subsidiaries. Any difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid or received 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 profits 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 profit or loss or transferred directly to retained earnings depending on the applicable 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 assets 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 jointly controlled entity.

### *Jointly controlled entities*

Jointly controlled entities are enterprises in which the Group has contractually agreed sharing of control or for which a contractual arrangement exists whereby two or more parties undertake an economic activity that is subject to joint control. Investments in jointly controlled entities are accounted for using the equity method from the date that joint control commences until the date that joint control ceases.

### *Associates*

Associates are enterprises over which the Group has significant influence, as defined in IAS 28 – *Investments in Associates*, 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 (losses) until the assets are sold or impaired; at that time the cumulative Other comprehensive income (losses) are 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 jointly controlled entities 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 exchange rates in effect at the balance sheet date. Income and expenses are translated 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 rates of exchange are used to translate the cash flows of foreign subsidiaries in preparing the consolidated statement of cash flows.

The goodwill, assets acquired and liabilities assumed arising from the acquisition of entities with a functional currency other than the Euro are recognized in the functional currency and translated at the exchange rate at the acquisition date. These balances are subsequently translated at the exchange rate at the balance sheet date.

The principal exchange rates used in 2013 and 2012 to translate the foreign currency financial statements of foreign entities into Euro are the following:

	2013		2012	
	Average	At 12/31/2013	Average	At 12/31/2012
U.S. dollar	1.328	1.379	1.285	1.319
Brazilian real	2.867	3.258	2.508	2.704
Chinese renmimbi	8.164	8.349	8.106	8.221
Serbian dinar	113.096	114.642	113.120	113.718
Polish zloty	4.197	4.154	4.185	4.074
Argentine peso	7.263	8.988	5.836	6.478
British pound	0.849	0.834	0.811	0.816
Swiss franc	1.231	1.228	1.205	1.207

### 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 Income statement as if the interest had been disposed.

### 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.

## 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 goodwill and 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:

	number of years
Automobiles	5-6
Trucks and buses	4-8
Agricultural and Construction Equipment	5
Powertrain	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. The 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 are initially recognized at cost, which comprises the purchase price, any costs directly attributable to bringing the assets to the location and condition necessary for it 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. The 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.

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 financial statements as a debt. The assets are depreciated by the method and at the rates indicated below.

Leases where the lessor retains substantially all the risks and rewards of ownership of the 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	3%-8%
Plant, machinery and equipment	3%-33%
Other assets	5%-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 to sell 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 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 the income statement immediately.

#### **Financial instruments**

##### *Presentation*

Financial instruments held by the Group are presented in the 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 current 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 liquidity 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 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.

### Financial assets and financial liabilities

Financial assets other than investments, as well as financial liabilities, are accounted for in accordance with IAS 39 – *Financial Instruments: Recognition and Measurement*

The classification of financial assets in the following categories determines the subsequent measurement which is the following:

- financial assets held for trading - HFT;
- investments held to maturity – 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.

*Investments held-to-maturity* 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 course of business), *held-to-maturity securities* and all financial assets for which published price quotations in an active market are not available and 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, an impairment loss is recognized 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 hedge) are measured in accordance with hedge accounting principles (reference should be made to the 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 hedging purposes, in order to reduce currency, interest rate and market price risks (primarily concerning commodities and securities). 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.
- *Hedges 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 does not apply, the gains or losses from measuring the derivative financial instrument at fair value are immediately recognized in the income statement.

#### **Transfers 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). 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 construction contracts is based on the stage of completion determined as the proportion that cost incurred to the balance sheet date bears 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 become known.

## **Employee benefits**

### *Defined contribution plans*

Costs arising from defined contribution plans are recognized as an expense as incurred.

### *Defined benefit plans*

The Group 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 respective line items (cost of sales, selling general and administrative costs, research and development costs, etc.);
- the net interest expense 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 rereasurement 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 rereasurement 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 in other unusual income and expenses. Gains and losses on the settlement of a plan are recognized in the income statement in other unusual income and expenses when the settlement occurs.

### *Other long-term employee benefits*

The Group 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 when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

### *Post-employment plans other than pensions*

The Group provides certain post-employment defined benefits, mainly health care plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

### *Share-based compensation plans*

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 expensed over the vesting period of the benefit 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 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 Group records provisions when it has a present obligation, legal or constructive as a result of a past event, to a third party, when it is probable that an outflow of Group resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.

Changes in estimates 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

Revenues are recognized if it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue can be measured reliably.

Revenue 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 corresponds generally to the date when the vehicles are made available to dealers, 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 the granting of retail financing at significant discount to market interest rates. The corresponding cost is recognized at the time of the initial sale.

Sales with a buy-back commitment, or through Guaranteed 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 when they are rendered 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 and 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 revenue 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 that the company concerned will comply with the conditions for receiving such grants and that the grants themselves 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 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. They are recognized for all temporary differences between the tax base of assets or liabilities and their carrying amounts in the consolidated financial statements, except for deferred tax liabilities arising 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 the 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 and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and where 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.

### 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 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.

Estimates and assumptions are reviewed periodically and the effects of any changes are recognized 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 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 car 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 health care cost increases and the likelihood of potential future events estimated by using demographic assumptions such as mortality rates, dismissal and retirement rates. The return on plan assets is 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 health care 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;
- 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 €113,740 million in 2013 (€110,671 million in 2012) and may be analyzed as follows:

€ million	2013		2012		Change
		%		%	
Sales of goods	106,241	93.4%	103,668	93.7%	2,573
Construction contract work in progress	1,017	0.9%	1,072	1.0%	(55)
Commission and service fees and reimbursed costs for managed properties	1,881	1.7%	1,594	1.4%	287
Other services	2,404	2.1%	2,383	2.2%	21
Interest income from customers and other financial income of financial services companies	949	0.8%	1,050	0.9%	(101)
Lease installments on operating leases and buy-backs	611	0.5%	563	0.5%	48
Television and radio rights and media revenues	160	0.2%	145	0.1%	15
Sponsorships and advertising	42	0.0%	30	0.0%	12
Season tickets and ticket office sales	37	0.0%	54	0.0%	(17)
Other	398	0.4%	112	0.1%	286
<b>Total Net revenues</b>	<b>113,740</b>	<b>100.0%</b>	<b>110,671</b>	<b>100.0%</b>	<b>3,069</b>

In 2013 revenues refer to the Fiat Group for €86,114 million (€83,281 million in 2012), CNH Industrial Group for €25,468 million (€25,525 million in 2012), C&W Group for €1,880 million (€1,594 million in 2012) and Juventus Football Club for €277 million (€270 million in 2012).

The breakdown by geographical area is presented in Note 38.

## 2. Cost of sales

Cost of sales amounts to €96,359 million in 2013 (€93,326 million in 2012) and comprises the following:

€ million	2013	2012	Change
Cost of sales	95,641	92,512	3,129
Interest cost and other financial expenses from financial services companies	718	814	(96)
<b>Total Cost of sales</b>	<b>96,359</b>	<b>93,326</b>	<b>3,033</b>

The contribution by segment is presented in Note 37.

## 3. Selling, general and administrative costs

Selling, general and administrative costs amount to €9,124 million in 2013 (€9,140 in 2012).

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

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

## 4. Research and development costs

Research and development costs include the following:

€ million	2013	2012	Change
Research and development costs not recognized as assets	1,684	1,534	150
Writedown of costs previously capitalized	24	57	(33)
Amortization of capitalized development costs	1,125	819	306
<b>Total Research and development costs</b>	<b>2,833</b>	<b>2,410</b>	<b>423</b>

## 5. Other income (expenses)

Other net expenses in 2013 amount to €15 million (net expenses of €148 million in 2012) and consist of miscellaneous operating costs not attributable to specific functional areas, such as accruals to miscellaneous provisions and indirect taxes and duties, net of other income which is not attributable to the typical sales and services operations of the Group.

## 6. Result from investments

Details are as follows:

€ million	2013	2012	Change
<b>Share of the profit (loss) of investments accounted for using the equity method</b>	<b>227</b>	<b>192</b>	<b>35</b>
<b>Other income (expenses) from investments</b>			
Dividends from investments	70	80	(10)
Impairment reversals (losses)	(6)	(1)	(5)
Charges to provisions on investments	(1)	(6)	5
<b>Total other income (expenses) from investments</b>	<b>63</b>	<b>73</b>	<b>(10)</b>
<b>Total Result from investments</b>	<b>290</b>	<b>265</b>	<b>25</b>

## 7. Gains (losses) on the disposal of investments

Details are as follows:

€ million	2,013	2012	Change
Gains on disposal of investments	1,543	158	1,385
Losses on disposal of investments	(26)	(276)	250
Gains (losses) on disposal of investments	1,517	(118)	1,635

In 2013 gains on disposal of investments include mainly the net gain realized on the sale of the entire investment in SGS of €1,534 million. This figure comes from the recognition in the income statement of the balance of the available-for-sale financial assets fair value reserve relating to SGS at the date of finalizing the sale (€1,575 million), net of the negative difference of €41 million between the fair value of the investment determined at the same date on the basis of its market price (€2,045 million) and the sales price agreed between the parties (€2,004 million).

In 2012 gains on disposal of investments included the gain on the sale of the investment in Alpitour of €158 million.

In 2013 losses on disposal of investments mainly comprised a loss, in addition to that recognized in 2012, on the 20% sale of Kobelco Construction Machinery Co Ltd after an decision was handed down on the price of the transaction (€19 million), on the reduction of the Deferred Price in connection with the disposal of Alpitour regarding the settlement of certain disputes that arose with the buyer (€5 million) and the loss on the sale of the 337,844 Sequana shares (€1 million).

In 2012 losses on disposal of investments for the most part included €147 million for the loss arising from the partial subscription to the Sequana capital increase by EXOR S.A., which had reduced its ownership interest in Sequana from 28.24% to 18.74%, with the consequent classification of Sequana in available-for-sale financial assets and the writedown of the investment in Sevelnord Société Anonyme of €91 million following its reclassification to assets held for sale and subsequent measurement at fair value.

## 8. Restructuring costs

In 2013, Restructuring costs amount to €69 million (€181 million in 2012) and mainly relate to the restructuring costs of the CNH Industrial Group of €40 million (€166 million in 2012) and the Fiat Group of €28 million (€15 million in 2012).

## 9. Other unusual income (expenses)

The net other unusual expenses balance amounts to €574 million in 2013 (a net expense balance of €155 million in 2012) and includes net expenses recognized by the CNH Industrial Group of €58 million (€13 million in 2012), the Fiat Group of €499 million (€138 million in 2012), the C&W Group of €13 million (€3 million in 2012) and the Holdings System of €4 million (€1 million in 2012).

Other unusual expenses recorded by the **Fiat Group** include writedowns of €272 million as a result of the rationalization of architectures associated with the new product strategy for certain of the Group's brands (of which €226 million related to development costs and €46 million to tangible assets), writedowns of €57 million of assets of the cast-iron business, writeoff of the €56 million book value of the Equity Recapture Agreement Right considering the agreement between Fiat and the VEBA Trust closed on January 21, 2014, costs of €115 million related to the voluntary safety recall in June 2013, a foreign currency translation loss related to the February 2013 devaluation of the official exchange rate of the Venezuelan Bolivar ("VEF") relative to the US dollar and €166 million for the impacts of a curtailment gain and plan amendments, with a corresponding net reduction to Chrysler's pension obligation.

In 2012, other unusual expense of net €138 million mainly included €145 million of costs arising from disputes relating to operations terminated in prior years and costs related to the termination of the joint venture Sevelnord Société Anonyme.

Other unusual expenses recorded by **CNH Industrial Group** include expenses of €31 million related to the dissolution of the previous joint venture with Barclays.

## 10. Financial income (expenses)

In addition to the items included in the specific lines of the income statement, net financial income (expenses) also includes the income from financial services companies included in net revenues of €949 million in 2013 (€1,050 million in 2012) and interest cost and other financial charges from financial services companies included in cost of sales of €719 million in 2013 (€814 million in 2012).

Details are as follows:

€ million	2013	2012	Change
Interest income from banks	180	187	(7)
Interest income from securities	20	32	(12)
Sundry interest and other financial income	71	103	(32)
<b>Total Interest and other financial income</b>	<b>271</b>	<b>322</b>	<b>(51)</b>
Interest income from customers and other financial income of financial services companies	949	1,050	(101)
Gains on disposal of securities	0	5	(5)
Gains on disposals of investments	26	8	18
Gains on disposal of current investments	0	1	(1)
<b>Total Financial income</b>	<b>1,246</b>	<b>1,386</b>	<b>(140)</b>
<b>(Less) Interest income from customers and other financial income of financial services companies</b>	<b>(949)</b>	<b>(1,050)</b>	<b>101</b>
<b>Financial income, excluding financial services companies</b>	<b>297</b>	<b>336</b>	<b>(39)</b>
Interest expenses on bonds	1,391	1,291	100
Interest expenses from banks	526	560	(34)
Commission expenses	37	30	7
Interest expenses and other financial expenses	905	1,035	(130)
<b>Total Interest and other financial expenses</b>	<b>2,859</b>	<b>2,916</b>	<b>(57)</b>
Writedowns of financial assets	198	221	(23)
Losses on disposal of securities	6	46	(40)
Losses on disposal of investments	0	8	(8)
Net interest expenses on employees benefits provisions	433	464	(31)
<b>Total Interest and other financial expenses</b>	<b>3,496</b>	<b>3,655</b>	<b>(159)</b>
<b>Net (income) expenses from derivative financial instruments and exchange rate differences</b>	<b>(9)</b>	<b>(96)</b>	<b>87</b>
<b>Total Financial expenses</b>	<b>3,487</b>	<b>3,559</b>	<b>(72)</b>
<b>(Less) Interest expenses and other financial expenses of financial services companies</b>	<b>(718)</b>	<b>(814)</b>	<b>96</b>
<b>Financial expenses, excluding financial services companies</b>	<b>2,769</b>	<b>2,745</b>	<b>24</b>
<b>Net financial income (expenses), excluding financial services companies</b>	<b>(2,472)</b>	<b>(2,409)</b>	<b>(63)</b>

## 11. Income taxes

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

€ million	2013	2012	Change
Current taxes:			
- IRAP (Italy)	84	90	(6)
- Other taxes	1,180	1,081	99
<b>Total Current taxes</b>	<b>1,264</b>	<b>1,171</b>	<b>93</b>
Deferred taxes for the period:			
- IRAP (Italy)	12	24	(12)
- Other taxes	(1,625)	5	(1,630)
<b>Total Deferred taxes</b>	<b>(1,613)</b>	<b>29</b>	<b>(1,642)</b>
Taxes relating to prior periods	23	9	14
<b>Total Income taxes</b>	<b>(326)</b>	<b>1,209</b>	<b>(1,535)</b>

The change is due mainly to the recognition of previously unrecognized deferred tax assets related to Chrysler for €1,500 million.

The reconciliation between the tax charges recorded in the consolidated financial statements and the theoretical tax charge, calculated on the basis of the theoretical tax rate in effect in Italy, is the following:

€ million	2013	2012
<b>Theoretical income taxes</b>	1,128	838
<b>Tax effect on:</b>		
Recognition and utilization of previously unrecognized deferred tax assets	(1,771)	(521)
Permanent differences	(478)	(154)
Deferred tax assets not recognized and writedowns	427	597
Differences between foreign tax rates and the theoretical Italian tax rate and tax holidays	330	248
Taxes relating to prior years	23	9
Other differences	(81)	77
<b>Total income taxes, excluding IRAP</b>	<b>(422)</b>	<b>1,095</b>
	<b>Effective tax rate</b>	<b>35.9%</b>
	-	
IRAP (current and deferred)	96	114
<b>Total income taxes</b>	<b>(326)</b>	<b>1,209</b>

Since the IRAP tax has a taxable basis that is different from income before taxes, it generates distortions between one year and another. Accordingly, in order to render the reconciliation between income taxes recognized and theoretical income taxes more meaningful, IRAP tax is not taken into consideration; theoretical income taxes are determined by applying only the tax rate in effect in Italy (IRES equal to 27.5% in 2013 and in 2012) to profit (loss) before taxes.

In 2013, the Group's effective tax rate is not representative because the Group recognized a net tax benefit in relation to a consolidated net profit.

In particular, in 2013 the theoretical income taxes and the Group's actual differ primarily due to the recognition of previously unrecognized deferred tax assets related to Chrysler for €1,500 million.

Excluding such effect the theoretical tax rate of the Group in 2013 would have been 26.3%.

The difference is also affected by other effects arising from the utilization of tax losses carried forward for which deferred tax assets were not recognized in the past. These benefits were partially offset by the negative impact of €427 million (€597 million in 2012) arising from the unrecognized deferred tax assets on temporary differences and tax losses arising in the year.

Permanent differences in the above reconciliation include the tax effect of non-deductible costs of €525 million in 2013 (€309 million in 2012) and of non-taxable income of €1,003 million in 2013 (€475 million in 2012).

At December 31, 2013, the deferred tax asset balance consists of the deferred tax assets less the deferred tax liabilities of the individual consolidated companies, where these may be offset.

The amounts recognized in the statement of financial position are as follows:

€ million	2013	2012	Change
Deferred tax assets	4,110	2,967	1,143
Deferred tax liabilities	(555)	(1,040)	485
<b>Total</b>	<b>3,555</b>	<b>1,927</b>	1,628

In 2013, the increase of €1,628 million in net deferred tax assets is mainly due to the following:

- €1,610 million for recognition of a net benefit of €1,570 million arising on previously unrecognized deferred tax assets and the recognition of deferred tax assets on temporary differences arising during the year, net of write-down of deferred tax relating to previous years;
- €43 million for the recognition of net deferred tax assets directly in equity;
- €65 million for the effect of translation differences and other changes.

Deferred tax assets, net of deferred tax liabilities may be analyzed by source as follows:

€ million	12/31/2012	Recognized in income statement	Recognized in equity	Changes in the scope of consolidation	Translation differences and other changes	12/31/2013
Deferred tax assets arising from:						
- Provisions	3,621	472		3	(395)	3,701
- Provision for employee benefits	1,486	166	14		(115)	1,551
- Intangible assets	582	(71)		1	(1)	511
- Inventories	401	39		2	(10)	432
- Allowances for doubtful accounts	250	42			(16)	276
- Impairment of financial assets	240	69			(49)	260
- Other	1,723	(221)	3	2	13	1,520
<b>Total Deferred tax assets</b>	<b>8,303</b>	<b>496</b>	<b>17</b>	<b>8</b>	<b>(573)</b>	<b>8,251</b>
Deferred tax liabilities arising from:						
- Accelerated depreciation	(1,679)	(161)		1	93	(1,746)
- Capitalization of development costs	(1,516)	(305)			59	(1,762)
intangibles	(907)	51		(17)	118	(755)
- Provision for employee benefits	(40)	6	4	(1)		(31)
- Other	(843)	33	(56)	(2)	(41)	(909)
<b>Total Deferred tax liabilities</b>	<b>(4,985)</b>	<b>(376)</b>	<b>(52)</b>	<b>(19)</b>	<b>229</b>	<b>(5,203)</b>
<b>Deferred tax assets arising from tax loss carryforwards</b>	<b>4,352</b>	<b>469</b>	<b>(21)</b>	<b>7</b>	<b>(71)</b>	<b>4,736</b>
<b>Unrecognized deferred tax assets</b>	<b>(5,743)</b>	<b>1,021</b>	<b>13</b>		<b>480</b>	<b>(4,229)</b>
<b>Total Deferred tax assets, net of Deferred tax liabilities</b>	<b>1,927</b>	<b>1,610</b>	<b>(43)</b>	<b>(4)</b>	<b>65</b>	<b>3,555</b>

The decision to recognize deferred tax assets is taken for each company in the Group by assessing critically whether the conditions exist for the future recoverability of such assets on the basis of updated strategic plans, accompanied by the related tax plans. In this regard at December 31, 2013, in view of the results achieved by Chrysler, of the continuous improvement of its product mix and of its trends in international sales and its implementation of new vehicles, together with the consolidation of the alliance between Fiat and Chrysler, following Fiat's acquisition of full control at the beginning of 2014, the Fiat Group recognized previously unrecognized deferred tax assets for a total of €1,734 million, of which €1,500 million recognized in income taxes and €234 million in Other comprehensive income.

At December 31, 2013 the Group has deferred tax assets on deductible temporary differences of €8,251 million (€8,303 million at December 31, 2012) of which €634 million is not recognized (€2,537 million at December 31, 2012). At the same date the Group has also theoretical tax benefits on losses carried forward of €4,736 million (€4,352 million at December 31, 2012) of which €3,595 million is not recognized (€3,206 million at December 31, 2012). At December 31, 2013, net deferred tax assets include the amount of €1,141 million in respect of benefits on unused tax losses carryforwards (€1,146 million at December 31, 2012).

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 it is probable that they will not be distributed in the foreseeable future.

The totals of deductible and taxable temporary differences and accumulated tax losses at December 31, 2013, together with the amounts for which deferred tax assets have not been recognized, analyzed by year of expiry, are as follows:

€ million	Total at 12/31/2013	Year of expiry					
		2014	2015	2016	2017	Beyond 2017	Unlimited / Indeterminable
Temporary differences and tax losses relating to State taxation (IRES in the case of Italy)							
- Deductible temporary differences	25,212	7,658	2,598	2,438	2,478	9,981	59
- Taxable temporary differences	(15,050)	(1,703)	(1,995)	(1,822)	(1,779)	(6,310)	(1,441)
- Tax losses	16,964	112	53	364	251	2,142	14,042
- Temporary differences and tax losses for which deferred tax assets have not been recognized	(15,330)	(1,049)	(143)	(310)	(393)	(662)	(12,773)
<b>Temporary differences and tax losses relating to State taxation</b>	<b>11,796</b>	<b>5,018</b>	<b>513</b>	<b>670</b>	<b>557</b>	<b>5,151</b>	<b>(113)</b>
Temporary differences and tax losses relating to local taxation (IRAP in the case of Italy)							
- Deductible temporary differences	20,074	4,248	2,241	2,511	2,251	8,805	18
- Taxable temporary differences	(15,336)	(1,237)	(1,661)	(1,567)	(1,555)	(6,985)	(2,331)
- Tax losses	1,383	5	6	11	54	351	956
- Temporary differences and tax losses for which deferred tax assets have not been recognized	(1,599)	(130)	(31)	(89)	(53)	(445)	(851)
<b>Temporary differences and tax losses relating to local taxation</b>	<b>4,522</b>	<b>2,886</b>	<b>555</b>	<b>866</b>	<b>697</b>	<b>1,726</b>	<b>(2,208)</b>

## 12. Other information by nature of expenses

In 2013 the income statement includes personnel costs of €14,562 million (€13,044 million in 2012). In 2013, the Group had an average number of employees of 305,963 (287,343 employees in 2012).

## 13. Earnings (loss) per share

As indicated in Note 30, the share capital of EXOR S.p.A. had been represented by three different classes of stock (ordinary, savings and preferred), which had different rights on the distribution of profit. As a result of the implementation of the resolution passed by the shareholders' meeting of March 20, 2013, after all the conditions precedent necessary were satisfied, on June 24, 2013, the mandatory conversion was executed for all 76,801,460 preferred shares and the 9,168,894 savings shares in 85,970,354 EXOR S.p.A. ordinary shares, on the basis of the conversion ratio of 1 ordinary share for each preferred and savings share.

The calculation of earnings per share for the year 2013 presented below takes into account the aforementioned conversion and is the product of the profit attributable to the owners of the parent and the weighted average number of outstanding shares in the period. The calculation of 2012 earnings per share presented for comparison purposes, instead, took into account the three different classes of shares and their different rights on the distribution of profit. The value of the dividends to which each class of stock was contractually entitled in the event of a theoretical total distribution profit was deducted from the profit attributable to owners of the parent. The amount thus obtained was then divided by the weighted average number of outstanding shares in the period.

	€ million	2013		2012			Total
		Ordinary shares	Shares				
			Ordinary	Savings	Preferred		
Profit (loss) attributable to owners of the parent		2,085	199	12	87	298	
Average number of outstanding shares		223,168,648	153,530,496	8,503,189	65,110,776	227,144,461	
Basic earnings per share	€	9.343	1.296	1.374	1.347		
Diluted earnings per share	€	9.326	1.288	1.366	1.340		

Had the conversion of all the preferred and savings shares taken place in 2012 at the same conditions above, the earnings per ordinary share in 2012 would have been equal to €1,296 while the diluted earnings per share would have been €1,288.

For the period under consideration, for purposes of the calculation of 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 its own equity instruments.

#### 14. Goodwill, Brands and trademarks and Other intangible assets with indefinite useful lives

Changes in 2013 are as follows:

	12/31/2012	Additions	Change in the scope of consolidation	Impairment losses	Translation differences and other changes	12/31/2013
<b>Goodwill</b>						
Original cost	13,525	6	(1)		(498)	13,032
Accumulated impairment losses	(982)		23		(6)	(965)
Net carrying amount	12,543	6	22	0	(504)	12,067
<b>Brands, trademarks and other intangible assets with indefinite useful lives</b>						
Original cost	3,164	1			(135)	3,030
Accumulated impairment losses	(48)				2	(46)
Net carrying amount	3,116	1	0	0	(133)	2,984
<b>Goodwill, brands, trademarks and other intangible assets with indefinite useful lives</b>	15,659	7	22	0	(637)	15,051

Net foreign exchange effects in 2013 mainly arose from changes in the US dollar and the Brazilian real against the Euro.

The change in the scope of consolidation includes the effects of the line-by-line consolidation of the VM Motori group from July 1, 2013.

The changes during 2012 are as follows:

	12/31/2011	Additions	Change in the scope of consolidation	Impairment losses	Translation differences and other changes	12/31/2012
<b>Goodwill</b>						
Original cost	13,788	3			(266)	13,525
Accumulated impairment losses	(1,000)				18	(982)
Net carrying amount	12,788	3	0	0	(248)	12,543
<b>Brands, trademarks and other intangible assets with indefinite useful lives</b>						
Original cost	3,226	0			(62)	3,164
Accumulated impairment losses	(63)				15	(48)
Net carrying amount	3,163	0	0	0	(47)	3,116
<b>Goodwill, Brands, trademarks and other intangible assets with indefinite useful lives</b>	15,951	3	0	0	(295)	15,659

## Goodwill

Goodwill is allocated to the EXOR Group's cash-generating units, identified by each Group consolidated by EXOR, on the basis of its methods and assumptions in accordance with IAS 36. The following table shows this allocation:

€ million	12/31/2013	12/31/2012	Change
NAFTA	7,330	7,661	(331)
APAC	968	1,012	(44)
LATAM	461	482	(21)
EMEA	208	217	(9)
Ferrari	786	786	0
Components	51	51	0
Other activities	35	21	14
<b>Fiat</b>	<b>9,839</b>	<b>10,230</b>	<b>(391)</b>
Agricultural and Construction Equipment	1,756	1,840	(84)
Trucks and Commercial Vehicles	63	63	0
FPT Industrial	1	1	0
<b>CNH Industrial</b>	<b>1,820</b>	<b>1,904</b>	<b>(84)</b>
C&W (goodwill on the acquisition of the C&W Group - Group's share)	310	313	(3)
Subsidiaries of C&W Group	65	63	2
<b>C&amp;W Group</b>	<b>375</b>	<b>376</b>	<b>(1)</b>
Fiat S.p.A.	14	14	0
CNH Industrial N.V.	19	19	0
<b>Holdings System</b>	<b>33</b>	<b>33</b>	<b>0</b>
<b>Total Goodwill</b>	<b>12,067</b>	<b>12,543</b>	<b>(476)</b>

### Fiat Group

Goodwill of the Fiat Group principally resulted from the acquisition of the control of Chrysler for €8,967 million (€9,372 million at December 31, 2012) and the purchase of certain interests in Ferrari S.p.A. for €786 million (€786 million at December 31, 2012).

Goodwill is allocated to operating segments or to cash-generating units (CGUs) within the operating segments as appropriate.

In accordance with IAS 36, Goodwill is not amortized and 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 assumptions used in this process represent the management's best estimate for the period under consideration.

Goodwill allocated to the NAFTA operating segment represents approximately 75% of the Group's total goodwill. Additionally, all of the carrying value of the Group's brands is included within the NAFTA operating segment. The estimate of the value in use of the NAFTA operating segment for purposes of performing the annual impairment test was based on the following assumptions:

- The expected future cash flows of the NAFTA operating segment covering the period from 2014 through 2017 have been derived from the Chrysler business plan prepared in connection with the recent public offering process (then withdrawn after the Fiat acquisition of the securities proposed to be offered through a private transaction) and based on two different scenarios: "Low Case" and "High Case", both of which based on the same market assumptions, but with different assumptions on variable and fixed costs. For the purpose of this impairment analysis, the "Low Case" scenario has been considered. More specifically, in making the estimates, expected EBITDA for the periods under consideration was adjusted to reflect the expected capital expenditure and monetary contributions to pension plans and other post-employment benefit plans. These flows relate to the operating segment 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 flow are based on analyses and studies carried out by primary independent analysts, including in particular IHS – Global

Insight and Ward's Automotive and on management assumptions. These assumptions are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends and segment, brand and model share for the NAFTA operating segment in the countries in which it operates (United States, Canada and Mexico) 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. This terminal period was calculated by applying to the average 2014-2017 expected revenues, an EBITDA margin of the average of those estimated for 2014-2017; the EBITDA calculated in this way was then adjusted by a normalized amount of investments determined assuming a steady state business and by the expected monetary contributions to pension plans and post-employment benefit plans. As regards long-term growth rates, although it would have been reasonable to use a rate of between 2% and 3% in the market in which the NAFTA operating segment operates, a rate of zero was used.
- Pre-tax expected future cash flows have been estimated in US dollars, and discounted using a pre-tax discount rate appropriate for that currency, determined by using a base WACC of 16.0% (15.1% in 2012). 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 operating segment under consideration. The WACC was calculated using the Capital Asset Pricing Model ("CAPM") technique in which the risk free rate has been calculated by referring to the yield curve of long-term U.S. government bonds and the beta coefficient and the debt/equity ratio have been extrapolated by analyzing a group of comparable companies operating in the automotive sector. Additionally, to reflect the uncertainty of the current economic environment and future market conditions, the cost of equity component of the WACC was progressively increased by a 50 basis point risk premium for the years 2014 through 2016 and by 300 basis points in the terminal period.

The surplus between the value in use estimated as above and the book value of the net capital employed (inclusive of goodwill and brands allocated to the NAFTA operating segment) at December 31, 2013 amounts to approximately €560 million. A sensitivity analysis was performed by increasing the WACC determined as above by 0.5%, resulting in a surplus of approximately €200 million of the value in use over the carrying amount. Based on scenario and business plan assumptions used, additional sensitivity analysis have not been performed as the assumptions used for the business plan preparation ("Low Case") and those used in the valuation analysis for the base case (additional execution risks, nil long-term growth rate and average results projected in terminal value), already take into account what management consider to be a conservative scenario.

Impairment tests for other regions, where goodwill was allocated, were based on the expected future cash flows covering the period from 2014 through 2017. The assumptions used to determine the pre-tax WACCs and the risk premiums were consistent with those described above for the NAFTA region. Cash flows were measured in US dollars and base pre-tax WACCs of 14.9% (14.4% in 2012), 22.3% (17.2% in 2012) and 17.9% (16.4% in 2012) were used for the APAC, LATAM and EMEA regions respectively. For these regions, after an increase of 0.5% in WACCs, the recoverable amounts still exceed their carrying amounts.

For Luxury Brands, the CGU corresponds to Ferrari and the expected future cash flows are the operating cash flows taken from the estimates included in the 2014 budget and the expected business performance, taking account of the uncertainties of the global financial and economic situation, extrapolated for subsequent years by using the specific medium/long-term growth rate for the sector equal to 1% (2% in 2012). These cash flows were then discounted using a post-tax discount rate of 8.35% (8.05% in 2012). The recoverable amount of the CGU to which the Ferrari goodwill relates is significantly higher than its carrying amount; in addition, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that this carrying amount will continue to be recoverable, even in the event of difficult economic and market conditions.

### **CNH Industrial Group**

The vast majority of goodwill relates to the Agricultural and Construction Equipment segment, where the cash-generating units considered for the testing of the recoverability of the goodwill are generally the product lines.

To determine the recoverable amount of these cash-generating units multiple valuation methodologies are used, relying largely on an income approach but also incorporating value indicators from a market approach.

Under the income approach, the recoverable amount of a cash-generating unit used by CNH is calculated based on 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. The following discount rates before taxes as of December 31, 2013 and 2012 were selected by CNH:

	2013	2012
Agricultural equipment	17.4%	18.0%
Construction equipment	15.4%	13.7%
Financial services	20.2%	19.7%

Expected cash flows used under the income approach are developed in conjunction with the CNH budgeting and forecasting processes. CNH uses eight years of expected cash flows for the Agricultural Equipment and Construction Equipment cash-generating units and five 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, instead, CNH estimates the recoverable amount of the Agricultural 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 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 market, 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 2013 and 2012, respectively, and for Construction Equipment was 3% in 2013 and 2012, respectively. The terminal value growth rate for Financial Services was 1.5% in 2013 and 2012, respectively.

As of December 31, 2013, the estimated recoverable amount, calculated using the above method, of the Agricultural Equipment and Financial Services cash-generating units, substantially exceeded the respective carrying values. The Construction Equipment cash-generating unit's excess of recoverable amount over carrying value was approximately 7%. A 0.5% increase in the discount rate, holding all other assumptions constant, or a further decline in market demand for construction equipment, particularly in emerging markets and Europe, could result in an impairment loss in future reporting periods.

The results obtained for the Trucks and Commercial Vehicles segment and related sensitivity analyses also confirmed the absence of impairment losses to be recognized.

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.

### **C&W Group**

Goodwill recognized on the acquisition of C&W Group and other acquisitions by C&W Group is deemed representative of the aggregate of the expected future economic benefits from the investment not susceptible of separate identification.



Goodwill and other intangible assets with an indefinite useful life are not amortized, but are tested by C&W Group for impairment annually, at October 1st, or more frequently if events or changes in circumstances indicate that they might be impaired.

For the purpose of impairment testing, goodwill and trademarks are allocated to C&W Group's cash-generating units (CGU), which are identified as the geographic regions, as the geographic regions for C&W Group represent (1) the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets and (2) the lowest level within C&W Group at which these assets are monitored for internal management purposes.

The aggregate carrying amounts of goodwill and trademarks with indefinite lives allocated to each CGU at December 31, 2013 are as follows:

(€ million)	United States	Canada	Latin America	Mexico	EMEA	Asia	Total
Goodwill (Group's share + non-controlling interests)	186	40	16	3	151	45	441
Trademarks	95	17	6	1	57	9	185
<b>Total at December 31, 2013</b>	<b>281</b>	<b>57</b>	<b>22</b>	<b>4</b>	<b>208</b>	<b>54</b>	<b>626</b>
Goodwill (Group's share + non-controlling interests)	194	45	17	3	158	42	459
Trademarks	99	18	6	2	59	10	194
<b>Total at December 31, 2012</b>	<b>293</b>	<b>63</b>	<b>23</b>	<b>5</b>	<b>217</b>	<b>52</b>	<b>653</b>

The recoverable amount of a CGU to which goodwill and trademarks are allocated is the greater of its value in use and its fair value less costs to sell. In connection with the annual impairment assessment, the value in use exceeded the fair value less costs to sell for the CGUs Canada, Latin America, Mexico and Asia, with the exception of the U.S. and EMEA where the fair value less costs to sell was higher than the value in use.

As part of the annual assessment, the estimated value in use and fair value less costs to sell for each of the CGUs were determined with assistance from an independent appraisal firm.

#### *Assumptions applying to both value in use and fair value less costs to sell*

The region specific risk premiums were determined based on various country risk premiums that were weighted by revenue per country. The change in debt-free net working capital was determined based on the consolidated projected balance sheets, which was then allocated by CGU based on revenue.

The long-term growth rates were based on the long-term outlook for the CGUs relative to the industry and the respective economies as a whole.

In addition, the C&W Group's projected cash flow information used in the discounted cash flow method was developed through assumptions with respect to its expected future revenue and EBITDA margins, related cash taxes, capital expenditures and broker retention (value in use and fair value less costs to sell) and broker acquisition (fair value less costs to sell only).

#### *Value in use*

To determine the value in use for the 2013 annual impairment assessment, the discounted cash flow method required a number of key assumptions, including the projected cash flow information and the following for each of the CGUs:

	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA
<b>Specific CGU assumptions</b>						
Discount rate	12.5%	12.5%	14.5%	14.0%	13.5%	13.5%
Long-term growth rate	3.0%	3.0%	4.0%	3.0%	3.0%	4.0%
Region specific risk premium	0.0%	0.0%	2.2%	1.7%	0.8%	1.2%
<b>General assumptions</b>	Q4 2013	FY 2014	FY 2015	FY 2016	FY 2017	
Change in debt-free net working capital (as a % of revenue)	0.8%	-0.5%	-0.1%	0.4%	0.5%	
Terminal value model	Constant (Gordon Growth Formula)					

### *Discounted Cash Flow Method (DCF)*

Under the discounted cash flow method, cash flows were projected for each of the CGUs, as outlined above, along with an estimate of a terminal year value, all of which was discounted back to October 1, 2013, the Company's annual goodwill assessment date, based on the discount rate assumption. The fourth quarter 2013 revenue and EBITDA assumptions were based upon the Company's most recent forecast available as of the assessment date (the "October" full-year 2013 forecast), while the 2014 – 2017 revenue, EBITDA, cash taxes, capital expenditure and broker acquisition/retention cash flow assumptions were developed in connection with the Company's Strategic Plan that was prepared in 2012.

The discounted cash flow method utilized was substantially the same as that used in 2012.

### *Fair value less costs to sell*

The valuation methodology to determine the fair value less costs to sell of each CGU is based on a weighting of the indicated total invested capital ("TIC") amounts as determined under both the income approach (discounted cash flow method) and the market approach methods.

To determine the estimated fair value less costs to sell for the 2013 annual impairment assessment, both the discounted cash flow and the market approach methods required a number of key assumptions, including the projected cash flow information and the following for each of the CGUs:

	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA
<b>Specific CGU assumptions</b>						
Discount rate	12.5%	12.5%	15.5%	14.0%	13.5%	13.5%
Entity specific risk premium	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%
Region specific risk premium	0.0%	0.0%	2.2%	1.7%	0.8%	1.2%
Long-term growth rate	3.0%	3.0%	4.0%	3.0%	3.0%	4.0%
Adjusted 2013 EBITDA multiple	8.0x	8.5x	8.1x	7.3x	7.2x	8.5x
Adjusted 2014 EBITDA multiple	6.5x	7.0x	6.8x	6.0x	6.3x	8.0x
<b>General assumptions</b>						
Terminal value model	Fading					
Competitive advantage period (years)	3					
Control premium	15.0%					
Equity risk premium	6.0%					
Cost to sell	2.0%					
	Q4 2013	FY 2014	FY 2015	FY 2016	FY 2017	
Change in debt-free net working capital (as a % of revenue)	0.8%	-0.5%	-0.1%	0.4%	0.5%	

The discount rates were established through the assessment of a number of inputs, including the expected return on equity, entity and region specific risk premiums, regional cost of debt, the region specific tax rates and debt to equity ratios.

The terminal value was estimated using a derivation of the fading growth model, which more appropriately measures value during the period over which it is estimated that earnings growth will reduce to the stable long-term growth rate.

The EBITDA multiples for 2013 and 2014 were determined through an assessment of our guideline company multiples and taking into account local country adjustments. The control premium, equity risk premium and the cost to sell assumptions were all determined based on recent activity and trends in the market.

### *Market Approach Market*

Under the market approach, the multiple and EBITDA assumptions were used to calculate a fair value for each CGU for each of the years 2013 and 2014, and then those fair values were weighted to calculate an indicated TIC value for each CGU. The multiple assumptions in these calculations were derived from data publicly available relating to our guideline companies, including information relating to their revenue and EBITDA historical performance as well that expected in 2013 and 2014.

### Recoverable amount

C&W Group performed the annual assessment as of October 1, 2013, and, based on that assessment, no impairment charge was required in our consolidated statement of operations for the year ended December 31, 2013.

\$ million	SOUTH				ASIA		TOTAL
	USA	CANADA	AMERICA	MEXICO	EUROPE	PACIFIC	
<b>At 12/31/2013</b>							
Recoverable amount (A)	600.0	70.0	75.0	35.0	295.0	115.0	1,190.0
Book value of equity (B)	405.3	39.8	32.3	3.2	283.6	73.3	837.5
Difference (A) - (B) in \$ million	194.7	30.2	42.7	31.8	11.4	41.7	352.5
Difference (A) - (B) in € million	146.6	22.7	32.2	23.9	8.6	31.4	265.4

C&W Group's key assumptions used to determine the value in use and fair value less costs to sell represent Management's best assessment of future trends in the real estate industry and are based on both external sources and internal sources, including historical data.

The estimated values in use and fair values less costs to sell are particularly sensitive to changes in the discount rate and the projected cash flow information assumptions. However, C&W Group believes that any reasonably possible change in the key assumptions on which the recoverable amount of each of the CGUs is based would not cause the CGU'S carrying amount to exceed its recoverable amount.

### Brands, trademarks and other intangible assets with indefinite useful lives

Details of brands, trademarks and other intangible assets with indefinite useful lives are the following:

€ million	12/31/2013	12/31/2012	Change
Fiat Group	2,600	2,717	(117)
CNH Industrial Group	169	176	(7)
C&W Group	185	193	(8)
Juventus F.C.	30	30	0
<b>Total Brands, trademarks and other intangible assets with indefinite useful lives</b>	<b>2,984</b>	3,116	(132)

With regard to the **Fiat Group**, brands arise almost exclusively from the NAFTA region. The amount of €2,600 million at December 31, 2013 (€2,717 million at December 31, 2012) mainly comprises the net carrying amount of the brands Chrysler, Jeep, Dodge, Ram and Mopar. 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 were classified as intangible assets with indefinite useful lives, and are therefore not amortized.

The carrying amount of brands is tested annually and the Fiat Group recognizes an impairment loss if the carrying amount exceeds the recoverable amount. The principal assumptions used in the calculation of the value in use of the NAFTA cash-generating unit are presented above.

With regard to the **CNH Industrial Group**, trademarks and other intangible assets with indefinite useful lives are mainly attributable to CNH 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.

With regard to **C&W Group**, "Brands, trademarks and other intangible assets with indefinite useful lives" include the amount allocated on acquisition of C&W Group (March 2007) to the "Cushman & Wakefield" trademark, widely recognized by the market, for €185 million at December 31, 2013. C&W Group intends to continuously renew the trademark since it is deemed to have an indefinite useful life because it is expected to contribute to cash flows indefinitely and, therefore, is not amortized but tested annually for impairment.

## 15. Other intangible assets

In 2013, changes in the other intangible assets are as follows:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	Total
<b>Balance at December 31, 2012</b>						
Original cost	5,971	7,367	2,813	1,391	283	17,825
Accumulated amortization and impairment	(2,829)	(3,808)	(1,427)	(951)	(142)	(9,157)
<b>Net carrying amount</b>	<b>3,142</b>	<b>3,559</b>	<b>1,386</b>	<b>440</b>	<b>141</b>	<b>8,668</b>
<b>Changes during the year (original cost)</b>						
Additions	1,675	938	238	143	72	3,066
Disposals	(5)	(317)	(19)	(35)	(66)	(442)
Change in the scope of consolidation	201	(3)	1	41	0	240
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	(126)	(234)	(28)	(113)	0	(501)
<b>Total</b>	<b>1,745</b>	<b>384</b>	<b>192</b>	<b>36</b>	<b>6</b>	<b>2,363</b>
<b>Changes during the year (accumulated amortization and impairment)</b>						
Amortization	(557)	(569)	(253)	(106)	(49)	(1,534)
Impairment losses	(120)	(130)	0	0	0	(250)
Disposals	1	298	18	30	36	383
Change in the scope of consolidation	(142)	0	0	(11)	0	(153)
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	13	121	(9)	78	0	203
<b>Total</b>	<b>(805)</b>	<b>(280)</b>	<b>(244)</b>	<b>(9)</b>	<b>(13)</b>	<b>(1,351)</b>
<b>Balance at December 31, 2013</b>						
Original cost	7,716	7,751	3,005	1,427	289	20,188
Accumulated amortization and impairment	(3,634)	(4,088)	(1,671)	(960)	(155)	(10,508)
<b>Net carrying amount</b>	<b>4,082</b>	<b>3,663</b>	<b>1,334</b>	<b>467</b>	<b>134</b>	<b>9,680</b>

In 2013, new development costs were capitalized for €2,613 million, of which €2,042 million from the Fiat 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 in NAFTA and EMEA region.

In 2013, the Fiat Group, to reflect the new product strategy the Group wrote-down certain Development costs by €250 million (€57 million in 2012). This amount mainly includes €151 million for the EMEA region, €32 million for the LATAM region and €65 million for Maserati in connection with development costs on new Alfa Romeo, Fiat and Maserati products, which have now been switched to new platforms considered technologically more appropriate. These write-downs of Development costs have been recognized as other unusual expenses for €226 million. In 2012, the write-down was recognized within Trading profit (loss), as this was not related to strategic factors.

The change in the scope of consolidation of €87 million mainly includes the effects of the consolidation of the VM Motori group in the Fiat Group.

Foreign exchange losses of €217 million in 2013 principally reflect the depreciation of the US dollar and Brazilian real against the Euro, partially offset by the appreciation of the Polish zloty against the Euro.

The amortization of development costs are reported in the income statement as research and development costs.

The next note presents an in-depth analysis of the recoverable amount of non-current assets of the EMEA region of the Fiat Group.

In 2012, changes in other intangible assets were as follows:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	Total
<b>Balance at December 31, 2011</b>						
Original cost	4,491	6,483	2,671	1,328	268	15,241
Accumulated amortization and impairment	(2,612)	(3,364)	(1,224)	(887)	(135)	(8,222)
<b>Net carrying amount</b>	<b>1,879</b>	<b>3,119</b>	<b>1,447</b>	<b>441</b>	<b>133</b>	<b>7,019</b>
<b>Changes during the year (original cost)</b>						
Additions	1,646	1,026	208	134	77	3,091
Disposals	(4)	(66)	(35)	(41)	(57)	(203)
Change in the scope of consolidation	(58)	(37)	0	0	0	(95)
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	(104)	(39)	(31)	(30)	(5)	(209)
<b>Total</b>	<b>1,480</b>	<b>884</b>	<b>142</b>	<b>63</b>	<b>15</b>	<b>2,584</b>
<b>Changes during the year (accumulated amortization and impairment)</b>						
Amortization	(300)	(519)	(253)	(114)	(48)	(1,234)
Impairment losses	(19)	(38)	0	(1)	0	(58)
Disposals	0	52	34	35	41	162
Change in the scope of consolidation	57	38	0	0	0	95
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	45	23	16	16	0	100
<b>Total</b>	<b>(217)</b>	<b>(444)</b>	<b>(203)</b>	<b>(64)</b>	<b>(7)</b>	<b>(935)</b>
<b>Balance at December 31, 2012</b>						
Original cost	5,971	7,367	2,813	1,391	283	17,825
Accumulated amortization and impairment	(2,829)	(3,808)	(1,427)	(951)	(142)	(9,157)
<b>Net carrying amount</b>	<b>3,142</b>	<b>3,559</b>	<b>1,386</b>	<b>440</b>	<b>141</b>	<b>8,668</b>

In 2012, new development costs were capitalized for €2,672 million.

In 2012, the Group wrote down certain development costs by €57 million. In 2013, the writedown has been totally recognized as Trading profit (loss).

Foreign exchange losses of €114 million in 2012 principally reflect the depreciation of the US dollar and Brazilian real against the Euro, partially offset by the appreciation of the Polish zloty against the Euro.

## 16. Property, plant and equipment

In 2013, changes in property, plant and equipment are as follows:

€ 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
<b>Balance at December 31, 2012</b>							
Original cost	957	8,701	40,628	1,561	2,702	3,520	58,069
Accumulated depreciation and impairment	(10)	(3,382)	(25,925)	(335)	(1,549)	(10)	(31,211)
<b>Net carrying amount</b>	<b>947</b>	<b>5,319</b>	<b>14,703</b>	<b>1,226</b>	<b>1,153</b>	<b>3,510</b>	<b>26,858</b>
<b>Changes during the year (original cost)</b>							
Additions	5	661	2,812	599	170	2,335	6,582
Disposals	(5)	(37)	(1,143)	0	(98)	(6)	(1,289)
Change in the scope of consolidation	3	16	240	0	5	4	268
Translation differences and other changes	(63)	(356)	(1,494)	(5)	(121)	(190)	(2,229)
Reclassified to/from assets held for sale	(2)	(30)	(64)	0	(2)	0	(98)
Other changes	235	429	2,612	(262)	225	(3,010)	229
<b>Total</b>	<b>173</b>	<b>683</b>	<b>2,963</b>	<b>332</b>	<b>179</b>	<b>(867)</b>	<b>3,463</b>
<b>Changes during the year (accumulated depreciation and impairment)</b>							
Depreciation	0	(335)	(3,323)	(206)	(230)	0	(4,094)
Impairment losses	0	0	(84)	(28)	0	0	(112)
Disposals	0	21	1,093	0	81	0	1,195
Change in the scope of consolidation	0	0	(148)	0	(4)	0	(152)
Translation differences and other changes	0	106	775	1	61	0	943
Reclassified to/from assets held for sale	1	25	49	0	2	0	77
Other changes	0	12	(119)	125	(70)	(1)	(53)
<b>Total</b>	<b>1</b>	<b>(171)</b>	<b>(1,757)</b>	<b>(108)</b>	<b>(160)</b>	<b>(1)</b>	<b>(2,196)</b>
<b>Balance at December 31, 2013</b>							
Original cost	1,130	9,384	43,591	1,893	2,881	2,653	61,532
Accumulated depreciation and impairment	(9)	(3,553)	(27,682)	(443)	(1,709)	(11)	(33,407)
<b>Net carrying amount</b>	<b>1,121</b>	<b>5,831</b>	<b>15,909</b>	<b>1,450</b>	<b>1,172</b>	<b>2,642</b>	<b>28,125</b>
<i>of which leased under finance leases</i>	<i>5</i>	<i>140</i>	<i>337</i>		<i>1</i>		<i>483</i>

Additions of €6,582 million in 2013 mainly refer to the car-mass market operations of the Fiat Group for €5,110 million, as well as, to the ongoing construction of the new LATAM plant in Pernambuco, and for €1,444 million to the Agricultural and Construction Equipment and Trucks and Commercial Vehicles segments of the CNH Industrial Group.

In 2013 the impairment losses of €84 million refer to the Fiat Group and €28 million to the CNH Industrial Group. Impairment losses for €30 million of the Fiat Group relate to assets in the cast iron business unit of the Components segment as a result of an expected reduction in these activities compared to the previous expectations, due to the increasing use of aluminum in the production of the automotive engine blocks rather than cast iron and €54 million refers to the streamlining of architectures and models associated with the EMEA region's refocused product strategy. These impairments, which are due to a structural change in the market, were fully recognized in unusual expenses.

The change in the scope of consolidation mainly reflects the consolidation of the VM Motori group by the Fiat Group from July 1, 2013.

In 2013, exchange losses of €1,286 million mainly reflect the changes of the US dollar and the Brazilian real against the Euro.

In 2013, other changes primarily consisted of the reclassification of prior year balances for advances and tangible assets 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. With reference to land, other changes also includes €214 million which is the fair value of the land donated to the Fiat Group by the State of Pernambuco (Brazil) at the end of the year following the Group commitment to implement an industrial unit designed to produce, assemble and sell vehicles.

In 2012, changes in property, plant and equipment were as follows:

€ 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
<b>Balance at December 31, 2011</b>							
Original cost	943	8,218	38,140	1,321	2,707	2,861	54,190
Accumulated depreciation and impairment	(10)	(3,126)	(24,096)	(290)	(1,501)	(10)	(29,033)
<b>Net carrying amount</b>	<b>933</b>	<b>5,092</b>	<b>14,044</b>	<b>1,031</b>	<b>1,206</b>	<b>2,851</b>	<b>25,157</b>
<b>Changes during the year (original cost)</b>							
Additions	28	263	1,548	542	188	3,908	6,477
Disposals	(9)	(82)	(1,115)	(56)	(134)	(10)	(1,406)
Change in the scope of consolidation	0	1	(70)	0	1	0	(68)
Translation differences and other changes	(10)	(95)	(468)	0	(27)	(110)	(710)
Reclassified to/from assets held for sale	0	12	0	0	0	0	12
Other changes	5	384	2,593	(246)	(33)	(3,129)	(426)
<b>Total</b>	<b>14</b>	<b>483</b>	<b>2,488</b>	<b>240</b>	<b>(5)</b>	<b>659</b>	<b>3,879</b>
<b>Changes during the year (accumulated depreciation and impairment)</b>							
Depreciation	0	(332)	(3,153)	(169)	(227)	0	(3,881)
Impairment losses	0	(2)	(51)	(15)	0	(1)	(69)
Disposals	0	46	1,075	39	111	1	1,272
Change in the scope of consolidation	0	(1)	61	0	0	(1)	59
Translation differences and other changes	0	29	235	5	18	0	287
Reclassified to/from assets held for sale	0	(7)	0	0	0	0	(7)
Other changes	0	11	4	95	50	1	161
<b>Total</b>	<b>0</b>	<b>(256)</b>	<b>(1,829)</b>	<b>(45)</b>	<b>(48)</b>	<b>0</b>	<b>(2,178)</b>
<b>Balance at December 31, 2012</b>							
Original cost	957	8,701	40,628	1,561	2,702	3,520	58,069
Accumulated depreciation and impairment	(10)	(3,382)	(25,925)	(335)	(1,549)	(10)	(31,211)
<b>Net carrying amount</b>	<b>947</b>	<b>5,319</b>	<b>14,703</b>	<b>1,226</b>	<b>1,153</b>	<b>3,510</b>	<b>26,858</b>
<i>of which leased under finance leases</i>	<i>5</i>	<i>64</i>	<i>297</i>		<i>1</i>		<i>367</i>

As a result of an analysis of the classification of the Fiat Group's assets arising from the data conversion connected to the implementation of a new accounting information system for certain subsidiaries of the Fiat Group, the 2011 and 2012 amounts presented in this analysis for comparative purposes have been reclassified to ensure comparability and consistency. A group of equipment previously classified within the item other tangible assets is now classified as plant, machinery and equipment. This reclassification had no effect on the results, net assets and total of property, plant and equipment reported in the statement of financial position.

In 2012, additions of €6,477 million mainly referred to the car mass-market operations of the Fiat Group and €5,149 million to the Agricultural and Construction Equipment segment and €1,280 million to the Trucks and Commercial Vehicles segment of the CNH Industrial Group.

In 2012, exchange losses of €423 million mainly reflect the depreciation of the US dollar and the Brazilian real against the Euro, partially offset by the appreciation of the Polish zloty against the Euro.

In 2012, other changes mainly consisted of the reclassification of the prior year balances for advances and tangible assets in progress to the appropriate categories when the assets were effectively 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, 2013, property, plant and equipment of the Fiat Group excluding Chrysler reported as pledged as collateral for loans, is mainly related to assets that are legally owned by suppliers but are recognized in the consolidated financial statements in accordance with IFRIC 4 with the corresponding recognition of a financial lease payable.

They are as follows:

€ million	12/31/2013	12/31/2012
Land and industrial buildings pledged as security for debt	102	31
Plant and machinery pledged as security for debt and other commitments	294	259
Other assets pledged as security for debt and other commitments	5	6
<b>Property plant and equipment pledged as security for debt</b>	<b>401</b>	<b>296</b>

The amount of property, plant and equipment of Chrysler at December 31, 2013 is €11,975 million (€12,069 million at December 31, 2012). Substantially all the property, plant and equipment of Chrysler Group LLC and its US subsidiary guarantors are unconditionally pledged as securities for certain debts of Chrysler.

At December 31, 2013, land and industrial buildings of the CNH Industrial Group pledged as security for debt amounted to €73 million (€67 million at December 31, 2012); plant and machinery pledged as security for debt and other commitments amounted to €75 million (€72 million at December 31, 2012) and other assets pledged as security for debt and other commitments amounted to zero (€1 million at December 31, 2012); these relate to suppliers' assets recognized in the consolidated financial statements in accordance with IFRIC 4, with the simultaneous recognition of a financial lease payable.

Moreover, at December 31, 2013 real estate mortgaged for a loan from the Istituto per il Credito Sportivo for the construction of the new stadium amounts to a maximum value of €120 million.

At December 31, 2013, the Group had contractual commitments for the acquisition of property, plant and equipment amounting to €1,789 million (€1,158 million at December 31, 2012).

#### Recoverability of non-current assets of the Fiat 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 held for sale 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 of disposal 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 Chrysler acquisition and Intangible assets with an indefinite useful life, reference should be made to Note 14.

For other CGUs, the same analysis is performed when events and circumstances indicate that an asset may be impaired. At December 31, 2012 and 2013, due to the continued decline in car demand on the European market (primarily in Italy) and to the streamlining of architectures and related production platforms associated with the region's refocused product strategy, 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 plants, 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 €151 million and on other tangible assets of €55 million (€108 million in 2012 mainly related to Development costs and other tangible assets). These impairment losses were recognized under other unusual expenses (€93 million) and under operating costs (€10 million). 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 €30 million and an impairment of Development costs of €65 million, respectively.

Secondly, following the above mentioned decline in demand, at December 31, 2012 and 2013, the Group deemed necessary to test the recoverable amount of the net capital employed pertaining to the EMEA operating segment as a whole, by determining its value in use with the following assumptions:

- reference scenario was based on 2014 budget, the expected trading conditions and the automotive market trends for the 2015-2019 period, based on analysis and studies carried out by primary independent analysts (*IHS-Global Insight*), in line with the announced strategic decision to leverage historical premium brand heritage (Alfa Romeo) and the success of the new 500 family;

- the six year period has been deemed necessary to take into account the full cycle of new vehicles introduced reflecting the benefits arising from the capital expenditure devoted to the product portfolio enrichment and renewal, largely concentrated in 2015-2016;
- the expected future cash flows, represented by the projected trading profit plus depreciation and amortization and reduced by expected capital expenditure, include a normalized terminal value used to estimate the future results beyond the time period explicitly considered. This terminal value was assumed substantially in line with 2017-2019 amounts. The long-term growth rate was set at zero;
- the expected future cash flows have been discounted using a pre-tax Weighted Average Cost of Capital ("WACC") of 12.20% (13.14% in 2012). This WACC reflects the current market assessment of the time value of money for the period being considered and the risks specific to the EMEA region. The WACC was calculated by referring among others to the yield curve of 10 years European government bonds and to Fiat cost of debt.

The recoverable amount of the net assets of the EMEA operating segment was higher than the corresponding book value. In addition, sensitivity analysis were performed by simulating two different scenarios: a) WACC was increased by 1% for 2017, 2% for 2018 and 3% for 2019 and for Terminal Value; b) cash-flows were reduced by estimating the impact of a 5% decrease in the European car market demand for 2015, 7.5% for 2016 and 10% for 2017-2019 as compared to the base assumptions. In all cases the recoverable amount of the net assets continued to be higher than their book value.

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 car 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. More specifically, considering the uncertainty, a future worsening in the economic environment in the Eurozone that is not reflected in these Group assumptions, could result in actual performance that differs from the original estimates, and might therefore require adjustments to the carrying amounts of certain non-current assets in future periods.

## 17. Investments and other financial assets

Details are as follows:

€ million	12/31/2013	12/31/2012	Change
Investments in jointly controlled entities	1,790	1,777	13
Investments in associates	454	295	159
Investments in subsidiaries	31	33	(2)
<i>Investments accounted for using the equity method</i>	<b>2,275</b>	<b>2,105</b>	170
Investments at fair value with changes directly in Other comprehensive income	385	2,249	(1,864)
<i>Investments at fair value</i>	<b>385</b>	<b>2,249</b>	(1,864)
Investments in jointly controlled entities	22	23	(1)
Investments in associates	4	7	(3)
Investments in subsidiaries	8	8	0
<i>Investments at cost</i>	<b>34</b>	38	(4)
<b>Total Investments</b>	<b>2,694</b>	<b>4,392</b>	(1,698)
Non-current financial receivables	324	344	(20)
Other securities	629	664	(35)
<b>Total Investments and other financial assets</b>	<b>3,647</b>	<b>5,400</b>	(1,753)

## Investments

Changes in Investments in 2013 are set out below:

€million	12/31/2012	Revaluations (Impairment losses)	Fair value changes included in other comprehensi ve income (losses)	Transfer of fair value to income statement	Acquisitions and capitalizations	Disposals	Change in the scope of consolidation	Translation differences	Other changes	12/31/2013
Investments accounted for using the equity method	2,105	227	0	0	286	0	(35)	(128)	(180)	2,275
Investments at fair value	2,249	0	93	(1,576)	98	(477)	0	0	(2)	385
Investments at cost	38	(6)	0	0	9	0	(5)	(1)	(1)	34
<b>Total Investments</b>	<b>4,392</b>	<b>221</b>	<b>93</b>	<b>(1,576)</b>	<b>393</b>	<b>(477)</b>	<b>(40)</b>	<b>(129)</b>	<b>(183)</b>	<b>2,694</b>

The Revaluations/(Impairment losses) of €221 million include the share of the profit or loss of investees accounted for using the equity method and the impairment losses recognized during the year on investments measured at cost.

The fair value changes recognized in equity show a gain of €93 million and include the positive fair value adjustment of the investment in SGS of €76 million up to the date of sale and the net positive fair value adjustment relating to other investments of €17 million.

The transfer of fair value to the income statement refers to the reclassification to profit or loss of the fair value reserve previously recorded in equity at the date of finalizing the sale of the investment in SGS.

Acquisitions and capitalizations of €98 million mainly include purchases of investments in the Holdings System and the subscription to the Almacantar capital increase for €58 million, in addition to other acquisitions and capitalizations by the Fiat Group for €212 million and CNH Industrial Group for €25 million.

Disposals include the sale of the investment in SGS for €470 million as well as the disposal of minor investments for €7 million.

Other changes consisting of a net decrease of €183 million relate to the payment of dividends by companies accounted for using the equity method of the Fiat Group for €87 million (of which €72 million was received from Tofas Turk Otomobil Fabrikasi A.S. and €15 million from FGA Capital) and of the CNH Industrial Group for €66 million, negative changes in the cash flow hedge reserve of €14 million and other net negative changes of €16 million.

The investments accounted for using the equity method are as follows:

€ million		12/31/2013		12/31/2012
<b>Investments accounted for using the equity method:</b>				
<b>Jointly-controlled entities</b>				
FGA Capital S.p.A.	50.00%	839	50.00%	770
Tofas - Turk Otomobil Fabrikasi A.S.	37.90%	240	37.90%	329
Società Europea Veicoli leggeri - Sevel S.p.A.	50.00%	104	50.00%	102
GAC Fiat Automobiles Co. Ltd	50.00%	85	50.00%	90
Fiat India Automobiles Limited	50.00%	76	50.00%	35
Naveco (Nanjing Iveco Motor Co.) Ltd.	50.00%	172	50.00%	169
Turk Traktor Ve Ziraat Makineleri A.S.	37.50%	91	37.50%	104
New Holland HFFT Japan Inc.	50.00%	46	50.00%	35
CNH de Mexico SA de CV	50.00%	22	50.00%	22
SAIC Iveco Investment Company Limited	50.00%	44	50.00%	19
VM Motori S.p.A.		0		37
Other		71		65
<b>Total Joint-controlled entities</b>		<b>1,790</b>		<b>1,777</b>
<b>Associates</b>				
RCS MediaGroup S.p.A.	16.40%	87	10.10%	21
CNH Capital Europe S.a.s.	49.90%	78	49.90%	73
Al-Ghazi Tractors Ltd	43.20%	23	43.20%	24
Almacantar Group	38.29%	225	36.29%	133
Otehr		41		44
<b>Total Associates</b>		<b>454</b>		<b>295</b>
<b>Subsidiaries</b>		<b>31</b>		<b>33</b>
<b>Total Investments accounted for using the equity method</b>		<b>2,275</b>		<b>2,105</b>

On July 30, 2013 the Fiat Group, Crédit Agricole and Crédit Agricole Consumer Finance reached an agreement to extend the 50/50 joint venture in FGA Capital S.p.A. up to December 31, 2021.

Tofas-Turk Otomobil Fabrikasi A.S., which is a listed company, is classified as a jointly-controlled company as both partners have a shareholding of 37.9%

The key data for 2013 referring to the investment in the Almacantar Group are as follows:

	12/31/2013	12/31/2013
	£ million	€ million
Net property income	17.2	20
Profit attributable to owners of the parent	83.3	98
Of which EXOR's share	31.9	38
Net debt	(165.2)	(195)

With reference to the interest in RCS MediaGroup S.p.A. ("RCS"), as a result of the subscriptions to the share capital in 2013 Fiat increased its ownership to 16.4% of the whole capital (representing a 20.55% of ordinary shares) with a €94 million cash investment. In order to account for this investment, reference was made to the company's most recent published financial statements, being the "Interim Management Statements at September 30, 2013" since the company publishes its annual financial statements after the publication of the consolidated financial statements of the Fiat Group.

At December 31, 2013, the stock market price of equity investments in listed entities is as follows:

€ million	at 12/31/2013	
	Book value	Market value
Tofas - Turk Otomobil Fabrikasi A.S.	240	875
Turk Traktor Ve Ziraat Makineleri A.S.	91	416
Rizzoli Corriere della Sera MediaGroup S.p.A.	87	115
<b>Total listed entities</b>	<b>418</b>	<b>1,406</b>

Investments measured at fair value are as follows:

€ million	12/31/2013	12/31/2012
<b>Investments at fair value with changes in Other comprehensive income (losses)</b>		
Gruppo Banca Leonardo S.p.A.	76	75
Sequana S.A.	25	39
Banijay Holding S.A.S.	37	38
The Economist Group	37	36
Fin. Priv. S.r.l.	14	10
Assicurazioni Generali S.p.A.	3	2
SGS S.A.	0	1,969
Other	193	80
<b>Total Investments at fair value with changes in Other comprehensive income (losses)</b>	<b>385</b>	<b>2,249</b>

The decrease in the investment in Sequana comes mainly from the negative fair value adjustment totaling €11 million on the basis of the trading price at December 31, 2013 (€5.7 per share). During the year 337,844 shares (approximately 1.4% of capital) were also sold for a total equivalent amount of €2 million and a net loss recorded of €1 million. At December 31, 2013 the negative adjustment to fair value recognized in other comprehensive income (losses) amounts to €20 million.

The reduction in the investment in SGS is due to the sale of the entire stake held (1,173,400 shares, equal to 15% of share capital) to Serena S.à.r.l.; the agreement was finalized on June 10, 2013. The agreed per share price was CHF 2,128 for an equivalent amount of €2,004 million; the net gain at consolidated level was €1,534 million generated by the reclassification to the income statement of the available-for-sale financial assets fair value reserve of €1,575 million, net of the negative difference of €41 million between the fair value of the investment determined at the date of finalizing the transaction on the basis of the investment's market price (€2,045 million) and the sales price agreed between the parties (€2,004 million).

The investment in SGS, which at December 31, 2012 included the original purchase cost of €470 million and the positive adjustment to fair value recorded in other comprehensive income (losses) of €1,500 million, was further increased by €76 million to bring the investment value in line with the trading price at May 31, 2013 (the date preceding the sale) equal to CHF 2,162 per share (€1,742.7 per share at the EUR-CHF exchange rate of 1.2406). The fair value reserve recorded in equity at May 31, 2013 thus amounted to €1,575 million and, when the transaction was finalized, it was reclassified to the income statement as established by IAS 39.

#### *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 standby letters of credit and other agreements.

#### *Other securities*

Other securities amount to €629 million (€664 million at December 31, 2012) and mainly comprise:

- for €382 million (€323 million at December 31, 2012), the value of the Irish-registered fund The Black Ant Value Fund, which principally invests in equity and credit instruments.
- for €83 million, the value of bonds issued by leading counterparties listed on open and regulated markets with the intention of holding them until their natural repayment date. Such bonds are recognized and measured at amortized cost;
- for €46 million, the value of the investment in Perella Weinberg Funds (€83 million at December 31, 2012);
- for €12 million, the value of the investment in the RHO Immobiliare Fund (unchanged compared to December 31, 2012).

At December 31, 2012 this item included €57 million relating to the amount paid for the contractual rights arising from the acquisition of the Equity Recapture Agreement and the Veba Call Option by the Fiat Group.

As established in the agreements and taking into account the positive performance of The Black Ant Value Fund in 2012, during the first quarter of 2013, 150,000 shares were redeemed for an equivalent amount of €16 million, with a gain of €1 million. This decrease was more than compensated by the positive fair value alignment of €74 million at December 31, 2013 (with recognition in other comprehensive income losses).

The net decrease in the Perella Weinberg Funds, equal to €37 million, was due principally to the redemptions of the NoCo B and Perella Weinberg Real Estate I funds, respectively for \$51 million (€39 million) and €2 million, purchases during the period of €2 million and the positive adjustment to fair value of €2 million. The net gain realized is equal to €17 million.

Considering the agreement with the VEBA Trust to purchase the remaining minority equity stake in Chrysler, which closed on January 21, 2014, the equivalent amount at December 31, 2013 of the \$75 million amount paid for these rights (€56 million) was written-off and recognized within the unusual charges.

## 18. Leased assets

Changes in leased assets in 2013 and 2012 are as follows:

€ million	12/31/2012	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2013
Gross carrying amount	816	485	0	(52)	(274)	975
Depreciation and impairment	(192)	0	(106)	9	83	(206)
<b>Net carrying amount of Leased assets 2013</b>	<b>624</b>	<b>485</b>	<b>(106)</b>	<b>(43)</b>	<b>(191)</b>	<b>769</b>

€ million	12/31/2011	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2012
Gross carrying amount	803	381	0	(6)	(362)	816
Depreciation and impairment	(200)	0	(112)	1	119	(192)
<b>Net carrying amount of Leased assets 2012</b>	<b>603</b>	<b>381</b>	<b>(112)</b>	<b>(5)</b>	<b>(243)</b>	<b>624</b>

The Fiat Group and the CNH Industrial Group lease out assets, mainly their own products, as part of the financial services businesses of the Iveco and CNH sectors. Such assets are depreciated at rates of between 20% and 33%.

## 19. Inventories

Inventories are composed of the following:

€ million	12/31/2013	12/31/2012	Change
Raw materials, supplies and finished goods	14,215	12,809	1,406
Assets sold with a buy-back commitment and leases	1,342	1,122	220
Gross amount due from customers for contract work	135	202	(67)
<b>Total Inventories</b>	<b>15,692</b>	<b>14,133</b>	<b>1,559</b>

Inventories of the Fiat Group amount to €10,230 million (€9,295 million at December 31, 2012) and inventories of the CNH Industrial Group total €5,464 million (€4,843 million at December 31, 2012), net of intercompany eliminations of €2 million (€5 million in 2012).

At December 31, 2013, inventories include those measured at net realizable value (estimated selling price less the estimated costs of completion and the estimated costs necessary to realize the sale) amounting to €2,620 million (€2,397 million at December 31, 2012).

The amount of inventories of Chrysler at December 31, 2013 is €4,958 million (€4,200 million at December 31, 2012). Substantially all of the inventories of Chrysler and its U.S. subsidiary guarantors are unconditionally pledged as securities for certain debts of Chrysler (see Note 33).

The amount of inventory writedowns recognized as an expense during 2013 is €614 million (€695 million in 2012). Amounts recognized as income from the reversal of writedowns on items sold during the year were not significant.

Construction contracts, net of advances, are as follows:

€ million	12/31/2013	12/31/2012	Change
Gross amount due from customers for contract work, as an asset	135	202	(67)
Less: Amount due to customers for contract work, as a liability	(209)	(174)	(35)
<b>Construction contracts, net of advances on contract work</b>	<b>(74)</b>	<b>28</b>	<b>(102)</b>

## 20. Trade receivables

Details by segment are as follows:

€ million	Fiat	CNH Industrial	C&W Group	Juventus F.C.	Eliminations and Adjustments	Consolidated
<b>Trade receivables at December 31, 2013</b>	2,406	988	262	31	(69)	<b>3,618</b>
<b>Trade receivables at December 31, 2012</b>	2,702	1,436	259	28	(122)	<b>4,303</b>
Change	(296)	(448)	3	3	53	(685)

The analysis of trade receivables by due date is as follows:

€ million	12/31/2013	12/31/2012	Change
Due within one year	3,546	4,248	(702)
Due between one and five years	69	55	14
Due beyond five years	3	0	3
<b>Total Trade receivables</b>	<b>3,618</b>	<b>4,303</b>	<b>(685)</b>

Trade receivables are shown net of allowances for doubtful accounts of €534 million at December 31, 2013 (€526 million at December 31, 2012), determined on the basis of historical losses on receivables. Changes in the allowance accounts during 2013 are as follows:

€ million	12/31/2012	Provision	Use and other changes	12/31/2013
<b>Allowances for doubtful accounts</b>	<b>526</b>	88	(80)	<b>534</b>

The amount of trade receivables of Chrysler at December 31, 2013 is €847 million (€909 million at December 31, 2012). Substantially all the trade receivables of Chrysler and its U.S. subsidiary guarantors are unconditionally pledged as securities for certain debts of Chrysler (see Note 33).

## 21. Receivables from financing activities

At December 31, 2013 receivables from financing activities amount to €19,594 million (€18,938 million at December 31, 2012) and include the following:

€ million	12/31/2013	12/31/2012	Change
Dealer financing	8,880	8,193	687
Retail financing	9,093	8,743	350
Finance leases	1,410	1,644	(234)
Other	211	358	(147)
<b>Total Receivables from financing activities</b>	<b>19,594</b>	<b>18,938</b>	<b>656</b>

Receivables from financing activities are shown net of an allowance for doubtful accounts determined on the basis of specific insolvency risks. At December 31, 2013 the allowance amounts to €646 million (€692 million at December 31, 2012).

Changes in the allowance accounts during the year considered are as follows:

€ million	12/31/2012	Provision	Use and other changes	12/31/2013
<b>Total allowance on Receivables from financing activities</b>	<b>692</b>	137	(183)	<b>646</b>

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 sector to sector and from country to country, although payment terms range from two to six months.

Receivables for retail financing by the CNH Industrial Group amount to €8,123 million and by the Fiat Group €970 million.

Finance lease receivables refer to vehicles leased out under finance lease arrangements, mainly by the Fiat Group (Performance and Luxury Brands operating segment) and the CNH Industrial Group (Truck and Commercial Vehicles and Agricultural and Construction Equipment). The interest rate implicit in the lease is determined at the contract date for the whole of the lease term and is in line with market rates.

These receivables are stated gross of an allowance of €235 million at December 31, 2013 (€261 million at December 31, 2012) and may be analyzed as follows:

€ million	Due within one year	Due between one and five years	Due beyond five years	Total
Receivables for future minimum lease payments	791	1,160	97	2,048
Less: unrealized interest income	(152)	(237)	(15)	(404)
<b>Present value of future minimum lease payments at December 31, 2013</b>	<b>639</b>	<b>923</b>	<b>82</b>	<b>1,644</b>
Receivables for future minimum lease payments	941	1,375	47	2,363
Less: unrealized interest income	(165)	(292)	(12)	(469)
<b>Present value of future minimum lease payments at December 31, 2012</b>	<b>776</b>	<b>1,083</b>	<b>35</b>	<b>1,894</b>

No contingent rents were recognized as finance lease income during 2013 or 2012 and unguaranteed residual values at December 31, 2013 and 2012 are not significant.

Other receivables from financing activities also include financial receivables from jointly-controlled financial services entities (FGA Capital group) of €27 million (€58 million at December 31, 2012) and financial receivables from companies under joint control, associates and unconsolidated subsidiaries of €33 million (€56 million at December 31, 2012).

The analysis of receivables from financing activities is the following:

€ million	12/31/2013	12/31/2012	Change
Due within one year	12,378	12,113	265
Due between one and five years	7,082	6,720	362
Due beyond five years	134	105	29
<b>Total Receivables from financing activities</b>	<b>19,594</b>	<b>18,938</b>	<b>656</b>

## 22. Other financial receivables

At December 31, 2013 other financial receivables amount to €6 million (€4 million at December 31, 2012) and are due within the year.

### 23. Current tax receivables

At December 31, 2013 current tax receivables amount to €558 million (€553 million at December 31, 2012). The analysis by due date is the following:

€ million	12/31/2013	12/31/2012	Change
Due within one year	374	436	(62)
Due between one and five years	141	49	92
Due beyond five years	43	68	(25)
<b>Total Current tax receivables</b>	<b>558</b>	<b>553</b>	<b>5</b>

### 24. Other current assets

Other current assets amount to €3,827 million (€3,368 million at December 31, 2012) and mainly consist of other tax receivables for VAT and other indirect taxes for €1,827 million, Receivables from employees for €201 million and accrued income and prepaid expenses for €625 million.

The analysis of current receivables (excluding accrued income and prepaid expenses, by due date is the following:

€ million	12/31/2013	12/31/2012	Change
Due within one year	2,858	2,341	517
Due between one and five years	278	409	(131)
Due beyond five years	66	61	5
<b>Total Other current receivables</b>	<b>3,202</b>	<b>2,811</b>	<b>391</b>

### 25. Transfers of financial assets

The transfer of financial assets mainly refers to the Fiat Group and the CNH Industrial Group.

The **Fiat Group** transfers certain of its financial, trade and tax receivables, mainly through factoring transactions.

At December 31, 2013, the carrying amount of transferred financial assets not derecognized and the related liabilities was as follows:

€ million	Receivables			Total
	Trade receivables	from financing activities	Current tax receivables	
<b>At December 31, 2013</b>				
Carrying amount of the assets transferred and not derecognized	123	440	33	<b>596</b>
Carrying amount of the related liabilities	(123)	(440)	(33)	<b>(596)</b>
<b>At December 31, 2012</b>				
Carrying amount of the assets transferred and not derecognized	9	405	35	<b>449</b>
Carrying amount of the related liabilities	(9)	(405)	(35)	<b>(449)</b>

At December 31, 2013, the Fiat Group had receivables and bills due after that date which had been transferred without recourse and which were accordingly derecognized amounting to €3,576 million (€3,631 million at December 31, 2012). The transfers related to trade receivables and other receivables for €2,864 million (€2,932 million at December 31, 2012) and financial receivables for €712 million (€699 million at December 31, 2012). These amounts include receivables of €2,177 million (€2,179 million at December 31, 2012), mainly due from the sales network, transferred to jointly-controlled financial services companies (FGA Capital).

The **CNH Industrial Group** transfers a number of its financial, trade and tax receivables under securitization programs or factoring transactions.

At December 31, 2013, the carrying amount of such transferred assets and the related liability and the respective fair values are as follows:

€ million	Receivables			Total
	Trade receivables	from financing activities	Current tax receivables	
<b>At December 31, 2013</b>				
Carrying amount of assets	424	10,186	931	11,541
Carrying amount of the related liabilities	(424)	(9,324)	(931)	(10,679)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	424	10,202	931	11,557
Fair value of the liabilities	(424)	(9,338)	(931)	(10,693)
<b>Net position</b>	0	864	0	<b>864</b>
<b>At December 31, 2012</b>				
Carrying amount of assets	543	8,998	745	10,286
Carrying amount of the related liabilities	(543)	(8,420)	(745)	(9,708)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	543	9,208	745	10,496
Fair value of the liabilities	(543)	(8,480)	(745)	(9,768)
<b>Net position</b>	0	728	0	<b>728</b>

Other financial assets also include the cash with a pre-determined use restricted to the repayment of the securitization debt.

## 26. Current financial assets

The composition is as follows:

€ million	12/31/2013	12/31/2012	Change
<b>Current investments</b>	35	32	3
Bonds held-to-maturity	29	0	29
Bonds available-for-sale	91	87	4
Bonds and mutual funds held for trading	708	405	303
<b>Total bonds</b>	828	492	336
<b>Other current financial assets</b>	724	641	83
<b>Total Current financial assets</b>	<b>1,587</b>	<b>1,165</b>	422

“Bonds” mainly consist of short-term or marketable securities which represent temporary investments, but which do not satisfy all the requirements for being classified as cash equivalents of the Fiat Group (€155 million) and the Holdings System (€556 million).

Other current financial assets represent the fair value of derivative financial instruments analyzed in the next note.

## 27. Other financial assets and Other financial liabilities

These items consist of derivative financial instruments measured at fair value at the balance sheet date. Specifically:

€ million	12/31/2013		12/31/2012	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
<i>Fair value hedges</i>				
Interest rate risk - Interest rate swaps	126	(2)	189	(3)
Currency risks	2	(1)	1	(1)
Interest rate and currency risk - Combined interest rate and currency swaps	15		1	(1)
Other derivatives				
<b>Total Fair value hedges</b>	<b>143</b>	<b>(3)</b>	<b>191</b>	<b>(5)</b>
<i>Cash flow hedges</i>				
Currency risks - Forward contracts, Currency swaps and Currency options	375	(89)	139	(117)
Interest rate risk - Interest rate swaps	3	(12)		(54)
Interest rate risk - Interest rate caps				
Interest rate and currency risk - Combined interest rate and currency swaps	9	(54)	7	(36)
Commodity price risk - Commodity swaps	6	(6)	10	(6)
<b>Total Cash flow hedges</b>	<b>393</b>	<b>(161)</b>	<b>156</b>	<b>(213)</b>
Derivatives for trading	168	(75)	276	(124)
Collateral deposits	20		18	
<b>Total Other financial assets (liabilities)</b>	<b>724</b>	<b>(239)</b>	<b>641</b>	<b>(342)</b>

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 (from €641 million at December 31, 2012 to €724 million at December 31, 2013) and in other financial liabilities (from €342 million at December 31, 2012 to €239 million at December 31, 2013) is mostly due to changes in exchange rates, interest rates and in commodity prices during the year, and to the change in fair value of the equity swaps on Fiat S.p.A. and CNH Industrial N.V. shares.

As this item consists principally of derivative hedging instruments, the change in their value is compensated by the change in the value of the hedged item.

Derivatives for trading consist principally of the following types:

- derivatives acquired to hedge receivables and payables subject to currency risk and/or interest rate risk which are not formally designated as hedges. At December 31, 2012 derivatives for trading also included certain equity swaps on Fiat S.p.A. and CNH Industrial N.V. shares;
- an 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.

At December 31, 2013 and 2012, the notional amount of outstanding derivative financial instruments is as follows:

€ million	12/31/2013	12/31/2012	Change
Currency risk management	18,436	17,651	785
Interest rate risk management	6,763	9,947	(3,184)
Interest rate and currency risk management	1,538	1,202	336
Commodity price risk management	481	500	(19)
Other derivative financial instruments	14	168	(154)
<b>Total notional amount</b>	<b>27,232</b>	<b>29,468</b>	<b>(2,236)</b>

At December 31, 2012 other derivative financial instruments included €154 million of the notional amount of four equity swaps, renewed in 2012 and due in 2013, entered into in order to hedge the risk of an increase in the prices of Fiat S.p.A. and CNH Industrial N.V. shares above the exercise price of the stock options granted to the Chief Executive Officer in 2004 and 2006 (see Note 30). At December 31, 2012, the equity swaps had a total positive fair value of €50 million. Although these equity swaps were entered into for hedging purposes, they do not qualify for hedge accounting under accounting principles and accordingly are defined as trading derivative financial instruments.

The following table provides an analysis by due date of outstanding derivative financial instruments based on their notional amounts:

(€ million)	Due within one year	Due between one and five years	Due beyond five years	Total
<b>12/31/2013</b>				
Currency risk management	17,408	1,028		18,436
Interest rate risk management	1,732	4,679	352	6,763
Interest rate and currency risk management		1,455	83	1,538
Commodity price risk management	458	23		481
Other derivatives	-	-	14	14
<b>Total notional amount</b>	<b>19,598</b>	<b>7,185</b>	<b>449</b>	<b>27,232</b>
<b>12/31/2012</b>				
Currency risk management	16,175	1,476		17,651
Interest rate risk management	1,664	6,686	1,597	9,947
Interest rate and currency risk management		1,118	84	1,202
Commodity price risk management	466	34		500
Other derivatives	154	-	14	168
<b>Total notional amount</b>	<b>18,459</b>	<b>9,314</b>	<b>1,695</b>	<b>29,468</b>

#### Cash flow hedges

In respect of derivative financial instruments, in 2013 the Group reclassified losses of €216 million (losses of €194 million in 2012), net of the tax effect, to the following line items in the income statement; these had previously be recognized directly in Other comprehensive income.

€ million	12/31/2013	12/31/2012	Change
<b>Currency risk</b>			
Increase (Decrease) in net revenues	137	(135)	272
Decrease (Increase) in cost of sales	57	(21)	78
Financial income (expenses)	59	19	40
Result from investments	17	(12)	29
<b>Interest rate risk</b>			
Decrease (Increase) in cost of sales	(13)	(15)	2
Result from investments	(4)	(5)	1
Financial income (expenses)	(29)	(11)	(18)
<b>Commodity price risk</b>			
Decrease (Increase) in cost of sales	(1)	(40)	39
<b>Taxes - income (expenses)</b>	(12)	26	(38)
<b>Ineffectiveness - overhedges</b>	5		5
<b>Net gains (losses) on cash flow hedges recognized in the income statement</b>	<b>216</b>	<b>(194)</b>	<b>410</b>

The effects recorded in the income statement mainly refer to currency risk management and, to a lesser extent, to the hedges relating to commodity price risk management, the hedge of the debt of the Fiat Group's and the CNH Industrial Group's financial companies and cash flows exposed to interest rate risk.

The policies of the Group for managing currency risk normally require that future cash flows from trading activities which will occur for accounting purposes within the following twelve months, and from orders acquired (or contracts in progress), whatever their due dates, be hedged. It is considered reasonable to suppose that the hedging effect arising from this and recorded in the cash flow hedge reserve will be recognized in income, mainly during the following year.

Derivatives relating to interest rate and currency risk management are treated as cash flow hedges and were entered into by treasuries for the purpose of hedging bonds issued in foreign currencies. The amount recorded in the cash flow hedge reserve will be recognized in income statement according to the timing of the flows of the underlying bonds.

The ineffectiveness of cash flow hedges was not material in 2013 or 2012.

#### *Fair value hedges*

The gains and losses arising from the measurement of interest rate and currency derivatives (mostly for managing currency risk) and interest rate derivatives (for managing the interest rate risk) recognized using fair value hedge accounting and the gains and losses arising from the respective hedged items are set out in the following table:

€ million	12/31/2013	12/31/2012	Change
<b>Currency risk</b>			
Net gains (losses) on qualifying hedges	19	14	5
Fair value changes in hedged items	(19)	(14)	(5)
<b>Interest rate risk</b>			
Net gains (losses) on qualifying hedges	4	13	(9)
Fair value changes in hedged items	(1)	(11)	10
<b>Net gains (losses) on fair value hedges recognized in the income statement</b>	<b>3</b>	<b>2</b>	<b>1</b>

The ineffective portion of transactions treated as fair value hedges in 2013 was a positive amount of €3 million (positive amount of €2 million in 2012).

## 28. Cash and cash equivalents

Cash and cash equivalents consist of:

€ million	12/31/2013	12/31/2012	Change
Cash in hand and at banks and post offices	14,649	11,594	3,055
Cash with a pre-determined use	672	679	(7)
Money market securities	10,832	10,540	292
<b>Total Cash and cash equivalents</b>	<b>26,153</b>	<b>22,813</b>	<b>3,340</b>

These amounts include cash at banks, units in liquidity 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.

The par value of cash and cash equivalents usually approximates fair value due to the short maturity of these instruments, which consist primarily of bank current accounts and time deposits, certificates of deposit, commercial paper, bankers' acceptances and money market funds. Money market funds valuation is also based on available market quotations. Where appropriate, the fair value of cash equivalents of the Fiat Group is determined with discounted expected cash flow techniques, using observable market yields (represented in Level 2 of the fair value hierarchy).

The Fiat Group holds a subsidiary which operates in Venezuela whose functional currency is the US dollar. Pursuant to certain Venezuelan foreign currency exchange control regulations, the Central Bank of Venezuela centralizes all foreign currency transactions in the country. Under these regulations, the purchase and sale of foreign currency must be made through the Commission for the Administration of Foreign Exchange ("CADIVI"). The cash and cash equivalents denominated in VEF amounted to €270 million (VEF 2,347 million) at December 31, 2013 and €260 million (VEF 1,476 million) at December 31, 2012.

## 29. Assets and liabilities held for sale and Discontinued Operations

Assets and liabilities held for sale consist of certain properties and the assets and liabilities of a minor company held by the Fiat Group.

Assets and liabilities held for sale at December 31, 2012 included the above mentioned properties and the investment in the jointly-controlled entity Sevelnord Société Anonyme, sold in the first quarter of 2013, and the investment in a company in Brazil now consolidated on line-by-line basis.

## 30. Equity

### Share capital

The meeting of the board of directors of EXOR S.p.A. held on February 11, 2013 put forward a motion to the shareholders to convert the Company's preferred and savings shares into ordinary shares.

The conversion had the intention of simplifying the capital structure and governance of the Company, creating conditions for greater transparency. In addition, the conversion eliminated classes of securities that had very limited trading volumes, replacing them with ordinary shares, whose liquidity would be enhanced through the conversion, to the benefit of all shareholders.

The proposals were approved by the special meetings of the preferred and savings shareholders and the general meeting of the shareholders (in extraordinary session) respectively on March 19, and March 20, 2013.

Holders of preferred shares and savings shares who did not participate in the approval of the proposed conversions (i.e., holders who did not attend the meetings or voted against the proposed resolution or abstained) were able to exercise withdrawal rights for a fifteen-day period following registration of the approved resolutions in the Turin Company Register pursuant to article 2437-bis of the Italian Civil Code. On May 3, 2013, at the end of the withdrawal period, EXOR announced that the conditions precedent, approved by the shareholders' meeting on March 20, 2013, were satisfied. This shareholders' meeting, in fact, had resolved that the conversion of each class of shares would be conditional upon the cash amount to be paid by the Company pursuant to article 2437-quater of the Italian Civil Code for exercise of the withdrawal rights not exceeding €80 million, in the case of the preferred shares, and €20 million in the case of savings shares. In the event that either of these limits was exceeded for any given class, the conversion of both classes of shares

would nevertheless become effective if the aggregate cash amount to be paid by the Company for the exercise of the withdrawal rights in respect of both classes did not exceed €100 million.

The conversions were executed on June 24, 2013, following the ex-dividend date for the 2012 dividends.

At December 31, 2013 the share capital of EXOR S.p.A. is composed of 246,229,850 ordinary shares of par value €1 each for a total of €246,229,850.

At December 31, 2013, 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 and possible in relation to the results of operations, 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 guarantee economic access to external sources of financing.

#### Treasury stock

Within the framework of the treasury stock buyback program resolved by the board of directors' meeting on May 29, 2012 and subsequently modified on February 11, 2013 by the board of directors' meeting, which increased the maximum amount authorized by the buyback program from €50 million to €200 million, in the first half of 2013 EXOR purchased 3,790,857 ordinary shares (2.36% of the class) at the average cost per share of €21.96 for a total of €83 million, 823,400 preferred shares (1.07% of the class) at the average cost per share of €21.66 for a total of €18 million, in addition to 184,100 savings shares (2.01% of the class) at the average cost per share of €21.83 for a total of €4 million. The overall investment was €105 million.

At December 31, 2013, following the mandatory conversion of preferred and savings shares into ordinary shares, carried out on June 24, 2013, EXOR S.p.A. held 23,883,746 ordinary treasury shares (9.7% of the class) at the average cost per share of €14.41 for a total of €344 million.

#### Dividends paid

Dividends paid by EXOR S.p.A. referring to the years 2013 and 2012 are analyzed as follows.

Class	Number of shares	Dividends paid	
		Per share (€)	Total (€ ml)
Ordinary shares	149,739,639	0.335	50
Preferred shares	64,287,376	0.3867	25
Savings shares	8,319,089	0.4131	3
<b>Dividends paid in 2013 referring to the year 2012</b>			<b>78</b>

Class	Number of shares	Dividends paid	
		Per share (€)	Total (€ ml)
Ordinary shares	153,530,496	0.335	51
Preferred shares	65,110,776	0.3867	25
Savings shares	8,503,189	0.4131	4
<b>Dividends paid in 2012 referring to the year 2011</b>			<b>80</b>

#### Other comprehensive income

Other comprehensive income in the statement of comprehensive income is composed as follows:

€ million	2013	2012
<b>Other comprehensive income that will not be reclassified subsequently to the income statement:</b>		
Gains (losses) on remeasurement of defined benefit plans	2,794	(2,045)
Share of gains (losses) on remeasurement of defined benefit plans for equity accounted	(10)	1
<b>Total Other comprehensive income that will not be reclassified subsequently to the income statement, net of tax (B1)</b>	<b>2,784</b>	<b>(2,044)</b>
<b>Other comprehensive income that may be reclassified subsequently to the income statement:</b>		
Effective portion of gains (losses) on cash flow hedges arising during the year	514	0
Effective portion of gains (losses) on cash flow hedges reclassified to the income statement	(217)	211
<b>Gains (losses) on cash flow hedges</b>	<b>297</b>	<b>211</b>
Gains (losses) on remeasurement of available-for-sale financial assets arising during the year	176	488
Gains (losses) on fair value of available-for-sale financial assets reclassified to the income statement	(1,592)	(6)
<b>Gains (losses) on fair value of available-for-sale financial assets</b>	<b>(1,416)</b>	<b>482</b>
Exchange differences on translating foreign operations arising during the year	(1,346)	(499)
Exchange differences on translating foreign operations reclassified to the income statement	0	(4)
<b>Exchange differences on translating foreign operations</b>	<b>(1,346)</b>	<b>(503)</b>
Share of Other comprehensive income of entities accounted for using the equity method arising during the year	(125)	(47)
Share of Other comprehensive income of entities accounted for using the equity method reclassified to the income statement	(16)	76
<b>Share of other comprehensive income of entities accounted for using the equity method</b>	<b>(141)</b>	<b>29</b>
<b>Total Other comprehensive income that may be reclassified subsequently to the income statement, net of tax (B2)</b>	<b>(2,606)</b>	<b>219</b>
<b>Total Other comprehensive income, before tax effect (B1) + (B2) = (B)</b>	<b>178</b>	<b>(1,825)</b>
<b>Tax effect relating to components of Other comprehensive income</b>	<b>113</b>	<b>0</b>
<b>Total Other comprehensive income, net of tax</b>	<b>291</b>	<b>(1,825)</b>

With reference to the Group's defined benefit plans, the gains and losses arising from 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 31).

The tax effect relating to Other comprehensive income may be analyzed as follows:

€ million	2013			2012		
	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	2,784	172	2,956	(2,044)	33	(2,011)
Effective portion of gains (losses) on cash flow hedges	297	(59)	238	211	(33)	178
Gains (losses) on remeasurement of available-for-sale financial assets	(1,416)	(2)	(1,418)	482		482
Exchange gains (losses) on translating foreign operations	(1,346)	2	(1,344)	(503)		(503)
Share of Other comprehensive income of entities accounted for using the equity method	(141)		(141)	29		29
<b>Total Other comprehensive income</b>	<b>178</b>	<b>113</b>	<b>291</b>	<b>(1,825)</b>	<b>0</b>	<b>(1,825)</b>

### Non-controlling interests

Details are as follows:

€ million	%	12/31/2013		
		Capital and reserves	Profit (loss)	Total
<b>At December 31, 2013</b>				
Fiat Group	69.10%	8,455	1,661	10,116
CNH Industrial Group	72.04%	3,132	685	3,817
C&W Group Inc.	17.60%	33	4	37
Juventus Football Club S.p.A.	36.23%	27	(8)	19
<b>Total</b>		<b>11,647</b>	<b>2,342</b>	<b>13,989</b>
<b>At December 31, 2012</b>				
Fiat Group	69.09%	5,697	871	6,568
CNH Industrial Group	69.12%	3,029	663	3,692
C&W Group Inc.	21.05%	39	7	46
Juventus Football Club S.p.A.	36.23%	26	1	27
<b>Total</b>		<b>8,791</b>	<b>1,542</b>	<b>10,333</b>

### Share-based compensation

#### EXOR S.p.A. stock option plans

EXOR S.p.A. stock option plans include the Stock Option Plan EXOR 2008-2019 approved in 2008 and the Long-Term Incentive Plan approved in 2012.

#### Stock option plan EXOR 2008-2019

Following the merger of IFIL in EXOR, the Stock Option Plan EXOR 2008-2019 covers a maximum number of 15,000,000 options corresponding to a maximum of 3,975,000 EXOR ordinary shares. 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 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 and other similar staff of the companies in the Holdings System	4,123,000	1,092,595	6,156	885
<b>Total</b>	<b>7,123,000</b>	<b>1,887,595</b>	<b>12,485</b>	<b>2,117</b>

In 2013, 300,000 options were forfeited, corresponding to 79,500 EXOR ordinary shares.

The cost referring to 2013 is classified for €1,232 thousand as compensation to the Chairman and Chief Executive Officer and for €885 thousand as personnel costs with a contra-entry to the stock option reserve.

The cost relating to 2012 amounted to €2,075 thousand of which €1,235 thousand was classified as compensation to the Chairman and Chief Executive Officer and €840 thousand as personnel costs.

#### *Long-Term Incentive Plans*

The EXOR shareholders' meeting held on May 29, 2012 approved a new 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:

- under the first part of the Plan, denominated “Long-Term Stock Grant”, a total of 400,000 rights will be granted to approximately 30 recipients; this will allow 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. At year-end 2013, 347,456 options were granted under this plan to 31 employees;
- under the second part of the Plan, denominated “Company Performance Stock Options”, a total of 3 million options will be granted to the recipients; this will allow 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 will become exercisable from the time they vest until 2021, subject to reaching performance objectives and continuation of a professional relationship with the Company and with the Companies in the Holdings System. The performance objectives will be considered to have been reached when the annual variation in EXOR's NAV will be 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 and received 750,000 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. At December 31, 2013, 1,760,732 options were granted to 10 recipients.

The Plans are serviced by treasury stock and therefore do not have a dilutive effect 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
Key employees and other similar staff of the companies in the Holdings System	<b>347,456</b>	<b>6,236</b>	<b>1,079</b>

In 2013, 2,000 options relating to a beneficiary were forfeited and 2,000 were granted to a new beneficiary.

The “Company Performance Stock Option” is composed 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.	750,000	2,708	451
Key employees (at grant date) and other similar staff of the companies in the Holdings System	1,760,732	6,244	1,056
<b>Total</b>	<b>2,510,732</b>	<b>8,952</b>	<b>1,507</b>

There were no changes in the number of options or beneficiaries during 2013.

The cost referring to 2013 for the two plans is classified for €451 thousand as compensation to the Chairman and Chief Executive Officer and €2,135 thousand as personnel costs with a contra-entry to the stock option reserve.

The cost referring to 2012 for the two plans amounted to €1,200 thousand and was classified for €268 thousand as compensation to the Chairman and Chief Executive Officer and €932 thousand as personnel costs with a contra-entry to the stock option reserve.

#### C&W Group stock options plans

Cushman & Wakefield has two separate stock option plans, the “Employee Stock Purchase Plan Option” and “Management Option” plans that have been in place since 2007, and two additional incentive plans, the “Equity Incentive Plan” and “Long-Term Incentive Plan for Employees” approved in 2010 and 2011.

The awards under these plans, except for awards under the Long-Term Incentive Plan for Employees, which are cash-settled, meet the requirements to be classified as equity awards.

#### *“Equity Incentive Plan” (EIP)*

In December 2010, C&W Group approved the Cushman & Wakefield Equity Incentive Plan (“EIP”). In accordance with the terms of the plan, awards may be granted to any employee, member of the board of directors or independent contractor based on prior performance and/or a demonstrated potential for future long-term value at the discretion of the Compensation Committee of the board of directors. Each non-qualified option converts into one share of the Company’s common stock on exercise and the options carry neither rights to dividends nor voting rights. Options vesting may be based on continued service or achievement of specified performance criteria, or a combination of both.

#### *Long-Term Incentive Plan for Employee (LTIE)*

In January 2011, the Cushman & Wakefield Long-Term Incentive Plan for Employees (“LTIE”) was approved to attract, retain and reward designated employees and drive the performance of the Company on a global basis. In accordance with the terms of the plan, awards may be granted to high performing agents, brokers, appraisers and key salaried employees to align their interests with the successful global operations of the Company. Awards distributed under the LTIE include phantom stock units, which will be indexed to the value of the Company’s stock and paid in cash, or, in very limited cases and at the discretion of the Company, in shares, based on the fair value of the Company’s stock. The awards generally vest ratably over a four year period, including a measurement year.

#### *Employee Stock Purchase Plan Options*

In connection with the Employee Stock Purchase Plan (the “Employee Plan”), employees could purchase shares or convert existing shares into new shares. For each four shares acquired, either through purchase or conversion, the employee was granted one option to purchase an additional share at the fair value of such shares on the date of the option grant. The options have a service requirement of three years and are deemed to meet the requirements to be classified as an equity award. At the grant date, the options and underlying shares were valued by an independent appraisal using the Black-Scholes option pricing model. The resulting option value was multiplied by the number of options outstanding to determine the total cost of the options.

#### *Management Options*

From April 1, 2008 through 2011, certain executives of C&W Group were granted stock options classified as EBITDA Options and EBITDA Margin Options. The options are performance based and the exercise price for all options was equal to the share price at the grant date. The EBITDA Options and the EBITDA Margin Options will vest over the terms of the employment contracts if certain EBITDA or EBITDA Margin targets are achieved. For each executive, there are a base number of options, and an additional number of Target 1 and Target 2 options. The options met the requirements to be classified as an equity award; the estimated fair value of the stock option awards is computed using the Black-Scholes model.

The table below summarizes all stock option plans:

	Grant date	Number of options granted	Vesting date or period	Exercise price at grant date	Term of options	Outstanding at December 31, 2013
<b>Employee Stock Purchase Plan Options</b>						
Tranche 1	12/14/2005	11,166	1/1/2008	\$548	10 years	3,279
<b>Total Employee Stock Purchase Plan Options</b>		<b>11,166</b>				<b>3,279</b>
<b>Management Options</b>						
<b>Non-performance based options</b>						
Grant 2	11/1/2010	292	2012-2015	\$1,465	10 years	292
Grant 3	12/1/2010	374	2012-2014	\$1,465	10 years	374
Grant 4	3/3/2011	16,000	2012-2015	\$1,510	10 years	16,000
Grant 5	12/16/2013	15,000	2014-2017	\$1,440	10 years	15,000
		31,666				<b>31,666</b>
<b>Performance based options (EBITDA and EBITDA Margin)</b>						
Tranche 1	4/1/2007	13,450	2007-2011	\$1,259	10 years	840
<b>Total Performance based options</b>		<b>13,450</b>				<b>840</b>
<b>Total Management Options</b>		<b>45,116</b>				<b>32,506</b>
<b>Total options</b>		<b>56,282</b>				<b>35,785</b>

The Employee Stock Purchase Plan Options outstanding at December 31, 2013 and 2012 have a weighted average exercise price of \$548.02, and weighted average remaining contractual lives of about 2 and 3 years, respectively. The Management Options outstanding at December 31, 2013 and 2012 have weighted average exercise prices of \$1,470.82 and \$1,325.40, respectively, and weighted average remaining contractual lives of about 8 years, respectively.

The changes in 2013 are as follows:

	12/31/2013			
	Employee Stock Purchase Plan		Management Options	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at 1/1/2013	3,512	\$548.02	37,506	\$1,325.40
Granted during the period			15,000	\$1,440.00
Exercised during the period	(18)	\$548.02	(16,000)	\$1,175.00
Forfeited during the period	(215)	\$548.02	(4,000)	\$1,175.00
Cancelled during the period				
<b>Outstanding at 12/31/2013</b>	<b>3,279</b>	<b>\$548.02</b>	<b>32,506</b>	<b>\$1,470.82</b>
<b>Exercisable at 12/31/2013</b>	<b>3,279</b>	<b>\$548.02</b>	<b>9,381</b>	<b>\$1,486.77</b>

C&W Group recorded total compensation expense of \$6.7 million (€5 million) in 2013 (\$10.5 million equal to €8 million in 2012) for all its share-based payment plans, of which \$6.5 million (\$10.3 million in 2012) was from plans accounted for as equity-settled, share-based payment transactions

#### Restricted Stock

At December 31, 2013 the number of outstanding unvested shares of the restricted stock plans is 6,386 (8,595 at December 31, 2012).

#### Phantom stock units

At December 31, 2013 the number of outstanding phantom stock units relating to the LTIE incentive plans is 319 (195 at December 31, 2012).

#### Fiat Group stock option plans

At December 31, 2013 and December 31, 2012 the following share-based compensation plans relating to managers of the Group companies and the Chief Executive Officer of Fiat S.p.A. were in place.

*Stock option plans linked to Fiat S.p.A. and CNH Industrial N.V. ordinary shares*

The stock option plans outstanding at December 31, 2013 are as follows:

Exercise price (€)	Managers			Chief Executive Officer		
	Options outstanding at 12/31/2013	Options outstanding at 12/31/2012	Average remaining contractual life (years)	Options outstanding at 12/31/2013	Options outstanding at 12/31/2012	Average remaining contractual life (years)
6.583	-	-	-	10,670,000	10,670,000	2
13.370	1,240,000	1,576,875	0.8	6,250,000	6,250,000	0.8
<b>Total</b>	<b>1,240,000</b>	<b>1,576,875</b>		<b>16,920,000</b>	<b>16,920,000</b>	

As they were already fully vested at December 31, 2010, the above stock option plans did not lead to any notional cost for 2013 and 2012. The stock options may be exercised up to 2014 and 2016, respectively.

*Stock Grant plans linked to Fiat S.p.A. ordinary shares*

On April 4, 2012, the General Shareholders Meeting resolved to approve the adoption of a Long-Term Incentive Plan (the "Retention LTI"), in the form of stock grants.

Under this Plan, the Company attributed the Chief Executive Officer with 7 million rights, representative of an equal number of Fiat S.p.A. ordinary shares. The rights will vest ratably, one third on February 22, 2013, one third on February 22, 2014 and one third on February 22, 2015, subject to the requirement that the Chief Executive Officer, Mr. Marchionne, remains in office.

The Plan is to be serviced through treasury stock without issuing new shares. The Company has the right to substitute, in whole or in part, shares vested under the Plan with a cash payment calculated on the basis of the Official Price of those shares published by Borsa Italiana on the date of vesting fulfillment.

At December 31, 2013, the contractual terms of the Plan were therefore as:

Plan	Beneficiary	Number of shares	Vesting date	Vesting portion
Retention (LTI)	Chief Executive Officer	7,000,000 Fiat S.p.A.	February 22, 2013 (*)	2,333,333
			February 22, 2014 (*)	2,333,333
			February 22, 2015	2,333,333

(\*) As of the date of this document, the Chief Executive Officer had not yet exercised his rights to the vested restricted shares.

The notional cost of €6 million for this plan was recognized in the income statement.

Changes in the Retention LTI plan were as follows:

	2013		2012	
	Number of Fiat S.p.A. shares	Weighted average fair value at grant date (€)	Number of Fiat S.p.A. shares	Weighted average fair value at grant date (€)
Outstanding shares unvested at the beginning of the year	7,000,000	4.205	-	-
Granted	-	-	7,000,000	4.205
Forfeited	-	-	-	-
Vested	(2,333,333) (*)	4.205	-	-
<b>Outstanding shares unvested at the end of the year</b>	<b>4,666,667</b>	<b>4.205</b>	<b>7,000,000</b>	<b>4.205</b>

(\*) As of the date of this document, the Chief Executive Officer had not yet exercised his rights to the vested restricted shares.

*Share-Based Compensation Plans Issued by Chrysler*

Four share-based compensation plans have been issued by Chrysler: the Chrysler Group LLC Restricted Stock Unit Plan ("RSU Plan"), the Amended and Restated Chrysler Group LLC 2009 Directors' Restricted Stock Unit Plan ("Directors' RSU Plan"), the Chrysler Group LLC Deferred Phantom Share Plan ("DPS Plan") and the Chrysler Group LLC 2012 Long-Term Incentive Plan ("2012 LTIP Plan").

The fair value of each unit issued under the plans is based on the fair value of Chrysler's membership interests. Each unit represents a "Chrysler Group Unit," which is equal to 1/600th of the value of a Chrysler Class A Membership Interest. Since there is no publicly observable trading price for Chrysler's interests, fair value was determined using a discounted cash flow methodology. This approach, which is based on projected cash flows of Chrysler, is used to estimate the Chrysler enterprise value. The fair value of Chrysler's outstanding interest bearing debt as of the measurement date is deducted from Chrysler's enterprise value to arrive at the fair value of equity. This amount is then divided by the total number of Chrysler Group Units to estimate the fair value of a single Chrysler Group Unit.

#### *Restricted Stock Unit Plans issued by Chrysler Group LLC*

During 2009, the U.S. Treasury's Office of the Special Master for Troubled Asset Relief Program Executive Compensation (the "Special Master") and the Compensation Committee of Chrysler approved the Chrysler Group LLC Restricted Stock Unit Plan ("RSU Plan"), which authorized the issuance of Restricted Stock Units ("RSUs") to certain key employees. RSUs represent a contractual right to receive a payment in an amount equal to the fair value of one Chrysler unit, as defined in the RSU plan. Originally, RSUs granted to Chrysler's employees in 2009 and 2010 vested in two tranches. In September 2012, Chrysler's Compensation Committee approved a modification to the second tranche of RSUs. The modification removed the performance condition requiring an IPO to occur prior to the award vesting. Prior to this modification, the second tranche of the 2009 and 2010 RSUs were equity-classified awards. In connection with the modification of these awards, Chrysler determined that it was no longer probable that the awards would be settled with Chrysler's company stock. Chrysler reclassified the second tranche of the 2009 and 2010 RSUs from equity-classified awards to liability-classified awards. As a result of this modification, additional compensation expense of €12 million was recognized during 2012. RSUs granted to employees generally vest if the participant is continuously employed by Chrysler through the third anniversary of the grant date. The settlement of these awards is in cash.

Further, during 2009 Chrysler established the Amended and Restated Chrysler Group LLC Directors' Restricted Stock Unit Plan ("Directors' RSU Plan"). In April 2012, the Compensation Committee amended and restated the Directors' Restricted Stock Unit Plan to allow grants having a one year vesting term to be granted on an annual basis. Director RSUs are granted to Chrysler non-employee members of the board of directors. Prior to the change, Director RSUs were granted at the beginning of a three-year performance period and vested in three equal tranches on the first, second, and third anniversary of the date of grant, subject to the participant remaining a member of the Chrysler board of directors on each vesting date. Under the plan, settlement of the awards is made within 60 days of the Director's cessation of service on the board of directors and awards are paid in cash; however, upon completion of an IPO, Chrysler has the option to settle the awards in cash or shares. The value of the awards is recorded as compensation expense over the requisite service periods and is measured at fair value.

The liability from the vast majority of these awards is measured and adjusted to fair value at reporting date. The expense recognized in total for both of the RSU Plans for the year ended December 31, 2013 and 2012 approximated €14 million and €28 million, respectively.

Changes during 2013 are as follows:

	2013		2012	
	Restricted Stock Units	Weighted average fair value at grant date (€)	Restricted Stock Units	Weighted average fair value at grant date (€)
<b>Outstanding shares unvested at the beginning of the year</b>	<b>4,735,442</b>	<b>4.34</b>	5,952,331	2.51
Granted	161,290	7.46	1,466,523	5.87
Forfeited	(977,573)	2.61	(2,586,060)	0.95
Vested	(225,403)	5.25	(97,352)	4.76
<b>Outstanding shares unvested at the end of the year</b>	<b>3,693,756</b>	<b>4.72</b>	<b>4,735,442</b>	<b>4.34</b>

#### *Deferred Phantom Shares issued by Chrysler Group LLC*

During 2009 the Special Master approved the Chrysler Group LLC Deferred Phantom Share Plan ("DPS Plan") which authorized the issuance of phantom shares of the Company ("Phantom Shares"). Under the DPS Plan, Phantom Shares were granted to certain key employees as well as to the Chief Executive Officer in connection with his role as a member of the Chrysler Group board of directors. The Phantom Shares vested immediately on the grant date and will be settled in cash. The Phantom Shares are redeemable in three equal annual installments.

The expense recognized in connection with this plan in 2013 was approximately €2 million (€2 million in 2012).

Changes during 2013 were as follows:

	2013		2012	
	Phantom shares	Weighted average fair value at grant date (€)	Phantom shares	Weighted average fair value at grant date (€)
<b>Outstanding shares unvested at the beginning of the year</b>	<b>1,508,785</b>	<b>2.68</b>	<b>4,944,476</b>	<b>1.83</b>
Granted and vested	-	-	-	-
Settled	(1,190,054)	2.13	(3,435,691)	1.43
<b>Outstanding shares unvested at the end of the year</b>	<b>318,731</b>	<b>4.53</b>	<b>1,508,785</b>	<b>2.68</b>

#### *2012 Long-Term Incentive Plan of Chrysler Group LLC*

In February 2012, the Compensation Committee of Chrysler adopted the 2012 Long-Term Incentive Plan (the "2012 LTIP"). The 2012 LTIP covers senior Chrysler executives (other than the Chief Executive Officer). It is designed to retain talented professionals and reward their performance through grants of phantom equity in the form of restricted share units ("LTIP RSUs") and performance share units ("LTIP PSUs"). LTIP RSUs may be granted annually, while LTIP PSUs are generally granted at the beginning of a three-year performance period. The Compensation Committee also has authority to grant additional LTIP PSUs awards during the three-year performance period. The LTIP RSUs will vest over three years in one-third increments on the anniversary of their grant date, while the LTIP PSUs will vest at the end of the three-year performance period only if Chrysler meets or exceeds certain three-year cumulative financial performance targets. Concurrent with the adoption of the 2012 LTIP Plan, the Compensation Committee established financial performance targets based on Chrysler Group's consolidated financial results for the three-year performance period, ending December 31, 2014. If Chrysler does not fully achieve these targets, the LTIP PSUs will be deemed forfeited. LTIP RSUs and LTIP PSUs represent a contractual right to receive a payment in an amount equal to the fair value of one Chrysler unit, as defined in the LTIP Plan. Once vested, LTIP RSUs and LTIP PSUs will be settled in cash or, in the event Chrysler conducts an IPO, in cash or shares of publicly traded stock, at the Compensation Committee's discretion. Settlement will be made as soon as practicable after vesting, but in any case no later than March 15 of the year following. Vesting of the LTIP RSUs and LTIP PSUs may be accelerated in certain circumstances, including upon the participant's death, disability or in the event of a change of control.

The expense recognized in connection with these plans in 2013 was €36 million (€24 million in 2012). Total unrecognized compensation expenses at December 31, 2013 were approximately €32 million. These expenses will be recognized over the remaining service periods based upon the assessment of the performance conditions being achieved.

Changes in 2013 are as follows:

	2013		2012	
	LTIP RSUs	Weighted average fair value at grant date (€)	LTIP RSUs	Weighted average fair value at grant date (€)
<b>Outstanding shares at the beginning of the year</b>	<b>1,805,123</b>	<b>5.78</b>		
Granted	1,628,822	6.89	1,835,833	5.73
Forfeited	(615,315)	5.77	(20,123)	5.91
Vested	(120,423)	6.20	(10,587)	5.91
<b>Outstanding shares at the end of the year</b>	<b>2,698,207</b>	<b>6.13</b>	<b>1,805,123</b>	<b>5.78</b>

	2013		2012	
	LTIP PSUs	Weighted average fair value at grant date (€)	LTIP PSUs	Weighted average fair value at grant date (€)
<b>Outstanding shares at the beginning of the year</b>	<b>8,419,684</b>	<b>5.78</b>		
Granted	587,091	7.15	8,450,275	5.73
Forfeited	-	-	-	-
Vested	(589,264)	5.77	(30,591)	5.91
<b>Outstanding shares at the end of the year</b>	<b>8,417,511</b>	<b>5.64</b>	<b>8,419,684</b>	<b>5.78</b>

#### CNH Industrial Group stock option plans

In connection with the merger of Fiat Industrial S.p.A. and CNH Global N.V. with and into CNH Industrial N.V., CNH Industrial N.V. assumed the sponsorship of the Fiat Industrial Long-Term Incentive Plan (the "Fiat Industrial Plan"), the CNH Global N.V. Equity Incentive Plan (the "CNH EIP") and the CNH Global N.V. Directors' Compensation Plan ("CNH DCP"), effective as of September 29, 2013 (the "Effective Date").

On the Effective Date, outstanding stock options, unvested restricted share units and performance share units under the former 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 exercise price of stock options reduced for the conversion ratio of 3.828.

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. For the year ended December 31, 2013 and 2012, CNH Industrial recognized total share-based compensation expense of €35 million and €52 million, respectively.

Furthermore, on September 9, 2013 the CNH Industrial N.V. Directors' Compensation Plan (the "CNH Industrial DCP") was approved by the shareholders and adopted by the board of directors of CNH Industrial.

#### *CNH Industrial N.V. Directors' Compensation Plan ("CNH Industrial DCP")*

This plan 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, and/or options to purchase common shares of CNH Industrial, provided that such members do not receive salary or other employment compensation from CNH Industrial or Fiat S.p.A., and their subsidiaries and affiliates:

- an annual retainer fee of \$125,000;
- an Audit Committee membership fee of \$25,000;
- a Governance and Sustainability Committee membership fee of \$20,000
- a Compensation Committee membership fee of \$20,000;
- an Audit Committee chair fee of \$35,000;
- a Governance and Sustainability Committee chair fee of \$25,000;
- a Compensation Committee chair fee of \$25,000 (collectively, the "fees").

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 in the form of a stock option, the number of common shares underlying the stock option is determined by

dividing (i) by (ii) where (i) equals the U.S. 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 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.

At December 31, 2013, there were 200,000 common shares, reserved for issuance under the CNH Industrial DCP. In 2013, 6,402 stock options were issued under the CNH Industrial DCP at an exercise price of \$11.325.

#### *CNH Global Director's Compensation Plan ("CNH DCP")*

Directors of former CNH Global were compensated 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. under the CNH DCP. Stock options issued under the CNH DCP were converted using the ratio of 3.828 and exercisable for common shares of CNH Industrial N.V. upon the Effective Date. As of December 31, 2013, 186 thousand 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.

#### *CNH Global Equity Incentive Plan ("CNH EIP")*

This plan provides for grants of stock options, restricted share units and performance share units to officers and employees of former CNH Global. 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.

#### *Modification of the plans*

On December 28, 2012, CNH Global had paid a special dividend of \$10 per common share to its minority shareholders of record as of December 20, 2012, as part of the merger agreement with Fiat Industrial. In accordance with the anti-dilutive provision of both the CNH EIP and CNH DCP, on January 28, 2013, the CNH Global Corporate Governance and Compensation Committee approved required equitable adjustments to outstanding equity awards. The adjustments were retrospectively made to outstanding options under the CNH EIP and CNH DCP, unvested performance share units and unvested restricted share units under the CNH EIP, as of the ex-dividend date on December 18, 2012. The exercise price was reduced and the number of outstanding shares increased for stock options, and the number of unvested share units was increased for performance share units and restricted share units, to maintain the pre-dividend fair value. The weighted average exercise price of outstanding options decreased from \$40.45 to \$33.34, the number of outstanding options increased from 4.6 million to 5.6 million, the number of unvested performance share units increased from 1.9 million to 2.3 million and the number of unvested restricted share units increased from 451 thousand to 548 thousand. These additional shares were issued in January 2013. The aggregate fair value, the aggregate intrinsic value and the ratio of the exercise price to the market price are approximately equal immediately before and after the adjustment. Therefore, no additional compensation expense was recognized in 2012 and 2013.

The information disclosed below was adjusted retrospectively for the conversion ratio of 3.828. The exercise price and grant-date fair value is expressed in US dollars as this is the currency used in the award agreements with plan participants.

#### *Stock option plan*

In September 2012, approximately 2,680 thousand performance-based stock options (at target award levels) were issued under the CNH EIP (the "2012 Grant"). As CNH Global exceeded its 2012 target performance objective, approximately four million of these options were granted overall, of which 171,575 shares were issued in February 2013. One-third of the options vested in February 2013 following the approval of 2012 results of CNH by the board of directors of CNH Global. The remaining options will vest equally on the first and second anniversary of the initial vesting date. Options granted under the CNH EIP have a contractual life of five years from the initial vesting date.

The following table summarizes outstanding stock options under the CNH EIP:

Exercise Price (in \$)	At December 31, 2013			At December 31, 2012	
	Number of options outstanding	Weighted average contractual life (in years)	Weighted average exercise price (in \$)	Number of options outstanding	Weighted average exercise price (in \$)
2.92 – 5.00	495,631	1.1	2.92	723,454	3.55
5.01 – 10.00	6,522,657	3.4	8.03	8,666,025	9.38
10.01 – 15.00	5,603,457	3.1	10.16	8,276,973	12.43
<b>Total</b>	<b>12,621,745</b>			<b>17,666,452</b>	

Changes during the year in stock option plans are as follows:

	2013		2012	
	Number of shares	Weighted average fair value at grant date (\$)	Number of shares	Weighted average fair value at grant date (\$)
<b>Outstanding at the beginning of the year</b>	<b>17,666,452</b>	<b>10.57</b>	23,447,863	9.15
Anti-dilution adjustment for special dividend	3,796,997	8.7		
Granted	171,575	8.77	4,267,157	10.79
Forfeited	(390,612)	9.36	(558,766)	10.01
Exercised	(8,277,318)	8.45	(9,488,562)	7.19
Expired	(345,349)	11.04	(1,240)	5.54
<b>Outstanding at the end of the year</b>	<b>12,621,745</b>	<b>8.77</b>	<b>17,666,452</b>	<b>10.57</b>
<b>Exercisable at the end of the year</b>	<b>6,731,719</b>	<b>8.23</b>	<b>5,804,098</b>	<b>10.36</b>

The Black-Scholes pricing model was used to calculate the fair value of stock options for the 2012 Grant. As part of the 2012 Grant, options issued in 2013 had the same per share fair value.

#### Performance Share Units

Performance-based shares were granted to selected key employees and executive officers of former CNH Global under the CNH EIP. Performance-based shares vest upon the attainment of specified performance objectives.

No performance-based shares were granted in 2013. In 2012, CNH Global N.V. issued several grants of performance-based shares throughout the year. These shares will cliff vest in February 2015 based on their respective performance targets. The total number of shares granted in 2012 was 520,371 with a weighted average fair value of \$10.62 per share.

The following table reflects performance-based share activity under the CNH EIP:

	2013		2012	
	Number of shares	Weighted average fair value at grant date (\$)	Number of shares	Weighted average fair value at grant date (\$)
<b>Outstanding shares unvested at the beginning of the year</b>	<b>7,367,897</b>	<b>9.21</b>	7,732,560	9.16
Anti-dilution adjustment for special dividend	1,584,060	7.58		
Granted			520,371	10.62
Forfeited	(415,239)	7.54	(885,034)	9.59
Vested	(2,921,194)	7.54		
<b>Outstanding shares unvested at the end of the year</b>	<b>5,615,524</b>	<b>7.61</b>	7,367,897	9.21

### Restricted Share Units

In 2013, no restricted share units were granted. In 2012, 723,236 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.

The following table reflects restricted share activity under the CNH EIP:

	2013		2012	
	Number of shares	Weighted average fair value at grant date (\$)	Number of shares	Weighted average fair value at grant date (\$)
<b>Outstanding shares invested at the beginning of the year</b>	<b>1,696,715</b>	<b>9.28</b>	1,800,190	7.88
Anti-dilution adjustment for special dividend	363,988	7.64		
Granted			723,236	11.4
Forfeited	(102,703)	7.66	(133,549)	7.94
Vested	(1,027,475)	7.36	(693,162)	8.1
<b>Outstanding shares invested at the end of the year</b>	<b>930,525</b>	<b>7.95</b>	1,696,715	9.28

### Fiat Industrial Plan

In the General Meeting held on April 5, 2012, Fiat Industrial Shareholders approved the adoption of a Long-Term Incentive Plan articulated in two components (Company Performance LTI and Retention LTI) taking the form of stock grants. According to the Plan, Fiat Industrial granted the Chairman 1 million rights as part of the Company Performance LTI and 1.1 million rights as part of the Retention LTI.

In the case of the Retention LTI, one third of the rights vested on February 22, 2013 and each of the remaining two thirds will vest on February 22, 2014 and February 22, 2015, on condition that Mr. Marchionne remains Chairman.

Under the terms of Long-Term Incentive Plan, the rights to the Company Performance LTI would vest on condition that predetermined financial performance targets for the period from January 1, 2012 to December 31, 2014 were met and on condition that the beneficiary remained in office up to the date of approval of the consolidated financial statements at December 31, 2014 by the board of directors; the rights would become exercisable in a single installment subsequent to the date of approval of the consolidated financial statements at December 31, 2014 by the board of directors.

The two awards will be settled by issuing new shares.

On October 31, 2013, upon recommendation of the Remuneration Committee, the board of directors of CNH Industrial resolved to consider the performance conditions met for the Chairman's Company performance share units ("PSU"s). The units will vest on February 1, 2015.

At December 31, 2013, the contractual terms of the Long-Term Incentive Plan are therefore as follows:

Plan	Beneficiary	Number of shares	Vesting date	Vesting portion
<i>Company Performance LTI</i>	Chairman	1,000,000	1 <sup>st</sup> quarter 2015	1,000,000
<i>Retention LTI</i>	Chairman	1,100,000	February 22, 2013 (*)	366,667
			February 22, 2014 (*)	366,667
			February 22, 2015	366,666

(\*) As of the date of this document, the Chairman had not yet exercised his rights to the vested restricted shares.

The following table reflects share activity under the Company Performance LTI:

	2013		2012	
	Number of shares	Weighted average fair value at grant date (€)	Number of shares	Weighted average fair value at grant date (€)
<b>Outstanding shares unvested at the beginning of the year</b>	<b>1,000,000</b>			
Granted		7.795	1,000,000	7.795
Expired	-		-	
Vested	-		-	
<b>Outstanding shares unvested at the end of the year</b>	<b>1,000,000</b>	<b>7.795</b>	<b>1,000,000</b>	<b>7.795</b>

The following table reflects share activity under the Retention LTI:

	2013		2012	
	Number of shares	Weighted average fair value at grant date (€)	Number of shares	Weighted average fair value at grant date (€)
<b>Outstanding shares unvested at the beginning of the year</b>	<b>1,100,000</b>			
Granted		7.795	1,100,000	7.795
Expired	-		-	
Vested	(366,667) (a)	7.795	-	
<b>Outstanding shares unvested at the end of the year</b>	<b>733,333</b>	<b>7.795</b>	<b>1,100,000</b>	<b>7.795</b>

(a) As of the date of this document, the Chairman had not yet exercised his rights to the vested restricted shares.

### 31. Provisions for employee benefits

Details of the Group's provisions and net assets for employee benefits are as follows:

€ million	12/31/2013	12/31/2012	12/1/2012
<b>Present value of defined benefit obligations:</b>			
Pension plans	25,715	29,674	27,682
Health care and life insurance plans	2,749	3,192	2,969
Other post-employment benefits	1,355	1,342	1,262
<b>Total present value of defined benefit obligations</b>	<b>29,819</b>	<b>34,208</b>	<b>31,913</b>
<b>Fair value of plan assets</b>	<b>(21,048)</b>	<b>(22,149)</b>	<b>(21,967)</b>
<b>Asset ceiling</b>	<b>23</b>	<b>7</b>	<b>2</b>
<b>Total net defined benefits plan assets</b>	<b>8,794</b>	<b>12,066</b>	<b>9,948</b>
of which:			
Net defined benefit liability	8,921	12,187	10,068
(Defined benefit plan asset)	127	121	120
Other provisions for employees and liabilities for share-based payments	1,311	1,486	1,674
<b>Total Provisions for employee benefits</b>	<b>10,232</b>	<b>13,673</b>	<b>11,742</b>

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, health care and life insurance plans and other post-employment benefits.

Moreover, Group companies provide post-employment benefits, such as pension or health care benefits, to its employees under defined contribution plans. In this case, the Group pays contributions to public or private 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 2013 this cost amounts to €1,779 million (€1,582 million in 2012).

#### *Pension benefits*

The Group sponsors 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 under the salaried employees' retirement plans. These plans provide benefits based on the employee's cumulative contributions, years of service during which the employee contributions were made and the employee's average salary in a certain period preceding retirement.

In the United Kingdom, the Group participates, among others, in a pension plan financed by various entities belonging to the Group, called the "Fiat Group Pension Scheme" covering mainly deferred and retired employees.

Liabilities arising from these plans are usually funded by contributions made by Group subsidiaries and, at times by their employees, into legally separate trusts from which the employee benefits are paid.

The Group's funding policy for defined benefit pension plans is to contribute at least 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.

If these funds are overfunded, that is if they present a surplus compared to the requirements of law, the Group companies concerned could not be required to contribute to the plan in respect of a minimum performance requirement as 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. At December 31, 2013, the combined credit balances for the U.S. qualified pension plans was approximately €1.9 billion. The usage of these credit balances to satisfy minimum funding requirements is subject to the plans maintaining certain funding levels.

The Group contributions to funded pension plans for 2014 are expected to be €688 million, of which €647 million relates to Chrysler and more specifically, €573 million are discretionary contributions and €74 million will be made to satisfy minimum funding requirement. The expected benefit payments for pension plans are as follows:

€ million	<b>Expected benefits</b>
2014	1,807
2015	1,773
2016	1,746
2017	1,723
2018	1,706
2019-2023	8,330



The following summarizes the changes in the pension plans:

€ million	12/31/2013				12/31/2012			
	Defined benefit obligation	Fair value of plan assets	Asset ceiling	(Net asset) Net liability obligation	Defined benefit obligation	Fair value of plan assets	Asset ceiling	(Net asset) Net liability obligation
<b>Amounts at January 1</b>	<b>29,674</b>	<b>(22,080)</b>	<b>7</b>	<b>7,601</b>	<b>27,682</b>	<b>(21,905)</b>	<b>2</b>	<b>5,779</b>
<b>Included in the income statement</b>								
Current service cost	311			311	289			289
Interest expenses (income)	1,124	(841)		283	1,314	(1,028)		286
Other administrative costs	3	42		45		44		44
Past service costs (credits) and gains or losses arising from	(176)	14		(162)	10			10
<b>Included in Other comprehensive income</b>								
Actuarial (gains) losses:								
- demographic assumptions	(29)			(29)	157			157
- financial assumptions	(1,980)	(1)		(1,981)	2,798	(4)		2,794
- other	9	1	17	27	(235)	4		(231)
Return on assets		(585)		(585)		(1,080)		(1,080)
Change in the effect of limiting net assets			3	3				0
Change in exchange rates	(1,426)	1,179	(1)	(248)	(400)	285		(115)
<b>Other changes</b>								
Contribution by employer		(502)		(502)		(312)		(312)
Contribution by plan participants	11	(11)		0	13	(12)		1
Benefits paid	(1,825)	1,809		(16)	(1,952)	1,928		(24)
Other changes	19	(2)	(3)	14	(2)		5	3
<b>Amounts at December 31</b>	<b>25,715</b>	<b>(20,977)</b>	<b>23</b>	<b>4,761</b>	<b>29,674</b>	<b>(22,080)</b>	<b>7</b>	<b>7,601</b>

During the second quarter of 2013, Chrysler amended its U.S. and Canadian salaried defined benefit pension plans. The U.S. plans were amended in order to comply with U.S. regulations, cease the accrual of future benefits effective December 31, 2013, and enhance the retirement factors. The Canada amendment ceases the accrual of future benefits effective December 31, 2014, enhances the retirement factors and continues to consider future salary increases for the affected employees. An interim remeasurement was performed for these plans, which resulted in a curtailment gain of €166 million recognized in unusual income in the income statement (see Note 9). In addition, the Group recognized a €509 million reduction to its pension obligation, a €7 million reduction to defined benefit plan assets and a corresponding €502 million increase in Other comprehensive income.

During 2013 an increase in discount rates resulted in actuarial gains for the year ended December 31, 2013, compared with actuarial losses for the year ended December 31, 2012, when interest rates declined from the prior year end. The actuarial losses were partially offset by the return on plan assets during the year.

The fair value of plan assets by class is as follows:

€ million	12/31/2013		12/31/2012	
	Amount	of which have a quoted market price in an active market	Amount	of which have a quoted market price in an active market
<b>Cash and cash equivalents</b>	<b>578</b>	<b>426</b>	<b>518</b>	<b>405</b>
US equity securities	2,197	2,184	2,089	1,985
Non-US equity securities	1,588	1,579	1,616	1,597
Commingled funds	1,560	237	967	69
<b>Equity instruments</b>	<b>5,345</b>	<b>4,000</b>	<b>4,672</b>	<b>3,651</b>
Government securities	3,147	1,054	4,192	1,917
Corporate bonds (including convertible and high-yield bonds)	5,396	71	5,571	40
Other fixed income	689	20	758	20
<b>Fixed income securities</b>	<b>9,232</b>	<b>1,145</b>	<b>10,521</b>	<b>1,977</b>
Private equity funds	1,714		1,861	
Mutual funds	517		754	3
Real estate funds	1,222		1,221	
Hedge funds	1,759		1,847	3
<b>Investment funds</b>	<b>5,212</b>	<b>0</b>	<b>5,683</b>	<b>6</b>
<b>Insurance contracts and other</b>	<b>610</b>	<b>72</b>	<b>685</b>	<b>8</b>
<b>Total fair value of plan assets</b>	<b>20,977</b>	<b>5,643</b>	<b>22,079</b>	<b>6,047</b>

Non-US Equity securities are invested broadly in developed international and emerging markets. Debt instruments are fixed income securities which comprise primarily long duration 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. 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 include those in limited partnerships that invest in various commercial and residential real estate projects both in the United States 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, rebalances investments regularly and 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 Fiat S.p.A., CNH Industrial N.V. 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 are as follows:

For the **Fiat Group**:

(in %)	12/31/2013			12/31/2012		
	USA	Canada	UK	USA	Canada	UK
Discount rate	4.7	4.6	4.5	4.0	3.9	4.6
Future salary increase rate	3.0	3.5	3.1	3.0	3.5	3.0

The 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. The average duration of the U.S. and Canadian liabilities was approximately 11 and 12 years, respectively. The average duration of the UK pension liabilities was approximately 21 years.

For the **CNH Industrial Group**:

(in %)	12/31/2013	12/31/2012
Average discount rate	4.05	3.75
Future salary increase rate	3.35	2.99

For the **C&W Group**:

(in %)	12/31/2013		12/31/2012	
	UK	Indonesia	UK	Indonesia
Discount rate	4.37	8.5	4.24	5.25
Future salary increase rate		8.0		

With reference to C&W, the discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid; Assumptions regarding future mortality are based on published statistics and mortality tables. The expected long-term rate of return on assets is 5.88% (5.21% at December 31, 2012) and is based on the sum of returns of individual asset categories expected to be achieved in the future. Historical returns were considered in estimating the long-term rate of return.

For the pension plans of the **Fiat Group**, 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 €261 million and an increase of €265 million, respectively, in the defined benefit obligations.

For the pension plans of the **CNH Industrial Group**, the effect of one percentage point increase or decrease in the assumed discount rate would be a decrease of €269 million and an increase of €328 million, respectively, in the defined benefit pension obligation.

For **C&W Group**, a 0.5% decrease in the discount rate would produce an increase in liabilities of \$123.2 million for the UK plans and \$1.2 million for the Asia plans. An increase of 1 year in member life expectation would produce an increase in liabilities of \$114.7 million for the UK plans and \$1.2 million for the Asia plans.

### Health care and life insurance plans

Liabilities arising from these plans comprise obligations for retiree health care and life insurance granted to employees and to retirees in the U.S. and Canada by Chrysler Group companies and those of the Agricultural and Construction Equipment segment. The American and Canadian employees hired after January 1, 2001 and January 1, 2002, respectively, are not eligible for postretirement health care 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, the CNH Group began making contributions on a voluntary basis to a separate and independently managed fund established to finance the North American health care plans.

The expected benefit payments for health care and life insurance plans are as follows:

€ million	Expected benefits
2014	184
2015	184
2016	183
2017	183
2018	182
2019-2023	882

Changes in the net defined benefit obligations for healthcare and life insurance plans are as follows:

€ million	12/31/2013			12/31/2012		
	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
<b>Present value of obligations at January 1</b>	<b>3,192</b>	<b>(69)</b>	<b>3,123</b>	<b>2,969</b>	<b>(62)</b>	<b>2,907</b>
<b>Included in income statement</b>						
Current service cost	29		29	29		29
Interest (income) expenses	121	(2)	119	143	(3)	140
Past service costs (credits) and gains or losses arising from settlements			0	(6)		(6)
<b>Included in Other comprehensive income</b>						
Actuarial (gains) losses:						
- demographic assumptions	(19)		(19)	55		55
- financial assumptions	(251)		(251)	257		257
- other	(1)		(1)	(1)		(1)
Return on assets		(5)	(5)		(6)	(6)
Differences on exchange	(151)	3	(148)	(54)	1	(53)
<b>Other changes</b>						
Contribution by employer		(52)	(52)		(54)	(54)
Contribution by plan participants	5	(5)	0	5	(5)	0
Benefits paid	(185)	59	(126)	(207)	62	(145)
Other changes	9		9	2	(2)	0
<b>Present value of obligation at December 31</b>	<b>2,749</b>	<b>(71)</b>	<b>2,678</b>	<b>3,192</b>	<b>(69)</b>	<b>3,123</b>

Health care 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 health care cost increases and demographic experience.

The fair value of plan assets by category is analyzed as follows:

€ million	12/31/2013		12/31/2012	
	Amount	of which have a quoted market price in an active market	Amount	of which have a quoted market price in an active market
Non-US equity securities	11	11	10	10
<b>Equity instruments</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>10</b>
Mutual funds			57	
<b>Investment funds</b>	<b>0</b>	<b>0</b>	<b>57</b>	<b>0</b>
<b>Insurance contracts and other</b>	<b>60</b>		<b>2</b>	
<b>Total fair value of plan assets</b>	<b>71</b>	<b>11</b>	<b>69</b>	<b>10</b>

The weighted average assumptions used to determine the defined benefit obligations are as follows:

for the **Fiat Group**:

(in %)	12/31/2013		12/31/2012	
	USA	Canada	USA	Canada
Discount rate	4.9	4.7	4.1	3.9
Future salary increase rate	n/a	2.7	n/a	2.7
Weighted average ultimate health care cost trend rate	5.0	3.6	5.0	3.7

The discount rates used by the Fiat 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 average duration of the U.S. and Canadian liabilities was approximately 12 and 15 years, respectively.

The effect of the increase or decrease of 0.1% in the assumed discount rate, holding all other assumptions constant, for the Fiat Group is a reduction of €23 million and an increase of €24 million, respectively, in the defined benefit obligation December 31, 2013.

The annual rate of increase in the per capita cost of covered U.S. health care benefits assumed for 2013 was 6.8% (8.0% in 2012). The annual rate was assumed to decrease gradually to 5.0% after 2017 and remain at that level thereafter. The annual rate of increase in the per capita cost of covered Canadian health care benefits assumed for 2013 was 3.3% (3.7% in 2012). The annual rate was assumed to remain at 3.6% thereafter.

The assumed health care cost trend rate has a significant effect on the amounts reported for postretirement health care and life insurance benefits. A one percentage point increase or decrease in the assumed health care cost trend rate for U.S. and Canada combined, at December 31, 2013, would lead to a reduction of €40 million and an increase of €48 million, respectively, in the obligation.

For the **CNH Industrial Group**:

(in %)	12/31/2013	12/31/2012
Discount rate	<b>4.67</b>	3.79
Future salary increase rate	<b>3.42</b>	3.42
Weighted average initial health care cost trend rate	<b>8.19</b>	7.04
Weighted average ultimate health care cost trend rate	<b>5.00</b>	5.00

The weighted-average discount rates are used in measurements of pension and postretirement 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 Group's projected cash flows against a high quality bond yield curve, mainly calculated using a wide population of AA-graded corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria.

The discount rates for the Group's 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 health care trend rate represents the rate at which health care 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 health care 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 health care 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 US and Canada plans, respectively.

Assumed discount rates and health care cost trend rates have a significant effect on the amount recognized in the 2013 financial statements.

A one percentage point increase or decrease in the health care cost trend would lead to an increase of €98 million and a reduction of €75 million, respectively, in the health care defined benefit obligation at December 31, 2013.

A one percentage point increase or decrease in the discount rates would be a reduction of €77 million and an increase of €94 million, respectively, in the health care defined benefit obligation.

#### *Other post-employment benefits*

Other post-employment benefits include employee benefits granted to Group employees in Europe and comprise, among others, the Italian TFR (obligation amounting to €1,029 million at December 31, 2013 and to €999 million at December 31, 2012), 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. These schemes are unfunded.

Changes in defined benefit obligations for other post-employment benefits are as follows:

€ million	12/31/2013	12/31/2012
<b>Present value of obligation at January 1</b>	<b>1,342</b>	<b>1,262</b>
<b>Included in income statement</b>		
Current service cost	28	21
Interest (income) expenses	23	35
Past service costs (credits) and gains or losses arising from settlements	1	4
<b>Included in Other comprehensive income</b>		
Actuarial (gains) losses:		
- demographic assumptions	(2)	(11)
- financial assumptions	43	92
- other	24	32
Differences on exchange	(4)	2
<b>Other changes</b>		
Benefits paid	(91)	(110)
Change in the scope of consolidation	21	(1)
Other changes	(30)	16
<b>Present value of obligation at December 31</b>	<b>1,355</b>	<b>1,342</b>

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 TFR 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 2013 is equal to 2.77% (3.4% in 2012). The average duration of the Italian TFR 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.

#### *Other provisions for employees*

At December 31, 2013, other provisions for employees and liabilities for share based payments comprised other long-term benefits obligations for €1,311 million (€1,488 million at December 31, 2012), representing the expected obligation for benefits, such as jubilee and long-term disability granted to certain employees by the Group.

### 32. Other provisions

Changes in other provisions are as follows:

€ million	Beginning balance	Charge	Utilization	release to income	Translation differences	Change in the scope of consolidation and other changes	Closing balance
<b>At December 31, 2013</b>							
Warranty and technical assistance provision	4,419	2,642	(2,334)	(38)	(230)	3	4,462
Restructuring provision	396	63	(184)	(23)	(2)	2	252
Investment provision	18				(2)	1	17
Other risks	6,633	11,563	(10,529)	(261)	(315)	72	7,163
<b>Total Other provisions</b>	<b>11,466</b>	<b>14,268</b>	<b>(13,047)</b>	<b>(322)</b>	<b>(549)</b>	<b>78</b>	<b>11,894</b>
<b>At December 31, 2012</b>							
Warranty and technical assistance provision	4,306	2,591	(2,204)	(215)	(60)	1	4,419
Restructuring provision	432	209	(171)	(65)	0	(9)	396
Investment provision	27	0	(3)	0	(1)	(5)	18
Other risks	6,327	11,245	(10,431)	(391)	(88)	(29)	6,633
<b>Total Other provisions</b>	<b>11,092</b>	<b>14,045</b>	<b>(12,809)</b>	<b>(671)</b>	<b>(149)</b>	<b>(42)</b>	<b>11,466</b>

The warranty 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. The Group establishes provisions for product warranty obligations when the related sale is recognized. 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.

The restructuring provision at December 31, 2013 consists of termination benefits of €160 million (€311 million in 2012) payable to employees in connection with restructuring plans, manufacturing rationalization costs of €16 million (€21 million in 2012) and other costs €76 million (€63 million in 2012).

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.

Details of this item are as follows:

€ million	12/31/2013	12/31/2012	Change
Sales incentives	3,964	3,531	433
Legal proceedings and other disputes	964	883	81
Commercial risks	734	730	4
Environmental risks	62	70	(8)
Indemnities	63	62	1
Other provisions for risk and charges	1,376	1,357	19
<b>Total Other risks</b>	<b>7,163</b>	<b>6,633</b>	530

A description of these follows:

- Sales incentives – This provision relates to sales incentives offered on a contractual basis to the Group's dealer networks, primarily on the basis of a specific cumulative level of sales transactions during a certain period.
- Legal proceedings and other disputes - This provision represents management's best estimate of the liability to be recognized by the Group 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.

The provisions for other risks at December 31, 2013 refer to the Fiat Group for €1,236 million, the CNH Industrial Group for €137 million and EXOR S.p.A. for €3 million.

### 33. Financial debt

Details of financial debt are as follows:

€ million	12/31/2013	12/31/2012	Change
Asset-backed financing	11,269	10,149	1,120
<b>Other financial debt:</b>			
Bonds	21,009	19,220	1,789
Borrowings from banks	14,032	13,709	323
Payables represented by securities	4,924	5,011	(87)
Other financial debt:	1,933	1,989	(56)
<b>Total Other financial debt</b>	<b>41,898</b>	<b>39,929</b>	1,969
<b>Total Financial debt</b>	<b>53,167</b>	<b>50,078</b>	3,089

During 2013 the Group issued bonds for €3,892 million and repaid €1,753 million at maturity; the repayments of medium-/long-term loans and credit facilities amount to approximately €4,110 million and new medium-/long-term loans secured by the Group total €4,705 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 25).

In addition, at December 31, 2013 the Group's assets include current receivables and cash to settle asset-backed financing of €10,626 million (€10,149 million at December 31, 2012) (see Note 25).

## Bonds

The bond issues outstanding at December 31, 2013 are as follows:

	Currency	Face value of outstanding bonds (in million)	Coupon	Maturity	Outstanding amount (in € million)
<b>Bonds issued by EXOR S.p.A.</b>					
Bonds 2007-2017	€	690	5.38%	June 12, 2017	708
Bonds 2012-2019	€	150	4.75%	October 16, 2019	149
Bonds 2013-2020	€	200	3.38%	November 12, 2020	199
Bonds 2012-2025	€	100	5.25%	January 31, 2025	103
Bonds 2011-2031	Yen	10,000	2.80% 6 months	May 9, 2031	70
<b>Total Bonds issued by EXOR S.p.A.</b>					<b>1,229</b>
<b>Bonds issued by the Fiat Group</b>					
<b>Global Medium Term Notes:</b>					
Fiat Finance and Trade Ltd S.A.	€	900	6.125%	July 8, 2014	900
Fiat Finance and Trade Ltd S.A.	€	1,250	7.625%	September 15, 2014	1,250
Fiat Finance and Trade Ltd S.A.	€	1,500	6.875%	February 13, 2015	1,500
Fiat Finance and Trade Ltd S.A.	CHF	425	5.000%	September 7, 2015	346
Fiat Finance and Trade Ltd S.A.	€	1,000	6.375%	April 1, 2016	1,000
Fiat Finance and Trade Ltd S.A.	€	1,000	7.750%	October 17, 2016	1,000
Fiat Finance and Trade Ltd S.A.	CHF	400	5.250%	November 23, 2016	326
Fiat Finance and Trade Ltd S.A.	€	850	7.000%	March 23, 2017	850
Fiat Finance North America Inc.	€	1,000	5.625%	June 12, 2017	1,000
Fiat Finance and Trade Ltd S.A.	CHF	450	4.000%	November 22, 2017	367
Fiat Finance and Trade Ltd S.A.	€	1,250	6.625%	March 15, 2018	1,250
Fiat Finance and Trade Ltd S.A.	€	600	7.375%	July 9, 2018	600
Fiat Finance and Trade Ltd S.A.	€	1,250	6.750%	October 14, 2019	1,250
Other					7
<b>Total Global Medium Term Notes</b>					<b>11,646</b>
<b>Other bonds:</b>					
Chrysler Group LLC (Secured Senior Notes) (1)	\$	1,500	8.000%	June 15, 2019	1,088
Chrysler Group LLC (Secured Senior Notes) (1)	\$	1,700	8.250%	June 15, 2021	1,232
<b>Total Other bonds</b>					<b>2,320</b>
<b>Hedging effect and amortized cost valuation</b>					<b>500</b>
<b>Total Bonds issued by the Fiat Group</b>					<b>14,466</b>
<b>Bonds issued by the CNH Industrial Group</b>					
<b>Global Medium Term Notes:</b>					
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
<b>Total Global Medium Term Notes</b>					<b>2,200</b>
<b>Other bonds:</b>					
CNH Capital LLC	\$	750	3.875%	November 1, 2015	544
CNH America LLC	\$	254	7.250%	January 15, 2016	184
CNH Capital LLC	\$	500	6.250%	November 1, 2016	363
CNH Capital LLC	\$	500	3.250%	February 1, 2017	363
Case New Holland Inc.	\$	1,500	7.875%	December 1, 2017	1,088
CNH Capital LLC	\$	600	3.625%	April 15, 2018	435
<b>Total Other bonds</b>					<b>2,977</b>
<b>Hedging effect and amortized cost valuation</b>					<b>137</b>
<b>Total Bonds issued by the CNH Industrial Group</b>					<b>5,314</b>
<b>Total Bonds</b>					<b>21,009</b>

- (1) The Secured Senior Notes of Chrysler were issued at par on May 24, 2011 and initially sold in a private placement to qualified institutional buyers and non-US persons as defined by US Securities Act. On December 29, 2011, in accordance with the indenture, Chrysler commenced an offer to exchange the Original Notes outstanding for notes having substantially identical terms as those originally issued and the same principal amount but do not contain restrictions on transfer. The offer to exchange the Original Notes expired on February 1, 2012. Substantially all of the Original Notes were tendered for Secured Senior Notes.

**Bond issued by EXOR S.p.A.**

On November 12, 2013 EXOR issued non-convertible bonds for €200 million maturing November 12, 2020 through a private placement to institutional investors.

The bonds were issued at a price of 99.053% and pay a fixed annual coupon of 3.375%. They are listed on the Regulated Market of the Luxembourg Stock Exchange and were assigned a credit rating of 'BBB+' by Standard & Poor's.

In 2013, EXOR repurchased a nominal €60 million of non-convertible bonds 2007/2017 and then proceeded to cancel the nominal amount purchased.

Following cancellation, the original nominal amount of €750 million is now equal to €690 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 providing 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. Finally, 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, 2013. Finally, a change in control, if any, of EXOR would give the bondholders the right to ask for early repayment of the bonds.

**Bonds issued by the Fiat Group**

Changes in bonds during 2013 are mainly due to:

- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of 6.625% notes at par having a principal of €1,250 million and due March 2018;
- the repayment on maturity of a bond having a nominal value of €1 billion issued by Fiat Finance and Trade Ltd S.A. in 2006;
- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of 6.75% notes at par having a principal of €850 million and due October 2019;
- the re-opening of the above €850 million 6.75% notes due October 2019, with the issue by Fiat Finance and Trade Ltd S.A. of a further €400 million of notes at 101.231% of par value and a yield to maturity of 6.50%, increasing the total principal amount of the bond to €1.25 billion;
- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of 4.00% notes at par having a principal of CHF 450 million and due November 2017.

Following the repayment on February 15, 2013 of the bond issued by Fiat Finance and Trade Ltd. S.A. having a nominal value of €1 billion, bearing fixed interest at 6.625%, all the bonds issued by the Fiat Group excluding Chrysler are currently governed by the terms and conditions of the Global Medium Term Note Programme. A maximum of €15 billion may be issued under this Program, of which notes of approximately €11.6 billion have been issued to December 31, 2013; the Program is guaranteed by Fiat S.p.A. The issuers taking part in the program include, among others, Fiat Finance and Trade Ltd. S.A. for an amount outstanding of €10.6 billion and Fiat Finance North America Inc. with a bond having a nominal value of €1 billion.

Chrysler may redeem, at any time, all or any portion of the Secured Senior Notes on not less than 30 and not more than 60 days' prior notice mailed to the holders of the Notes to be redeemed:

- Prior to June 15, 2015, the 2019 Secured Senior Notes will be redeemable at a price equal to the principal amount of the 2019 Notes being redeemed, plus accrued and unpaid interest to the date of redemption and a "make-whole" premium calculated under the indenture. At any time prior to June 15, 2014, Chrysler may also redeem up to 35% of the aggregate principal amount of the 2019 Notes, at a redemption price equal to 108% of the principal amount of the 2019 Notes being redeemed, plus accrued and unpaid interest to the date of redemption with the net cash proceeds from certain equity offerings. On and after June 15, 2015, the 2019 Notes are redeemable at redemption prices specified in the indenture, plus accrued and unpaid interest to the date of redemption. The redemption price is initially 104% of the principal amount of the 2019 Notes being redeemed for the twelve months beginning June 15, 2015, decreasing to 102% for the year beginning June 15, 2016 and to par on and after June 15, 2017;
- Prior to June 15, 2016, the 2021 Secured Senior Notes will be redeemable at a price equal to the principal amount of the 2021 Notes being redeemed, plus accrued and unpaid interest to the date of redemption and

a “make-whole” premium calculated under the indenture. At any time prior to June 15, 2014, Chrysler may also redeem up to 35% of the aggregate principal amount of the 2021 Notes, at a redemption price equal to 108.25% of the principal amount of the 2021 Notes being redeemed, plus accrued and unpaid interest to the date of redemption with the net cash proceeds from certain equity offerings. On and after June 15, 2016, the 2021 Notes are redeemable at redemption prices specified in the indenture, plus accrued and unpaid interest to the date of redemption. The redemption price is initially 104.125% of the principal amount of the 2021 Notes being redeemed for the twelve months beginning June 15, 2016, decreasing to 102.75% for the year beginning June 15, 2017, to 101.375% for the year beginning June 15, 2018 and to par on and after June 15, 2019.

The bonds issued by Fiat Finance and Trade Ltd S.A. and by Fiat Finance North America Inc. impose covenants on the issuer and, in certain cases, on Fiat S.p.A. as guarantor, which is standard international practice for similar bonds issued by companies in the same industry sector as the Group. Such covenants include: (i) negative pledge clauses which require that, in case any security interest upon assets of the issuer and/or Fiat S.p.A. is granted in connection with other bonds or debt securities having the same ranking, such security should be equally and ratably extended to the outstanding bonds; (ii) *pari passu* clauses, under which the bonds rank and will rank *pari passu* with all other present and future unsubordinated and unsecured obligations of the issuer and/or Fiat S.p.A.; (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the bonds 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 can lead to the early repayment of the notes. In addition, the agreements for the bonds guaranteed by Fiat S.p.A. contain clauses which could lead to requirement to make early repayment if there is a change of the controlling shareholder of Fiat S.p.A. which leads to a resulting downgrading by the ratings agencies.

The indenture of the Secured Senior Notes issued by Chrysler Group LLC includes negative covenants which limited Chrysler’s ability and, in certain instances, the ability of certain of its subsidiaries to, (i) pay dividends or make distributions of Chrysler’s capital stock or repurchase Chrysler’s capital stock; (ii) make certain payments; (iii) create certain liens to secure indebtedness; (iv) enter into sale and leaseback transactions; (v) engage in transactions with affiliates; (vi) merge or consolidate with certain companies and (vii) transfer and sell assets.

The indenture also provides for customary events of default, including but not limited to, (i) non-payment; (ii) breach of covenants in the indenture; (iii) payment defaults or acceleration of other indebtedness; (iv) a failure to pay certain judgments and (v) certain events of bankruptcy, insolvency and reorganization. If certain events of default occur and are continuing, the trustee or the holders of at least 25% in principal amount of the notes outstanding under one of the series may declare all of the notes of that series to be due and payable immediately, together with accrued interest, if any.

The Secured Senior Notes are secured by liens junior to the Senior Secured Credit Facilities on substantially all of Chrysler Group LLC’s assets and the assets of its U.S. subsidiary guarantors, including 100% of the equity interests in Chrysler’s U.S. subsidiaries and 65% of the equity interests in its non U.S. subsidiaries held directly by Chrysler Group LLC and its U.S. subsidiary guarantors.

#### **Bonds issued by the CNH Industrial Group**

Changes in bonds during 2013 are due to:

- a bond issued by CNH Capital LLC at par having a nominal value of \$600 million (equivalent to €435 million), falling due in 2018 and bearing fixed interest at a rate of 3.625% payable semi-annually;
- a bond issued by CNH Capital LLC at par having a nominal value of \$500 million (equivalent to €363 million), falling due in 2017 and bearing fixed interest at a rate of 3.250% payable semi-annually.

The bonds issued by the CNH Industrial Group are governed by different terms and conditions according to their type; more specifically these are as follows, in addition to the above-mentioned bond issued in 2013:

- a bond issued at par by CNH Industrial Finance Europe S.A. as part of the Global Medium Term Note Program, having a nominal value of €1,000 million, falling due in 2015 and bearing fixed interest at a rate of 5.250%;
- a bond issued at par by CNH Industrial Finance Europe S.A. as part of the Global Medium Term Note Program, having a nominal value of €1,200 million, falling due in 2018 and bearing fixed interest at a rate of 6.250%;

- a bond issued at par by CNH Capital LLC having a nominal value of \$500 million, falling due in 2016 and bearing fixed interest at a rate of 6.250%, payable semi-annually;
- a bond issued by CNH Capital LLC at par having a nominal value of \$750 million, falling due in 2015 and bearing fixed interest at a rate of 3.875%, payable semi-annually;
- a bond issued by CNH America LLC for a total amount outstanding of \$254 million, falling due in 2016;
- a bond issued by Case New Holland Inc. at a price of 99.32% of its nominal value of \$1,500 million, falling due in 2017 and bearing fixed interest at a rate of 7.875%.

The bonds issued by the CNH Industrial Group 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 agreements for the bonds guaranteed by CNH Industrial N.V. contain clauses which could lead to early repayment if there is a change of control of CNH Industrial N.V. associated with a downgrading by a ratings agency.

The Group intends 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 bonds on the market that have been issued by the Group, also for purposes of their cancellation. Such buy backs, if made, depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

#### Credit lines

At December 31, 2013 **EXOR S.p.A.** has irrevocable credit lines not drawn down that are due after December 31, 2014 for €425 million and revocable credit lines not drawn down for more than €595 million.

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 in 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 €325 million.

Medium/long-term committed credit lines (expiring after twelve months) currently available to the treasury companies of **Fiat Group** excluding Chrysler amount to approximately €3.2 billion at December 31, 2013, of which €2.1 billion related to the 3-year syndicated revolving credit line due in July 2016 that was undrawn at December 31, 2013. In June 2013, Fiat S.p.A. signed a new €2 billion 3-year revolving credit line, which replaced the existing of €1.95 billion signed in July 2011. The syndication of the new line was successfully completed on July 18, 2013 with a group of 19 banks and, as a result of the positive response, the facility was increased to €2.1 billion.

Additionally, the operating entities of Fiat Group excluding Chrysler have committed credit lines available, with residual maturity after twelve months, to fund scheduled investments, of which approximately €1.8 billion was still undrawn at December 31, 2013.

The €2.1 billion syndicated credit facility of Fiat contains typical covenants for contracts of this type and size, such as financial covenants (Net Debt/EBITDA and 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, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding loans. Similar covenants are contemplated for loans granted by the European Investment Bank for a total of €1.1 billion, in order to fund the Group's investments and research and development costs. In addition, the above syndicated credit facility, currently contemplates limits to the capability to extend guarantees or loans to Chrysler.

At December 31, 2013, Chrysler has secured revolving credit facility ("Revolving Credit Facility") amounting to approximately €0.9 billion (\$1.3 billion), fully undrawn at that date and maturing in May 2016.

Chrysler's senior credit facilities, which include the above mentioned Tranche B Term Facility and the Revolving Credit Facility, are secured by a senior priority security interest in substantially all of Chrysler Group LLC's assets and the assets of its U.S. subsidiary guarantors, subject to certain exceptions. The collateral includes 100% of the equity interests in Chrysler's U.S. subsidiaries and 65% of the equity interests in its non U.S. subsidiaries held directly by Chrysler Group LLC and its U.S. subsidiary guarantors.

The senior secured credit agreement includes negative covenants, many of which are typical of market practices, including but not limited to: (i) limitations on incurrence, repayment and prepayment of indebtedness; (ii) limitations on incurrence of liens; (iii) limitations on making certain payments; (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 Secured Credit Agreement requires Chrysler to maintain a minimum ratio of “borrowing base” to “covered debt” (as defined in the Facility), as well as a minimum liquidity of \$3.0 billion, which includes any undrawn amounts on the Revolving Credit Facility.

The senior secured credit agreement contains 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 certain material judgments.

Available committed credit lines of the **CNH Industrial Group** expiring after twelve months amount to €1.6 billion at December 31, 2013 (€1.6 billion at December 31, 2012). Of these credit lines, the €2 billion credit facility of CNH Industrial, guaranteed by the parent company and available for €1,250 million at December 31, 2013, envisages typical covenants 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 and change of control clauses. The failure to comply with these covenants, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding loans.

The credit lines available to **C&W Group** are a 5-year “Senior Secured Revolving Credit Facility” for \$350 million and a long-term 5-year guaranteed “Term Loan” for \$150 million. Security is provided by guarantees on C&W Group’s business and stock pledges by the major subsidiaries.

The credit lines require compliance with covenants generally applicable to contracts of a similar type.

At December 31, 2013, **Juventus Football Club** has revocable credit lines for €310 million.

#### *Borrowings from banks*

At December 31, 2013 borrowings from banks amount to €14,032 million (€13,709 million at December 31, 2012) and refer principally:

- for €8,652 million (€8,139 million at December 31, 2012) to the Fiat Group;
- for €5,149 million (€5,174 million at December 31, 2012) to the CNH Industrial Group;
- for €118 million (€131 million at December 31, 2012) to C&W Group, principally for the amount drawn down on the credit facility (\$167.5 million equal to €121 million);
- for €75 million (€48 million at December 31, 2012) to Juventus Football Club;

The balance at December 31, 2012 included borrowings from banks equal to €200 million of EXOR S.p.A.

#### *Payables represented by securities*

At December 31, 2013, payables represented by securities include, among others:

- for €3,575 million (€3,863 million at December 31, 2012) for Chrysler’s financial liability to the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America (“UAW”) Retiree Medical Benefits Trust (“VEBA Trust”);
- for €703 million (€864 million at December 31, 2012) for Chrysler’s financial liability to the Canadian Health Care Trust.

#### *Other financial debt*

Other financial debt is analyzed by sector as follows:

€ million	Fiat	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated
<b>Other financial debt at December 31, 2013</b>	1,656	180	3	117	29	(52)	<b>1,933</b>
<b>Other financial debt at December 31, 2012</b>	1,712	189	4	106	66	(88)	<b>1,989</b>
Change	(56)	(9)	(1)	11	(37)	36	(56)

At December 31, 2013, the Fiat Group excluding Chrysler had outstanding financial lease agreements for certain property, plant and equipment whose overall net carrying amount totals €377 million (€268 million at December 31, 2012) (Note 16).

Financial lease payables, included in other financial debt, amount to €605 million and comprise the following:

€ million	12/31/2013	12/31/2012	Change
Due within one year	71	80	(9)
Due between one and five years	258	220	38
Due beyond five years	276	227	49
<b>Present value of minimum lease payments</b>	<b>605</b>	<b>527</b>	<b>78</b>

As discussed in Note 16, 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, 2013, debt secured by assets of the **Fiat Group** excluding Chrysler amounts to €416 million (€363 million at December 31, 2012), of which €370 million (€276 million at December 31, 2012) is due to creditors for assets acquired under finance leases. The total carrying amount of assets acting as security for loans amounts to €401 million at December 31, 2013 (€296 million at December 31, 2012).

At December 31, 2013, debt secured by assets of Chrysler amounts to €5,180 million (€5,530 million at December 31, 2012), and includes €4,448 million (€4,665 million at December 31, 2012) relating to the Secured Senior Notes and the Senior Secured Credit Facility (the "Tranche B Term Loan" and the "Revolving Credit Facility", which at December 31, 2013 was undrawn), €165 million (€183 million at December 31, 2012) was due to creditors for assets acquired under finance leases and other debt and financial commitments for €567 million (€682 million at December 31, 2012).

Debt secured with mortgages and other liens on assets of the **CNH Industrial Group** amounts to €116 million at December 31, 2013 (€112 million at December 31, 2012); this amount includes €54 million (€49 million at December 31, 2012) due to creditors for assets acquired under finance leases. The total carrying amount of assets acting as security for loans amounts to €151 million at December 31, 2013 (€143 million at December 31, 2012).

Debt secured by assets of **C&W Group** amounts to €362 million (\$500 million) at December 31, 2013 and refers to the "Revolving Credit Facility" and the "Term Loan", drawn for €121 million (\$167.5 million).

In addition, at December 31, 2013 the Group's assets include current receivables to settle Asset-backed financing of €11,275 million (€10,157 million at December 31, 2012), see Note 25.

#### *Group financial debt by due date*

An analysis of debt by due date at December 31, 2013 and December 31, 2012 is as follows:

	At December 31, 2013				At December 31, 2012			
	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
<b>Asset-backed financing</b>	6,043	5,114	112	11,269	5,587	4,531	31	10,149
<b>Other financial debt:</b>								
Bonds	2,707	14,212	4,090	21,009	2,272	12,383	4,565	19,220
Borrowings from banks	4,355	8,894	783	14,032	5,046	7,736	927	13,709
Payables represented by securities	640	1,680	2,604	4,924	637	1,237	3,137	5,011
Other	1,108	425	400	1,933	1,086	420	483	1,989
<b>Total Other financial debt</b>	<b>8,810</b>	<b>25,211</b>	<b>7,877</b>	<b>41,898</b>	<b>9,041</b>	<b>21,776</b>	<b>9,112</b>	<b>39,929</b>
<b>Total Financial debt</b>	<b>14,853</b>	<b>30,325</b>	<b>7,989</b>	<b>53,167</b>	<b>14,628</b>	<b>26,307</b>	<b>9,143</b>	<b>50,078</b>

### Group financial debt by interest rate

The annual interest rates and the nominal currencies of debt at December 31, 2013 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	12,265	9,425	2,254	90	0	24,034
U.S. dollar	10,946	682	6,831	12	169	18,640
Brazilian real	1,272	1,284	820	1,390	208	4,974
Canadian dollar	1,364	79	584	0	0	2,027
Australian dollar	629	0	0	0	0	629
Swiss franc	378	673	0	0	0	1,051
Mexican peso	0	0	414	0	0	414
Danish krone	24	0	0	0	0	24
Polish zloty	199	16	0	0	10	225
Chinese renminbi	4	404	66	0	0	474
Argentine peso	31	0	60	21	193	305
British pound	220	0	0	0	0	220
Other	46	71	2	14	17	150
<b>Total Financial debt at 12/31/2013</b>	<b>27,378</b>	<b>12,634</b>	<b>11,031</b>	<b>1,527</b>	<b>597</b>	<b>53,167</b>

For further information on the management of interest rate and currency risk reference should be made to Note 39.

### Net financial position

In compliance with 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", the net financial position of the EXOR Group at December 31, 2013 is as follows:

€ million	12/31/2013	12/31/2012	Change
Non-current securities (held to maturity)	83	109	(26)
Non-current financial receivables and other financial assets	5	5	0
<b>Non-current assets</b>	<b>88</b>	<b>114</b>	<b>(26)</b>
Cash and cash equivalents	26,153	22,813	3,340
Investments and current securities (held for trading)	828	492	336
<b>Liquidity</b>	<b>26,981</b>	<b>23,305</b>	<b>3,676</b>
Receivables from financing activities	19,594	18,938	656
- of which: from jointly-controlled financial services entities	27	58	(31)
Other current financial receivables	6	4	2
Other financial assets	724	641	83
Financial debt	(53,167)	(50,078)	(3,089)
Other financial liabilities	(239)	(342)	103
<b>Net financial position</b>	<b>(6,013)</b>	<b>(7,418)</b>	<b>1,405</b>

An analysis of the net financial position by segment is as follows:

€ million	Fiat	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated
<b>At 12/31/2013</b>							
Non-current securities (held to maturity)					83		83
Non-current financial receivables and other financial assets				4	1		5
<b>Non-current assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>84</b>	<b>0</b>	<b>88</b>
Cash and cash equivalents	19,439	4,705	118	1	1,900	(10)	26,153
Investments and current securities (held for trading)	247				581		828
<b>Liquidity</b>	<b>19,686</b>	<b>4,705</b>	<b>118</b>	<b>1</b>	<b>2,481</b>	<b>(10)</b>	<b>26,981</b>
Receivables from financing activities	3,671	15,943				(20)	19,594
- of which: from jointly-controlled financial services entities	27						27
Other current financial receivables					7	(1)	6
Other financial assets	533	189	2				724
Financial debt	(29,902)	(21,714)	(121)	(193)	(1,258)	21	(53,167)
Other financial liabilities	(137)	(68)	(1)	(1)	(33)	1	(239)
<b>Net financial position at 12/31/2013</b>	<b>(6,149)</b>	<b>(945)</b>	<b>(2)</b>	<b>(189)</b>	<b>1,281</b>	<b>(9)</b>	<b>(6,013)</b>
<b>At 12/31/2012</b>							
Non-current securities (held to maturity)					109		109
Non-current financial receivables and other financial assets				4	1		5
<b>Non-current assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>110</b>	<b>0</b>	<b>114</b>
Cash and cash equivalents	17,657	4,611	64	1	514	(34)	22,813
Investments and current securities (held for trading)	256	4			232		492
<b>Liquidity</b>	<b>17,913</b>	<b>4,615</b>	<b>64</b>	<b>1</b>		<b>(34)</b>	<b>23,305</b>
Receivables from financing activities	3,727	15,237				(26)	18,938
- of which: from jointly-controlled financial services entities	58						58
Other current financial receivables					4		4
Other financial assets	519	121	1				641
Financial debt	(27,889)	(20,633)	(135)	(154)	(1,346)	79	(50,078)
Other financial liabilities	(201)	(97)	(1)	(1)	(42)	0	(342)
<b>Net financial position at 12/31/2012</b>	<b>(5,931)</b>	<b>(757)</b>	<b>(71)</b>	<b>(150)</b>	<b>(528)</b>	<b>19</b>	<b>(7,418)</b>

Receivables from financing activities include the entire portfolio of the consolidated financial services entities of the Fiat 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 of C&W Group is adjusted to exclude non-current financial assets (deposits and receivables) in order to comply with the Consob Communication.

Non-current securities (held-to-maturity) of the Holdings System include bonds issued by leading counterparties and listed on active and open markets which the Group intends, and is able, 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.

### 34. Trade payables

Details by sector are as follows:

€ million	Fiat	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated
<b>Trade payables at 12/31/2013</b>	17,235	5,344	196	17	1	(141)	22,652
Trade payables at 12/31/2012	16,558	4,843	167	15	1	(161)	21,423
Change	677	501	29	2	0	20	1,229

An analysis by due date of trade payables is as follows:

€ million	12/31/2013	12/31/2012	Change
Due within one year	22,631	21,402	1,229
Due between one and five years	20	20	0
Due beyond five years	1	1	0
<b>Trade payables</b>	<b>22,652</b>	<b>21,423</b>	1,229

### 35. Other liabilities

Details are as follows:

€ million	12/31/2013	12/31/2012	Change
Advances on buy-back agreements	2,962	2,271	691
Indirect tax payables	1,734	1,634	100
Accrued expenses and deferred income	2,847	2,351	496
Payables to personnel	1,039	972	67
Social security payables	531	512	19
Amounts due to customers for contract work (Note 19)	209	174	35
Other	3,019	2,857	162
<b>Total Other liabilities</b>	<b>12,341</b>	<b>10,771</b>	1,570

Advances on buy-back agreements refers to agreements entered into by the Group during the year or which still remain effective at the balance sheet date. They refer to assets included in property, plant and equipment and Inventories. Advances on buy-back agreements represent the following:

- 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 includes taxes on commercial transactions accrued by the Brazilian subsidiary FIASA 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, FIASA received a preliminary trial court decision allowing the payment of such tax on a taxable base consistent with the company'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 current liability due between one and five years. 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 Chrysler. 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.

An analysis of other liabilities (excluding accrued expenses and deferred income) by due date is as follows:

€ million	At 12/31/2013			Total	At 12/31/2012			Total
	Due within one year	Due between one and five years	Due beyond five years		Due within one year	Due between one and five years	Due beyond five years	
<b>Other liabilities (excluding Accrued expenses and deferred income)</b>	7,732	1,620	142	<b>9,494</b>	6,852	1,416	152	<b>8,420</b>

### 36. Guarantees granted, commitments and contingent liabilities

#### *Guarantees granted by the Fiat Group*

At December 31, 2013 the Fiat Group had pledged guarantees on the debt or commitments of third parties totaling €31 million (€50 million at December 31, 2012), as well as guarantees of €15 million on related party debt (€25 million at December 31, 2012).

#### *SCUSA Private-Label Financing Agreement*

On February 2013, Chrysler entered into a private-label financing agreement with Santander Consumer USA Inc. ("SCUSA"), an affiliate of Banco Santander (the "SCUSA Agreement"). The new financing arrangement launched on May 1, 2013. Under the SCUSA Agreement, SCUSA provides a wide range of wholesale and retail financing services to Chrysler'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 Chrysler sell or distribute, retail loans and leases to finance consumer acquisitions of new and used vehicles at Chrysler's dealerships, financing for commercial and fleet customers, and ancillary services. In addition, SCUSA work with dealers to offer them construction loans, real estate loans, working capital loans and revolving lines of credit.

Under the new financing arrangement, SCUSA has agreed to specific transition milestones for the initial year following launch. If the transition milestones are met, or otherwise satisfactory to Chrysler, the SCUSA Agreement will have 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 Chrysler an upfront, nonrefundable payment of €109 million (\$150 million) in May 2013, which was recognized as deferred revenue and will be amortized over ten years. As of December 31, 2013 €102 million remained in deferred revenue.

From time to time, Chrysler 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." Chrysler 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 Chrysler participation in gains and losses.

#### *Ally Auto Finance Operating Agreement and Repurchase Obligations*

In April 2013, the Auto Finance Operating Agreement between Chrysler Group and Ally Financial Inc. ("Ally"), referred as the "Ally Agreement", was terminated. Notwithstanding the termination of the Ally Agreement, Ally will continue to provide wholesale and retail financing to Chrysler dealers and retail customers in the U.S. in accordance with its usual and customary lending standards. Chrysler's dealers and retail customers also obtain funding from other financing sources.

In accordance with the terms of the Ally Agreement, Chrysler remains obligated to repurchase Ally-financed U.S. dealer inventory that was acquired on or before 30 April 2013, upon certain triggering events and with certain exceptions, in the event of an actual or constructive termination of a dealer's franchise agreement, including in certain circumstances when Ally forecloses on all assets of a dealer securing financing provided by Ally. These obligations exclude 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.

As of December 31, 2013, the maximum potential amount of future payments required to be made to Ally under this guarantee was approximately €167 million and was based on the aggregate repurchase value of eligible vehicles financed by Ally in Chrysler's U.S. dealer stock. If vehicles are required to be repurchased under this arrangement, the total exposure would be reduced to the extent the vehicles can be resold to another dealer. The fair value of the guarantee was less than €0.1 million at December 31, 2013, 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. The estimates are based on historical experience.

On February 1, 2013, the Canadian automotive finance business of Ally was acquired by the Royal Bank of Canada ("RBC"). Dealers with financing through Ally were offered new lending agreements with RBC, as the Ally-financing arrangements did not transfer with the sale. As such, Chrysler Group no longer has an

obligation to repurchase dealer inventory in Canada that was acquired prior to February 1, 2013 and was financed by Ally.

#### *Other Repurchase Obligations*

In accordance with the terms of other wholesale financing arrangements in Mexico, Chrysler 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.

As of December 31, 2013, the maximum potential amount of future payments required to be made in accordance with these other wholesale financing arrangements was approximately €262 million and was 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 was less than €0.1 million at December 31, 2013, 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*

From time to time, in the ordinary course of business, Chrysler enters into various arrangements with key 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. Purchases under these arrangements from third parties were €167 million in 2013 (€340 million in 2012).

Future minimum purchase obligations under these arrangements as of December 31, 2013 were as follows:

€ million	
2014	<b>197</b>
2015	<b>153</b>
2016	<b>109</b>
2017	<b>62</b>
2018	<b>9</b>
2019 and beyond	<b>22</b>

#### *Guarantees granted by the CNH Industrial Group*

At December 31, 2013, the CNH Industrial Group has provided guarantees on the debt or commitments of third parties or unconsolidated subsidiaries jointly-controlled and associates totaling €372 million (€486 million at December 31, 2012).

#### *Commitments and important contractual rights of the Fiat Group*

The Fiat Group has important commitments and rights deriving from outstanding agreements, summarized below.

#### *Teksid*

Fiat S.p.A. is subject to a put contract with Renault in reference to the original investment of 33.5% in Teksid, now 15.2%. In particular, Renault would acquire the right to exercise a sale option to Fiat on its interest in Teksid, in the following cases:

- in the event of non-fulfillment in the application of the protocol of the agreement and admission to receivership or any other *redressement* procedure;
- in the event Renault's investment in Teksid falls below 15% or Teksid decides to invest in a structural manner outside the foundry sector;
- should Fiat be the object of the acquisition of control by another car manufacturer.

The exercise price of the option is established as follows:

- for the original 6.5% of the share capital of Teksid, the initial investment price as increased by a given interest rate;
- for the remaining amount of share capital of Teksid, the share of the accounting net equity at the exercise date.

### **Chrysler**

At December 31, 2013 Fiat held a 58.5% membership interest in Chrysler; the remaining 41.5% was held by the VEBA Trust. On January 1, 2014, Fiat S.p.A. announced an agreement with the VEBA Trust, under which its wholly-owned subsidiary, Fiat North America LLC ("FNA"), acquired all of the VEBA Trust's equity membership interests in Chrysler, representing 41.5% interest of Chrysler. The transaction closed on January 21, 2014. In consideration for the sale of its membership interests in Chrysler, the VEBA Trust received an aggregate consideration of \$3,650 million consisting of a special distribution paid by Chrysler to its members, in an aggregate amount of \$1,900 million (FNA directed its portion of the special distribution to the *VEBA Trust* as part of the purchase consideration), and a payment from FNA for the remainder of \$1,750 million in cash purchase consideration to the VEBA Trust. At the date of publication of this Annual report, therefore, Fiat holds a 100% interest in Chrysler and all rights (VEBA Trust Call Option and Equity Recapture Agreement) previously existing in respect to Fiat's investment in Chrysler lapsed.

### **Agreement with UAW**

On January 21, 2014 Chrysler and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (the "UAW") entered into a Memorandum of Understanding ("MoU") under the collective bargaining agreement with the UAW, in which the UAW made commitments to continue to support Chrysler industrial operations and the further implementation of the Fiat-Chrysler Alliance. In particular, the UAW has committed to use its best efforts to cooperate in the continued roll-out of our World Class Manufacturing ("WCM") programs, actively participate in benchmarking efforts associated with implementation of WCM programs across all Fiat-Chrysler manufacturing sites to ensure objective performance assessments and provide for proper application of WCM principles, and to actively assist in the achievement of the Group long-term business plan. In consideration of these commitments, Chrysler agreed to make payments to the VEBA Trust totaling \$700 million to be paid in four equal annual installments. The initial payment of \$175 million was made on January 21, 2014 and additional payments will be payable on each of the next three anniversaries of the initial payment.

### **Sevel**

As part of the Sevel cooperation agreement with PSA, the Fiat Group is party to a call agreement with PSA whereby, from July 1, 2017 to September 30, 2017, Fiat will have the right to acquire the residual interest in Sevel S.p.A. held by PSA, with effect from December 31, 2017.

### **Commitments of C&W Group**

C&W Group has commitments in connection with contracts to obtain certain services in the normal course of business. Some of these contractual obligations have a remaining term in excess of one year. At December 31, 2013, the aggregate amount of the required payments in connection with such obligations totals \$4.5 million (€3 million).

### **Commitments of Juventus Football Club S.p.A.**

Commitments of Juventus include guarantees received from leading credit institutions for €53 million to guarantee the payables resulting from the acquisition of players' registration rights (€47 million) and other commitments (€6 million).

### **Commitments of the Holdings System**

Commitments of the Holdings System for €38 million (€47 million at December 31, 2012) were undertaken by the subsidiary EXOR S.A. in connection with the acquisition of investments and other financial assets. Details are as follows:

- investment commitment for a residual maximum amount of \$7 million (€5 million) in the NoCo B LP limited partnership which groups a series of funds managed by Perella Weinberg Partners L.P.;
- investment commitment in the Perella Weinberg Real Estate Fund for €8 million;
- investment commitment of a further €7 million in Banijay Holding S.A.S.;
- investment commitment of a further \$25 million (€18 million) in BDT Capital Partners.

### *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, 2013 the total future minimum lease payments under non-cancellable lease contracts are as follows:

€ million	12/31/2013	12/31/2012	Change
Due within one year	230	253	(23)
Due between one and five years	604	621	(17)
Due beyond five years	408	432	(24)
<b>Future minimum lease payments under operating lease contracts</b>	<b>1,242</b>	<b>1,306</b>	<b>(64)</b>

During 2013, the Group recorded costs for lease payments of €301 million (€284 million in 2012).

### *Pending litigation and contingent liabilities*

As a global group with a diverse business portfolio, the Group is exposed to numerous legal risks, 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.

### **EXOR S.p.A**

With regard to the criminal case relating to the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005, the Court of Appeals, in its decision handed down on February 21, 2013, completely acquitted, because the alleged criminal acts were not committed, EXOR S.p.A. and Giovanni Agnelli e C. S.a.p.az.

On December 17, 2013 the Italian Supreme Court annulled the February 21, 2013 judgment of the Turin Court of Appeal on the positions of Gianluigi Gabetti and Franzo Grande Stevens, without referring the case back to the lower court for a re-hearing, on the grounds that the offense is now statute-barred

### **Fiat Group**

At December 31, 2013, 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 for which a reliable estimate can be made amount to approximately €100 million (approximately €100 million at December 31, 2012). Furthermore, contingent assets and expected reimbursement in connection with these contingent liabilities for approximately €12 million (€16 million at December 31, 2012) have been estimated but not recognized.

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 Group recognizes specific provisions for this purpose (see Note 32).

Furthermore, in connection with significant asset divestitures carried out in prior years, the Fiat 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. At December 31, 2013, potential obligations with respect to these indemnities were approximately €240 million (approximately €430 million at December 31, 2012). Against these obligations, at December 31, 2013 provisions of €62 million (€62 million December 31, 2012) have been made which are classified as other provisions.

### **CNH Industrial Group**

At December 31, 2013, contingent liabilities estimated by the CNH Industrial Group amount to approximately €35 million (approximately €39 million at December 31, 2012), for which no provisions have been recognized since an outflow of resources is not considered probable at the present time. At December 31, 2013 and 2012, 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.

Starting January 2011, Iveco 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 possible anti-competitive behavior. It is not possible at the present moment to predict when and in what way these investigations will be concluded.

As a consequence of the demerger of the Agricultural and Construction Equipment and Trucks and Commercial Vehicles activities, as well as the “Industrial & Marine” business line of FPT Powertrain Technologies from Fiat S.p.A. (Fiat) and transfer to Fiat Industrial S.p.A., performed through the partial and proportional demerger pursuant to Article 2506-bis of the Italian Civil Code (the “Demerger”), CNH Industrial (former Fiat Industrial) continues to be liable jointly with Fiat for debts of Fiat S.p.A. that arose prior to the effective date of the Demerger (January 1, 2011) and were still outstanding at that date. This statutory liability is limited to the value of the net assets attributed to Fiat Industrial in the Demerger and will survive until such liabilities of Fiat existing as of the Demerger will be satisfied. At the time of the Demerger Fiat S.p.A. had outstanding liabilities for bonds and others totaling approximately €15 billion, €9 billion of which were due to bonds. At the date of this report, those liabilities had decreased to approximately €4.2 billion, €3.9 of which is due to bonds. Furthermore, CNH Industrial may be responsible jointly with Fiat in relation to tax payables, even if such liabilities exceed the value of the net assets transferred to CNH Industrial in the Demerger. CNH Industrial views the risk of Fiat S.p.A.’s insolvency as remote, and, therefore, at December 31, 2013, no provision has been accrued in respect of the above mentioned joint liabilities.

### **C&W Group**

In January 2010, Cushman & Wakefield, Inc., along with Credit Suisse, was sued in a class action lawsuit in connection with C&W’s performance of valuation services associated with property developments.

In connection with the financing that Credit Suisse provided on the developments, the Company was engaged by Credit Suisse and others to prepare valuations.

The suit filed by the homeowners alleged that Credit Suisse devised a “loan to own” scheme whereby it used artificially inflated appraisals prepared by C&W to justify making excessive loans which the developers were unable to service.

Certain of the claims against C&W have since been dismissed. The claims that currently remain against C&W are tortious interference and negligence.

On September 24, 2013, the Court entered an order denying class certification. The Court entered a deadline of January 31, 2014 to add any additional plaintiffs, on which date the plaintiffs filed a motion to permit the filing of an amended complaint to include approximately 90 new plaintiffs. C&W is opposing this motion.

In 2011, two principals of the resort developers filed to intervene in the suit and bring claims against C&W and Credit Suisse, alleging similar claims to those made by the homeowners. The District Judge ultimately denied the motion of the principals to intervene. In anticipation of this denial, in February 2012, one of those principals filed suit in Colorado. On September 30, 2013, the District Court granted C&W’s motion to dismiss this action in its entirety, without leave to amend. The plaintiff has filed a motion for reconsideration which is currently pending before the Court.

C&W believes that all of the claims in both actions are without merit and continues to defend against these claims vigorously. Although the ultimate liability for these matters cannot be determined, based upon information currently available, management believes that the ultimate resolution of such claims and litigation will not have a material adverse effect on our business or financial statements.

### **Juventus Football Club**

As regards the investigation by the Attorney’s Office of Turin on the construction of the new stadium, the proceedings ended on January 24, 2014 with the dismissal of the case by the Judge for the preliminary investigations of the Court of Turin.

The Company, which was the injured party in the proceedings and the party damaged by the offenses attributed to the investigated parties, also demonstrated, by periodically filing suitable documentation with the competent officials (prosecuting Attorney General’s Office, Mayor and the Prefecture), the safety and security of the stadium, which has continued to regularly operate.

### 37. Segment reporting

EXOR S.p.A. and the companies in the Holdings System mainly make equity investments and financial market investments. Through its subsidiaries, the EXOR Group is present in a diversified range of sectors, particularly Automobiles (Fiat Group), Agricultural and Construction Equipment (CNH Industrial Group from January 2011), real estate services (C&W Group) and professional football (Juventus Football Club).

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: Fiat Group, CNH Industrial Group, C&W Group, Juventus Football Club and the Holdings System.

The figures relating to the CNH Industrial Group refer to the Group after the merger of Fiat Industrial and CNH Global, finalized on September 29, 2013. The merger did not have any impact on the activities of the previous Fiat Industrial Group and therefore the figures for CNH Industrial Group presented in these consolidated financial statements referring to the previous year are consistent and comparable with those published previously by the EXOR Group and referring to the Fiat Industrial Group.

The income statement by segment in 2013 is as follows:

€ million	Fiat	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Minor other, eliminations and adjustments	Consolidated
<b>2013</b>							
Segment revenues	86,816	25,778	1,881	290	0	(1,025)	113,740
Revenues from transactions with other operating segments	(702)	(310)	(1)	(13)	(0)	1,026	0
<b>Revenues from external customers</b>	<b>86,114</b>	<b>25,468</b>	<b>1,880</b>	<b>277</b>		<b>1</b>	<b>113,740</b>
Cost of sales	(74,570)	(20,897)	(1,643)	(256)		1,007	(96,359)
Selling, general and administrative expenses	(6,689)	(2,230)	(162)	(40)	(27)	24	(9,124)
Research and development costs	(2,231)	(600)		(2)		0	(2,833)
Other income (expenses)	68	(66)	(10)	(1)	(1)	(5)	(15)
<b>Trading profit (loss)</b>	<b>3,394</b>	<b>1,985</b>	<b>66</b>	<b>(9)</b>	<b>(28)</b>	<b>1</b>	<b>5,409</b>
Result from investments	97	102			616	(525)	290
Unusual income (expenses)	(519)	(117)	(14)		1,525	(1)	874
<b>EBIT</b>	<b>2,972</b>	<b>1,970</b>	<b>52</b>	<b>(9)</b>	<b>2,113</b>	<b>(525)</b>	<b>6,573</b>
Financial income (expenses)	(1,964)	(463)	(6)	(8)	(30)	(1)	(2,472)
<b>Profit (loss) before taxes</b>	<b>1,008</b>	<b>1,507</b>	<b>46</b>	<b>(17)</b>	<b>2,083</b>	<b>(526)</b>	<b>4,101</b>
Income taxes	(943)	590	24	5	(2)	0	(326)
<b>Profit (loss) for the year</b>	<b>1,951</b>	<b>917</b>	<b>22</b>	<b>(22)</b>	<b>2,085</b>	<b>(526)</b>	<b>4,427</b>

The income statement by segment in 2012 is as follows:

€ million	Fiat	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Minor other, eliminations and adjustments	Consolidated
<b>2012</b>							
Segment revenues	83,957	25,785	1,596	278	1	(946)	110,671
Revenues from transactions with other operating segments	(676)	(260)	(2)	(8)		946	0
<b>Revenues from external customers</b>	<b>83,281</b>	<b>25,525</b>	<b>1,594</b>	<b>270</b>	<b>1</b>		<b>110,671</b>
Cost of sales	(71,701)	(20,931)	(1,384)	(242)		932	(93,326)
Selling, general and administrative expenses	(6,763)	(2,183)	(143)	(36)	(26)	11	(9,140)
Research and development costs	(1,850)	(560)					(2,410)
Other income (expenses)	(102)	(44)	(5)	8	(2)	(3)	(148)
<b>Trading profit (loss)</b>	<b>3,541</b>	<b>2,063</b>	<b>63</b>	<b>8</b>	<b>(27)</b>	<b>(1)</b>	<b>5,647</b>
Result from investments	107	81			362	(285)	265
Unusual income (expenses)	(244)	115	(2)		6	(329)	(454)
<b>EBIT</b>	<b>3,404</b>	<b>1,927</b>	<b>61</b>	<b>8</b>	<b>341</b>	<b>(283)</b>	<b>5,458</b>
Financial income (expenses)	(1,885)	(467)	(7)	(6)	(42)	(2)	(2,409)
<b>Profit (loss) before taxes</b>	<b>1,519</b>	<b>1,460</b>	<b>54</b>	<b>2</b>	<b>299</b>	<b>(285)</b>	<b>3,049</b>
Income taxes	623	560	21	5	1	(1)	1,209
<b>Profit (loss) for the year</b>	<b>896</b>	<b>900</b>	<b>33</b>	<b>(3)</b>	<b>298</b>	<b>(284)</b>	<b>1,840</b>

The statement of financial position by segment at December 31, 2013 and 2012 is as follows:

€ million	Fiat	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Minor other, eliminations and adjustments	Consolidated
<b>At December 31, 2013</b>							
Intangible assets and property, plant and equipment	42,352	9,436	764	323		(19)	52,856
Investments and other financial assets	2,260	550	7	4	5,762	(4,936)	3,647
Other non-current assets	2,999	2,012	49	49		0	5,109
Inventories	10,230	5,464				(2)	15,692
Receivables and other current assets	8,670	18,560	379	100	14	(120)	27,603
Current financial assets	815	189	2		581	0	1,587
Cash and cash equivalents	19,439	4,705	118	1	1,900	(10)	26,153
Assets held for sale	9	25	0			(1)	33
<b>Total Assets</b>	<b>86,774</b>	<b>40,941</b>	<b>1,319</b>	<b>477</b>	<b>8,257</b>	<b>(5,088)</b>	<b>132,680</b>
Equity	12,584	5,556	584	53	6,947	(4,788)	20,936
Provisions	17,360	4,733	146	5	5	(123)	22,126
Financial debt	29,902	21,714	121	193	1,258	(21)	53,167
Trade payables and other liabilities	26,907	8,938	468	226	47	(156)	36,430
Liabilities held for sale	21					0	21
<b>Total Equity and Liabilities</b>	<b>86,774</b>	<b>40,941</b>	<b>1,319</b>	<b>477</b>	<b>8,257</b>	<b>(5,088)</b>	<b>132,680</b>
<b>At December 31, 2012</b>							
Intangible assets and property, plant and equipment	41,345	8,746	797	334	0	(37)	51,185
Investments and other financial assets	2,287	531	8	4	6,806	(4,236)	5,400
Other non-current assets	1,832	1,888	47	44	0	2	3,813
Inventories	9,295	4,843	0	0	0	(5)	14,133
Receivables and other current assets	8,828	18,092	342	91	12	(199)	27,166
Current financial assets	807	125	1		232	0	1,165
Cash and cash equivalents	17,657	4,611	64	1	514	(34)	22,813
Assets held for sale	55	25	0	0	7	0	87
<b>Total Assets</b>	<b>82,119</b>	<b>38,937</b>	<b>1,259</b>	<b>474</b>	<b>7,571</b>	<b>(4,509)</b>	<b>125,762</b>
Equity	8,369	5,376	627	76	6,169	(4,115)	16,502
Provisions	20,276	4,861	100	6	5	(109)	25,139
Financial debt	27,889	20,633	135	154	1,346	(79)	50,078
Trade payables and other liabilities	25,572	7,991	397	238	51	(206)	34,043
Liabilities held for sale	0	0	0	0	0	0	0
<b>Total Equity and Liabilities</b>	<b>82,119</b>	<b>38,937</b>	<b>1,259</b>	<b>474</b>	<b>7,571</b>	<b>(4,509)</b>	<b>125,762</b>

### 38. 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.

The breakdown of revenues by geographical area is as follows:

€ million	2013	2012	Change
Italy	6,761	7,097	(336)
United States, Canada, Mexico	47,550	45,166	2,384
Brazil	8,232	9,648	(1,416)
France	1,796	1,900	(104)
Germany	3,045	3,144	(99)
Spain	956	827	129
UK	1,443	1,418	25
Turkey	1,268	1,236	32
China	4,437	2,695	1,742
Argentina	1,424	1,166	258
Rest of the world	9,202	8,984	218
<b>FIAT</b>	<b>86,114</b>	<b>83,281</b>	<b>2,833</b>
Italy	1,999	2,028	(29)
United States	5,955	5,904	51
Brazil	3,282	2,747	535
France	2,319	2,158	161
Germany	1,310	1,287	23
Canada	1,306	1,424	(118)
Australia	764	955	(191)
UK	754	754	0
Argentina	693	550	143
Spain	527	537	(10)
Poland	379	447	(68)
Rest of the world	6,180	6,734	(554)
<b>CNH Industrial</b>	<b>25,468</b>	<b>25,525</b>	<b>(57)</b>
Italy	20	18	2
United States	1,190	973	217
Canada	90	83	7
Latin America	106	99	7
EMEA (excluding Italy)	329	311	18
Asia	145	110	35
<b>C&amp;W Group</b>	<b>1,880</b>	<b>1,594</b>	<b>286</b>
Italy	277	270	7
<b>Juventus F.C.</b>	<b>277</b>	<b>270</b>	<b>7</b>
Rest of the world	1	1	0
<b>Total Holdings System</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>Total Revenues</b>	<b>113,740</b>	<b>110,671</b>	<b>3,069</b>

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 €56,319 million (€56,201 at December 31, 2012) and may be analyzed as follows:

€ million	12/31/2013	12/31/2012	Change
Italy	10,273	9,569	704
United States, Canada, Mexico	26,689	26,733	(44)
Brazil	2,955	2,306	649
Poland	1,277	1,455	(178)
Serbia	1,004	985	19
Other	1,759	1,848	(89)
<b>Fiat</b>	<b>43,957</b>	<b>42,896</b>	<b>1,061</b>
Italy	2,314	2,029	285
United States	3,582	3,416	166
France	867	776	91
Germany	638	562	76
Brazil	488	506	(18)
Spain	618	577	41
Canada	347	356	(9)
China	390	316	74
UK	194	188	6
Other	1,247	1,099	148
<b>CNH Industrial</b>	<b>10,685</b>	<b>9,825</b>	<b>860</b>
United States	347	353	(6)
EMEA	208	219	(11)
Canada	55	60	(5)
Latin America	28	28	0
Asia	63	57	6
<b>C&amp;W Group</b>	<b>701</b>	<b>717</b>	<b>(16)</b>
Italy	323	333	(10)
<b>Juventus F.C.</b>	<b>323</b>	<b>333</b>	<b>(10)</b>
Italy	140	145	(5)
United States	16	16	0
Luxembourg	225	133	92
Europe	235	2,095	(1,860)
Rest of the World	37	41	(4)
<b>Total Holdings System</b>	<b>653</b>	<b>2,430</b>	<b>(1,777)</b>
<b>Total Non-current assets</b>	<b>56,319</b>	<b>56,201</b>	<b>118</b>

### 39. 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 and interest rates), since the Group operates at an international level in different currencies and uses financial instruments which generate interests. 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.

Financial instruments held by the funds that manage pension plan assets are not included in this analysis (see Note 31).

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group. The quantitative data reported in the following do 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 for the sale of cars, commercial vehicles and agricultural and construction equipment, whose amount depends on the amount of the assets sold. These guarantees are further strengthened where possible by reserve of title clauses on financed vehicle sales to the sales network and on vehicles assigned under finance leasing agreements.

The maximum credit risk to which the Group is theoretically exposed at December 31, 2013 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 36.

### **Fiat Group**

Receivables for financing activities amounting to €3,671 million at December 31, 2013 contain balances totaling €21 million (€7 million at December 31, 2012), which have been written down on an individual basis. Of the remainder, balances totaling €72 million are past due by up to one month (€107 million at December 31, 2012), while balances totaling €23 million are past due by more than one month (€62 million at December 31, 2012). In the event of installment payments, even if only one installment is overdue, the whole amount of the receivable is classified as such.

Trade receivables and other receivables amounting to €4,266 million at December 31, 2013 contain balances totaling €19 million (€39 million at December 31, 2012) which have been written down on an individual basis. Of the remainder, balances totaling €243 million are past due by up to one month (€216 million at December 31, 2012), while balances totaling €358 million are past due by more than one month (€307 million at December 31, 2012).

Provided that 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, 2013 which might lead to significant repayment risk.

### **CNH Industrial Group**

Receivables for financing activities amounting to €15,943 million at December 31, 2013 (€15,237 million at December 31, 2012) include balances totaling €77 million (€54 million at December 31, 2012) that have been written down on an individual basis. Of the remainder, balances totaling €358 million (€355 million at December 31, 2012) are past due by up to one month, while balances totaling €422 million are past due by more than one month (€566 million at December 31, 2012). In the event of installment payments, even if only one installment is overdue, the whole amount of the receivable is classified as such.

Trade receivables and other current receivables totaling €2,202 million at December 31, 2013 (€2,406 million at December 31, 2012) include balances totaling €53 million (€58 million at December 31, 2012) that have been written down on an individual basis. Of the remainder, balances totaling €101 million (€168 million at December 31, 2012) are past due by up to one month, while balances totaling €223 million (€126 million at December 31, 2012) are past due by more than one month.

### **C&W Group**

Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer; the demographics of C&W Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. This depends on the type of services rendered and knowledge about the quality of the customers.

C&W Group's credit risk is represented by the carrying amount of the financial assets recorded in cash and cash equivalents for \$162.4 million (€118 million) and commissions receivable for \$385.8 million (€280 million).

At December 31, 2012 the carrying amount of financial assets recorded in cash and cash equivalents was \$84.2 million (€64 million) and the carrying amount of commissions receivable was \$372.2 million (€282 million).

Commissions receivable are presented net of the allowance for impairment losses which, at December 31, 2013, amounts to \$14 million, or €10 million

At December 31, 2013, C&W Group has receivables past due and not subject to individual writedown for \$386 million (€280 million). Receivables past due less than one month amount to \$227 million (€165 million), and receivables past due more than one month total \$159 million (€115 million).

At December 31, 2012, receivables past due and not subject to individual writedown were \$372 million (€282 million). Receivables past due less than one month amounted to \$225 million (€171 million) and receivables past due more than one month totaled \$147 million (€111 million).

### **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 S.r.l.

At December 31, 2013, Juventus Football Club has receivables past due and not subject to individual writedown for €4 million. Receivables past due one month amount to €1 million, receivables past due less than one month amount to €3 million.

At December 31, 2012, Juventus Football Club had receivables past due and not subject to individual writedown for €9 million. Receivables past due one month amount to €1 million, receivables past due less than one month amount to €8 million.

### **Holdings System**

EXOR S.p.A. and the companies in the Holdings System have a maximum theoretical exposure to credit risk at December 31, 2013 represented by the carrying amount of the financial assets recorded in the financial statements. They seek to mitigate such risk by investing a good part of their available cash in primary corporate and bank securities issued by leading counterparts selected according to their creditworthiness.

At December 31, 2013 and December 31, 2012, there were no financial assets past due and not written down and allowances for impairment losses.

### **Liquidity risk**

Liquidity risk arises if the Group is unable to obtain the funds needed to carry out its operations under 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 giving special attention to the management of liquidity risk. In that sense measures taken to generate funds through operations and to maintain a conservative level of available liquidity are an important factor for ensuring operational flexibility and addressing strategic challenges over the next few years.

The two 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 Note 21 – Receivables from financing activities and in Note 33 – Financial debt.

Details of the repayment structure of derivative financial instruments are provided in Note 27.

### **Fiat Group**

The operating cash flows, main funding operations and liquidity of the Fiat Group excluding Chrysler are centrally managed in the Group's treasury companies with the aim of ensuring effective and efficient management of the Group's funds. These companies obtain funds on the financial markets by means which may assume different technical forms.

Chrysler manages the cash generated by its operations and coverage of its funding requirements independently. In this respect Fiat has pledged no guarantee, commitment or similar obligation in relation to any of Chrysler's financing obligations, nor has it assumed any kind of obligation or commitment to fund Chrysler in the future.

The Fiat Group believes that the funds currently available to the treasuries of Fiat and Chrysler, in addition to those that will be generated from operating and financing activities, will enable the Fiat 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.

### **C&W Group**

In order to support the maximum cash flow demands that peak early in the second quarter of the year and acquisition financing, C&W Group uses a five-year \$350 million Senior Secured Revolving Credit Facility and a five-year \$150 million Senior Secured Term Loan.

### **Holdings System**

EXOR S.p.A. and the companies in the Holdings System fund outgoing cash flows from current operations basically 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, price risk of commodities, shares and investment funds*

As a multinational group that has operations throughout the world, the Group is exposed to various financial market risks such as the risk from fluctuations in foreign currency exchange and interest rates.

In addition, the Group is exposed to market risks in terms of the commodity price associated with business operations.

Finally, the Group is exposed to the risk of a change in the price of certain shares and investment funds.

The Group's exposure to currency 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.

The Group's 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 (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 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 finance market risk and manages those risks through the use of derivative financial instruments in accordance with its established risk management policies.

The Group's policy permits derivatives to be used only for managing the exposure to fluctuations in exchange and interest rates as well as commodities prices connected with future cash flows and assets and liabilities, and not for speculative purposes.

The Group utilizes derivative financial instruments designated as fair value hedges, mainly to hedge:

- the currency 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, currency swaps and combined interest rate and 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. Exposure to changes in the price of commodities is generally hedged by using commodity swaps. 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 27.

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 Cumulative translation adjustment reserve, in Other comprehensive income (see Note 30).

### **Fiat Group**

#### *Currency risk*

The Fiat Group is exposed to risk resulting from Fiat changes in exchange rates, which can affect its earnings and equity. In particular:

- where a Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the Operating result of that company. In 2013, the total trade flows exposed to currency risk amounted to the equivalent of 13% of the Group's turnover.
- The principal exchange rates to which the Fiat Group is exposed are the following:
  - USD/CAD, relating to sales in Canadian dollars made by Chrysler in Canada;

- EUR/USD, relating to sales in US dollars made by Italian companies (in particular, companies belonging to the Luxury Brands operating segment) and to sales and purchases in Euro made by Chrysler;
- GBP, AUD, MXN, CHF, CNY, ARS and VEF in relation to sales in the UK, Australian, Mexican, Swiss, Chinese, Argentinian and Venezuelan markets;
- PLN and TRY, relating to manufacturing costs incurred in Poland and Turkey;
- USD/BRL, EUR/BRL, relating to Brazilian manufacturing operations and the related import and export flows.

Taken overall trade flows exposed to changes in these exchange rates in 2013 made up approximately 90% of the exposure to currency risk from trade transactions.

- It is the Fiat Group's policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecast trading transaction exchange risk exposure for the coming 12 months (including such risk beyond that date where it is believed to be appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments.
- Fiat 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 finance or use funds in a currency different from the functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's functional currency.
- Certain of the Fiat Group's subsidiaries are located in countries which are outside of the Eurozone, in particular the United States, Brazil, Canada, Poland, Serbia, Turkey, Mexico, Argentina, the Czech Republic, India, China and South Africa. As the Group's reference currency is the Euro, the income statements of those entities are converted into Euros 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 result in Euro.
- The assets and liabilities of consolidated companies whose money of account is different from the Euro may acquire converted values in Euros which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognized directly in the item cumulative translation adjustments reserve, included in Other comprehensive income.

The Fiat 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 2013 in the nature or structure of exposure to currency risk or in the Fiat Group's hedging policies.

#### *Sensitivity analysis - currency risk*

At December 31, 2013 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, unfavorable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro would have been approximately €745 million (€690 million at December 31, 2012).

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 Fiat Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments.

In addition, Fiat Group companies make sales of 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, causing an impact on the level of net financial expenses incurred by the Fiat 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 Fiat Group as a whole.

In order to manage these risks, the Fiat 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 (loss).

In assessing the potential impact of changes in interest rates, the Fiat 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 Fiat 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, 2013, resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates, would have been approximately €110 million (approximately €100 million at December 31, 2012).

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, unfavorable and instantaneous change of 10% in short-term interest rates at December 31, 2013, 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 €13 million (approximately €10 million at December 31, 2012).

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.

#### *Commodity price risk*

The Fiat Group has entered into derivative contracts for certain commodities to hedge its exposure to commodity price risk associated with buying raw materials used in its normal operations.

#### *Sensitivity analysis - commodity price risk*

In connection with the commodity price derivative contracts outstanding at December 31, 2013, a hypothetical, unfavorable and instantaneous change of 10% in the price of the commodities at that date would have caused a fair value loss of approximately €45 million (approximately €51 million at December 31, 2012).

### **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 company in the CNH Industrial Group 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 2013, the total trade flows exposed to currency risk amounted to the equivalent of 19% of the CNH Industrial Group turnover (18% in 2012). The principal exchange rates to which the CNH Industrial Group is exposed are the following:
  - EUR/USD, in relation to the production/purchases of agricultural and construction equipment segment in the Euro area and to sales in dollars made by Trucks and Commercial Vehicles segment;
  - EUR/GBP, predominately in relation to sales made by trucks and commercial vehicles segment on the UK market and purchases made by agricultural and construction equipment segment in the Euro area;
  - 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 and construction equipment segment in Australia;
  - USD/GBP, in relation to the production/purchases of agricultural and construction equipment segment in the UK.

Taken overall trade flows exposed to changes in these exchange rates in 2013 made up approximately 77% 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 forecast trading transaction exchange risk exposure for the

coming 12 months (including such risk beyond that date where it is believed to be appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments.

- The companies of the CNH Industrial Group 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 policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's functional currency.
- Certain of the CNH Industrial Group's subsidiaries are located in countries which are not members of the European monetary union, in particular the United States, the United Kingdom, Brazil, Australia, Canada, India, China, Argentina and Poland. As the CNH Industrial Group's reference currency is the Euro, the income statements of those countries are converted into Euros 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 result in Euros.
- The assets and liabilities of consolidated companies whose functional currency is different from the Euros may acquire converted values in Euros which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognized directly in the cumulative translation adjustments reserve, included in Other comprehensive income.

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 2013 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, 2013, resulting from a hypothetical, unfavorable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro, amounts to approximately €204 million (€184 million at December 31, 2012). 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 CNH Industrial Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, 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, 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. 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 (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, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit (loss).

#### *Sensitivity analysis - interest rate risk*

In assessing the potential impact of changes in interest rates, the 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 (basically customer financing and financial leases) and part of debt (including subsidized loans and bonds).

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2013 resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates, would have been approximately €25 million (approximately €7 million at December 31, 2012).

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, unfavorable and instantaneous change of 10% in short-term interest rates at December 31, 2013, 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 €4 million (approximately €1 million at December 31, 2012). 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.

#### *Price risk*

The CNH Industrial Group has entered into derivative contracts linked to commodity prices to hedge specific exposures on supply contracts.

#### *Sensitivity analysis - price risk*

In the event of a hypothetical, unfavorable and instantaneous change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2013 linked to commodity prices would have been not significant (not significant at December 31, 2012).

### **Holdings System**

#### *Currency risk*

At December 31, 2013 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 S.p.A. 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, a cross currency swap was put in place by EXOR with a leading credit institution as a result of which the Company 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 (loss) of €3 million (mainly on financial assets) and on equity of more than €6 million; whereas an unfavorable change of 10% would have a positive effect on profit (loss) of €4 million and on equity of €8 million.

The effect of a change in exchange rates on equity is mainly attributable to the bonds in Japanese yen issued by EXOR S.p.A.

#### *Interest rate risk*

EXOR S.p.A. 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 set interest rate.

#### *Sensitivity analysis - interest rate risk*

A sensitivity analysis has been performed on the financial instruments exposed to interest rate risk at the balances sheet date.

A hypothetical 10% change in interest rates would have an effect on profit (loss) of €1.7 million.

#### *Price risk*

The Holdings System is exposed to price risk originating from available-for-sale equity investments, investment funds and 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, other investments and financial assets held for trading had been 5% higher/lower, the fair value reserve recorded in equity would have been €41 million higher/lower and the amount of fair value recognized in the income statement on securities held for trading would have been €40 million higher/lower.

### **C&W Group**

#### *Currency risk*

C&W Group assesses the general foreign currency risk as low because the Group entities predominantly execute their operating activities in their respective functional currencies.

To mitigate its foreign currency exposures primarily arising from intercompany transactions the Group in 2013 utilized foreign exchange forward contracts on the major currencies to which it is exposed.

As of December 31, 2013, the approximate U.S. dollar amount was \$188 million (€137 million) with a net fair value asset of less than \$2.1 million. As of December 31, 2012, the approximate U.S. dollar notional amount was \$189 million (€143 million) with a fair value liability of less than €0.1 million).

The currency risk relating to debt is limited to the quota of the Senior Secured Revolving Credit Facility principally: in \$AUD for \$17 million, in \$CAD for \$4 million and in \$HKD for \$16 million.

As of December 31, 2012, the currency risk was in \$AUD for \$15 million and in \$CAD for \$7 million, in EUR for \$11 and in \$HKD for \$5 million.

#### *Sensitivity analysis - currency risk*

A 10% strengthening of the U.S. dollar against the relevant foreign currencies would have increased net income by \$163 thousand (€118 thousand) and equity by approximately \$4 million (€2.6 million).

#### *Interest rate risk*

C&W Group is exposed to interest rate risk associated with the \$350 million Senior Secured Revolving Credit Facility. C&W Group monitors market conditions and has reviewed possible strategies, such as interest rate swaps and caps, to mitigate this variability. In August 2011, C&W Group entered into an interest rate cap and contemporaneously designated the derivative as a cash flow hedge of the interest rate risk attributable to the future interest payments on the Credit Facility for changes in LIBOR above 1%.

#### *Sensitivity analysis - interest rate risk*

For variable rate liabilities, the sensitivity analysis was prepared assuming that the exposure at year end was the same throughout the year.

An increase or decrease of 100 basis points in interest rates, assuming that all other variables remain constant in 2013 would have decreased net income by \$2 million (€1.4 million) or increased net income by \$0.6 million (€0.4 million).

### **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 €0.6 million effect on the result for the year.

Medium and long-term financial liabilities due to 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, 2013 is a negative €0.5 million.

#### 40. Fair value measurement by hierarchy level

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs to the measurement 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 Group can access at the measurement date;
- Level 2 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, 2013.

€ million	Note	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets at fair value:					
Investments at fair value with changes directly in Other comprehensive income (losses)	17	201	30	154	385
Non-current securities	17	42		501	543
Current securities	26	91			91
Financial assets at fair value held-for-trading:					
Current investments	26	35			35
Current securities	26	248		460	708
Other financial assets	27	20	700	4	724
<b>Total Assets at 12/31/2013</b>		<b>637</b>	<b>730</b>	<b>1,119</b>	<b>2,486</b>
Other financial liabilities	27		(237)	(2)	(239)
<b>Total Liabilities at 12/31/2013</b>			<b>(237)</b>	<b>(2)</b>	<b>(239)</b>

In 2013, there were no transfers between Levels in the fair value hierarchy.

The fair value of other financial assets and liabilities that are mainly composed by derivatives financial instruments is measured by taking into consideration market parameters at the balance sheet date and using measurement 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 rate 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.
- the fair value of swaps and options hedging commodity price risk is determined by using suitable measurement techniques and taking market parameters at the balance sheet date (in particular, underline prices, interest rates and volatility rates);
- the fair value of equity swaps is determined using market prices at the balance sheet date.

The fair value estimate of Gruppo 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 in the fair value hierarchy. The unobservable inputs used in the measurement techniques to determine fair value are represented by the cost of capital (ke) in the Capital Asset Pricing Model for advisory activities and the long-term growth rate (g rate), the cost of capital and 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 estimate of Banijay Holding was performed by an independent expert who applied the unlevered version of the discounted cash flow model – DCF. The investment is classified in Level 3 in the fair value hierarchy. The unobservable inputs used in the measurement techniques to determine fair value are represented by WACC (weighted Average Cost of Capital) equal to 10.2%, determined using the Capital Asset Pricing Model as the basis of calculation. A hypothetical increase in WACC would produce a decrease in fair value.

The fair value estimate of The Economist Group was performed by an independent expert who used the current financial position, the performance objectives, the growth prospects and also the stock market performance of the companies used for comparison.

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 Level 3 in 2013:

€ million	Balance at 12/31/2012	Gains (losses) recognized			Balance at 12/31/2013
		in the income statement	comprehensive income (losses) in Other	Increase (decrease)	
Available-for-sale financial assets at fair value:					
Investments at fair value with changes directly in Other comprehensive income (losses)	159	(1)	(2)	(2)	154
Non-current securities	447	(18)	83	(11)	501
Financial assets at fair value held for trading:					
Current investments	112	6		342	460
Other financial assets	9	6	(3)	(8)	4
<b>Total Assets</b>	<b>727</b>	<b>(7)</b>	<b>78</b>	<b>321</b>	<b>1,119</b>
Other financial liabilities	(2)				(2)
<b>Total Liabilities</b>	<b>(2)</b>				<b>(2)</b>

The gains (losses) included in the income statement are recognized in cost of sales for a positive €6 million and in financial income (expenses) for a negative €13 million. Gains (losses) recognized in Other comprehensive income are included mainly in the fair value reserve for €76 million.

#### *Assets and liabilities not measured at fair value on a recurring basis*

For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from carrying value, 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 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:

€ million	Note	12/31/2013	
		Carrying amount	Fair value
<b>Financial assets</b>			
Investments held to maturity	17/26	112	116
Dealer financing receivables	21	8,880	8,888
Retail financing receivables	21	9,093	9,078
Finance lease receivables	21	1,410	1,404
Other		220	217
<b>Total assets</b>		<b>19,715</b>	<b>19,703</b>
<b>Financial liabilities</b>			
Asset backed financing	33	(11,269)	(11,283)
Non-convertible bonds	33	(21,009)	(22,563)
Other financial debt	33	(20,889)	(20,761)
<b>Total liabilities</b>		<b>(53,167)</b>	<b>(54,607)</b>

Investments held to maturity are represented by bonds issued by leading counterparties, listed on active markets and therefore their fair value is categorized in Level 1.

The fair values of receivables from financing activities, which are categorized within the Level 3 of the fair value hierarchy, have been estimated with discounted cash flows 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 the non-convertible bonds for €19,876 million is classified within Level 1 and for €2,687 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 is included in Level 2 of the fair value hierarchy and has been estimated with discounted cash flows models. The main inputs used are year-end market interest rates, adjusted for market expectations on the Group non-performance risk implied in quoted prices of traded securities issued by the Group and existing credit derivatives on Group liabilities.

Financial debt also includes the payable to the associate Almacantar of €28 million, classified in Level 3 of the fair value hierarchy. Since it is assumed that the associate will ask EXOR S.A. to pay the remaining amount of the debt within the following year, it is deemed that a possible calculation using the discounted cash flow method would not produce a significant effect. Therefore the fair value approximates the carrying amount.

#### 41. Related party transactions

The Group carries out transactions with unconsolidated subsidiaries, jointly-controlled entities, 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 entities and individuals capable of exercising control, joint control or significant influence over the EXOR Group and its subsidiaries, companies belonging to the Giovanni Agnelli Group, and unconsolidated subsidiaries, associates or joint ventures of the Fiat Group, the CNH Industrial Group, C&W Group, Juventus and Almacantar and its subsidiaries. In addition, members of the EXOR Group board of directors, board of statutory auditors and key executives with strategic responsibilities of the EXOR Group and its parent Giovanni Agnelli e C. S.a.p.a.z., as well as their families are also considered related parties.

Transactions carried out by the Group with unconsolidated subsidiaries, jointly-controlled entities, 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 receivables from financing activities of the Fiat Group's financial services companies due from jointly-controlled entities and asset-backed financing relating to amounts due to FGA Capital for the sale of receivables which do not qualify for derecognition under IAS 39.

The effects of transactions with related parties recognized in the income statement are as follows:

€million	2013				2012			
	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)
<b>2013</b>								
Tofas - Turk Otomobil Fabrikasi A.S.	1,145	1,287	3		1,115	1,227	4	
Società Europea Veicoli Leggeri-Sevel S.p.A.	846	1,557	6		845	1,526		
FGA Capital Group	223	62	10	(24)	200	85	12	(28)
Turk Traktor Ve Ziraat Makinaleri A.S.	137	264			68	263		
Fiat India Automobiles Limited	27	1	4	1	38		1	
GAC Fiat Automobiles Co Ltd	137		1		147			
Iveco Oto Melara Società consortile	91				92			
CNH de Mexico SA de CV	71	16			76	71		
SAIC IVECO Commercial Vehicle Investment Company Limited	58				27			
New Holland HFT Japan Inc.	57				52			
Société Européenne de Véhicules Légers du Nord - Sevelnord Société Anonyme (*)	0				24	218		
VM Motori Group	0	121				222		
Other	94	6	9	(3)	89	14	10	(4)
<b>Total jointly-controlled entities</b>	<b>2,886</b>	<b>3,414</b>	<b>33</b>	<b>(26)</b>	<b>2,773</b>	<b>3,626</b>	<b>27</b>	<b>(32)</b>
To-dis S.r.l.	48	4			48	2		
Arab American Vehicles Company S.A.E.	15				24			
IVECO-AMT Ltd	20				15			
Truck & Bus Company	21				12			
Kobelco Construction Machinery Co. Ltd.	0				60	174		
Other	7	5	5		7	5	8	1
<b>Total associates</b>	<b>111</b>	<b>9</b>	<b>5</b>	<b>0</b>	<b>266</b>	<b>181</b>	<b>8</b>	<b>1</b>
<b>Total other related parties</b>	<b>1</b>	<b>7</b>	<b>28</b>	<b>0</b>	<b>1</b>	<b>11</b>	<b>37</b>	<b>0</b>
<b>Total unconsolidated subsidiaries</b>	<b>44</b>	<b>15</b>	<b>30</b>	<b>1</b>	<b>36</b>	<b>100</b>	<b>30</b>	<b>4</b>
<b>Total of which related parties</b>	<b>3,042</b>	<b>3,445</b>	<b>96</b>	<b>(25)</b>	<b>3,076</b>	<b>3,918</b>	<b>102</b>	<b>(27)</b>
<b>Total of item in financial statements</b>	<b>113,740</b>	<b>96,359</b>	<b>9,124</b>	<b>(2,472)</b>	<b>110,671</b>	<b>93,326</b>	<b>9,140</b>	<b>0</b>
<b>Effect on total (%)</b>	<b>2.67%</b>	<b>3.58%</b>	<b>1.05%</b>		<b>2.78%</b>	<b>4.20%</b>	<b>1.12%</b>	

(\*) At December 31, 2012, this investment, later sold at the beginning of 2013, was classified in Assets held for sale.

Non-financial assets and liabilities originated by related party transactions are as follows:

€million	At December 31, 2013				At December 31, 2012			
	Trade receivables	Trade payables	Other current assets	Other current liabilities	Trade receivables	Trade payables	Other current assets	Other current liabilities
<b>At December 31, 2013</b>								
Tofas - Turk Otomobil Fabrikasi A.S.	50	232			32	257		2
Società Europea Veicoli Leggeri-Sevel S.p.A.	21	406	4	9	23	396	3	5
FGA Capital Group	49	165	1	93	64	147	12	85
Fiat India Automobiles Limited	10	10			96	5	2	
GAC Fiat Automobiles Co Ltd	35	3		5	23	4		
Iveco Oto Melara Società consortile	21				23			
Turk Traktor Ve Ziraat Makinaleri A.S.		61				55		
Société Européenne de Véhicules Légers du Nord - Sevelnord Société Anonyme (*)					1	55		
VM Motori Group						20		
Other	33	67	2	32	40	78	1	23
<b>Total jointly-controlled entities</b>	<b>219</b>	<b>944</b>	<b>7</b>	<b>139</b>	<b>302</b>	<b>1,017</b>	<b>18</b>	<b>115</b>
Almacantar S.A.								
Arab American Vehicles Company S.A.E.	9	3			11	3		
Other	24	9		25	67	10	1	27
<b>Total associates</b>	<b>33</b>	<b>12</b>	<b>0</b>	<b>25</b>	<b>78</b>	<b>13</b>	<b>1</b>	<b>27</b>
<b>Total other related parties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>0</b>
<b>Total unconsolidated subsidiaries</b>	<b>43</b>	<b>15</b>	<b>4</b>	<b>1</b>	<b>28</b>	<b>18</b>	<b>4</b>	<b>1</b>
<b>Total of which related parties</b>	<b>295</b>	<b>971</b>	<b>11</b>	<b>166</b>	<b>408</b>	<b>1,053</b>	<b>24</b>	<b>143</b>
<b>Total of item in financial statements</b>	<b>3,618</b>	<b>22,652</b>	<b>3,827</b>	<b>12,341</b>	<b>4,303</b>	<b>21,423</b>	<b>3,368</b>	<b>10,771</b>
<b>Effect on total (%)</b>	<b>8.2%</b>	<b>4.3%</b>	<b>0.3%</b>	<b>1.3%</b>	<b>9.5%</b>	<b>4.9%</b>	<b>0.7%</b>	<b>1.3%</b>

(\*) At December 31, 2012, this investment, later sold at the beginning of 2013, was classified in Assets held for sale.

Financial assets and liabilities originated by related party transactions are as follows:

€million	December 31, 2013			December 31, 2012		
	Current receivables from financing activities	Asset backed financing	Other financial debt	Current receivables from financing activities	Asset backed financing	Other financial debt
<b>At December 31, 2013</b>						
Società Europea Veicoli Leggeri-Sevel S.p.A.	28		20	24		4
FGA Capital Group	54	85	270	88	56	96
Other	19		3	15		3
<b>Total jointly-controlled entities</b>	<b>101</b>	<b>85</b>	<b>293</b>	<b>127</b>	<b>56</b>	<b>103</b>
Almacantar S.A.			29			38
Global Engine Alliance LLC						4
Other	11			0	0	
<b>Total associates</b>	<b>11</b>	<b>0</b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>42</b>
<b>Total other related parties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total unconsolidated subsidiaries</b>	<b>38</b>	<b>0</b>	<b>23</b>	<b>66</b>	<b>0</b>	<b>24</b>
<b>Total of which related parties</b>	<b>150</b>	<b>85</b>	<b>345</b>	<b>193</b>	<b>56</b>	<b>169</b>
<b>Total of item in financial statements</b>	<b>19,594</b>	<b>11,269</b>	<b>41,898</b>	<b>18,938</b>	<b>10,149</b>	<b>39,929</b>
<b>Effect on total (%)</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>1.0%</b>	<b>0.6%</b>	<b>0.4%</b>

#### *Guarantees pledged in favor of related parties of the Fiat Group*

Other guarantees pledged in favor of related parties at December 31, 2013 and at December 31, 2012 are as follows:

€ million	At 12/31/2013	At 12/31/2012
Total jointly-controlled entities	7	5
Total other related parties and the Fiat Industrial Group	0	7
Total unconsolidated subsidiaries	8	13
<b>Total of which related parties</b>	<b>15</b>	<b>25</b>

#### *Commitments and guarantees with related parties of the CNH Industrial Group*

At December 31, 2013 the CNH Industrial Group had pledged guarantees on commitments of the joint venture Iveco - Oto Melara Società consortile for an amount of €197 million (€215 million at December 31, 2012).

#### *Compensation to directors, statutory auditors and key executives of EXOR*

In 2013 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	4,522	23,359	27,881
Statutory Auditors	148	215	363
<b>Total 2013</b>	<b>4,670</b>	<b>23,574</b>	<b>28,244</b>
<b>Total 2012</b>	<b>4,424</b>	<b>33,172</b>	<b>37,596</b>

This amount includes the nominal compensation cost arising from the stock grants and stock options granted to the directors.

There are no key executives in EXOR S.p.A.

#### 42. 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 mostly derive from the Group's industrial 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 2013, other non-cash items (positive for €508 million) mainly include the reversal of impairment losses on fixed assets and the share of the profit or loss of investees accounted for using the equity method, the loss of €54 million related to the devaluation of the official exchange rate of the Venezuelan Bolivar (VEF) relative to the US dollar (Note 9) and the €56 million writeoff of the book value of the Equity Recapture Agreement Right.

In total, cash flows for income tax payments net of refunds amount to €855 million in 2013 (€1,031 million in 2012).

In total, interest of €2,620 million was paid and interest of €1,109 million was received in 2013 (interest of €2,619 million was paid and interest of €1,435 million was received in 2012).

#### 43. 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" by, reports fees related to 2013 for audit and other services provided by the independent auditors and members of their network.

€ thousand	Service Provider	Entity	2013 Fees
<b>Audit</b>	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.	58
	Reconta Ernst & Young S.p.A.	Subsidiaries	4,752
	Rete Reconta Ernst & Young network	Subsidiaries	20,043
<b>Attestation</b>	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A. (1)	20
	Reconta Ernst & Young S.p.A.	Subsidiaries (2)	2,509
	Rete Reconta Ernst & Young network	Subsidiaries (3)	1,028
<b>Other services</b>	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.	-
	Reconta Ernst & Young S.p.A.	Subsidiaries (4)	676
	Rete Reconta Ernst & Young network	Subsidiaries (5)	2,412
<b>Total Reconta Ernst &amp; Young S.p.A. and network</b>			<b>31,498</b>

- 1) Fees mainly for the issuance of Comfort Letters connected with bond issues.
- 2) Review of system of internal control over financial reporting and attestation activities connected with CNH Industrial merger.
- 3) Issuance of Comfort Letters connected with bond issues and acquisition of remaining equity interest in Chrysler Group LLC from the VEBA Trust.
- 4) Analysis of various accounting activities, analysis of system of internal control over financial reporting, review activities relating to available liquidity of the Fiat Group as requested by Consob
- 5) Primarily relating to fulfillment of requirements imposed by local authorities and tax related activities.

**44. Non-recurring transactions**

Pursuant to Consob Communication DEM/6064293 of July 28, 2006, the EXOR Group did not carry out any significant non-recurring transactions in 2013.

**45. Transactions resulting from unusual and/or abnormal operations**

Pursuant to Consob Communication DEM/6064293 of July 28, 2006, the EXOR Group did not carry out any unusual and/or abnormal operations in 2013 as defined in that Communication (for the definition of these see the Section – Format of the financial statements).

**46. Subsequent events**

Reference should be made to the Report on Operations 2013.

**47. Approval of the consolidated financial statements and authorization for publication**

The consolidated financial statements at December 31, 2013 were approved on April 9, 2014 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 9, 2014

On behalf of the Board of Directors  
The Chairman and Chief Executive Officer  
John Elkann





**Appendix 1**  
**List of EXOR GROUP Companies**  
**at December 31, 2013**

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
<b>Parent company</b>							
EXOR S.p.A.	Italy	246,229,850.00	EUR				
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<b> Holding</b>							
Ancom USA Inc.	U.S.A.	0.10	USD	100.00	EXOR S.A.		100.000
CNH Industrial N.V.	Netherlands	18,245,478.06	EUR	27.96	EXOR S.p.A.		40.221
					Fiat S.p.A.		3.725
					CNH Industrial N.V.		0.300 (*)
EXOR Capital Limited	Ireland	4,000,000.00	EUR	100.00	EXOR S.A.		100.000
EXOR Inc.	U.S.A.	1.00	USD	100.00	EXOR S.A.		100.000
EXOR S.A.	Luxembourg	166,611,300.00	EUR	100.00	EXOR S.p.A.		100.000
EXOR N.V.	Netherlands	45,000.00	EUR	100.00	EXOR S.A.		100.000
Fiat S.p.A.	Italy	4,477,462,227.34	EUR	30.90	EXOR S.p.A.		30.048
					Fiat S.p.A.		2.765 (*)
<b>Real Estate Services</b>							
C&W Group Inc.	U.S.A.	7,464.55	USD	82.40	EXOR S.A.		68.459
					C&W Group Inc.		14.554 (*)
<b>Leisure and Other</b>							
Arenella Immobiliare S.r.l.	Italy	150,000.00	EUR	100.00	EXOR S.p.A.		100.000
Juventus Football Club S.p.A.	Italy	8,182,133.28	EUR	63.77	EXOR S.p.A.		63.766

(\*) Voting suspended.



**Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<i>Business Auto: Car Mass-Market Brands</i>							
<b>NAFTA</b>							
0847574 B.C. Unlimited Liability Company	Canada	1.00	CAD	58.54	New CarCo Acquisition Canada Ltd. CHRYSLER GROUP REALTY	100.000	
Auburn Hills Mezzanine LLC	U.S.A.	100.00	USD	58.54	COMPANY LLC	100.000	
Auburn Hills Owner LLC	U.S.A.	100.00	USD	58.54	Auburn Hills Mezzanine LLC	100.000	
Autodie LLC	U.S.A.	10,000,000.00	USD	58.54	Chrysler Group LLC	100.000	
CG MID LLC	U.S.A.	2,700,000.00	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Canada Cash Services Inc.	Canada	1,000.00	CAD	58.54	Chrysler Group LLC	100.000	
Chrysler Canada Inc.	Canada	0.00	CAD	58.54	0847574 B.C. Unlimited Liability Company	100.000	
Chrysler de Mexico S.A. de C.V.	Mexico	238,621,186.00	MXN	58.54	Chrysler Mexico Holding, S. de R.L. de C.V. Chrysler Group Minority LLC	99.996 0.004	
CHRYSLER GROUP AUTO TRANSPORT LLC	U.S.A.	100.00	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP DEALER CAPITAL LLC	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP INTERNATIONAL LLC	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP INTERNATIONAL SERVICES LLC	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Group LLC	U.S.A.	1,632,654.00	USD	58.54	FIAT NORTH AMERICA LLC	58.538	
Chrysler Group Minority LLC	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP REALTY COMPANY LLC	U.S.A.	168,769,528.00	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Group Service Contracts LLC	U.S.A.	100,000,000.00	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP TRANSPORT LLC	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP VANS LLC	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Investment Holdings LLC	U.S.A.	173,350,999.00	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Lease Receivables 1 Inc.	Canada	100.00	CAD	58.54	Chrysler Canada Inc.	100.000	
Chrysler Lease Receivables 2 Inc.	Canada	100.00	CAD	58.54	Chrysler Canada Inc.	100.000	
Chrysler Lease Receivables Limited Partnership	Canada	0.00	CAD	58.54	Chrysler Canada Inc. Chrysler Lease Receivables 1 Inc. Chrysler Lease Receivables 2 Inc. Chrysler Mexico Investment Holdings	99.990 0.005 0.005	
Chrysler Mexico Holding, S. de R.L. de C.V.	Mexico	3,377,922,033.00	MXN	58.54	Cooperatie U.A. CarCo Intermediate Mexico LLC	99.900 0.100	
CPK Interior Products Inc.	Canada	1,000.00	CAD	58.54	Chrysler Canada Inc.	100.000	
Extended Vehicle Protection LLC	U.S.A.	2,000,000.00	USD	58.54	Chrysler Group LLC	100.000	
Global Engine Manufacturing Alliance LLC	U.S.A.	300,000.00	USD	58.54	Chrysler Group LLC	100.000	
New CarCo Acquisition Canada Ltd.	Canada	1,000.00	CAD	58.54	New CarCo Acquisition Holdings Canada Ltd.	100.000	
New CarCo Acquisition Holdings Canada Ltd.	Canada	1,000.00	CAD	58.54	Chrysler Group LLC	100.000	

**Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<i>Business Auto: Car Mass-Market Brands</i>							
<b>LATAM</b>							
Banco Fidis S.A.	Brazil	473,669,238.00	BRL	100.00	Fidis S.p.A.	75.000	
					Fiat Automoveis S.A. - FIASA	25.000	
Chrysler Argentina S.R.L.	Argentina	29,335,170.00	ARS	58.54	Chrysler Group LLC	98.000	
					Chrysler Group Minority LLC	2.000	
Chrysler Chile Importadora Ltda	Chile	41,800,000.00	CLP	58.54	Chrysler Group LLC	99.990	
					Chrysler Group Minority LLC	0.010	
Chrysler de Venezuela LLC	U.S.A.	132,474,694.00	USD	58.54	CG Venezuela UK Holdings Limited	100.000	
CHRYSLER GROUP DO BRASIL COMERCIO DE VEICULOS Ltda.	Brazil	31,517,999.00	BRL	58.54	Chrysler Group LLC	100.000	
CMP Componentes e Modulos Plasticos Industria e Comercio Ltda.	Brazil	25,007,977.00	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Auto Argentina S.A.	Argentina	476,464,366.00	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Argentina	109,535,149.00	ARS	100.00	Fiat Auto Argentina S.A.	100.000	
Fiat Automoveis S.A. - FIASA	Brazil	1,069,492,850.00	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Credito Compania Financiera S.A.	Argentina	319,798,129.00	ARS	100.00	Fidis S.p.A.	100.000	
FPT Pow ertrain Technologies do Brasil - Industria e Comércio de Motores Ltda	Brazil	197,792,500.00	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
TCA - Tecnologia em Componentes Automotivos SA	Brazil	70,840,185.00	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
<b>APAC</b>							
Chrysler (Hong Kong) Automotive Limited	People's Rep. of China	10,000,000.00	EUR	58.54	Chrysler Group LLC	100.000	
					Chrysler (Hong Kong) Automotive		
Chrysler Asia Pacific Investment Co. Ltd.	Rep. of China	4,500,000.00	CNY	58.54	Limited	100.000	
Chrysler Australia Pty. Ltd.	Australia	143,629,774.00	AUD	58.54	Chrysler Group LLC	100.000	
Chrysler Group (China) Sales Co. Ltd.	People's Rep. of China	10,000,000.00	EUR	58.54	Chrysler (Hong Kong) Automotive Limited	100.000	
					Chrysler Netherlands Distribution		
Chrysler India Automotive Private Limited	India	99,990.00	INR	58.54	B.V.	99.990	
					CHRYSLER GROUP DUTCH OPERATING LLC	0.010	
Chrysler Japan Co., Ltd.	Japan	100,000,000.00	JPY	58.54	Chrysler Group LLC	100.000	
Chrysler Korea, Ltd.	South Korea	32,639,200,000.00	KRW	58.54	Chrysler Group LLC	100.000	
Chrysler South East Asia Pte. Ltd.	Singapore	3,010,513.00	SGD	58.54	Chrysler Group LLC	100.000	
Fiat Automotive Finance Co. Ltd.	People's Rep. of China	750,000,000.00	CNY	100.00	Fidis S.p.A.	100.000	
FIAT GROUP AUTOMOBILES INDIA Private Limited	India	937,900,000.00	INR	100.00	Fiat Group Automobiles S.p.A.	99.990	
					FGA Investimenti S.p.A.	0.010	
Fiat Group Automobiles Japan K.K.	Japan	420,000,000.00	JPY	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Pow ertrain Technologies (Shanghai) R&D Co. Ltd.	People's Rep. of China	10,000,000.00	EUR	100.00	Fiat Pow ertrain Technologies SpA	100.000	
					Chrysler Asia Pacific Investment Co.		
Mopar (Shanghai) Auto Parts Trading Co. Ltd.	Rep. of China	5,000,000.00	USD	58.54	Ltd.	100.000	



**Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<i>Business Auto: Car Mass-Market Brands</i>							
<b>EMEA</b>							
Abarth & C. S.p.A.	Italy	1,500,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo Automobiles S.p.A.	Italy	120,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo U.S.A. S.p.A.	Italy	120,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
C.R.F. Società Consortile per Azioni	Italy	45,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A. Fiat Partecipazioni S.p.A. Fiat Powertrain Technologies SpA	75.000 20.000 5.000	
CG EU NSC LIMITED	United Kingdom	3.00	GBP	58.54	Chrysler Group LLC	100.000	
CG Venezuela UK Holdings Limited	United Kingdom	100.00	GBP	58.54	CG EU NSC LIMITED Fiat Group Automobiles Germany	100.000	
Chrysler & Jeep Vertriebsgesellschaft mbH	Germany	25,600.00	EUR	100.00	AG	100.000	
Chrysler Austria GmbH	Austria	4,300,000.00	EUR	58.54	Chrysler Deutschland GmbH	100.000	
CHRYSLER BALKANS d.o.o. Beograd	Serbia	500.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Belgium Luxembourg NV/SA	Belgium	28,262,700.00	EUR	58.54	Chrysler Group LLC Chrysler Group Minority LLC	99.998 0.002	
Chrysler Czech Republic s.r.o.	Czech Republic	55,932,000.00	EUR	58.54	Chrysler Group LLC Chrysler Group Minority LLC	99.964 0.036	
Chrysler Danmark ApS	Denmark	1,000,000.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Deutschland GmbH	Germany	20,426,200.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Espana S.L.	Spain	16,685,690.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler France S.A.S.	France	460,000.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Group Egypt Limited	Egypt	240,000.00	EGP	58.54	Chrysler Group LLC Chrysler Group Minority LLC	99.000 1.000	
Chrysler Group Middle East FZ-LLC	United Arab Emirates	300,000.00	AED	58.54	CHRYSLER GROUP INTERNATIONAL LLC	100.000	
Chrysler International GmbH	Germany	25,000.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Italia S.r.l.	Italy	100,000.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Jeep International S.A.	Belgium	1,860,000.00	EUR	58.54	Chrysler Group LLC Chrysler Group Minority LLC	99.998 0.002	
Chrysler Management Austria GmbH	Austria	75,000.00	EUR	58.54	Chrysler Austria GmbH	100.000	
Chrysler Mexico Investment Holdings Cooperatie U.A.	Netherlands	0.00	EUR	58.54	Chrysler Investment Holdings LLC Chrysler Group Minority LLC	99.990 0.010	
Chrysler Nederland B.V.	Netherlands	19,000.00	EUR	58.54	Chrysler Group LLC Chrysler Netherlands Holding	100.000	
Chrysler Netherlands Distribution B.V.	Netherlands	90,000.00	EUR	58.54	Cooperatie U.A.	100.000	
Chrysler Polska Sp. z o.o.	Poland	30,356,000.00	PLN	58.54	Chrysler Group LLC	100.000	
Chrysler Russia SAO	Russia	574,665,000.00	RUB	58.54	Chrysler Group LLC	99.999	

## Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<i>Business Auto: Car Mass-Market Brands</i>							
<i>EMEA</i>							
					Chrysler Group Minority LLC		0.001
Chrysler South Africa (Pty) Limited	South Africa	200.00	ZAR	58.54	Chrysler Group LLC		100.000
Chrysler Sweden AB	Sweden	100,000.00	SEK	58.54	Chrysler Group LLC		100.000
Chrysler Switzerland GmbH	Switzerland	2,000,000.00	CHF	58.54	Chrysler Group LLC		100.000
	United Kingdom						
Chrysler UK Limited	Kingdom	46,582,132.00	GBP	58.54	CG EU NSC LIMITED		100.000
Customer Services Centre S.r.l.	Italy	2,500,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.		100.000
Easy Drive S.r.l.	Italy	10,400.00	EUR	100.00	Fiat Group Automobiles S.p.A.		99.000
					Fiat Center Italia S.p.A.		1.000
Fabbrica Italia Pomigliano S.p.A.	Italy	1,000,000.00	EUR	100.00	FGA Real Estate Services S.p.A.		100.000
					Fiat Group Automobiles Austria GmbH		
FGA Austro Car GmbH	Austria	35,000.00	EUR	100.00	GmbH		100.000
FGA Investimenti S.p.A.	Italy	2,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.		100.000
FGA Real Estate Services S.p.A.	Italy	150,679,554.00	EUR	100.00	Fiat Group Automobiles S.p.A.		100.000
					Fiat Group Automobiles Germany AG		51.000
FGA Versicherungsservice GmbH	Germany	26,000.00	EUR	100.00	Rimaco S.A.		49.000
Fiat Auto Poland S.A.	Poland	660,334,600.00	PLN	100.00	Fiat Group Automobiles S.p.A.		100.000
Fiat Auto Var S.r.l.	Italy	7,370,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.		100.000
					Fiat Group Automobiles Germany AG		
Fiat Automobil Vertriebs GmbH	Germany	8,700,000.00	EUR	100.00	AG		100.000
Fiat Automobiles S.p.A.	Italy	120,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.		100.000
FIAT AUTOMOBILES SERBIA DOO Kragujevac	Serbia	30,707,843,314.00	RSD	66.67	Fiat Group Automobiles S.p.A.		66.670
					Fiat Group Automobiles Switzerland S.A.		
Fiat Center (Suisse) S.A.	Switzerland	13,000,000.00	CHF	100.00	S.A.		100.000
Fiat Center Italia S.p.A.	Italy	2,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.		100.000
	Czech Republic						
Fiat CR Spol. S.R.O.	Republic	1,000,000.00	CZK	100.00	Fiat Group Automobiles S.p.A.		100.000
Fiat France	France	235,480,520.00	EUR	100.00	Fiat Group Automobiles S.p.A.		100.000
Fiat Group Automobiles Austria GmbH	Austria	37,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.		98.000
					FGA Investimenti S.p.A.		2.000
Fiat Group Automobiles Belgium S.A.	Belgium	7,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.		99.998
					Fiat Group Automobiles Switzerland S.A.		0.002
Fiat Group Automobiles Central and Eastern Europe KFT.	Hungary	150,000,000.00	HUF	100.00	Fiat Group Automobiles S.p.A.		100.000
Fiat Group Automobiles Denmark A/S	Denmark	55,000,000.00	DKK	100.00	Fiat Group Automobiles S.p.A.		100.000
Fiat Group Automobiles Germany AG	Germany	82,650,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.		99.000
					Fiat Group Automobiles Switzerland S.A.		1.000
Fiat Group Automobiles Hellas S.A.	Greece	62,783,499.00	EUR	100.00	Fiat Group Automobiles S.p.A.		100.000



**Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<i>Business Auto: Car Mass-Market Brands</i>							
<b>EMEA</b>							
Fiat Group Automobiles Ireland Ltd.	Ireland	5,078,952.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Maroc S.A.	Morocco	1,000,000.00	MAD	99.95	Fiat Group Automobiles S.p.A.	99.950	
Fiat Group Automobiles Netherlands B.V.	Netherlands	5,672,250.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Portugal, S.A.	Portugal	1,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles S.p.A.	Italy	800,000,000.00	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	South Africa	640.00	ZAR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Spain S.A.	Spain	8,079,280.00	EUR	100.00	Fiat Group Automobiles S.p.A. Fiat Group Automobiles Switzerland S.A.	99.998 0.002	
Fiat Group Automobiles Sweden AB	Sweden	10,000,000.00	SEK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Switzerland S.A.	Switzerland	21,400,000.00	CHF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles UK Ltd	United Kingdom	44,600,000.00	GBP	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Marketing & Corporate Communication S.p.A.	Italy	100,000,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
FIAT NORTH AMERICA LLC	U.S.A.	0.00	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Partecipazioni France Société par actions simplifiée	France	37,000.00	EUR	100.00	FGA Real Estate Services S.p.A.	100.000	
Fiat Powertrain Technologies Poland Sp. z o.o.	Poland	269,037,000.00	PLN	100.00	Fiat Powertrain Technologies SpA	100.000	
Fiat Powertrain Technologies SpA	Italy	525,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Professional S.p.A.	Italy	120,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Real Estate Germany GmbH	Germany	25,000.00	EUR	100.00	Fiat Automobil Vertriebs GmbH	100.000	
Fiat SR Spol. SR.O.	Slovakia	33,194.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fidis S.p.A.	Italy	250,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Italy	1,250,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Container Logistics S.p.A.	Italy	2,500,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	France	5,955,360.00	EUR	100.00	Fiat France	99.997	
Italian Automotive Center S.A.	Belgium	5,000,000.00	EUR	100.00	Fiat Group Automobiles Belgium S.A. Fiat Group Automobiles S.p.A.	99.988 0.012	
Italian Motor Village Ltd.	United Kingdom	1,500,000.00	GBP	100.00	Fiat Group Automobiles UK Ltd Fiat Group Automobiles Portugal, S.A.	100.000	
Italian Motor Village S.A.	Portugal	50,000.00	EUR	100.00	S.A.	100.000	
Italian Motor Village, S.L.	Spain	1,454,420.00	EUR	100.00	Fiat Group Automobiles Spain S.A.	100.000	
Lancia Automobiles S.p.A.	Italy	120,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Mecaner S.A.	Spain	3,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A. Fiat Group Automobiles Austria	100.000	
Motor Village Austria GmbH	Austria	37,000.00	EUR	100.00	GmbH	100.000	
New Business 32 S.r.l.	Italy	50,000.00	EUR	58.54	Chrysler Italia S.r.l.	100.000	

**Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<b>Business Auto: Car Mass-Market Brands</b>							
<b>EMEA</b>							
Officine Maserati Grugliasco S.p.A.	Italy	500,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Italy	276,640,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	Italy	100,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
VM Motori S.p.A.	Italy	21,008,000.00	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
<b>Business Auto: Luxury and Performance Brands</b>							
<b>Ferrari</b>							
Ferrari S.p.A.	Italy	20,260,000.00	EUR	90.00	Fiat S.p.A.	90.000	
410 Park Display Inc.	U.S.A.	100.00	USD	90.00	Ferrari N.America Inc.	100.000	
Ferrari Australasia Pty Limited	Australia	2,000,100.00	AUD	90.00	Ferrari S.p.A.	100.000	
Ferrari Central / East Europe GmbH	Germany	1,000,000.00	EUR	90.00	Ferrari S.p.A.	100.000	
FERRARI FAR EAST PTE LTD	Singapore	1,000,000.00	SGD	90.00	Ferrari S.p.A.	100.000	
Ferrari Financial Services AG	Germany	1,777,600.00	EUR	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services Japan KK	Japan	199,950,000.00	JPY	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Italy	5,100,000.00	EUR	81.00	Ferrari S.p.A.	90.000	
Ferrari Financial Services, Inc.	U.S.A.	1,000.00	USD	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari G.E.D. S.p.A.	Italy	11,570,000.00	EUR	90.00	Ferrari S.p.A.	100.000	
Ferrari Japan KK	Japan	160,050,000.00	JPY	90.00	Ferrari S.p.A.	100.000	
Ferrari Management Consulting (Shanghai) CO., LTD	People's Rep. of China	2,100,000.00	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	People's Rep. of China	3,000,000.00	USD	53.10	Ferrari S.p.A.	59.000	
Ferrari N.America Inc.	U.S.A.	200,000.00	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari North Europe Limited	United Kingdom	50,000.00	GBP	90.00	Ferrari S.p.A.	100.000	
Ferrari South West Europe S.A.R.L.	France	172,000.00	EUR	90.00	Ferrari S.p.A.	100.000	
GSA - Gestions Sportives Automobiles S.A.	Switzerland	1,000,000.00	CHF	90.00	Ferrari S.p.A.	100.000	
Iniziativa Fiorano S.r.l.	Italy	90,000.00	EUR	90.00	Ferrari S.p.A.	100.000	
Mugello Circuit S.p.A.	Italy	10,000,000.00	EUR	90.00	Ferrari S.p.A. Ferrari G.E.D. S.p.A.	90.000 10.000	
<b>Maserati</b>							
Maserati S.p.A.	Italy	40,000,000.00	EUR	100.00	Fiat S.p.A.	100.000	
Maserati (Suisse) S.A.	Switzerland	1,000,000.00	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Germany	500,000.00	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	United Kingdom	20,000.00	GBP	100.00	Maserati S.p.A.	100.000	
Maserati Japan KK	Japan	18,000,000.00	JPY	100.00	Maserati S.p.A.	100.000	



**Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<i>Business Auto: Luxury and Performance Brands</i>							
<i>Maserati</i>							
Maserati North America Inc.	U.S.A.	1,000.00	USD	100.00	Maserati S.p.A.	100.000	
Maserati West Europe société par actions simplifiée	France	37,000.00	EUR	100.00	Maserati S.p.A.	100.000	
<i>Components and Production Systems</i>							
<i>Magneti Marelli</i>							
Magneti Marelli S.p.A.	Italy	254,325,965.00	EUR	99.99	Fiat S.p.A.	99.990	100.000
ABC Industria, Comercio, Importacao e Exportacao de Componentes Automotivos Ltda	Brazil	1,000.00	BRL	99.99	Plastic Components and Modules Automotive S.p.A. Magneti Marelli Cofap Autopecas Ltda	99.900	0.100
Administracion Magneti Marelli Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico	3,000.00	MXN	51.49	Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V. Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	99.000	1.000
Automotive Lighting Brotterode GmbH	Germany	7,270,000.00	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Italy	12,000,000.00	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	U.S.A.	25,001,000.00	USD	99.99	Magneti Marelli Holding U.S.A. Inc. Automotive Lighting Reutlingen	100.000	
Automotive Lighting o.o.o.	Russia	36,875,663.00	RUB	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps France S.a.s.	France	5,134,480.00	EUR	99.99	Automotive Lighting Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	Mexico	50,000.00	MXN	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Reutlingen GmbH	Germany	1,330,000.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Automotive Lighting S.R.O.	Czech Republic	927,637,000.00	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	United Kingdom	40,387,348.00	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Centro Ricerche Plast-Optica S.p.A.	Italy	1,033,000.00	EUR	75.49	Automotive Lighting Italia S.p.A.	75.500	
CHANGCHUN MAGNETI MARELLI POWERTRAIN COMPONENTS Co.Ltd.	People's Rep. of China	5,600,000.00	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Ergom Soffiaggio S.r.l.	Italy	45,900.00	EUR	84.99	Plastic Components and Modules Automotive S.p.A.	85.000	
Fiat CIEI S.p.A. in liquidation	Italy	220,211.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Hefei Magneti Marelli Exhaust Systems Co.Ltd.	People's Rep. of China	3,900,000.00	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Industrial Yorka de Mexico S.A. de C.V.	Mexico	50,000.00	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V. Industrial Yorka de Tepotzotlan S.A. de C.V.	98.000	2.000
Industrial Yorka de Tepotzotlan S.A. de C.V.	Mexico	50,000.00	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V. Industrial Yorka de Mexico S.A. de C.V.	99.000	1.000
Industrias Magneti Marelli Mexico S.A. de C.V.	Mexico	50,000.00	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A. Servicios Administrativos Corp. IPASA S.A.	99.998	0.002
Magneti Marelli (China) Co. Ltd.	People's Rep. of China	17,500,000.00	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli After Market Parts and Services S.p.A.	Italy	7,000,000.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Germany	100,000.00	EUR	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	

**Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<i>Components and Production Systems</i>							
<i>Magneti Marelli</i>							
Magneti Marelli Aftermarket Sp. z o.o.	Poland	2,000,000.00	PLN	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Argentina S.A.	Argentina	700,000.00	ARS	99.99	Magneti Marelli S.p.A. Magneti Marelli France S.a.s.	95.000 5.000	
Magneti Marelli Automotive Components (Changsha) Co. Ltd	People's Rep. of China	5,400,000.00	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	People's Rep. of China	32,000,000.00	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive d.o.o. Kragujevac	Serbia	154,200,876.00	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Electronics (Guangzhou) Co. Limited	People's Rep. of China	16,100,000.00	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Lighting (Foshan) Co. Ltd	People's Rep. of China	10,800,000.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Cofap Autopecas Ltda	Brazil	7,554,539.00	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Cofap Fabricadora de Pecas Ltda	Brazil	46,284,200.00	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Componentes Plasticos Ltda	Brazil	6,402,500.00	BRL	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Argentina	7,480,071.00	ARS	99.99	Magneti Marelli S.p.A. Magneti Marelli Argentina S.A.	95.000 5.000	
Magneti Marelli d.o.o. Kragujevac	Serbia	1,363,504,543.00	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio SA	Brazil	40,568,427.00	BRL	99.86	Magneti Marelli S.p.A.	99.872	99.990
Magneti Marelli Espana S.A.	Spain	781,101.00	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli France S.a.s.	France	19,066,824.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli GmbH	Germany	200,000.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	U.S.A.	10.00	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Iberica S.A.	Spain	389,767.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli India Private Ltd	India	20,000,000.00	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli International Trading (Shanghai) Co. LTD	People's Rep. of China	200,000.00	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Japan K.K.	Japan	60,000,000.00	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	Turkey	50,005.00	TRY	99.94	Automotive Lighting Reutlingen GmbH PLASTIFORM PLASTIK SANAY ve TICARET A. S. Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	99.842 0.052 0.052	
Magneti Marelli Motopropulsion France SAS	France	37,002.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli North America Inc.	U.S.A.	7,491,705.00	USD	99.99	Magneti Marelli Cofap Fabricadora de Pecas Ltda	100.000	
Magneti Marelli of Tennessee LLC	U.S.A.	1,300,000.00	USD	99.99	Magneti Marelli Holding U.S.A. Inc. Automotive Lighting Reutlingen	100.000	
Magneti Marelli Poland Sp. z o.o.	Poland	83,500,000.00	PLN	99.99	GmbH	100.000	
Magneti Marelli Pow ertrain India Private Limited	India	450,000,000.00	INR	51.00	Magneti Marelli S.p.A.	51.000	
Magneti Marelli Pow ertrain Slovakia s.r.o.	Slovakia	7,000,000.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	



**Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<i>Components and Production Systems</i>							
<i>Magneti Marelli</i>							
Magneti Marelli Powertrain U.S.A. LLC	U.S.A.	25,000,000.00	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico	3,000.00	MXN	51.00	Sistemi Sospensioni S.p.A.	51.000	
Magneti Marelli Repuestos S.A.	Argentina	2,012,000.00	ARS	99.99	Magneti Marelli After Market Parts and Services S.p.A. Magneti Marelli Cofap Autopeças Ltda	52.000 48.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Brazil	206,834,874.00	BRL	99.99	Magneti Marelli S.p.A. Automotive Lighting Reutlingen GmbH	66.111 33.889	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Mexico	50,000.00	MXN	99.99	Magneti Marelli S.p.A. Servicios Administrativos Corp. IPASA S.A.	99.998 0.002	
Magneti Marelli Slovakia s.r.o.	Slovakia	80,006,639.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	South Africa	1,950,000.00	ZAR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Poland	70,050,000.00	PLN	99.99	Sistemi Sospensioni S.p.A.	100.000	
Magneti Marelli Um Electronic Systems Private Limited	India	420,000,000.00	INR	51.00	Magneti Marelli S.p.A. Automotive Lighting Reutlingen	51.000	
Malaysian Automotive Lighting SDN. BHD	Malaysia	6,000,000.00	MYR	79.99	GmbH	80.000	
MMI&T Sas	France	7,000.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
MMH Industria e Comercio De Componentes Automotivos Ltda	Brazil	1,000.00	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda Magneti Marelli Cofap Autopeças Ltda	99.900 0.100	
Plastic Components and Modules Automotive S.p.A.	Italy	10,000,000.00	EUR	99.99	Plastic Components and Modules Holding S.p.A.	100.000	
Plastic Components and Modules Holding S.p.A.	Italy	10,000,000.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Plastic Components and Modules Poland S.A.	Poland	21,000,000.00	PLN	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Plastic Components Fuel Systems Poland Sp. z o.o.	Poland	29,281,500.00	PLN	99.99	Plastic Components and Modules Poland S.A.	100.000	
PLASTIFORM PLASTIK SANAY ve TICARET A.S.	Turkey	715,000.00	TRY	99.94	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	100.000	
Servicios Administrativos Corp. IPASA S.A.	Mexico	1,000.00	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A. Industrias Magneti Marelli Mexico S.A. de C.V.	99.990 0.010	
Sistemi Sospensioni S.p.A.	Italy	37,622,179.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
SNIRICERCHÉ S.P.A. in liquidation	Italy	880,000.00	EUR	99.99	Plastic Components and Modules Holding S.p.A. Plastic Components and Modules Automotive S.p.A.	95.000 5.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Mexico	50,000.00	MXN	99.99	Automotive Lighting LLC Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	99.998 0.002	
Ufima S.A.S.	France	44,940.00	EUR	99.99	Magneti Marelli S.p.A. Fiat Partecipazioni S.p.A.	65.020 34.980	

**Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<i>Components and Production Systems</i>							
<b>Teksid</b>							
Teksid S.p.A.	Italy	71,403,261.00	EUR	84.79	Fiat S.p.A.	84.791	
Compania Industrial Frontera S.A. de C.V.	Mexico	50,000.00	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V. Teksid Inc.	99.800 0.200	
(*) Fonderie du Poitou Fonte S.A.S.	France	26,958,464.00	EUR	84.79	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Portugal	13,697,550.00	EUR	70.89	Teksid S.p.A.	83.607	
Teksid Aluminum S.r.l.	Italy	5,000,000.00	EUR	100.00	Fiat S.p.A.	100.000	
Teksid do Brasil Ltda	Brazil	202,602,013.00	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Mexico	716,088,300.00	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	U.S.A.	100,000.00	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Poland	115,678,500.00	PLN	84.79	Teksid S.p.A.	100.000	
<b>Comau</b>							
Comau S.p.A.	Italy	48,013,959.00	EUR	100.00	Fiat S.p.A.	100.000	
COMAU (KUNSHAN) Automation Co. Ltd.	People's Rep. of China	3,000,000.00	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Engineering Co. Ltd.	People's Rep. of China	5,000,000.00	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) International Trading Co. Ltd.	People's Rep. of China	200,000.00	USD	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Argentina	500,000.00	ARS	100.00	Comau S.p.A. Comau do Brasil Industria e Comercio Ltda. Fiat Argentina S.A.	55.280 44.690 0.030	
Comau Automatizacion S.de R.L. C.V.	Mexico	62,204,118.00	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau Canada Inc.	Canada	100.00	CAD	100.00	Comau Inc.	100.000	
Comau Deutschland GmbH	Germany	1,330,000.00	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Brazil	102,742,653.00	BRL	100.00	Comau S.p.A.	100.000	
Comau Estil Unl.	United Kingdom	107,665,056.00	USD	100.00	Comau S.p.A.	100.000	
Comau France S.A.S.	France	6,000,000.00	EUR	100.00	Comau S.p.A.	100.000	
Comau Iaisa S.de R.L. de C.V.	Mexico	17,181,062.00	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau Inc.	U.S.A.	100.00	USD	100.00	Comau S.p.A.	100.000	
Comau India Private Limited	India	239,935,020.00	INR	100.00	Comau S.p.A. Comau Deutschland GmbH	99.990 0.010	
Comau Mexico S.de R.L. de C.V.	Mexico	99,349,172.00	MXN	100.00	Comau S.p.A.	100.000	
Comau Poland Sp. z o.o.	Poland	3,800,000.00	PLN	100.00	Comau S.p.A.	100.000	
Comau Romania S.R.L.	Romenia	23,673,270.00	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Russia	4,770,225.00	RUB	100.00	Comau S.p.A. Comau Deutschland GmbH	99.000 1.000	



**Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<i>Components and Production Systems</i>							
<i>Comau</i>							
Comau Service Systems S.L.	Spain	250,000.00	EUR	100.00	Comau S.p.A.	100.000	
Comau Trebol S.de R.L. de C.V.	Mexico	16,168,211.00	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau U.K. Limited	United Kingdom	2,502,500.00	GBP	100.00	Comau S.p.A.	100.000	
<i>Other Activities: Holding companies and Other companies</i>							
BMI S.p.A.	Italy	124,820.00	EUR	88.00	Editrice La Stampa S.p.A.	88.000	
Deposito Avogadro S.p.A.	Italy	5,100,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Editrice La Stampa S.p.A.	Italy	5,700,000.00	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Argentina S.A.	Argentina	5,292,117.00	ARS	100.00	Fiat Services S.p.A.	90.961	
					Fiat do Brasil S.A.	9.029	
					SGR-Sociedad para la Gestion de Riesgos S.A.	0.009	
					Fiat Auto Argentina S.A.	0.001	
Fiat do Brasil S.A.	Brazil	42,985,146.00	BRL	100.00	FGA Real Estate Services S.p.A.	99.998	
					Fiat Services S.p.A.	0.002	
Fiat Financas Brasil Ltda	Brazil	2,469,701.00	BRL	100.00	Fiat Finance S.p.A.	99.994	
					Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd S.A.	Luxembourg	251,494,000.00	EUR	100.00	Fiat Finance S.p.A.	60.003	
					Fiat S.p.A.	39.997	
Fiat Finance Canada Ltd.	Canada	10,099,885.00	CAD	100.00	Fiat Finance and Trade Ltd S.A.	100.000	
Fiat Finance et Services S.A.	France	3,700,000.00	EUR	100.00	Fiat Services S.p.A.	99.997	
Fiat Finance North America Inc.	U.S.A.	190,090,010.00	USD	100.00	Fiat Finance and Trade Ltd S.A.	100.000	
Fiat Finance S.p.A.	Italy	224,440,000.00	EUR	100.00	Fiat S.p.A.	100.000	
Fiat GmbH	Germany	200,000.00	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Group Purchasing France S.a.r.l.	France	7,700.00	EUR	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing Poland Sp. z o.o.	Poland	300,000.00	PLN	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing S.r.l.	Italy	600,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Iberica S.A.	Spain	2,797,054.00	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Information Technology, Excellence and Methods S.p.A.	Italy	500,000.00	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Partecipazioni S.p.A.	Italy	614,071,587.00	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Polska Sp. z o.o.	Poland	25,500,000.00	PLN	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Services Belgium N.V.	Belgium	62,000.00	EUR	100.00	Fiat Services S.p.A.	99.960	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.040	
Fiat Services d.o.o. Kragujevac	Serbia	15,047,880.00	RSD	100.00	Fiat Services S.p.A.	100.000	

**Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<i>Other Activities: Holding companies and Other companies</i>							
Fiat Services Polska Sp. z o.o.	Poland	3,600,000.00	PLN	100.00	Fiat Services S.p.A.	100.000	
Fiat Services S.p.A.	Italy	3,600,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Italy	1,652,669.00	EUR	90.70	Fiat Partecipazioni S.p.A.	51.000	
					Fiat Group Automobiles S.p.A.	25.500	
					Fiat S.p.A.	5.000	
					Teksid S.p.A.	2.000	
					C.R.F. Società Consortile per Azioni	1.500	
					Comau S.p.A.	1.500	
					Editrice La Stampa S.p.A.	1.500	
					Fiat Services S.p.A.	1.500	
					Magneti Marelli S.p.A.	1.500	
Fiat U.K. Limited	United Kingdom	750,000.00	GBP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat U.S.A. Inc.	U.S.A.	16,830,000.00	USD	100.00	Fiat S.p.A.	100.000	
Neptunia Assicurazioni Marittime S.A.	Switzerland	10,000,000.00	CHF	100.00	Rimaco S.A.	100.000	
Nexta Srl	Italy	50,000.00	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Publikompass S.p.A.	Italy	3,068,000.00	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Rimaco S.A.	Switzerland	350,000.00	CHF	100.00	Fiat Partecipazioni S.p.A.	100.000	
Risk Management S.p.A.	Italy	120,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Poland	500,000.00	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	520,000.00	EUR	100.00	Fiat Services S.p.A.	100.000	
SIRIO - Sicurezza Industriale Società consortile per azioni	Italy	120,000.00	EUR	86.59	Fiat Partecipazioni S.p.A.	58.252	
					Fiat Group Automobiles S.p.A.	16.600	
					Magneti Marelli S.p.A.	1.841	
					Fiat Powertrain Technologies SpA	1.314	
					Sata-Società Automobilistica		
					Tecnologie Avanzate S.p.A.	0.833	
					C.R.F. Società Consortile per Azioni	0.768	
					Fiat S.p.A.	0.751	
					Comau S.p.A.	0.729	
					Ferrari S.p.A.	0.729	
					Teksid S.p.A.	0.664	
					Fiat Services S.p.A.	0.593	
					Sistemi Sospensioni S.p.A.	0.551	
					Teksid Aluminum S.r.l.	0.540	



**Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<i>Other Activities: Holding companies and Other companies</i>							
					Fiat Servizi per l'Industria S.c.p.a.	0.503	
					Fiat Finance S.p.A.	0.406	
					Fidis S.p.A.	0.325	
					Editrice La Stampa S.p.A.	0.273	
					Automotive Lighting Italia S.p.A.	0.255	
					FGA Real Estate Services S.p.A.	0.103	
					Fiat Group Marketing & Corporate Communication S.p.A.	0.103	
					Fiat Group Purchasing S.r.l.	0.103	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
					Plastic Components and Modules Automotive S.p.A.	0.065	
					Fiat Center Italia S.p.A.	0.045	
					Abarth & C. 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	
					Risk Management S.p.A.	0.039	
					Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.039	
					Magneti Marelli After Market Parts and Services S.p.A.	0.037	
					Customer Services Centre S.r.l.	0.022	
					Easy Drive S.r.l.	0.022	
					Fiat Auto Var S.r.l.	0.022	
					Fiat Information Technology, Excellence and Methods S.p.A.	0.022	
					i-FAST Automotive Logistics S.r.l.	0.020	
					i-FAST Container Logistics S.p.A.	0.020	
Sisport Fiat S.p.A. - Società sportiva dilettantistica	Italy	889,049.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

## Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<b>Agricultural and Construction Equipment</b>							
Banco CNH Capital S.A.	Brazil	800,829,249.00	BRL	100.00	CNH Industrial N.V. CNH Industrial Capital U.K. Ltd CNH Latin America Ltda.	53.513 45.816 0.671	
Bli Group Inc.	U.S.A.	1,000.00	USD	100.00	CNH America LLC		100.000
Blue Leaf I.P. Inc.	U.S.A.	1,000.00	USD	100.00	Bli Group Inc.		100.000
Blue Leaf Insurance Company	U.S.A.	250,000.00	USD	100.00	CNH America LLC		100.000
Case Brazil Holdings Inc.	U.S.A.	1,000.00	USD	100.00	CNH America LLC		100.000
Case Canada Receivables, Inc.	Canada	1.00	CAD	100.00	CNH Capital America LLC		100.000
Case Construction Machinery (Shanghai) Co., Ltd	People's Rep. of China	14,000,000.00	USD	100.00	CNH Industrial N.V. New Holland Excavator Holdings		100.000
Case Construction Machinery America LLC	U.S.A.	0.00	USD	100.00	LLC		100.000
Case Credit Holdings Limited	U.S.A.	5.00	USD	100.00	CNH Capital America LLC		100.000
Case Dealer Holding Company LLC	U.S.A.	1.00	USD	100.00	CNH America LLC		100.000
Case Equipment Holdings Limited	U.S.A.	5.00	USD	100.00	CNH America LLC		100.000
Case Equipment International Corporation	U.S.A.	1,000.00	USD	100.00	CNH America LLC		100.000
Case Europe S.a.r.l.	France	7,622.00	EUR	100.00	CNH America LLC		100.000
Case Harvesting Systems GmbH	Germany	281,211.00	EUR	100.00	CNH America LLC		100.000
Case India Limited	U.S.A.	5.00	USD	100.00	CNH America LLC		100.000
Case International Marketing Inc.	U.S.A.	5.00	USD	100.00	CNH America LLC		100.000
Case LBX Holdings Inc.	U.S.A.	5.00	USD	100.00	CNH America LLC		100.000
Case New Holland Construction Equipment (India) Private Limited	India	240,100,000.00	INR	98.20	CNH America LLC New Holland Fiat (India) Private Limited		50.000 50.000
Case New Holland Inc.	U.S.A.	5.00	USD	100.00	CNH Industrial N.V.		100.000
Case New Holland Machinery (Harbin) Ltd.	People's Rep. of China	30,000,000.00	USD	100.00	CNH Industrial Asian Holding Limited N.V. CNH Industrial Europe Holding S.A.		99.920 0.080
CASE New Holland Machinery Trading (Shanghai) Co. Ltd.	People's Rep. of China	2,250,000.00	USD	100.00	CNH America LLC		100.000
Case United Kingdom Limited	United Kingdom	3,763,618.00	GBP	100.00	CNH America LLC		100.000
CNH (China) Management Co., Ltd.	People's Rep. of China	12,000,000.00	USD	100.00	CNH Industrial N.V.		100.000
CNH (Shanghai) Equipment R&D Co., Ltd.	People's Rep. of China	2,000,000.00	USD	100.00	CNH Industrial N.V.		100.000
CNH Administradora de Serviços Ltda.	Brazil	100,000.00	BRL	100.00	Banco CNH Capital S.A. CNH Latin America Ltda.		99.900 0.100
CNH America LLC	U.S.A.	0.00	USD	100.00	Case New Holland Inc. New Holland Holding (Argentina)		100.000
CNH Argentina S.A.	Argentina	100,246,105.00	ARS	100.00	S.A. CNH Latin America Ltda.		76.176 23.824

## Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<b><i>Agricultural and Construction Equipment</i></b>							
CNH Australia Pty Limited	Australia	293,408,692.00	AUD	100.00	CNH Industrial N.V.	100.000	
CNH Canada, Ltd.	Canada	28,000,100.00	CAD	100.00	CNH Industrial N.V.	100.000	
CNH Capital America LLC	U.S.A.	0.00	USD	100.00	CNH Capital LLC	100.000	
CNH Capital Australia Pty Limited	Australia	70,675,693.00	AUD	100.00	CNH Australia Pty Limited	100.000	
CNH Capital Canada Ltd.	Canada	100,000.00	CAD	100.00	Case Credit Holdings Limited	100.000	
CNH Capital Equipment Loan and Lease Facility LLC	U.S.A.	5,000.00	USD	100.00	CNH Capital America LLC	100.000	
CNH Capital Finance LLC	U.S.A.	5,000.00	USD	100.00	Case Credit Holdings Limited	100.000	
CNH Capital LLC	U.S.A.	0.00	USD	100.00	CNH America LLC	100.000	
CNH Capital Operating Lease Equipment Receivables LLC	U.S.A.	0.00	USD	100.00	CNH Capital America LLC	100.000	
CNH Capital Receivables LLC	U.S.A.	0.00	USD	100.00	CNH Capital America LLC	100.000	
CNH Componentes, S.A. de C.V.	Mexico	135,634,842.00	MXN	100.00	CNH America LLC	100.000	
CNH Engine Corporation	U.S.A.	1,000.00	USD	100.00	CNH America LLC	100.000	
CNH Financial Services GmbH	Germany	1,151,000.00	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Financial Services S.A.S.	France	50,860,641.00	EUR	100.00	CNH Industrial N.V. CNH Industrial Capital Benelux NV	98.888 1.112	
CNH Industrial (Russia) Commercial Operations B.V.	Netherlands	35,300.00	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial (Russia) Industrial Operations B.V.	Netherlands	36,002.00	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Asian Holding Limited N.V.	Belgium	34,594,401.00	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Baumaschinen GmbH	Germany	61,355,030.00	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Belgium N.V.	Belgium	372,115,574.00	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial BM GmbH	Austria	35,000.00	EUR	100.00	CNH Industrial Osterreich GmbH	100.000	
CNH Industrial Capital Benelux NV	Belgium	55,628,856.00	EUR	100.00	CNH Industrial N.V. CNH Industrial Capital U.K. Ltd	98.999 1.001	
CNH INDUSTRIAL CAPITAL S.A.	Argentina	2,990,000.00	ARS	100.00	CNH Argentina S.A. Iveco Argentina S.A.	50.000 50.000	
CNH Industrial Capital U.K. Ltd	United Kingdom	10,000,001.00	GBP	100.00	CNH Industrial Capital Benelux NV	100.000	
CNH Industrial Danmark A/S	Denmark	12,000,000.00	DKK	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Deutschland GmbH	Germany	18,457,650.00	EUR	100.00	CNH Industrial Baumaschinen GmbH CNH Industrial Europe Holding S.A.	90.000 10.000	
CNH Industrial Europe Holding S.A.	Luxembourg	100,000,000.00	USD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Financial Services A/S	Denmark	500,000.00	DKK	100.00	CNH Industrial N.V.	100.000	
CNH Industrial France	France	427,965,450.00	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Italia s.p.a.	Italy	56,225,000.00	EUR	100.00	CNH Industrial N.V.	100.000	

## Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<b><i>Agricultural and Construction Equipment</i></b>							
CNH Industrial Maquinaria Spain S.A.	Spain	21,000,000.00	EUR	100.00	Iveco Espana S.L.	99.999	
CNH Industrial Osterreich GmbH	Austria	2,000,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Polska Sp. z o.o.	Poland	162,591,660.00	PLN	100.00	CNH Industrial Belgium N.V.	100.000	
CNH Industrial Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Portugal	498,798.00	EUR	100.00	CNH Industrial Europe Holding S.A. CNH Industrial Italia s.p.a.	99.980 0.020	
CNH Industrial Services S.r.l.	Italy	10,400.00	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
CNH Latin America Ltda.	Brazil	1,037,711,513.00	BRL	100.00	CNH Industrial N.V. Case Brazil Holdings Inc. Case Equipment International Corporation	85.658 12.557 1.785	
CNH Receivables LLC	U.S.A.	0.00	USD	100.00	CNH Capital America LLC	100.000	
CNH Reman LLC	U.S.A.	4,000,000.00	USD	50.00	CNH America LLC	50.000	
CNH Services (Thailand) Limited	Thailand	10,000,000.00	THB	100.00	CNH Industrial Services S.r.l.	99.997	
CNH U.K. Limited	United Kingdom	91,262,275.00	GBP	100.00	New Holland Holding Limited	100.000	
CNH Wholesale Receivables LLC	U.S.A.	0.00	USD	100.00	CNH Capital America LLC	100.000	
CNH International S.A.	Switzerland	100,000.00	CHF	100.00	CNH Industrial N.V.	100.000	
Farmpower Pty Limited	Australia	360.00	AUD	100.00	CNH Australia Pty Limited	100.000	
Fiatallis North America LLC	U.S.A.	32.00	USD	100.00	CNH America LLC	100.000	
Flagship Dealer Holding Company, LLC	U.S.A.	1.00	USD	100.00	CNH America LLC	100.000	
Flexi-Coil (U.K.) Limited	United Kingdom	3,291,776.00	GBP	100.00	CNH Canada, Ltd.	100.000	
HFI Holdings Inc.	U.S.A.	1,000.00	USD	100.00	CNH America LLC	100.000	
Limited Liability Company "CNH Parts and Service Operations"	Russia	54,000,000.00	RUB	100.00	CNH Industrial N.V. CNH Industrial (Russia) Commercial Operations B.V.	100.000	
LLC CNH-KAMAZ Commerce	Russia	20,408.00	RUB	100.00	CNH Industrial (Russia) Industrial Operations B.V.	100.000	
LLC CNH-KAMAZ Industry	Russia	60,081,800.00	RUB	100.00	CNH Industrial N.V.	100.000	
MBA AG	Switzerland	4,000,000.00	CHF	100.00	CNH Industrial N.V.	100.000	
New Holland Construction Machinery S.p.A.	Italy	12,396,363.00	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
New Holland Credit Company, LLC	U.S.A.	0.00	USD	100.00	CNH Capital LLC	100.000	
New Holland Excavator Holdings LLC	U.S.A.	0.00	USD	100.00	CNH America LLC CNH Industrial Asian Holding Limited	100.000	
New Holland Fiat (India) Private Limited	India	12,485,547,400.00	INR	96.41	N.V.	96.407	48.965
New Holland Holding (Argentina) S.A.	Argentina	23,555,415.00	ARS	100.00	CNH Latin America Ltda.	100.000	
New Holland Holding Limited	United Kingdom	106,328,601.00	GBP	100.00	CNH Industrial Europe Holding S.A.	100.000	
New Holland Ltd	United Kingdom	1,000,000.00	GBP	100.00	CNH Industrial N.V.	100.000	
New Holland Tractor Ltd. N.V.	Belgium	9,631,500.00	EUR	100.00	New Holland Holding Limited	100.000	
O & K - Hife GmbH	Germany	25,565.00	EUR	100.00	CNH Industrial Baumaschinen GmbH	100.000	



**Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<b>Agricultural and Construction Equipment</b>							
Pryor Foundry Inc.	U.S.A.	1,000.00	USD	100.00	CNH America LLC	100.000	
Receivables Credit II Corporation	Canada	1.00	CAD	100.00	CNH Capital America LLC	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	People's Rep. of China	67,000,000.00	USD	60.00	CNH Industrial Asian Holding Limited N.V.		60.000
Steyr Center Nord GmbH	Austria	35,000.00	EUR	100.00	CNH Industrial Osterreich GmbH		100.000
Uzcaseagroleasing LLC	Uzbekistan	5,000,000.00	USD	51.00	Case Credit Holdings Limited		51.000
UzCaseMash LLC	Uzbekistan	15,000,000.00	USD	60.00	Case Equipment Holdings Limited		60.000
UzCaseService LLC	Uzbekistan	5,000,000.00	USD	51.00	Case Equipment Holdings Limited		51.000
UzCaseTractor LLC	Uzbekistan	15,000,000.00	USD	51.00	Case Equipment Holdings Limited		51.000
<b>Trucks and Commercial Vehicles</b>							
Afin Bohemia s.r.o.	Czech Republic	1,000,000.00	CZK	100.00	Afin Leasing AG		100.000
Afin Bulgaria EAD	Bulgaria	310,110.00	BGN	100.00	Iveco FS Holdings Limited		100.000
Afin Leasing AG	Austria	1,500,000.00	EUR	100.00	Iveco International Trade Finance S.A.		100.000
Afin Slovakia S.R.O.	Slovak Republic	39,833.00	EUR	100.00	Iveco FS Holdings Limited		98.120
					Iveco Capital Limited		1.880
Afin Trade Bulgaria Eood	Bulgaria	5,000.00	BGN	100.00	Afin Bulgaria EAD		100.000
Amce-Automotive Manufacturing Co.Ethiopia	Ethiopia	12,000,000.00	ETB	70.00	CNH Industrial N.V.		70.000
Astra Veicoli Industriali S.p.A.	Italy	10,400,000.00	EUR	100.00	Iveco S.p.A.		100.000
Effe Grundbesitz GmbH	Germany	10,225,838.00	EUR	83.77	Iveco Investitions GmbH		90.000
F. Pegaso S.A.	Spain	993,045.00	EUR	100.00	Iveco Espana S.L.		99.996
					Iveco Partecipazioni Finanziarie S.r.l.		0.004
					Société Charolaise de Participations		
Heuliez Bus S.A.	France	9,000,000.00	EUR	100.00	S.A.		100.000
IAV-Industrie-Anlagen-Verpachtung GmbH	Germany	25,565.00	EUR	88.42	Iveco Investitions GmbH		95.000
Irisbus Benelux Ltd.	Luxembourg	594,000.00	EUR	100.00	Iveco France		99.983
					Société Charolaise de Participations		
					S.A.		0.017
Irisbus Italia S.p.A.	Italy	4,500,000.00	EUR	100.00	Iveco S.p.A.		100.000
Iveco (China) Commercial Vehicle Sales Co. Ltd	People's Rep. of China	50,000,000.00	CNY	100.00	Iveco S.p.A.		100.000
Iveco (Schweiz) AG	Switzerland	9,000,000.00	CHF	100.00	Iveco Nederland B.V.		100.000
Iveco Arac Sanayi VE Ticaret A.S.	Turkey	24,698,000.00	TRY	100.00	CNH Industrial N.V.		100.000
Iveco Argentina S.A.	Argentina	130,237,793.00	ARS	100.00	Iveco Espana S.L.		99.000
					Astra Veicoli Industriali S.p.A.		1.000
Iveco Austria GmbH	Austria	6,178,000.00	EUR	100.00	CNH Industrial N.V.		100.000
Iveco Bayern GmbH	Germany	742,000.00	EUR	94.00	Iveco Magirus AG		100.000
Iveco Capital Broker de Asigurare - Reasigurare S.r.l.	Romania	25,000.00	RON	100.00	Iveco Capital Leasing IFN S.A.		100.000

## Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<b>Trucks and Commercial Vehicles</b>							
Iveco Capital Leasing IFN S.A.	Romenia	22,519,326.00	RON	100.00	Iveco FS Holdings Limited	100.000	
	United Kingdom						
Iveco Capital Limited	Kingdom	798.00	GBP	100.00	Iveco FS Holdings Limited	100.000	
Iveco Capital Russia LLC	Russia	50,000,000.00	RUB	100.00	Afin Leasing AG	100.000	
Iveco Capital SA	Switzerland	14,000,000.00	CHF	100.00	Iveco FS Holdings Limited	100.000	
	Czech Republic						
Iveco Czech Republic A.S.	Republic	1,065,559,000.00	CZK	97.98	Iveco France	97.978	
Iveco Danmark A/S	Denmark	501,000.00	DKK	100.00	CNH Industrial N.V.	100.000	
Iveco Espana S.L. (business Trucks and Commercial Vehicles)	Spain	132,333,109.00	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Est Sas	France	2,005,600.00	EUR	100.00	Iveco France	100.000	
Iveco Finance AG	Switzerland	1,500,000.00	CHF	100.00	Iveco Capital Limited	100.000	
Iveco Finance GmbH	Germany	75,775,000.00	EUR	100.00	Iveco Capital Limited	100.000	
	United Kingdom						
Iveco Finance Limited in liquidation	Kingdom	3,000,100.00	GBP	100.00	Iveco Capital Limited	100.000	
Iveco Finanziaria S.p.A.	Italy	145,000,000.00	EUR	100.00	Iveco Capital Limited	100.000	
Iveco Finland OY	Finland	100,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco France	France	92,856,130.00	EUR	100.00	Iveco Espana S.L.	50.326	
					CNH Industrial N.V.	49.674	
	United Kingdom						
Iveco FS Holdings Limited	Kingdom	1,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
	United Kingdom						
Iveco Holdings Limited	Kingdom	47,000,000.00	GBP	100.00	CNH Industrial N.V.	100.000	
Iveco Insurance Vostok LLC	Russia	740,000.00	RUB	100.00	Afin Leasing AG	100.000	
Iveco International Trade Finance S.A.	Switzerland	30,800,000.00	CHF	100.00	Iveco FS Holdings Limited	100.000	
Iveco Investitions GmbH	Germany	2,556,459.00	EUR	93.08	Iveco Magirus AG	99.020	
Iveco L.V.I. S.a.s.	France	503,250.00	EUR	100.00	Iveco France	100.000	
Iveco Latin America Ltda (business Trucks and Commercial Vehicles)	Brazil	366,180,646.00	BRL	100.00	Iveco Espana S.L.	100.000	
Iveco Limited (business Trucks and Commercial Vehicles)	United Kingdom	117,000,000.00	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG (business Trucks and Commercial Vehicles)	Germany	50,000,000.00	EUR	94.00	CNH Industrial N.V.	88.340	
					Iveco S.p.A.	5.660	
Iveco Magirus Fire Fighting GmbH	Germany	30,776,857.00	EUR	84.63	Iveco Magirus AG	90.032	
Iveco Magyarorszag Kereskedelmi KFT	Hungary	24,000,000.00	HUF	100.00	Afin Leasing AG	100.000	
Iveco Nederland B.V.	Netherlands	4,537,802.00	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Germany	1,611,500.00	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Nord S.A.	France	45,730.00	EUR	99.77	Iveco France	99.767	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Germany	2,120,000.00	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Norway	18,600,000.00	NOK	100.00	CNH Industrial N.V.	100.000	
Iveco Otomotiv Ticaret A.S.	Turkey	15,060,046.00	TRY	100.00	CNH Industrial N.V.	100.000	



## Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<b>Trucks and Commercial Vehicles</b>							
Iveco Partecipazioni Finanziarie S.r.l.	Italy	50,000,000.00	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Partecipations s.a.s.	France	468,656.00	EUR	100.00	Iveco France	100.000	
Iveco Pension Trustee Ltd	United Kingdom	2.00	GBP	100.00	Iveco Holdings Limited Iveco Limited	50.000 50.000	
Iveco Poland Ltd.	Poland	46,974,500.00	PLN	100.00	CNH Industrial N.V.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Portugal	15,962,000.00	EUR	100.00	CNH Industrial N.V. Astra Veicoli Industriali S.p.A.	99.997 0.001	
Iveco Provence s.a.s.	France	2,371,200.00	EUR	100.00	Iveco Partecipations s.a.s.	100.000	
Iveco Retail Limited	United Kingdom	100.00	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Romania S.r.l.	Romenia	17,500.00	RON	100.00	Afin Leasing AG	100.000	
Iveco S.p.A.	Italy	200,000,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Slovakia, s.r.o.	Slovak Republic	6,639.00	EUR	97.98	Iveco Czech Republic A.S.	100.000	
Iveco South Africa (Pty) Ltd.	South Africa	15,000,750.00	ZAR	100.00	CNH Industrial N.V.	100.000	
Iveco South Africa Works (Pty) Ltd	South Africa	1,000.00	ZAR	60.00	Iveco South Africa (Pty) Ltd.	60.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Germany	1,533,900.00	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B. (business Trucks and Commercial Vehicles)	Sweden	600,000.00	SEK	100.00	CNH Industrial N.V.	100.000	
Iveco Truck Services S.R.L.	Romenia	200.00	RON	100.00	Iveco Romania S.r.l. Iveco Magyarorszag Kereskedelmi KFT	95.000 5.000	
Iveco Trucks Australia Limited	Australia	47,492,260.00	AUD	100.00	CNH Industrial N.V.	100.000	
Iveco Ukraine LLC	Ukraine	49,258,692.00	UAH	100.00	CNH Industrial N.V.	100.000	
Iveco Venezuela C.A.	Venezuela	3,985,803.00	VEF	100.00	CNH Industrial N.V. Iveco S.p.A.	62.689 37.311	
Iveco West Nutzfahrzeuge GmbH	Germany	3,017,000.00	EUR	94.00	Iveco Magirus AG	100.000	
La Garde Chaberte S.C.I.	France	2,000.00	EUR	100.00	Iveco Partecipations s.a.s. Iveco France	99.500 0.500	
Le Logis De Villeneuve S.C.I.	France	2,000.00	EUR	100.00	Iveco Partecipations s.a.s. Iveco France	99.500 0.500	
Les Estroublans 2 S.C.I.	France	2,000.00	EUR	100.00	Iveco Partecipations s.a.s. Iveco France	99.500 0.500	
Les Estroublans de Vitrolle S.C.I.	France	2,000.00	EUR	100.00	Iveco Partecipations s.a.s. Iveco France	99.500 0.500	
Les Paluds D'Aubagne S.C.I.	France	2,000.00	EUR	100.00	Iveco Partecipations s.a.s. Iveco France	99.500 0.500	

## Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<b>Trucks and Commercial Vehicles</b>							
MAGIRUS CAMIVA S.a.s. (société par actions simplifiée)	France	1,870,169.00	EUR	84.63	Iveco Magirus Fire Fighting GmbH	100.000	
Magirus GmbH	Germany	6,493,407.00	EUR	84.43	Iveco Magirus Fire Fighting GmbH	99.764	
Magirus Lohr GmbH	Austria	1,271,775.00	EUR	84.43	Magirus GmbH	100.000	
Mediterranea de Camiones S.L.	Spain	48,080.00	EUR	100.00	Iveco Espana S.L. CNH Industrial N.V.	99.875 0.125	
Officine Brennero S.p.A.	Italy	2,833,830.00	EUR	100.00	Iveco S.p.A.	100.000	
OOO Iveco Russia	Russia	868,545,000.00	RUB	100.00	CNH Industrial N.V. Afin Leasing AG	99.960 0.040	
Puget Les Flaines S.C.I.	France	132,631.00	EUR	100.00	Iveco Provence s.a.s. Iveco France	99.885 0.115	
S.A. Iveco Belgium N.V.	Belgium	6,000,000.00	EUR	100.00	CNH Industrial N.V. Iveco Nederland B.V.	99.983 0.017	
Seddon Atkinson Vehicles Ltd	United Kingdom	41,700,000.00	GBP	100.00	Iveco Holdings Limited	100.000	
Société Charolaise de Participations S.A.	France	2,370,000.00	EUR	100.00	Iveco Espana S.L.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	France	7,022,400.00	EUR	100.00	Iveco France	100.000	
Transolver Finance S.A.	France	9,468,219.00	EUR	100.00	CNH Industrial N.V.	100.000	
Transolver Service S.A.	Spain	610,000.00	EUR	100.00	Iveco FS Holdings Limited Iveco Espana S.L.	99.984 0.016	
Transolver Services S.A.	France	38,000.00	EUR	99.76	Iveco Capital Limited	99.760	
UAB Iveco Capital Baltic	Lithuania	138,500.00	LTL	100.00	Iveco FS Holdings Limited	100.000	
Utilitaires & Véhicules Industriels Franciliens-UVIF SAS	France	1,067,500.00	EUR	100.00	Iveco France	100.000	
Zona Franca Alari Sepauto S.A.	Spain	520,560.00	EUR	51.87	Iveco Espana S.L.	51.867	
<b>Holding companies and Other companies</b>							
CNH Industrial Finance Europe S.A.	Luxembourg	50,000,000.00	EUR	100.00	CNH Industrial N.V. CNH Industrial Finance S.p.A.	60.000 40.000	
CNH Industrial Finance France S.A.	France	1,000,000.00	EUR	100.00	CNH Industrial N.V.	99.998	
CNH Industrial Finance North America Inc.	U.S.A.	25,000,000.00	USD	100.00	CNH Industrial N.V. CNH Industrial Finance S.p.A.	60.000 40.000	
CNH Industrial Finance S.p.A.	Italy	100,000,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
<b>Powertrain</b>							
2 H Energy S.A.S.	France	2,000,000.00	EUR	100.00	CNH Industrial Finance France S.A.	100.000	
Fiat Pow ertrain Technologies Management (Shanghai) Co. Ltd.	People's Rep.of China	2,000,000.00	USD	100.00	FPT Industrial S.p.A.	100.000	
Fiat Pow ertrain Technologies of North America, Inc.	U.S.A.	1.00	USD	100.00	FPT Industrial S.p.A.	100.000	

## Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<b>Powertrain</b>							
FPT - Pow ertrain Technologies France S.A.	France	73,444,960.00	EUR	100.00	Iveco France CNH Industrial Finance France S.A.	97.200 2.800	
FPT Industrial Argentina S.A.	Argentina	141,959,867.00	ARS	100.00	FPT Industrial S.p.A. FPTI Representacao Comercial de Motores Automotivos Ltda	96.977 3.023	
FPT Industrial S.p.A.	Italy	100,000,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
FPT Motorenforschung AG	Sw itzerland	4,600,000.00	CHF	100.00	FPT Industrial S.p.A.	100.000	
FPTI Representacao Comercial de Motores Automotivos Ltda	Brazil	1,872,472.00	BRL	100.00	FPT Industrial S.p.A.	100.000	
Iveco Espana S.L. (business Pow ertrain)	Spain	132,333,109.00	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Latin America Ltda (business Pow ertrain)	Brazil	366,180,646.00	BRL	100.00	Iveco Espana S.L.	100.000	
Iveco Limited (business Pow ertrain)	United Kingdom	117,000,000.00	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG (business Pow ertrain)	Germany	50,000,000.00	EUR	94.00	CNH Industrial N.V. Iveco S.p.A.	88.340 5.660	
Iveco Sw eden A.B. (business Pow ertrain)	Sw eden	600,000.00	SEK	100.00	CNH Industrial N.V.	100.000	
SAIC Fiat Pow ertrain Hongyan Co. Ltd.	People's Rep.of China	580,000,000.00	CNY	60.00	FPT Industrial S.p.A. SAIC IVECO Commercial Vehicle Investment Company Limited	30.000 60.000	

**Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 82.40%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<i>Real Estate Services</i>							
BIGeREALESTATE, Inc.	U.S.A.	226,236.00	USD	93.52	Cushman & Wakefield, Inc.	93.519	
Buckbee Thorne & Co.	U.S.A.	37,500.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Business Integration Group (UK) Limited	United Kingdom	1.00	GBP	93.52	BIGeREALESTATE, Inc.	100.000	
Business Integration Group, Inc.	U.S.A.	N/A	USD	93.52	BIGeREALESTATE, Inc.	100.000	
C & W Offshore Consulting, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
C & W Operacion Inmobiliaria, S.A.de C.V.	Mexico	50,000.00	MXN	100.00	Cushman & Wakefield, S. de R.L. de C.V. Cushman & Wakefield de Mexico, S.A. de C.V.	99.996 0.004	
C & W-Japan K.K.	Japan	200.00	JPY	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield	United Kingdom	N/A	GBP	99.00	Cushman & Wakefield (UK) Ltd.	99.000	
Cushman & Wakefield - Argentina S.A.	Argentina	1,446,108.00	ARS	99.00	Cushman & Wakefield Consultoria Inmobiliaria Ltda Cushman & Wakefield of South America, LLC	95.000 5.000	
Cushman & Wakefield - Chile Negocios Inmobiliarios Limitada	Chile	315,163,132.00	CLP	100.00	Cushman & Wakefield Consultoria Inmobiliaria Ltda Cushman & Wakefield of South America, LLC	99.980 0.020	
Cushman & Wakefield - Colombia Ltda	Colombia	5,706,000.00	COP	100.00	Cushman & Wakefield Consultoria Inmobiliaria Ltda Cushman & Wakefield of South America, LLC	99.895 0.105	
Cushman & Wakefield - Serviços Gerais Ltda	Brazil	10,000.00	BRL	100.00	Cushman & Wakefield Consultoria Inmobiliaria Ltda Cushman & Wakefield Luxembourg Holdings S.à.r.l	99.990 0.010	
Cushman & Wakefield - Sociedade de Mediaçao Imobiliaria, Lda	Portugal	50,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield (7 Westferry Circus) Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Site Services Limited	100.000	
Cushman & Wakefield (Hellas) Real Estate Agents and Consultants SA	Greece	60,000.00	EUR	99.99	Cushman & Wakefield (France Holdings) S.A.S.	99.995	
Cushman & Wakefield (HK) Limited	Hong Kong	100.00	HKD	100.00	Cushman & Wakefield of Asia Limited Cushman & Wakefield of Asia, Inc.	99.000 1.000	
Cushman & Wakefield (Middle East) FZE	United Arab Emirates	1,000,000.00	USD	100.00	Cushman & Wakefield (France Holdings) S.A.S. Cushman & Wakefield (Australia) Pty Limited	100.000	
Cushman & Wakefield (NSW) Pty Limited	Australia	3,836,824.00	AUD	100.00	Cushman & Wakefield (Australia) Pty Limited	100.000	
Cushman & Wakefield (QLD) Pty Ltd.	Australia	1.00	AUD	100.00	Cushman & Wakefield (Australia) Pty Limited	100.000	
Cushman & Wakefield (S) Pte Limited	Singapore	20.00	SGD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield (Shanghai) Co., Ltd.	People's Rep. of China	1,800,000.00	CNY	100.00	Cushman & Wakefield (China) Limited	100.000	
Cushman & Wakefield (VIC) Pty Ltd	Australia	1.00	AUD	100.00	Cushman & Wakefield (Australia) Pty Limited	100.000	
Cushman & Wakefield (Vietnam) Limited	Vietnam	4,000,000,000.00	VND	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	100.000	
Cushman & Wakefield (Warwick Court) Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Site Services Limited	100.000	
Cushman & Wakefield 111 Wall, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield 1180, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Asset Management Italy S.r.l.	Italy	10,000.00	EUR	100.00	Cushman & Wakefield Site Services Limited	100.000	

**Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 82.40%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<b>Real Estate Services</b>							
Cushman & Wakefield Consultoria Imobiliaria Ltda	Brazil	2,586,444.00	BRL	97.99	Cushman & Wakefield Luxembourg Holdings S.à.r.l	97.990	
Cushman & Wakefield Consultoria Imobiliaria, Unipessoal, Lda.	Portugal	N/A	EUR	100.00	Cushman & Wakefield - Sociedade de Mediacao Imobiliaria, Lda	100.000	
Cushman & Wakefield Corporate Finance Limited	United Kingdom	10,000.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield de Mexico, S.A. de C.V	Mexico	100,000.00	MXN	100.00	Cushman & Wakefield of North America, Inc.	50.000	
					Cushman & Wakefield of the Americas, Inc.	50.000	
Cushman & Wakefield Decoration Engineering (Beijing) Co., Ltd.	People's Rep. of China	1,000,000.00	CNY	100.00	Cushman & Wakefield (China) Limited	100.000	
Cushman & Wakefield Eastern, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Expertise S.A.S.	France	37,000.00	EUR	100.00	Cushman & Wakefield S.A.S.	100.000	
Cushman & Wakefield Gayrimenkul Danismanlik Mumessillik ve Turizm Hizmetleri Anonim Sirketi	Turkey	50,000.00	TRY	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Global Services, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield India Private Limited	India	28,529,610.00	INR	100.00	Cushman & Wakefield Mauritius Holdings, Inc.	99.990	
					Cushman & Wakefield of Asia Limited	0.010	
Cushman & Wakefield International Investment Advisors, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield International Real Estate Kft.	Hungary	3,000,000.00	HUF	100.00	Cushman & Wakefield (France Holdings) S.A.S.	96.667	
					Cushman & Wakefield Residential Limited	3.333	
Cushman & Wakefield Investment Advisors K.K.	Japan	200.00	JPY	100.00	C & W-Japan K.K.	100.000	
Cushman & Wakefield Investors - Americas, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Investors (Finance) Limited	United Kingdom	89,495.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield Investors Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
					Cushman & Wakefield Investors Limited	100.000	
Cushman & Wakefield Investors S.A.S.	France	25,443.00	EUR	100.00	Cushman & Wakefield Limited	100.000	
Cushman & Wakefield K.K.	Japan	200.00	JPY	100.00	C & W-Japan K.K.	100.000	
Cushman & Wakefield Korea Ltd.	South Korea	100,000.00	KRW	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	100.000	
Cushman & Wakefield LLP	United Kingdom	N/A	GBP	99.00	Cushman & Wakefield (UK) Ltd.	99.000	
Cushman & Wakefield Loan.Net, Inc.	U.S.A.	20.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Ltd.	Canada	11,000.00	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	100.000	
Cushman & Wakefield Luxembourg S.à.r.l.	Luxembourg	1,250,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Management Corporation	U.S.A.	100,000.00	USD	100.00	Cushman & Wakefield State Street, Inc.	100.000	
					Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990	
Cushman & Wakefield Negócios Imobiliários Ltda	Brazil	77,500.00	BRL	99.99	Imobiliaria Ltda	99.990	
Cushman & Wakefield of Alabama, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Arizona, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Arkansas, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of California, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Colorado, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	



**Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 82.40%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<i>Real Estate Services</i>							
Cushman & Wakefield of Connecticut, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Delaware, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Europe, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield International, LLC		100.000
Cushman & Wakefield of Florida, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Georgia, Inc.	U.S.A.	6,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Illinois, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Indiana, Inc.	U.S.A.	5.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Kentucky, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Long Island, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Maryland, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Massachusetts, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Michigan, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Minnesota, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Mississippi, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Missouri, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Nevada, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of New Hampshire, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of New Jersey, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of New York, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of North Carolina, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Ohio, Inc.	U.S.A.	500.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Oklahoma, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Oregon, Inc.	U.S.A.	1,010.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Pennsylvania, Inc.	U.S.A.	14.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of San Diego, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield of California, Inc.		100.000
Cushman & Wakefield of Tennessee, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Texas, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Virginia, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Washington D.C., Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Washington, Inc.	U.S.A.	500.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield One Court Square Cleaning, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield OOO	Russia	8,788,898.90	RUB	100.00	Cushman & Wakefield (France Holdings) S.A.S.	99.000	
					Cushman & Wakefield International, LLC		1.000

**Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 82.40%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<b>Real Estate Services</b>							
Cushman & Wakefield Peru S.A.	Peru	166,416.00	PEN	100.00	Cushman & Wakefield Consultoria Inmobiliaria Ltda	99.800	
					Cushman & Wakefield of South America, LLC	0.200	
Cushman & Wakefield Philippines Inc.	Philippines	8,250,000.00	PHP	99.95	Cushman & Wakefield of Asia, Inc.	99.950	
Cushman & Wakefield Polska SP z.o.o.	Poland	135,588.00	PLN	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Property Management Services India Private Limited	India	100,000.00	INR	100.00	Cushman & Wakefield India Private Limited	100.000	
Cushman & Wakefield Property Management Services Kft	Hungary	3,000,000.00	HUF	100.00	Cushman & Wakefield International Real Estate Kft.	100.000	
Cushman & Wakefield Property Services Slovakia, s.r.o.	Slovak Republic	N/A	EUR	100.00	Cushman & Wakefield, s. r. o.	100.000	
Cushman & Wakefield Property Tax Services Paralegal Professional Corporation	Canada	100.00	CAD	100.00	Cushman & Wakefield Ltd.	100.000	
Cushman & Wakefield Regional, Inc.	U.S.A.	1.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Residential Limited	United Kingdom	1,000.00	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Cushman & Wakefield S.A.S.	France	42,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Securities, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Site Services Limited	United Kingdom	500.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield State Street, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Taiw an Limited	Taiw an	500,000.00	TWD	100.00	Cushman & Wakefield (HK) Limited	100.000	
Cushman & Wakefield Thailand Limited	Thailand	8,000,000.00	THB	99.99	Cushman & Wakefield of Asia Limited	99.999	
					Cushman & Wakefield Netherlands B.V.	N/A	
Cushman & Wakefield V.O.F.	Netherlands	N/A	EUR	100.00	B.V.	N/A	
Cushman & Wakefield Valuation Advisory Services (HK) Limited	Hong Kong	17,000,000.00	HKD	100.00	Cushman & Wakefield (HK) Limited	100.000	
Cushman & Wakefield Venezuela, S.A.	Venezuela	1,000,000.00	VEF	100.00	Cushman & Wakefield Consultoria Inmobiliaria Ltda	100.000	
Cushman & Wakefield VHS Pte Limited	Singapore	1.00	SGD	100.00	Cushman & Wakefield (S) Pte Limited	100.000	
Cushman & Wakefield Western, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Zarzadanie SP z.o.o.	Poland	50,000.00	PLN	99.00	Cushman & Wakefield Polska SP z.o.o.	99.000	
Cushman & Wakefield, Inc.	U.S.A.	0.01	USD	100.00	Cushman & Wakefield Holdings, Inc.	100.000	
Cushman & Wakefield, S. de R.L. de C.V.	Mexico	16,200,000.00	MXN	100.00	Cushman & Wakefield de Mexico, S.A. de C.V	99.994	
					Cushman & Wakefield of the Americas, Inc.	0.006	
Cushman & Wakefield, s. r. o.	Czech Republic	100,000.00	CZK	100.00	Cushman & Wakefield (France Holdings) S.A.S.	80.000	
					Cushman & Wakefield Global Holdco Limited	20.000	
Cushman & Wakefield/PREMISYS Colorado, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield/PREMISYS, Inc.	64.000	
					Cushman & Wakefield, Inc.	16.000	
Cushman & Wakefield/PREMISYS, Inc.	U.S.A.	97.00	USD	100.00	Cushfield, Inc.	100.000	
PT Cushman & Wakefield Indonesia f/k/a PT Property Advisory Indonesia	Indonesia	5,000.00	IDR	98.00	Cushman & Wakefield Indonesia Holdings Pte Ltd.	98.000	
The Apartment Group LLC	U.S.A.	200.00	USD	100.00	Cushman & Wakefield of Georgia, Inc.	100.000	
<b>Asset Services</b>							
Cushman & Wakefield Asset Management K.K.	Japan	11,900.00	JPY	100.00	Cushman & Wakefield Investment Advisors K.K.	100.000	



**Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 82.40%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<b>Asset Services</b>							
Cushman & Wakefield Asset Management, Inc.	U.S.A.	1.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Facilities Management Services	Canada	1,000.00	CAD	100.00	Cushman & Wakefield Ltd. Cushman & Wakefield FM Limited Partnership	50.000 50.000	
Cushman & Wakefield FM Limited Partnership	Canada	N/A	CAD	100.00	Cushman & Wakefield Canada Limited Partnership Cushman & Wakefield GP Inc.	99.000 1.000	
<b>Holding</b>							
Cushman & Wakefield (BVI) Inc	British Virgin Islands	100.00	USD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield (EMEA) Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield (France Holdings) S.A.S.	France	7,910,207.00	EUR	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield (UK) Services Ltd.	United Kingdom	15,398,538.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield Capital Holdings (Asia)	Belgium	5,520,471.79	EUR	100.00	Cushman & Wakefield International, LLC Cushman & Wakefield of Asia, Inc.	99.660 0.340	
Cushman & Wakefield Global Holdco Limited	United Kingdom	1.00	EUR	100.00	Cushman & Wakefield Luxembourg Holdings S.à.r.l	100.000	
Cushman & Wakefield Holdings, Inc.	U.S.A.	0.01	USD	100.00	C&W Group Inc.	100.000	
Cushman & Wakefield Indonesia Holdings Pte Ltd.	Singapore	603,740.00	SGD	60.00	Cushman & Wakefield Singapore Holdings Pte Limited	60.000	
Cushman & Wakefield Industrial Dutch Holdings B.V.	Netherlands	18,000.00	EUR	100.00	Cushman & Wakefield, Inc. Cushman & Wakefield of South America, LLC	97.778 2.222	
Cushman & Wakefield International Finance Subsidiary, LLC	U.S.A.	1.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield International, LLC	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Luxembourg Holdings S.à.r.l	Luxembourg	12,600.00	EUR	100.00	Cushman & Wakefield Industrial Dutch Holdings B.V. Cushman & Wakefield of Asia Limited	100.000 100.000	
Cushman & Wakefield Mauritius Holdings, Inc.	Mauritius	500,000.00	USD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield of Asia Limited	British Virgin Islands	979,151.51	USD	100.00	Cushman & Wakefield of Asia, Inc. Cushman & Wakefield (BVI) Inc Cushman & Wakefield (EMEA) Limited	59.710 25.000 15.290	
Cushman & Wakefield of Asia, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield of the Americas, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield Singapore Holdings Pte Limited	Singapore	1,001.00	SGD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Healey & Baker Limited	United Kingdom	2.00	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
<b>Insurance</b>							
Nottingham Indemnity, Inc.	U.S.A.	100,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
<b>REIT Management</b>							
Cushman & Wakefield Realty Advisors, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
<b>Business Support Management</b>							
Cushman & Wakefield Facilities Management (Greece) Monoprosopi EPE	Greece	18,000.00	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	

**Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 82.40%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<b>Business Support Management</b>							
Cushman & Wakefield Facilities Management AB	Sweden	100,000.00	SEK	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Denmark Aps	Denmark	125.00	DKK	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management France S.a.r.l.	France	8,000.00	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Ireland Limited	Ireland	100.00	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Limited	United Kingdom	8,030.00	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Cushman & Wakefield Facilities Management Romania S.r.l.	Romania	200.00	RON	100.00	Cushman & Wakefield Facilities Management Trading Limited	95.000	
					Cushman & Wakefield Facilities Management Limited	5.000	
Cushman & Wakefield Facilities Management S.p.r.l.	Belgium	18,549.97	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Trading Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Facilities Management Limited	100.000	
Cushman & Wakefield Facilities Management, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
<b>Building Management Services</b>							
Cushfield Maintenance Corp.	U.S.A.	10.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushfield Maintenance West Corp.	U.S.A.	1,000.00	USD	100.00	Buckbee Thorne & Co.	100.000	
Cushfield, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield National Corporation	U.S.A.	5,100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
<b>Others</b>							
Cushman & Wakefield (Australia) Pty Limited	Australia	6,600,000.00	AUD	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	92.424	
					Cushman & Wakefield Holding Pty Limited	7.576	
Cushman & Wakefield (China) Limited	Hong Kong	3.00	HKD	100.00	Cushman & Wakefield of Asia Limited	66.667	
					Cushman & Wakefield (HK) Limited	33.333	
Cushman & Wakefield (Resources) Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Cushman & Wakefield (UK) Ltd.	United Kingdom	15,398,536.00	GBP	100.00	Cushman & Wakefield (UK) Services Ltd.	100.000	
Cushman & Wakefield Advisory Asia (India) Private Limited	India	21,000,000.00	INR	100.00	Cushman & Wakefield Capital Holdings (Asia)	99.000	
					Cushman & Wakefield Capital Asia Limited	1.000	
Cushman & Wakefield Canada Limited Partnership	Canada	N/A	CAD	100.00	Cushman & Wakefield First Nova Scotia ULC	99.900	
					Cushman & Wakefield Second Nova Scotia ULC	0.100	
Cushman & Wakefield Capital Asia (HK) Limited	Hong Kong	100,000,000.00	HKD	100.00	Cushman & Wakefield Capital Holdings (Asia)	100.000	
Cushman & Wakefield Capital Asia Limited	Hong Kong	86,226,914.00	HKD	100.00	Cushman & Wakefield of Asia, Inc.	100.000	
Cushman & Wakefield Cleaning Services, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield First Nova Scotia ULC	Canada	37,803,970.00	CAD	100.00	Cushman & Wakefield International Finance Subsidiary, LLC	100.000	
Cushman & Wakefield GP Inc.	Canada	100.00	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	100.000	
Cushman & Wakefield Holding Pty Limited	Australia	1.00	AUD	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	100.000	
Cushman & Wakefield Investments LLP	United Kingdom	130,138.00	GBP	51.00	Cushman & Wakefield Luxembourg Holdings S.a.r.l	51.000	



## Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 82.40%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<i>Others</i>							
Cushman & Wakefield Investors Asia Ltd.	Hong Kong	37,116,943.00	HKD	100.00	Cushman & Wakefield Capital Holdings (Asia)	100.000	
Cushman & Wakefield Netherlands B.V.	Netherlands	40,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield New Canada Limited Partnership	Canada	N/A	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	99.990	
					Cushman & Wakefield Second Nova Scotia ULC	0.010	
Cushman & Wakefield of North America, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield of South America, LLC	U.S.A.	100.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield Operacion de Servicios, S.A. de C.V.	Mexico	50,000.00	MXN	100.00	Cushman & Wakefield, S. de R.L. de C.V.	99.996	
					Cushman & Wakefield de Mexico, S.A. de C.V.	0.004	
Cushman & Wakefield Second Nova Scotia ULC	Canada	100.00	CAD	100.00	Cushman & Wakefield International Finance Subsidiary, LLC	100.000	
Cushman & Wakefield Servicios, S.A. de C.V.	Mexico	50,000.00	MXN	100.00	Cushman & Wakefield, S. de R.L. de C.V.	99.996	
					Cushman & Wakefield de Mexico, S.A. de C.V.	0.004	
Cushman & Wakefield Spain Limited	United Kingdom	1,000.00	GBP	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield U.K. Limited Partnership	United Kingdom	N/A	GBP	100.00	Cushman & Wakefield Luxembourg Holdings S.à.r.l	98.000	
					Cushman & Wakefield Global Holdco Limited	2.000	
Cushman & Wakefield (Bahrain) W.L.L.	Bahrain	20,000.00	BD	100.00	Cushman & Wakefield (Middle East) FZE (*)	N/A	

(\*) Pursuant to a Management agreement between Cushman & Wakefield (Bahrain) W.L.L. and Cushman & Wakefield (Middle East) FZE.

## 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
<b>ASSOCIATED COMPANIES - ACCOUNTED FOR USING THE EQUITY METHOD</b>							
<i>Real Estate</i>							
Almacantar S.A.	Luxembourg	385,712,498.00	GBP	38.29	EXOR S.A.	38.288	

**Investments of Fiat Group accounted for by the equity method (percentage of EXOR Group consolidation: 30.90%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - ACCOUNTED FOR USING THE EQUITY METHOD</b>							
<i>Business Auto: Car Mass-Market Brands</i>							
<b>NAFTA</b>							
Alhambra Chrysler Jeep Dodge, Inc.	U.S.A.	1,272,700.00	USD	58.54	Chrysler Group LLC	100.000	
Bessemer Chrysler Jeep Dodge, Inc.	U.S.A.	3,590,000.00	USD	58.54	Chrysler Group LLC	100.000	
CG EC1 LLC	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
CG EC2 LLC	U.S.A.	0.00	USD	58.54	CG EC1 LLC	100.000	
Dow nriver Dodge, Inc.	U.S.A.	604,886.00	USD	58.54	Chrysler Group LLC	100.000	
Gw innett Automotive Inc.	U.S.A.	3,505,019.00	USD	58.54	Chrysler Group LLC	100.000	
La Brea Avenue Motors, Inc.	U.S.A.	7,373,800.00	USD	58.54	Chrysler Group LLC	100.000	
North Tampa Chrysler Jeep Dodge, Inc.	U.S.A.	1,014,700.00	USD	58.54	Chrysler Group LLC	100.000	
Superstition Springs Chrysler Jeep, Inc.	U.S.A.	675,400.00	USD	58.54	Chrysler Group LLC	100.000	
Superstition Springs MID LLC	U.S.A.	3,000,000.00	USD	58.54	CG MID LLC	100.000	
<b>APAC</b>							
Chrysler Group Taiw an Sales Ltd.	Taiw an	229,500,000.00	TWD	29.85	Chrysler Group LLC	51.000	
<b>EM EA</b>							
AC Austro Car Handelsgesellschaft m.b.h. & Co.							
OHG	Austria	0.00	EUR	100.00	FGA Austro Car GmbH	100.000	
Alfa Romeo Inc.	U.S.A.	3,000,000.00	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
Chrysler Jeep Ticaret A.S.	Turkey	5,357,000.00	TRY	58.49	Chrysler Group LLC	99.920	
Fabbrica Italia Mirafiori S.p.A.	Italy	200,000.00	EUR	100.00	FGA Real Estate Services S.p.A.	100.000	
GESTIN POLSKA Sp. z o.o.	Poland	500,000.00	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Italcar SA	Morocco	4,000,000.00	MAD	99.85	Fiat Group Automobiles Maroc S.A.	99.900	
Sirio Polska Sp. z o.o.	Poland	1,350,000.00	PLN	100.00	Fiat Auto Poland S.A.	100.000	
<b>Components and Production Systems</b>							
<b>Magneti Marelli</b>							
Cofap Fabricadora de Pecas Ltda	Brazil	75,720,716.00	BRL	68.26	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Magneti Marelli Shock Absorbers (India) Private Limited	India	1,198,999,990.00	INR	99.99	Magneti Marelli S.p.A.	100.000	
<b>Other Activities: Holding companies and Other companies</b>							
Fiat (China) Business Co., Ltd.	People's Rep. of China	3,000,000.00	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
Iveco Motors of China Limited in liquidation	People's Rep. of China	300,000.00	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Argentina	150,000.00	ARS	99.96	Rimaco S.A.	99.960	



**Investments of Fiat Group accounted for by the equity method (percentage of EXOR Group consolidation: 30.90%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>JOINTLY-CONTROLLED ENTITIES - ACCOUNTED FOR USING THE EQUITY METHOD</b>							
<i>Business Auto: Car Mass-Market Brands</i>							
<b>APAC</b>							
Fiat India Automobiles Limited	India	24,451,596,600.00	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
GAC FIAT Automobiles Co. Ltd.	People's Rep. of China	2,100,000,000.00	CNY	50.00	Fiat Group Automobiles S.p.A.	50.000	
<b>EMEA</b>							
FGA CAPITAL S.p.A.	Italy	700,000,000.00	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
FAL Fleet Services S.A.S.	France	3,000,000.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FC France S.A.	France	11,360,000.00	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Bank G.m.b.H.	Austria	5,000,000.00	EUR	50.00	FGA CAPITAL S.p.A.	50.000	
					Fidis S.p.A.	25.000	
FGA Bank Germany GmbH	Germany	39,600,000.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL BELGIUM S.A.	Belgium	3,718,500.00	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Capital Danmark A/S	Denmark	14,154,000.00	DKK	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL HELLAS S.A.	Greece	1,200,000.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IFIC SA	Portugal	10,000,000.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IRELAND Public Limited Company	Ireland	132,562.00	EUR	50.00	FGA CAPITAL S.p.A.	99.994	
FGA Capital Netherlands B.V.	Netherlands	3,085,800.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL RE Limited	Ireland	1,000,000.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Services Spain S.A.	Spain	25,145,299.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Spain E.F.C. S.A.	Spain	26,671,557.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL UK LTD.	United Kingdom	50,250,000.00	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CONTRACTS UK LTD.	United Kingdom	19,000,000.00	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Distribuidora Portugal S.A.	Portugal	500,300.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA INSURANCE HELLAS S.A.	Greece	60,000.00	EUR	49.99	FGA CAPITAL HELLAS S.A.	99.975	
FGA Leasing GmbH	Austria	40,000.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Leasing Polska Sp. z o.o.	Poland	24,384,000.00	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
FGA WHOLESale UK LTD.	United Kingdom	20,500,000.00	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
Fiat Bank Polska S.A.	Poland	125,000,000.00	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Finance (Suisse) S.A.	Switzerland	24,100,000.00	CHF	50.00	FGA CAPITAL S.p.A.	100.000	
FL Auto Snc	France	8,954,581.00	EUR	50.00	FC France S.A.	99.998	
FL Location SNC	France	76,225.00	EUR	49.99	FC France S.A.	99.980	
Leasys S.p.A.	Italy	77,979,400.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FER MAS Oto Ticaret A.S.	Turkey	5,500,000.00	TRY	37.64	Tofas-Turk Otomobil Fabrikasi A.S.	99.418	
Koc Fiat Kredi Tuketeci Finansmani A.S.	Turkey	30,000,000.00	TRY	37.86	Tofas-Turk Otomobil Fabrikasi A.S.	100.000	

**Investments of Fiat Group accounted for by the equity method (percentage of EXOR Group consolidation: 30.90%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>JOINTLY-CONTROLLED ENTITIES - ACCOUNTED FOR USING THE EQUITY METHOD</b>							
<i>Business Auto: Car Mass-Market Brands</i>							
<i>EMEA</i>							
Società Europea Veicoli Leggeri-Sevel S.p.A.	Italy	68,640,000.00	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
Tofas-Turk Otomobil Fabrikasi A. S.	Turkey	500,000,000.00	TRY	37.86	Fiat Group Automobiles S.p.A.	37.856	
<i>Components and Production Systems</i>							
<i>Magneti Marelli</i>							
JCMM Automotive d.o.o.	Serbia	1,223,910,473.00	RSD	50.00	Plastic Components and Modules Automotive S.p.A.	50.000	
Magneti Marelli Motherson Auto System Limited	India	1,300,000,000.00	INR	50.00	Magneti Marelli S.p.A.	35.385	0.000
					Magneti Marelli Motherson India Holding B.V.	29.231	100.000
Magneti Marelli Motherson India Holding B.V.	Netherlands	2,000,000.00	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli SKH Exhaust Systems Private Limited	India	274,190,000.00	INR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli Talbro's Chassis Systems Pvt. Ltd.	India	100,600,000.00	INR	50.00	Sistemi Sospensioni S.p.A.	50.000	
	People's Rep. of China						
SAIC MAGNETI MARELLI Powertrain Co. Ltd	People's Rep. of China	23,000,000.00	EUR	50.00	Magneti Marelli S.p.A.	50.000	
SKH Magneti Marelli Exhaust Systems Private Limited	India	95,450,000.00	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	100,000,000.00	CNY	50.00	Magneti Marelli S.p.A.	50.000	
<i>Teksid</i>							
Hua Dong Teksid Automotive Foundry Co. Ltd.	People's Rep. of China	385,363,500.00	CNY	42.40	Teksid S.p.A.	50.000	
<b>ASSOCIATED COMPANIES - ACCOUNTED FOR USING THE EQUITY METHOD</b>							
<i>Business Auto: Car Mass-Market Brands</i>							
<i>NAFTA</i>							
Global Engine Alliance LLC	U.S.A.	1,500,000.00	USD	19.51	Chrysler Group LLC	33.330	
United States Council for Automotive Research LLC	U.S.A.	100.00	USD	19.51	Chrysler Group LLC	33.330	
<i>APAC</i>							
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	People's Rep. of China	555,999,999.00	CNY	33.33	Fiat Partecipazioni S.p.A.	33.333	
Haveco Automotive Transmission Co. Ltd.	People's Rep. of China	200,010,000.00	CNY	33.33	Fiat Partecipazioni S.p.A.	33.330	
<i>EMEA</i>							
Arab American Vehicles Company S.A.E.	Egypt	6,000,000.00	USD	28.68	Chrysler Group LLC	49.000	
<i>Components and Production Systems</i>							
<i>Magneti Marelli</i>							
HMC MM Auto Ltd	India	30,000,000.00	INR	40.00	Magneti Marelli S.p.A.	40.000	
<i>Other Activities: Holding companies and Other companies</i>							
Iveco-Motor Sich, Inc.	Ukraine	26,568,000.00	UAH	38.62	Fiat Partecipazioni S.p.A.	38.618	
Otoyol Sanayi A.S. in liquidation	Turkey	52,674,386.00	TRY	27.00	Fiat Partecipazioni S.p.A.	27.000	
RCS MediaGroup S.p.A.	Italy	475,134,602.00	EUR	16.41	Fiat S.p.A.	16.411	20.552



**Investments of CNH INDUSTRIAL Group accounted for by the equity method (percentage of EXOR Group consolidation: 27.96%)**

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - ACCOUNTED FOR USING THE EQUITY METHOD</b>							
<b>Agricultural and Construction Equipment</b>							
Farmers New Holland Inc.	U.S.A.	800,000.00	USD	100.00	CNH America LLC	100.000	
Jackson New Holland, Inc.	U.S.A.	371,000.00	USD	94.34	CNH America LLC	94.340	
Mid State New Holland, Inc.	U.S.A.	400,000.00	USD	87.50	CNH America LLC	87.500	
Northside New Holland Inc.	U.S.A.	250,000.00	USD	68.12	CNH America LLC	68.120	
<b>Trucks and Commercial Vehicles</b>							
Iveco Colombia S.a.s.	Colombia	7,596,249,000.00	COP	100.00	Iveco Venezuela C.A. Iveco Latin America Ltda	99.990 0.010	
<b>JOINTLY-CONTROLLED ENTITIES - ACCOUNTED FOR USING THE EQUITY METHOD</b>							
<b>Agricultural and Construction Equipment</b>							
Case Mexico S.A. de C.V.	Mexico	810,000.00	MXN	50.00	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Belgium	1,100,000.00	EUR	50.00	CNH Industrial N.V.	50.000	
CNH Comercial, SA de C.V.	Mexico	160,050,000.00	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	Mexico	165,276,000.00	MXN	50.00	CNH Industrial N.V.	50.000	
CNH Industrial S.A. de C.V.	Mexico	200,050,000.00	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V., SOFOM, E.N.R.	Mexico	50,000,000.00	MXN	49.00	CNH Industrial N.V.	49.000	
CNH Servicios Corporativos S.A. de C.V.	Mexico	375,000.00	MXN	50.00	CNH de Mexico SA de CV	99.999	
New Holland HFT Japan Inc.	Japan	240,000,000.00	JPY	50.00	CNH Industrial N.V.	50.000	
Turk Traktor Ve Ziraat Makineleri A.S.	Turkey	53,369,000.00	TRY	37.50	CNH Industrial Osterreich GmbH	37.500	
<b>Trucks and Commercial Vehicles</b>							
Iveco - Oto Melara Società consortile r.l.	Italy	40,000.00	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Acentro S.p.A.	Italy	3,000,000.00	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Orecchia S.p.A.	Italy	8,000,000.00	EUR	50.00	Iveco S.p.A.	50.000	
Naveco (Nanjing IVECO Motor Co.) Ltd.	People's Rep. of China	2,527,000,000.00	CNY	50.00	Iveco S.p.A.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	People's Rep. of China	224,500,000.00	USD	50.00	Iveco S.p.A.	50.000	
SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	People's Rep. of China	1,900,000,000.00	CNY	33.50	SAIC IVECO Commercial Vehicle Investment Company Limited	67.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Spain	16,315,347.00	EUR	50.00	CNH Industrial N.V.	50.000	
<b>ASSOCIATED COMPANIES - ACCOUNTED FOR USING THE EQUITY METHOD</b>							
<b>Agricultural and Construction Equipment</b>							
Al-Ghazi Tractors Ltd	Pakistan	214,682,225.00	PKR	43.17	CNH Industrial N.V.	43.169	
CNH Capital Europe S.a.S.	France	88,482,297.00	EUR	49.90	CNH Industrial N.V.	49.900	
Farm FZCO	United Arab Emirates	6,600,000.00	AED	28.79	CNH Industrial Italia s.p.a.	28.788	
<b>Trucks and Commercial Vehicles</b>							
GEIE V.IV.RE	France	0.00	EUR	50.00	Iveco S.p.A.	50.000	
IVECO-AMT Ltd.	Russia	65,255,056.00	RUB	33.33	CNH Industrial N.V.	33.330	
V.MERE Gruppo Europeo di Interesse Economico	Italy	0.00	EUR	50.00	Iveco S.p.A.	50.000	

## Investments of C&W Group accounted for by the equity method (percentage of EXOR Group consolidation: 82.40%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>JOINTLY-CONTROLLED ENTITIES - ACCOUNTED FOR USING THE EQUITY METHOD</b>							
<i>Others</i>							
SWIP & CWI Luxembourg (No. 1) Management Company S.à r.l.	Luxembourg	125,000.00	EUR	50.00	Cushman & Wakefield Investors (Finance) Limited	50.000	
SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	Luxembourg	1,081,693.00	EUR	N/A	SWIP & CWI Luxembourg (No. 1) Management Company S.à r.l.	100.000	
PURetail Dijon rue de la Liberté S.à r.l. (Luxembourg)	Luxembourg	12,500.00	EUR	N/A	SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	100.000	
PURetail Dijon rue de la Liberté SCI (France)	France	10,760,000.00	EUR	N/A	PURetail Dijon rue de la Liberté S.à r.l. (Luxembourg)	100.000	
PURetail Düsseldorf Kasernenstr 1 GmbH	Germany	25,000.00	EUR	N/A	SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	100.000	
PURetail Linköping Däckeln 3 AB (Sw eden)	Sw eden	50,000.00	SEK	N/A	PURetail Sw eden AB (Sw eden)	10.000	
PURetail Linköping Dählhällan 20 AB (Sw eden)	Sw eden	50,000.00	SEK	N/A	PURetail Sw eden AB (Sw eden)	10.000	
PURetail Linköping Domaren 13 AB (Sw eden)	Sw eden	50,000.00	SEK	N/A	PURetail Sw eden AB (Sw eden)	10.000	
PURetail Paris rue d'Amsterdam S.à r.l.	Luxembourg	12,500.00	EUR	N/A	SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	100.000	
PURetail Paris rue d'Amsterdam SCI (France)	France	10,509,000.00	EUR	N/A	PURetail Paris rue d'Amsterdam S.à r.l.	100.000	
PURetail Sw eden AB (Sw eden)	Sw eden	50,000.00	SEK	N/A	SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	100.000	

## Investments of Fiat Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - VALUED AT COST</b>							
<i>Business Auto: Car Mass-Market Brands</i>							
<i>NAFTA</i>							
CarCo Intermediate Mexico LLC	U.S.A.	1.00	USD	58.54	Chrysler Mexico Investment Holdings Cooperatie U.A.	100.000	
CG Co-Issuer Inc.	U.S.A.	100.00	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP DUTCH OPERATING LLC	U.S.A.	0.00	USD	58.54	CNI CV	100.000	
Chrysler Receivables 1 Inc.	Canada	100.00	CAD	58.54	Chrysler Canada Inc.	100.000	
Chrysler Receivables 2 Inc.	Canada	100.00	CAD	58.54	Chrysler Canada Inc.	100.000	
Chrysler Receivables Limited Partnership	Canada	0.00	CAD	58.54	Chrysler Canada Inc.	99.990	
					Chrysler Receivables 1 Inc.	0.005	
					Chrysler Receivables 2 Inc.	0.005	
Fundacion Chrysler, I.A.P.	Mexico	0.00	MXN	58.54	Chrysler de Mexico S.A. de C.V.	100.000	
The Chrysler Foundation	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
<i>EMEA</i>							
Banbury Road Motors Limited	United Kingdom	100.00	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Chrysler Netherlands Holding Cooperatie U.A.	Netherlands	0.00	EUR	58.54	CNI CV	99.000	
					CHRYSLER GROUP DUTCH OPERATING LLC	1.000	
Chrysler UK Pension Trustees Limited	United Kingdom	1.00	GBP	58.54	Chrysler UK Limited	100.000	
CNI CV	Netherlands	0.00	EUR	58.54	Chrysler Group LLC	99.000	
					Chrysler Group Minority LLC	1.000	
CODEFIS Società consortile per azioni	Italy	120,000.00	EUR	51.00	Fiat Group Automobiles S.p.A.	51.000	
CONSORZIO FIAT ENERGY	Italy	7,000.00	EUR	54.97	Comau S.p.A.	14.286	
					Fiat Group Automobiles S.p.A.	14.286	
					Plastic Components and Modules Automotive S.p.A.	14.286	
					Teksid S.p.A.	14.286	
Conorzio Servizi Balocco	Italy	10,000.00	EUR	91.37	Fiat Group Automobiles S.p.A.	77.800	
					Ferrari S.p.A.	5.300	
					Fiat Pow ertrain Technologies SpA	4.500	
					Maserati S.p.A.	2.800	
					Abarth & C. S.p.A.	1.500	
					FIAT AUTOMOBILES SERBIA DOO		
FAS FREE ZONE Ltd. Kragujevac	Serbia	2,281,603.00	RSD	66.67	KRAGUJEVAC	100.000	
FGA Russia S.r.l.	Italy	1,682,028.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Spain	30,051.00	EUR	95.00	Fiat Group Automobiles Spain S.A.	95.000	
Fiat Motor Sales Ltd	United Kingdom	1,500,000.00	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
OOO "CABEKO"	Russia	181,869,062.00	RUB	100.00	FGA Russia S.r.l.	99.591	



## Investments of Fiat Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - VALUED AT COST</b>							
<i>Business Auto: Car Mass-Market Brands</i>							
<i>EMEA</i>							
					Fiat Group Automobiles S.p.A.	0.409	
VM North America Inc.	U.S.A.	1,000.00	USD	100.00	VM Motori S.p.A.	100.000	
<i>Business Auto: Luxury and Performance Brands</i>							
<i>Ferrari</i>							
New Business 28 S.r.l.	Italy	50,000.00	EUR	90.00	Ferrari S.p.A.	100.000	
Scuderia Ferrari Club S.c. a r.l.	Italy	105,000.00	EUR	84.45	Ferrari S.p.A.	93.829	
<i>Components and Production Systems</i>							
<i>Magneti Marelli</i>							
Automotive Lighting Japan K.K.	Japan	10,000,000.00	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (India) Limited in liquidation	India	125,000,000.00	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Comandos Mecanicos Industria e Comercio Ltda	Brazil	1,000.00	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda Fiat do Brasil S.A.	99.900 0.100	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Turkey	90,000.00	TRY	99.89	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	99.956	
<i>Comau</i>							
Consorzio Fermag in liquidation	Italy	144,608.00	EUR	68.00	Comau S.p.A.	68.000	
<i>Other Activities: Holding companies and Other companies</i>							
Fiat Common Investment Fund Limited	United Kingdom	2.00	GBP	100.00	Fiat U.K. Limited	100.000	
Fiat Danismanlik Ve Temsilcilik Limited Sirketi	Turkey	120,000.00	TRY	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Investimenti S.p.A.	Italy	120,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Investments S.p.A.	Italy	120,000.00	EUR	100.00	New Business Netherlands N.V.	100.000	
Fiat Oriente S.A.E. in liquidation	Egypt	50,000.00	EGP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni India Private Limited	India	28,605,400.00	INR	100.00	Fiat Partecipazioni S.p.A. Fiat Group Purchasing S.r.l.	99.825 0.175	
Fiat Services Support Mexico S.A. de C.V.	Mexico	100.00	MXN	100.00	Fiat Services S.p.A. Servizi e Attività Doganali per l'Industria S.p.A.	99.000 1.000	
Fiat Services U.S.A., Inc.	U.S.A.	500,000.00	USD	100.00	Fiat Services S.p.A.	100.000	
Fides Corretagens de Seguros Ltda	Brazil	365,525.00	BRL	100.00	Rimaco S.A.	99.998	
Isvor Fiat India Private Ltd. in liquidation	India	1,750,000.00	INR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 29 S.c.r.l.	Italy	50,000.00	EUR	100.00	Fiat Partecipazioni S.p.A. Fiat S.p.A.	80.000 20.000	
New Business 30 S.r.l.	Italy	50,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 34 S.r.l.	Italy	50,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 35 s.r.l.	Italy	50,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 36 s.r.l.	Italy	50,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business Netherlands N.V.	Netherlands	50,000.00	EUR	100.00	Fiat S.p.A.	100.000	
OOO Sadi Rus	Russia	2,700,000.00	RUB	100.00	Sadi Polska-Agencja Celna Sp. z o.o. Fiat Services Polska Sp. z o.o.	90.000 10.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	Italy	120,000.00	EUR	97.51	Fiat Partecipazioni S.p.A. Fiat S.p.A. Editrice La Stampa S.p.A. Fiat Group Automobiles S.p.A. Comau S.p.A. Ferrari S.p.A. Fiat Finance S.p.A. Fiat Pow ertrain Technologies SpA Fiat Services S.p.A. Fiat Servizi per l'Industria S.c.p.a. Magneti Marelli S.p.A. Sisport Fiat S.p.A. - Società sportiva dilettantistica Teksid S.p.A.	76.722 18.003 0.439 0.439 0.220 0.220 0.220 0.220 0.220 0.220 0.220 0.220 0.220	

## Investments of Fiat Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>ASSOCIATED COMPANIES - VALUED AT COST</b>							
<i>Business Auto: Car Mass-Market Brands</i>							
<i>EMEA</i>							
Consorzio per la Reindustrializzazione Area di							
Arese S.r.l. in liquidation	Italy	20,000.00	EUR	30.00	Fiat Group Automobiles S.p.A.	30.000	
Consorzio Prode	Italy	51,644.00	EUR	20.00	C.R.F. Società Consortile per Azioni	20.000	
Innovazione Automotive e Metalmeccanica Scrl	Italy	115,000.00	EUR	24.52	Fiat Group Automobiles 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	12,485,547,400.00	INR	3.59	Fiat Group Automobiles S.p.A.	3.593	51.035
Tecnologie per il Calcolo Numerico-Centro							
Superiore di Formazione S.c. a r.l.	Italy	100,000.00	EUR	25.00	C.R.F. Società Consortile per Azioni	25.000	
Turin Auto Private Ltd. in liquidation	India	43,300,200.00	INR	50.00	FGA Investimenti S.p.A.	50.000	
<i>Business Auto: Luxury and Performance Brands</i>							
<i>Ferrari</i>							
Senator Software GmbH	Germany	25,565.00	EUR	39.69	Ferrari Financial Services AG	49.000	
<i>Components and Production Systems</i>							
<i>Magneti Marelli</i>							
Auto Componentistica Mezzogiorno - A.C.M.							
Melfi Società Consortile a responsabilità limitata	Italy	40,000.00	EUR	24.25	Plastic Components and Modules Automotive S.p.A.	16.500	7.750
					Sistemi Sospensioni S.p.A.	7.750	
Bari Servizi Industriali S.c.r.l.	Italy	24,000.00	EUR	25.00	Magneti Marelli S.p.A.	25.000	
Flexider S.p.A.	Italy	4,080,000.00	EUR	25.00	Magneti Marelli S.p.A.	25.000	
L.U.C.I. SRL	Italy	11,600.00	EUR	26.03	Centro Ricerche Plast-Optica S.p.A.	34.483	
Mars Seal Private Limited	India	400,000.00	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Turkey	3,800,000.00	TRY	28.00	Magneti Marelli S.p.A.	28.000	
<i>Other Activities: Holding companies and Other companies</i>							
ANFIA Automotive S.c.r.l.							
	Italy	20,000.00	EUR	20.00	C.R.F. Società Consortile per Azioni	5.000	
					Fiat Group Automobiles S.p.A.	5.000	
					Fiat Powertrain Technologies SpA	5.000	
					Magneti Marelli S.p.A.	5.000	
Consorzio per lo Sviluppo delle Aziende							
Fornitrici in liquidation	Italy	241,961.00	EUR	21.34	Fiat Group Automobiles S.p.A.	10.672	
					Fiat Partecipazioni S.p.A.	10.672	
FMA-Consultoria e Negocios Ltda	Brazil	1.00	BRL	50.00	Fiat do Brasil S.A.	50.000	
Maxus MC2 S.p.A.	Italy	219,756.00	EUR	20.00	Fiat Partecipazioni S.p.A.	20.000	
Parco Industriale di Chivasso Società Consortile							
a responsabilità limitata	Italy	10,000.00	EUR	36.70	Fiat Partecipazioni S.p.A.	25.800	
					Plastic Components and Modules Automotive S.p.A.	10.900	
Società Editrice Mercantile - S.E.M. S.R.L.	Italy	3,000,000.00	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
To-dis S.r.l.	Italy	510,000.00	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Zastava-Kamioni D.O.O.	Serbia	1,673,505,893.00	RSD	33.68	Fiat Partecipazioni S.p.A.	33.677	

## Investments of Fiat Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>OTHER COMPANIES -</b>							
<i>Business Auto: Car Mass-Market Brands</i>							
<i>EMEA</i>							
Centro di Eccellenza su Metodi e Sistemi per le Aziende Competitive	Italy	225,000.00	EUR	16.00	C.R.F. Società Consortile per Azioni	16.000	
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Italy	90,131.00	EUR	11.57	C.R.F. Società Consortile per Azioni Fiat Group Automobiles S.p.A.	5.787	5.787
Consorzio Technapoli	Italy	1,626,855.00	EUR	11.11	C.R.F. Società Consortile per Azioni	11.110	
<i>Business Auto: Luxury and Performance Brands</i>							
<i>Ferrari</i>							
Nuova Didactica S.c. a r.l.	Italy	112,200.00	EUR	14.73	Ferrari S.p.A.	16.364	
<i>Components and Production Systems</i>							
<i>Magneti Marelli</i>							
Editori Riuniti S.p.A. in liquidation	Italy	441,652.00	EUR	13.11	Plastic Components and Modules Holding S.p.A.	13.110	
<i>Other Activities: Holding companies and Other companies</i>							
Consorzio Edicola Italiana	Italy	60,000.00	EUR	16.67	Editrice La Stampa S.p.A.	16.667	
Consorzio Lingotto	Italy	9,612.00	EUR	18.26	Fiat Partecipazioni S.p.A. Fiat S.p.A.	12.856	5.400
Distretto Meccatronico Regionale Della Puglia S.c.a r.l. "MEDIS Scarl"	Italy	150,000.00	EUR	13.33	C.R.F. Società Consortile per Azioni Magneti Marelli S.p.A.	6.667	6.667
Fin.Priv. S.r.l.	Italy	20,000.00	EUR	14.29	Fiat S.p.A.	14.285	

## Investments of CNH INDUSTRIAL Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>SUBSIDIARIES - VALUED AT COST</b>							
<i>Agricultural and Construction Equipment</i>							
Case Construction Equipment, Inc.	U.S.A.	1,000.00	USD	100.00	CNH America LLC	100.000	
Case IH Agricultural Equipment, Inc.	U.S.A.	1,000.00	USD	100.00	CNH America LLC	100.000	
Employers Health Initiatives LLC	U.S.A.	790,000.00	USD	100.00	CNH America LLC	100.000	
Fermecc North America Inc.	U.S.A.	5.00	USD	100.00	CNH America LLC	100.000	
International Harvester Company	U.S.A.	1,000.00	USD	100.00	CNH America LLC	100.000	
J.I. Case Company Limited	United Kingdom	2.00	GBP	100.00	Case United Kingdom Limited	100.000	
RosCaseMash	Russia	0.00	RUB	38.25	Case Equipment Holdings Limited	38.250	51.000
<i>Trucks and Commercial Vehicles</i>							
Altra S.p.A.	Italy	516,400.00	EUR	100.00	Iveco S.p.A.	100.000	
MVPC LLC	Russia	10,000.00	RUB	50.00	OOO Iveco Russia	50.000	
<i>Holding companies and Other companies</i>							
New Industrial Business 1 s.r.l.	Italy	50,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
New Industrial Business 2 s.r.l.	Italy	50,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
New Industrial Business 3 s.r.l.	Italy	50,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
<i>Powertrain</i>							
Componentes Mecanicos S.A.	Spain	1,135,037.00	EUR	100.00	Iveco Espana S.L.	100.000	
<b>ASSOCIATED COMPANIES - VALUED AT COST</b>							
<i>Agricultural and Construction Equipment</i>							
Consorzio Nido Industria Vallesina	Italy	53,903.00	EUR	38.73	CNH Industrial Italia s.p.a.	38.728	
<i>Trucks and Commercial Vehicles</i>							
Sotra S.A.	Ivory Coast	3,000,000,000.00	XOF	39.80	Iveco France	39.800	
Trucks & Bus Company	Libya	96,000,000.00	LYD	25.00	Iveco Espana S.L.	25.000	
<i>Holding companies and Other companies</i>							
CONSORZIO FIAT ENERGY	Italy	7,000.00	EUR	42.86	CNH Industrial Italia s.p.a. FPT Industrial S.p.A. Iveco S.p.A.	14.286 14.286 14.286	
<b>OTHER COMPANIES - VALUED AT COST</b>							
<i>Agricultural and Construction Equipment</i>							
Consorzio per lo Sviluppo delle Aziende							
Fornitrici in liquidation	Italy	241,961.00	EUR	10.67	CNH Industrial Italia s.p.a.	10.672	
Nuova Didactica S.c. a r.l.	Italy	112,200.00	EUR	12.27	CNH Industrial Italia s.p.a.	12.273	
Polagris S.A.	Lithuania	1,133,400.00	LTL	11.05	CNH Industrial Polska Sp. z o.o.	11.054	
<i>Holding companies and Other companies</i>							
CODEFIS Società consortile per azioni	Italy	120,000.00	EUR	19.00	CNH Industrial Capital U.K. Ltd Iveco Partecipazioni Finanziarie S.r.l.	14.000 5.000	

## Investments of C&W Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
<b>OTHER COMPANIES - VALUED AT COST</b>							
<i>Real Estate Services</i>							
NorthMarq Real Estate Services, LLC	U.S.A.		N/A USD	12.00	Cushman & Wakefield of Minnesota, Inc.		12.000

## Significant investments of the Holdings System

Name	Country	Capital Stock	Currency	Interest held by	% of Interest held	% of voting rights
<b>Holdings and Others</b>						
Banijay Holding S.A.S.	France	2,057,501.00	EUR	EXOR S.A.	17.088	17.172
Gruppo Banca Leonardo S.p.A.	Italy	100,565,000.00	EUR	EXOR S.A.	17.366	
Jardine Rothschild Asia Capital (Mauritius) Ltd (in liquidation)	Mauritius	90,000.00	USD	EXOR S.A.	18.833	
Sequana S.A.	France	225,100,989.00	EUR	EXOR S.A.	17.384	

## **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, the 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:

- 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, 2013.

We also attest that:

- the consolidated financial statements at December 31, 2013:
  - 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 9, 2014

The Chairman and Chief Executive Officer  
John Elkann

Executive responsible for the preparation  
of the Company's financial reports  
Enrico Vellano





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**Independent auditors' report  
pursuant to art. 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.

1. We have audited the consolidated financial statements of EXOR S.p.A. and its subsidiaries, (the "EXOR Group") as of December 31, 2013 and for the year then ended, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of EXOR S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

With respect to the comparative data related to the consolidated financial statements of the prior year and the statement of financial position at January 1, 2012, derived from the consolidated financial statements at December 31, 2011, all restated as a result of the retrospective application of the amendment to IAS 19, as described in the related explanatory notes, reference should be made, respectively, to our report issued on April 17, 2013 and to the report of other auditors issued on April 16, 2012. We have examined the methods used to restate the comparative financial data and the information presented in the explanatory notes in this respect for the purposes of issuing this opinion.

3. In our opinion, the consolidated financial statements of the EXOR Group at December 31, 2013 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the EXOR Group for the year then ended.
4. The Directors of EXOR S.p.A. are responsible for the preparation, in accordance with the applicable laws and regulations, of the Report on Operations and the Report on Corporate Governance published in the section "Corporate Governance" of EXOR S.p.A.'s website. Our responsibility is to express an opinion on the consistency with the financial statements of the Report on Operations and of the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998,

Reconta Ernst & Young S.p.A.  
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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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Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance, as required by law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) in the Report on Corporate Governance, are consistent with the consolidated financial statements of the EXOR Group at December 31, 2013.

Turin, April 11, 2014

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 TO THE SHAREHOLDERS' MEETING ON THE ACTIVITIES CARRIED OUT DURING THE YEAR 2013

Shareholders,

We summarize the contents and results of our activities carried out during 2013, after first recalling the transactions of major economic and financial significance entered into, also through EXOR S.A., duly described in the directors' report on operations. Besides the resolution approved for the merger of FIAT INDUSTRIAL with and in CNH INDUSTRIAL N.V., these transactions include:

- the disposal of the entire investment in SGS for more than €2 billion, which led to a consolidated net gain of more than €1.5 billion;
- the mandatory conversion of the preferred and savings shares, which increased in number during the first half with the purchase, respectively, of 823,400 shares for approximately €17.8 million and 184,100 shares for approximately €4 million, in addition to 3,790,857 ordinary shares for approximately €83.3 million, and therefore reporting share capital upon conclusion of the conversion on June 24, 2013 of €246,229,850;
- the issue of non-convertible bonds 2013-2020 of €200 million;
- the purchases and consequent reduction of €60 million of the notional amount of the bonds maturing in 2017, which was consequently reduced to €690 million;
- the payment of the balance of the ALMACANTAR 2011 share capital increase, for approximately €14.1 million, and the subscription to the 2013 capital increase, for €57.9 million, of which €27.9 million was paid in.

As part of our activities, in the second year of our term of office, we have again:

- attended meetings of the Board, in the course of which the directors informed us of the company's activities and operations on which we obtained information as to their compliance with the law, the company's by-laws and the shareholder resolutions and as to the steps taken to identify conflicts of interests and to avoid the consequent critical situations;
- confirmed, in the aspects for which we have competence, the suitability of the organizational structure and internal control system in relation to the company's dimensions, activities and management of identified risks;
- obtained information about the observance of the principles of diligent and correct management and confirmed, in the context of financial reporting, the capacity to present correctly the company's operations, through meetings with the executive responsible for the financial reports who together with the Chairman and Chief Executive Officer made the attestation under art. 154-*bis* paragraph 5 of Legislative Decree 58/1998, and also meetings with the heads of certain functions including with the Head of Internal Audit and with the supervisory body responsible for overseeing the organizational model pursuant to Legislative Decree 231/2001 of which body the Chairman of the Board of Statutory Auditors is a member;
- found the system of internal control to be effective, also taking note of the favorable outcome of the assessments made by the competent committee, by the Supervisory Body and by the independent auditors;
- reviewed the application of the valuation criteria used by the Board in reaching a positive conclusion as to the independence of the directors who qualify themselves as such as well as the self-assessment process applied to the question of the adequacy of the composition and operation of the Board with regard to the company's requirements for professional expertise and diversity of expertise;
- made the assessments necessary to conclude that the independence requirements have been met for each of the statutory auditors;
- overseen the application of the CONSOB regulations on related party transactions and the consequent corporate procedure which is available for consultation on the company's website [www.exor.com](http://www.exor.com); not active in this regard was the compensation and nominating committee, which has competence for the directors'

- additional compensation, considered of minor significance, and the internal control and risk committee, which has competence for other matters;
- held, also pursuant to art. 19 of Legislative Decree 39/2010, periodic meetings with RECONTA ERNST & YOUNG, for the purposes of following the execution of the plan of audit activities and the performance of these activities, of monitoring the auditors' independence of which we obtained confirmation again on April 8, 2014 and about which we have no reservations and of effecting the exchange of information on our respective activities and of making use of the related findings;
  - met the members of the Board of Statutory Auditors of the subsidiaries FIAT, FIAT INDUSTRIAL and JUVENTUS, and in 2014, the Chairman of Audit Committee of CUSHMAN & WAKEFIELD.

In accordance with the requirements of the CONSOB Communication of April 6, 2001 we also report under the following headings.

#### *Transactions having a significant economic and financial impact*

The directors have given a summary of the characteristics of the more significant transactions carried out.

Similarly, they have reported and commented on the existence of transactions with group companies and with related parties, indicating that such transactions were carried out, after determining the reciprocal economic benefits, applying the norms and conditions considered normal for the respective markets, bearing in mind the nature of the goods and services concerned.

#### *Atypical or unusual transactions and adequacy of related disclosure by directors*

The Board of Statutory Auditors has not identified any significant transactions with related parties, with third parties or with group companies which are atypical or unusual by virtue of their content, nature, scale or timing.

#### *Emphasis paragraphs included in the report of the independent auditors*

RECONTA ERNST & YOUNG has not formulated any emphasis paragraphs.

#### *Complaints pursuant to art. 2408 of the Italian Civil Code*

With reference to the May 30, 2013 shareholders' meeting, the shareholder Bava, referring to art. 2408 of the Italian Civil Code, has made the following complaints; inexactness of the calculation of the net financial position, deeming that it was negative €26 billion, and non-compliance with the relative CESR format, noting lack of disclosure.

Having carried out activities in this regard, we consider that we are not in agreement with the complaints.

#### *Matters for investigation*

We have not received indications of matters for investigation either directly or through the company.

#### *Engagements assigned to the independent auditors and related costs*

The activities assigned to RECONTA ERNST & YOUNG and the related fees have been disclosed by the directors in the annual financial report and were confirmed by the auditors to us in a note dated April 8, 2014:

- "(...) (a) the audit of the separate and the consolidated financial statements at December 31, 2013 and verification during the course of the year of proper accounting procedures and accurate recording of transactions in the accounting records for €51 thousand;
- (b) limited audit of the condensed half-year financial statements at June 30, 2013 of the EXOR Group for €7 thousand;
- (c) attestation services relating to the comfort letter on the issue of bonds for, in total, €15 thousand;
- (d) agreed verification procedures on compliance with economic and financial covenants for, in total, €5 thousand.(...)".



## ***Engagements assigned to parties related to the independent auditors***

In the same note the auditors also indicated:

“(…) We also confirm that no other separate activity has been undertaken and that no fees have been billed to EXOR S.p.A. by other firms in the Ernst & Young network. (…)”.

### ***Opinions issued by the Board of Statutory Auditors***

We expressed opinions on the prospects of the issue of the non-convertible bonds.

### ***Frequency and number of meetings of the Board of Directors and the Board of Statutory Auditors***

The directors have held five Board meetings, the Board of Statutory Auditors ten meetings, the Compensation and Nominating Committee one session and the Internal Control and Risk Committee five meetings – to which, in relation to the provisions of Legislative Decree 39/2010, we have always attended the latter – and the Strategy Committee two sessions.

### ***Principles of correct management***

We confirm that we have not identified transactions which do not comply with the company’s corporate business purpose, are in conflict of interest or are such as to compromise the financial integrity of the company or anyhow are manifestly imprudent or reckless.

### ***Organizational structure***

We confirm our view that the organizational structure is adequate to the circumstances in the areas within our competence.

### ***System of internal control***

We recall the substantial reliability of the system of internal control, also considering the results of the mentioned activities in this area of other parties, of which we have taken note.

### ***Reliability of the administrative and accounting system***

We confirm that the administrative and accounting system appears capable of recording and reporting the company’s affairs.

### ***Directives to subsidiaries***

Appropriate directives have been given to subsidiary companies as required under art. 114 paragraph 2 of Legislative Decree 58/1998.

### ***Significant matters arising from meetings with the independent auditors***

In our meetings with RECONTA ERNST & YOUNG, no significant events or issues have been referred to us which have necessitated the performance of further controls on our part which we should report to you and in their report on the fundamental matters arising from the audit they have confirmed that they did not identify significant failings in the system of internal control.

### ***Compliance with the Corporate Governance Code for Italian listed companies***

The directors have summarized the principles and implementation criteria with which, obviously, we are familiar, applied by EXOR in order to comply with the recommendations of the Code, affirming the effective observance and the related departures of the same in the Annual Report on Corporate Governance which was also subjected to analysis by RECONTA ERNST & YOUNG, pursuant to art. 123-*bis* of Legislative Decree 58/1998.

### **Activities of the Supervisory Body**

We have monitored the work of the Supervisory Body which considers the control over the organizational model to be adequately applied based on the level of implementation of the norms and procedures established for the purposes of preventing the relevant offenses.

#### *Conclusions from our oversight activities*

In our oversight activities we did not find any critical matters to report.

#### *Recommendations to be submitted to shareholders*

We do not consider it necessary to submit any recommendations.

We have reviewed the structure and the approach of the draft financial statements at December 31, 2013 which show a profit of €92,726,030, of the report on operations relating also to the consolidated financial statements of the group, and of the explanatory notes.

RECONTA ERNST & YOUNG, charged with the legal audit, in their report dated April 11, 2014 have expressed its conclusions, without exceptions or matters to report.

Similar conclusions are expressed by RECONTA ERNST & YOUNG in their report on the consolidated financial statements.

On the basis of the information we obtained directly pertaining to the scope and structure and of the findings of the independent auditors, we are of the view that the draft separate financial statements of EXOR together with the proposal for the appropriation of the profit for the year which complies with the restrictions imposed on the same, may be approved.

Finally, with reference to the matters on the agenda of the next shareholders' meeting other than those concerned with the annual financial statements, we confirm, to the extent required, that the reports prepared on such matters by the Board of Directors illustrate the matters adequately and propose resolutions which comply with the law.

Turin, April 14, 2014

### **The Board of Statutory Auditors**

Sergio Duca, Chairman

Nicoletta Paracchini

Paolo Piccatti

