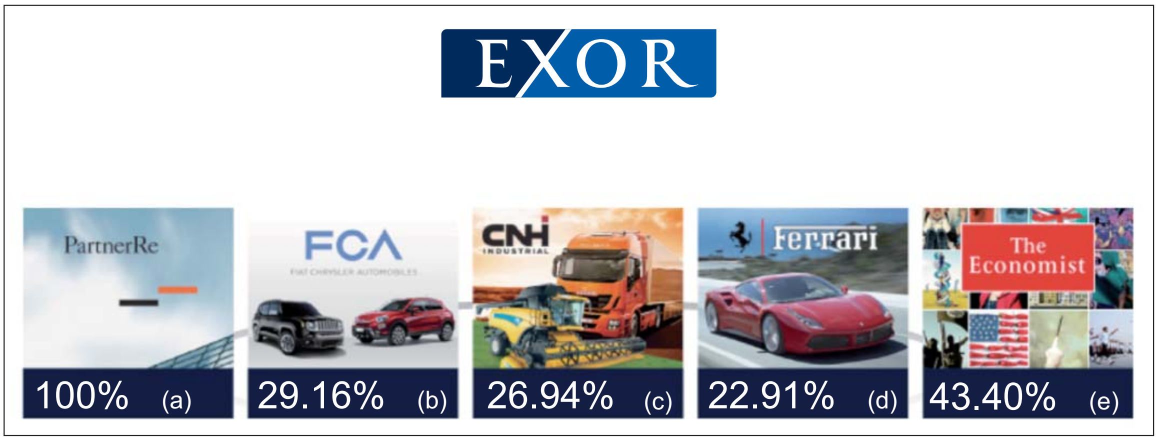
EXOR GROUP PROFILE AND KEY DATA

EXOR is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.87% of share capital.
Listed on Borsa Italiana's Stock Exchange with a Net Asset Value of over €12 billion at December 31, 2015, 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:



Percentages updated on the basis of the latest available information.
(a) Calculated on common stock.
(b) EXOR holds 44.27% of voting rights on issued capital.
(c) EXOR holds 39.96% of voting rights on issued capital. In addition, FCA holds a 1.17% stake in CNH Industrial and 1.74% of voting rights on issued capital.
(d) EXOR holds 32.75% of voting rights on issued capital.
(e) After completion of the buyback, voting rights are limited to 20%.

PartnerRe (100% of common stock) is a leading global reinsurer with headquarters in Pembroke (Bermuda). PartnerRe commenced operations in 1993 and provides reinsurance and certain specialty insurance lines on a worldwide basis through its subsidiaries and branches serving more than 2000 customers in its Non-life and Life and Health segments. PartnerRe has a global platform of 21 offices in more than 150 countries. The company's principal offices are located in Hamilton (Bermuda), Dublin, Greenwich (Connecticut, USA), Paris, Singapore and Zurich. Risks reinsured include, but are not limited to, property, casualty, motor, agriculture, aviation/space, catastrophe, credit/surety, engineering, energy, marine, mortality, longevity and accident and health, and alternative risk products.

Fiat Chrysler Automobiles (FCA) (29.16% stake) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. FCA, the seventh-largest automaker in the world, designs, engineers, manufactures, distributes and sells passenger cars, light commercial vehicles, components and production systems worldwide. The Group's automotive brands are: Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia, Ram and Maserati in addition to the SRT performance vehicle designation. FCA's businesses also include Comau (production systems), Magneti Marelli (components), Teksid (iron and castings) and Mopar, the after-sales services and parts brand. FCA is engaged in industrial activities in the automotive sector through companies located in 40 countries and has commercial relationships with customers in approximately 150 countries. FCA's operations relating to mass market brands (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, 2015 FCA had 164 manufacturing facilities and 238,162 employees throughout the world.

CNH Industrial (26.94% stake; 1.17% stake also held by FCA) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. 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 families of Case and New Holland brands), as well as engines and transmissions for those vehicles and engines for marine applications (FPT Industrial). Each of the Group's brands is a prominent international player in the respective industrial segment.
At December 31, 2015 CNH Industrial was present in approximately 180 countries giving it a unique competitive position across its 64 manufacturing plants, 50 research and development centers and more than 64,000 employees.

Ferrari N.V. (22.91% stake) began operations on January 3, 2016 following the completion of a series of transactions to separate Ferrari from the FCA Group. Ferrari is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. The Ferrari brand is a symbol of excellence and exclusivity and the cars that carry this brand name are unique for performance, innovation, technologies, driving pleasure and design, a car that is the most authoritative example of "made in Italy" the world over.
Ferrari is present in more than 60 markets worldwide through a network of 180 authorized dealers with 7,644 cars sold at December 31, 2015.

The Economist Group (43.40% after completion of the buyback) is a company headquartered 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.

JUVENTUS	Welltec	BANCA LEONARDO
63.77%	13%	16.51%

Juventus Football Club (63.77% of share capital) is listed on the Mercato Telematico Azionario managed by Borsa Italiana (MTA). Founded in 1897, it is one of the most prominent professional football teams in the world.

Welltec (13% of share capital) is a company headquartered in Denmark, leader in robotics technologies for the oil and gas industry, offering reliable and efficient well maintenance, cleaning and repair solutions.

Banca Leonardo (16.51% of share capital) is a privately held and independent international investment bank offering wealth management services and products and other activities connected with financial markets.

EXOR Group – Consolidated Data – Shortened (a)

€ million	2015	2014	Change
Profit attributable to owners of the parent	**744.5**	323.1	421.4
Share of earnings of investments and dividends	**218.5**	387.2	(168.7)
Investments and non-current other financial assets	**8,805.7**	7,509.5	1,296.2
Issued capital and reserves attributable to owners of the parent	**10,138.4**	7,995.0	2,143.4
Consolidated net financial position of EXOR's “Holdings System”	**1,336.8**	562.5	774.3

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

Earnings per share (€) (a)	2015	2014 (b)	Change
Profit attributable to owners of the parent – basic:			
per ordinary share	**3.33**	1.27	2.06
Profit attributable to owners of the parent – diluted:			
per ordinary share	**3.32**	1.25	2.07
Issued capital and reserves attributable to owners of the parent	**43.26**	35.96	7.30

(a) Additional details on the calculation of basic and diluted earnings per share are provided in Note 12 to the consolidated financial statements.
(b) Data recalculated following the reclassification, for purposes of comparison, of the profit of C&W Group in discontinued operations.

EXOR S.p.A. - Separate Financial Statement Data

€ million	2015	2014	Change
Profit	**2,551.3**	51.8	2,499.5
Equity	**6,419.3**	3,409.9	3,009.4
Net financial position	**1,501.3**	(1,199.7)	2,701.0

The board of directors' meeting held on April 14, 2016 put forward a motion to the ordinary shareholders' meeting, called to approve the separate financial statements for the year ended December 31, 2015, for the payment of dividends per share of €0.35 for a total of €82 million to the 234,346,104 ordinary shares outstanding at the same date.

In 2015 EXOR paid dividends per share of €0.35 to the 222,346,104 ordinary shares outstanding for a total €77.8 million from the profit for the year ended December 31, 2014.

NET ASSET VALUE

At December 31, 2015 EXOR's Net Asset Value (NAV) is €12,318 million, an increase of €2,154 million (+21.2%) compared to €10,164 million at December 31, 2014.

The composition and change in NAV are the following:

€ millions	3/1/2009 (a)	12/31/2014	12/31/2015	Change vs 12/31/2014	
				Amount	%
Investments	2,921	8,347	10,139	1,792	+21.5%
Financial investments	274	663	579	(84)	-12.7%
Cash and cash Equivalents	1,121	2,233	4,035	1,802	+80.7%
Treasury stock	19	762	433	(329)	-43.2%
Gross Asset Value	**4,335**	**12,005**	**15,186**	**3,181**	**+26.5%**
Gross Debt	**(1,157)**	**(1,671)**	**(2,698)**	**(1,027)**	**+61.5%**
Ordinary holding costs over ten years	**(210)**	**(170)**	**(170)**	**-**	**-**
Net Asset Value (NAV)	**2,968**	**10,164**	**12,318**	**2,154**	**+21.2%**

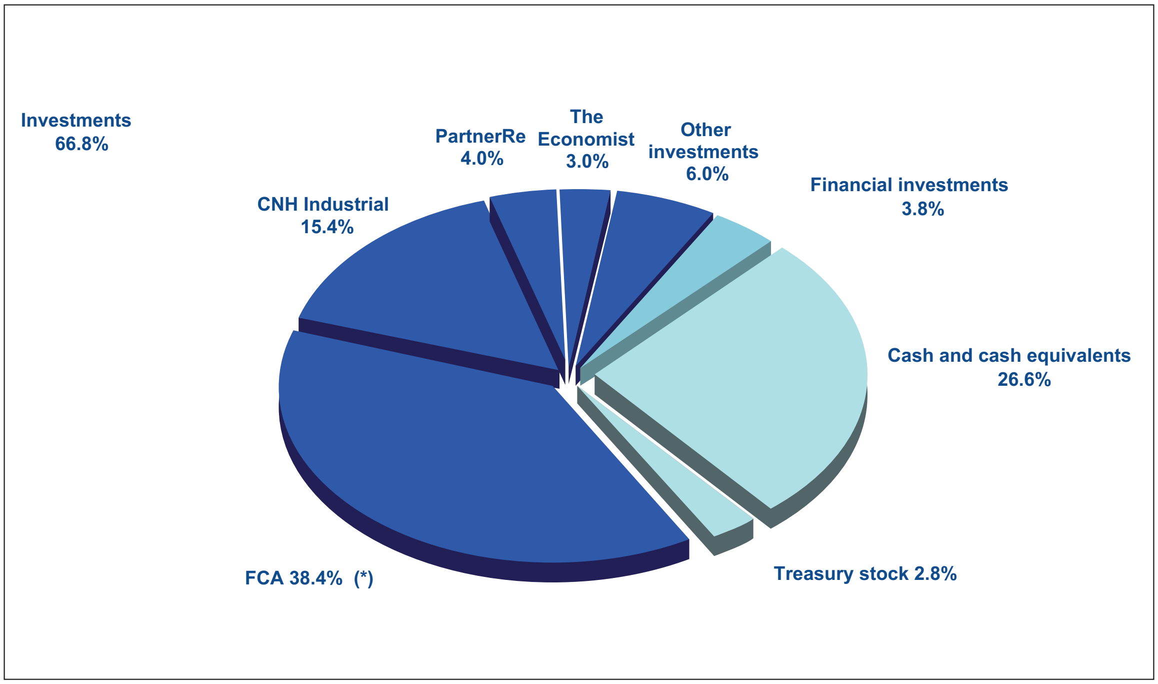
(a) Effective date of the merger of IFIL in IFI and the name change of the latter to EXOR.

The gross asset value at December 31, 2015 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 those used to service stock option plans (measured at their option exercise price, if below the share trading price) and those awarded to beneficiaries of the stock grant plan. The latter are deducted from the total number of treasury shares.

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

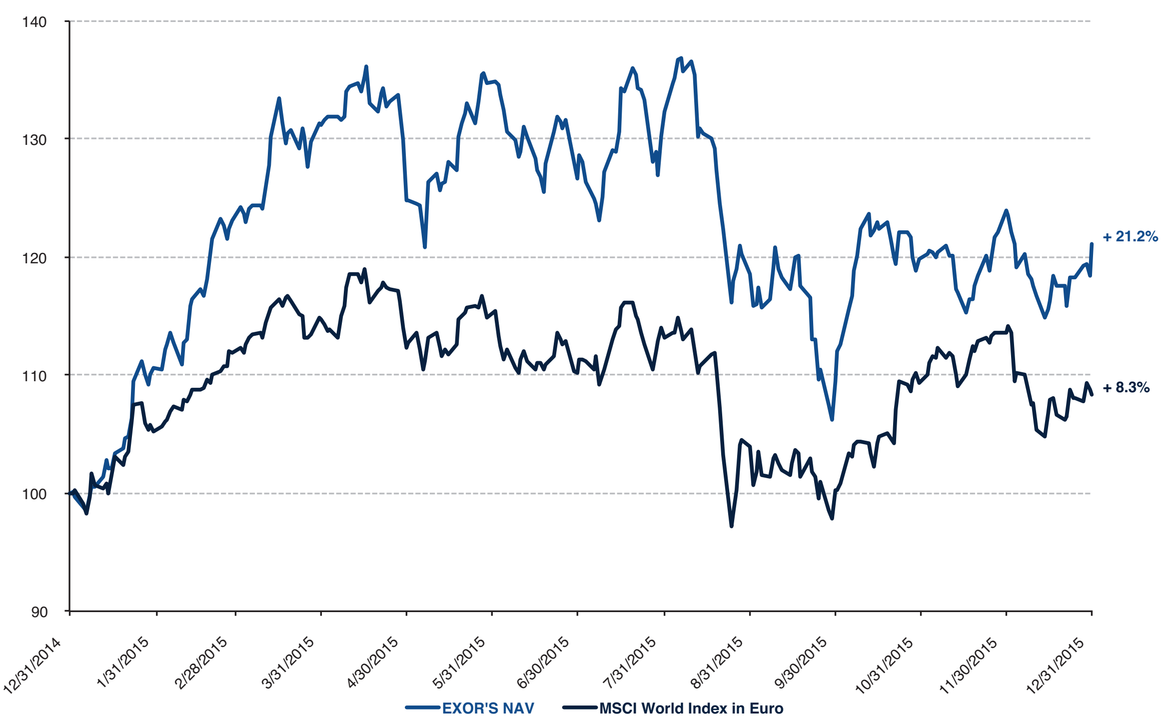
The following pie chart shows the composition of gross asset value at December 31, 2015 (€15,186 million).
"Other investments" include the investments in Almacantar, Juventus Football Club, Banca Leonardo and Banijay Holding, in addition to minor sundry investments.

Investments denominated in U.S. dollars and Pounds sterling are translated to Euro at the official exchange rates at December 31, 2015, respectively, of €/$1.0887 and €/£0.7340.



(*) Including the mandatory convertible securities issued by FCA on December 15, 2014.

Change in NAV compared to the MSCI World Index in Euro



Stock Market Data	1/1/2016 3/31/2016	1/1/2015 12/31/2015
Ordinary share price (in Euro):		
period-end	31.7532	42.2799
maximum	40.6307	46.8463
minimum	23.7662	33.3887
Average daily volume exchanged during period:	626,708	526,971
Euro volume exchanges during period (in Euro): (a)	19,004,690	21,918,212

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

So as to ensure timely, comprehensive and updated information about its objectives and the most important events affecting its business, in 2015 EXOR has continued to communicate and broaden relations with the various national and international operators of the financial press, as well as financial analysts, institutional investors and retail investors.

The publication of the Letter to Shareholders, which for six years now denotes an occasion for communicating especially with the financial community, offers an opportunity to sum up the performance of the main investments and EXOR's strategy for the growth of the company.
Both topics were covered in greater detail by top management during the conference call with investors and financial analysts at the end of the annual general meeting of the shareholders in May.

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SIGNIFICANT EVENTS IN 2015

Line of credit extended to Juventus Football Club

In January 2015 EXOR approved the opening of a line of credit to the subsidiary Juventus Football Club for a maximum of €50 million, with effect from February 1, 2015 and expiring on December 31, 2015, at an interest rate equal to the one-month Euribor plus a spread of 2%.
The opening of the credit line has enabled EXOR to invest a part of its short-term liquidity at an interesting rate of return. This loan was repaid in full on September 30, 2015.

Investment in PartnerRe

During 2015 the EXOR Group manifested its intention to acquire the entire investment in PartnerRe Ltd, a Bermudian company operating in the reinsurance business, and submitted a specific proposal (and subsequent amendments) to the board of directors of the company. In this context, the EXOR Group acquired 9.9% of outstanding common shares on the market for an equivalent amount of approximately €553 million, becoming the largest shareholder of the company.
The acquisition proposal, which provided for the merger of Pillar Ltd (a 100%-owned subsidiary of EXOR S.p.A. through EXOR N.V., specifically incorporated under the laws of Bermuda) with and into PartnerRe, recognized a special dividend of $3 per share to all PartnerRe common shares, plus cash consideration of $137.50 per share to common shareholders other than EXOR. The same proposal recognized enhanced terms to PartnerRe preferred shareholders: the choice to exchange the existing shares with shares that are non-callable before January 2021 and with a higher dividend rate (+100 basis points until January 2021) or the immediate equivalent economic value.
The merger agreement was signed by Pillar, EXOR S.p.A., EXOR N.V. and the board of directors of PartnerRe on August 2, 2015, amended on August 31, 2015, and definitively ratified by the special general shareholders' meeting held on November 19, 2015.
The transaction was closed in the first quarter of 2016, as described under Subsequent Events.

Resolutions passed by the general meeting of the shareholders on May 29, 2015

The shareholders' meeting appointed the fifteen members of the board of directors of EXOR for the years from 2015 to 2017. Fourteen members were elected from the slate of candidates filed by the majority shareholder Giovanni Agnelli e C. and a director was elected from the slate filed by the group of thirteen investment management companies and institutional investors: Annemiek Fentener van Vlissingen (independent director), Andrea Agnelli, Vittorio Avogadro di Collobiano, Ginevra Elkann, John Elkann, Mina Gerowin (independent director), Jae Yong Lee (independent director), António Horta-Osório (independent director), Sergio Marchionne, Alessandro Nasi, Lupo Rattazzi, Robert Speyer (independent director), Michelangelo Volpi (independent director), Ruth Wertheimer (independent director) and Giovanni Chiura (independent director).
The shareholders' meeting also appointed the Board of Statutory Auditors composed of Enrico Maria Bignami (Chairperson), Sergio Duca and Nicoletta Paracchini (standing auditors), Ruggero Tabone and Anna Maria Fellegara (alternate auditors).

In addition, the shareholders' meeting approved the Compensation Report pursuant to art. 123-*ter* of Legislative Decree 58/98 and a new Incentive Plan which, in conformity with international best practice, has the purpose of aligning the compensation of the directors with the strategic objectives of the company. The plan allows the directors to join the 2015 Incentive Plan as an alternative to the cash compensation established by the shareholders' meeting. The Plan provides for free shares to be awarded for a total maximum number of 70,000 EXOR shares to the directors who decide to join the Plan, subject to the continuation of their appointment as company director up to the vesting date in 2018, concurrently with the date of the shareholders' meeting that will approve the 2017 financial statements. The Plan will be serviced exclusively by treasury stock without the issue of new shares, and therefore, will have no dilutive effect. The information document relating to the Plan will be available to the public within the time frame established by law.

The shareholders' meeting approved the renewal of the authorization for the purchase and disposition of treasury stock, also through subsidiaries. This authorization would allow for the purchase on the market, for the next 18 months, of EXOR shares for a maximum number of shares not to exceed the limit set by law, for a maximum disbursement of €500 million. Consequently the resolution passed for the purchase and disposition of treasury stock approved by the shareholders' meeting on May 22, 2014, for the part not used, is revoked.

The board of directors' meeting of EXOR, held after the shareholders' meeting, appointed John Elkann Chairman and Chief Executive Officer, confirmed the office of Vice Chairman to Alessandro Nasi and appointed Sergio Marchionne as new Vice Chairman.

Sale of Allied World Assurance Company Holdings

During the first half of 2015 EXOR S.A. sold the entire investment held in Allied World Assurance Company Holdings (4.1% of capital) for a total equivalent amount of €153.7 million, realizing a net gain of €60.4 million.

Sale of the investment in Sequana

During the first half of 2015 EXOR S.A. sold the remaining investment in Sequana on the market for a total equivalent amount of €18.7 million, realizing a net gain of €4.1 million.

Almacantar share capital increase

On June 5, 2015 Almacantar S.A. increased share capital for a total of £40 million in order to raise additional financial resources earmarked for new investments. EXOR S.A. subscribed to its share of the capital increase for a total equivalent amount of £15.3 million (€21 million). On July 17, 2015 Almacantar S.A. carried out a further share capital increase of £159.6 million. EXOR S.A. subscribed to its share for a total equivalent amount of £61.2 million (€87.6 million) paying in £32.1 million (€46 million). After these transactions EXOR S.A. holds 38.30% of Almacantar's capital and has a remaining liability for the subscribed shares not yet paid of £29.1 million (€39.6 million).

Sale of Cushman & Wakefield

On September 1, 2015 EXOR S.A. finalized the sale of its entire investment in Cushman & Wakefield to DTZ, a company owned by an investor group composed of TPG Capital, PAG Asia Capital and Ontario Teachers' Pension Plan.
As announced on May 11, 2015 the transaction establishes a total enterprise value for Cushman & Wakefield of $2,042 million and generated proceeds for EXOR S.A. of $1,277.6 million (€1,137 million) and a net gain of approximately $718 million equal to €639 million (€521.3 million at the consolidated level).

Property investment in London

On October 7, 2015 EXOR S.A. finalized the contracts signed with Almacantar Centre Point LP in July 2015 for the purchase of four property units located in London for a total amount of £54.7 million.
When the contracts were signed EXOR S.A. paid the seller an initial deposit of £5.5 million. The property units will be restructured and placed at EXOR S.A.'s disposition starting from May 2017.

Increase of the investment in The Economist Group

On October 16, 2015, as previously announced on August 12, 2015, EXOR S.A. closed the acquisition of 6.3 million (or 27.8%) ordinary shares and 1.26 million (or 100%) B special shares in The Economist Group from Pearson Group plc for total consideration of £291.2 million (€398.2 million), of which £4.2 million (€5.7 million) represents the deferred price.
Following this transaction EXOR S.A. became the single largest shareholder of The Economist Group and after completion of the separate share buyback announced by The Economist Group of Pearson's remaining ordinary shares that was concluded on March 23, 2016, EXOR S.A.'s investment in The Economist Group increased to 43.4% of outstanding capital.

Placement of EXOR treasury stock

On November 11, 2015 EXOR successfully completed the placement, through an accelerated book building offering to institutional investors, of 12 million treasury shares corresponding to 4.87% of its share capital, for a total gross amount of €511.2 million.
The transaction was settled by the delivery of the shares and the payment of the consideration on November 16, 2015.
In the context of the placement, EXOR's controlling shareholder Giovanni Agnelli e C. S.a.p.az. and two other private investors purchased treasury shares for an amount of €50 million each, at the placement price. Following the settlement of the placement, Giovanni Agnelli e C. S.a.p.az, owns 51.87% of the share capital of EXOR.

The placement of the shares, which were acquired by EXOR at an average per share price of €14.41, was closed at the price of €42.60 per share, equal to a discount of 4.99% on the closing market price on the transaction date. Following this sale EXOR holds approximately 4.83% of share capital.
Lastly, in 2016 EXOR will cancel the remaining treasury shares except for those treasury shares necessary to service EXOR's stock options plans.

Issue of EXOR non-convertible 2015-2022 and 2015-2025 bonds

On December 3, 2015 EXOR finalized the issue of bonds for a nominal amount of €750 million maturing December 2022, with an issue price of 99.499% and a fixed annual coupon of 2.125%.
On December 22, 2015 EXOR finalized, through a private placement with qualified investors, the issue of bonds of €250 million maturing December 22, 2025, with an issue price of 98.934% and a fixed annual coupon of 2.875%.
The bonds, listed on the Luxembourg Stock Exchange, have been assigned a credit rating of BBB+ by Standard & Poor's rating agency.
The purpose of the two issues is to provide EXOR with new financial resources as part of the company's strategy which includes the refinancing of the acquisition of PartnerRe.

Shareholders' agreement signed between EXOR and Piero Ferrari

On December 23, 2015 EXOR and Piero Ferrari signed a shareholders' agreement relating to the shares arising from the separation of Ferrari N.V. from Fiat Chrysler Automobiles N.V. These shares equal, respectively, approximately 23% and 10% of Ferrari's post-separation share capital (corresponding, respectively, to approximately 33% and 15% of voting rights).
The shareholders' agreement, which became effective on January 4, 2016, includes a consultation commitment with the aim of forming and exercising a common view on the items on the agenda of any general meetings of Ferrari shareholders, and certain obligations in case of transfers of the shares in Ferrari to third parties, including a pre-emption right in favor of EXOR and a right of first offer of Piero Ferrari. The shareholders' agreement will have an initial duration of five years from the effective date of the Separation, provided that if neither of the parties terminates the shareholders' agreement, then the shareholders' agreement shall be renewed automatically for another five year period.

SUBSEQUENT EVENTS

Completion of the separation of Ferrari shares from FCA and subsequent listing on the stock exchange

The separation of the Ferrari business from the FCA Group was completed on January 3, 2016.

FCA shareholders received one common share of Ferrari for every ten FCA common shares held. In addition, holders of FCA mandatory convertible securities received 0.77369 common shares of Ferrari for each MCS unit of $100 in notional amount. The Ferrari common shares issued are 193,923,499. In addition, FCA shareholders participating in the company's loyalty voting program received one special voting share of Ferrari for every 10 special voting shares of FCA held.

EXOR, with its 375,803,870 FCA common shares held, received 37,580,387 Ferrari N.V. common shares and the same number of special voting shares. At the closing of the transaction EXOR holds directly 22.91% of capital issued and 32.75% of voting rights on issued capital, as well as another 6,854,893 common shares as the holder of FCA mandatory convertible securities.

Ferrari common shares are traded on the New York Stock Exchange and starting January 4, 2016 also on the Mercato Telematico Azionario managed by Borsa Italiana (MTA).

Investment in Welltec

On February 10, 2016 EXOR invested €103.3 million to acquire a 13% stake in Welltec, a global leader in the field of robotics technology for the oil and gas industry.

The investment was acquired through the purchase of a part of the investment in Welltec held by 7-Industries Lux S.à.r.l., a company indirectly held by EXOR board member, Ruth Wertheimer.

Since this is a related party transaction prior approval was sought from the Related Parties Committee which expressed a favorable opinion.

After the acquisition EXOR and the 7-Industries Lux group each hold 13% of Welltec share capital as long-term shareholders.

Sale of Banijay Holding to Zodiak Media

On February 23, 2016 EXOR S.A. finalized the sale of its entire investment in Banijay (17.1 % of capital) within the context of a merger with Zodiak Media, a De Agostini Group TV production company. EXOR received proceeds on the sale of €60.1 million and realized a net gain €24.8 million.

Payment against Almacantar capital increase

On March 1, 2016 EXOR S.A. paid Almacantar £29.1 million (€37.4 million) representing the remaining amount due on the Almacantar S.A. capital increase subscribed to in July 2015 that had not yet been paid in full.

EXOR's commitment in the transaction announced by FCA relating to its publishing interests

With reference to the transaction announced on March 2, 2016 by FCA, EXOR on the same date announced its intention to contribute actively and over the long-term to the development of the new publishing company that will result from the merger of ITEDI with Gruppo Editoriale l'Espresso. The objective of the transaction is to create the leading Italian daily and periodical news and media company that will also be the one of the principal European publishing groups.

In support of the development of this new entrepreneurial project in the publishing business, EXOR communicated its intention to reach an agreement with Compagnie Industriali Riunite (CIR), the holding company controlled by the De Benedetti family and the majority shareholder of Gruppo Editoriale l'Espresso, concerning their holdings, approximately 5% and approximately 43% in the share capital of the new company that will result from the merger and the announced distribution transactions. The signing of this agreement is subject to the closing of these transactions.

Under the ITEDI-Gruppo Editoriale l'Espresso merger, EXOR also announced its intention to divest the stake in RCS MediaGroup that it will receive from FCA at the closing of the distribution transaction as announced to the market. The sale will be executed according to market best practice for such transactions, in a timely and appropriate manner and in accordance with the applicable regulations, and will also be completed by the end of the first quarter of 2017, when the closing of the merger of ITEDI and Gruppo Editoriale l'Espresso is expected.

Incorporation of Almacantar Group S.A. and conferral of Almacantar S.A. shares

On March 17, 2016 Almacantar Group S.A, a Luxembourg-registered company incorporated on February 5, 2016, increased share capital by £1,072.7 million through the issue of a total of 590,000,000 new Almacantar Group S.A. ordinary preferred shares, subscribed by the shareholders of Almacantar S.A. through the conferral of all their previously held shares.

The transaction has the purpose of simplifying the Almacantar share structure by eliminating the distinction between ordinary and preferred shares so as to arrive at the real value of Almacantar's assets by measuring the contributed shares at fair value, in addition to creating an incentive system for the managers who hold key positions in the company.
On the same date Almacantar Group S.A. reduced share capital by £2.3 million through the reimbursement and subsequent cancellation of 2,339,002 Almacantar Group S.A. shares held by senior executives and former executives of Almacantar.
As part of this capital increase EXOR S.A. subscribed to 211,133,092 new Almacantar Group S.A. ordinary shares for a total equivalent amount of £383.8 million through the conferral of all 80,355 ordinary shares and all 220,400,000 Almacantar S.A. ordinary preferred shares held.
After these transactions EXOR S.A. holds 211,133,092 Almacantar Group S.A. ordinary shares, 35.93% of share capital, represented by a total of 587,660,998 ordinary shares.

Completion of the transaction for the acquisition of PartnerRe

The acquisition of PartnerRe was completed on March 18, 2016 after having received all necessary approvals. The total payment made by EXOR at the closing was $6,108 million (€5,415 million) of which $6,065 million (€5,377 million) was paid to common shareholders and $43 million (€38 million) to preferred shareholders, as immediate economic value in lieu of the higher dividend rate. As of the closing date EXOR indirectly became, through EXOR N.V., owner of 100% of the common shares of PartnerRe. The common shares were delisted from the New York Stock Exchange (NYSE) as of the same date. The acquisition did not include the preferred shares issued by PartnerRe, which will continue to be traded on the New York Stock Exchange.
On March 24, 2016 the board of directors of PartnerRe announced the appointment of John Elkann as Chairman of the board and Emmanuel Clarke as President and Chief Executive Officer. At that date the board of directors of PartnerRe, besides the Chairman and Chief Executive Officer, is composed of Enrico Vellano, Brian Dowd and Patrick Thiele.

Sale of Almacantar and investment funds to Partner Re

On March 24, 2016 EXOR S.A. reached an agreement to sell its investment in Almacantar (approximately 36% of share capital) to Partner Reinsurance Company Ltd., a 100%-owned subsidiary of PartnerRe. The transaction was closed on April 8, 2016 upon receipt of £382.7 million.
In April 2016 EXOR S.A. also sold a number of its financial investments to the PartnerRe Group, mainly third party funds, for approximately $190 million.
The transactions aim to improve the diversification of the investments held by PartnerRe by introducing real estate as a new asset class, without changing the overall risk profile of its portfolio. EXOR will apply the entire proceeds from these transactions to reduce its debt.

Dividends and distributions of reserves to be received during the 2016

The dividends and distributions of reserves already approved or proposed by some investment holdings are as follows:

Investee company	Share class	Number of shares	Dividends Per share (€)	Dividends Total (€/ml)
CNH Industrial N.V.	ordinary	366,927,900	0.13	47.7
PartnerRe Ltd	ordinary	2,524,664	3.42 (a)	8.6 (a)
Ferrari N.V.	ordinary	44,435,280	0.46	20.4 (b)
Emittenti Titoli S.p.A.	ordinary	527,000	7.53	4.0
EXOR S.p.A.'s share of dividends				**80.7**
Banca Leonardo S.p.A.	ordinary	45,459,968	0.20	9.1
PartnerRe Ltd	ordinary	2,201,062	3.42 (c)	7.5 (c)
EXOR S.A.'s share of dividends				**16.6**

(a) Dividends are fully collected, including extraordinary dividends of $3 per share, for a total of $7.6 million (€6.7 million).
(b) Drawn from the share premium reserve.
(c) Dividends are fully collected, including extraordinary dividends of $3 per share, for a total of $6.6 million (€5.9 million).

OUTLOOK FOR 2016

EXOR S.p.A. expects to report a profit for the year 2016.

At the consolidated level, 2016 will show a profit which, however, will largely depend upon the performance of the principal subsidiaries and associates. The forecasts formulated by these companies (prepared under IFRS: FCA, Ferrari, Juventus and The Economist Group; under US GAAP: CNH Industrial) and reported in their financial reports at December 31, 2015, unless otherwise indicated, are presented below.

FCA

FCA indicates the following guidance:
- net revenues more than €110 billion;
- adjusted EBIT more than €5 billion;
- adjusted net profit more than €1.9 billion;
- net industrial debt less than €5 billion.

Ferrari

(controlled directly by EXOR starting January 3, 2016)

Ferrari forecasts the following guidance for 2016, assuming changes in line with current market conditions:
- shipments of about 7,900 including supercars;
- net revenues more than €2.9 billion;
- adjusted EBITDA more than €770 million;
- net debt less than €1,950 million (less than €750 million - net of the funded self-liquidating financial receivables portfolio including the distribution to shareholders.

CNH Industrial

The agricultural equipment industry in NAFTA is forecasted to decline in 2016; EMEA agricultural equipment markets are expected to be flat.
The commercial vehicles segment is expected to increase up to 5% in EMEA; trading conditions in LATAM are expected to remain challenging.
CNH Industrial set its 2016 guidance as follows:
- Net sales of Industrial Activities between $23 billion and $24 billion, with an operating margin of Industrial Activities between 5.2% and 5.8%
- Net industrial debt at the end of 2016 between $1.5 billion and $1.8 billion.

The Economist Group

The recent stock market turbulence appears to have damaged clients' confidence and therefore The Economist Group revenues in the first half, and it is expected that it will be hard to make up the lost ground in the second half of this year. The Group's advertising activities continue to face significant structural and cyclical headwinds though The Economist circulation business, predominantly subscription-driven, remains robust.

Juventus Football Club

During the Transfer Campaigns of the 2015/2016 financial year, the company earmarked significant resources to ensure an adequate technical and generational turnover of the First Team's bench and keep talented players on staff.
As a consequence, the operating result for the year that will end on June 30, 2016, currently expected to be a loss, will be influenced by increases in costs relating to sports management and the changes, also with respect to future revenues, that will derive from the sporting results actually achieved in Italy and Europe.
Juventus' goal is to consolidate the substantial equilibrium of operating profit achieved in the previous year.

REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

EXOR S.p.A. closes the year 2015 with a profit of €2,551.3 million (€51.8 million in 2014).

The positive change is primarily due to higher dividends of €2,422.7 million and the reduction in net financial expenses which in 2015 show net financial income of €0.6 million.

The separate condensed income statement and condensed 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	2015	2014	Change
Dividends from investments	1	**2,566.2**	143.5	2,422.7
Gains (losses) on disposals, impairment (losses) reversals of investments	2	**4.1**	3.1	1.0
Net financial income (expenses)	3	**0.6**	(72.7)	73.3
Net general expenses	4	**(16.6)**	(18.1)	1.5
Non-recurring other income (expenses) and general expenses	5	**(9.4)**	(6.2)	(3.2)
Income taxes and other taxes and duties		**6.4**	2.2	4.2
Profit for the year		**2,551.3**	51.8	2,499.5

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

		12/31/2015		12/31/2014		
€ million	Note	Amount	%	Amount	%	Change
Investments and other financial assets available-for-sale	6	**4,935.4**	**54.3**	4,632.8	90.7	302.6
Other non-current financial assets	8	**26.4**	**0.3**	26.7	0.5	(0.3)
Current financial assets and cash and cash equivalents	8	**3,430.8**	**37.7**	443.1	8.7	2,987.7
Financial receivables from subsidiaries	8	**701.8**	**7.7**	1.1	0.0	700.7
Tax receivables		**4.2**	**0.0**	6.0	0.1	(1.8)
Other current and non-current assets		**0.8**	**0.0**	0.9	0.0	(0.1)
Total Assets		**9,099.4**	**100.0**	5,110.6	100.0	3,988.8
Equity	7	**6,419.3**	**70.5**	3,409.9	66.7	3,009.4
Bonds	8	**2,625.1**	**28.9**	1,624.9	31.8	1,000.2
Other current financial liabilities	8	**32.6**	**0.4**	45.6	0.9	(13.0)
Current and non-current provisions and other liabilities		**22.4**	**0.2**	30.2	0.6	(7.8)
Total Equity and Liabilities		**9,099.4**	**100.0**	5,110.6	100.0	3,988.8

1. Dividends from investments

In 2015 dividends from investments total €2,566.2 million and include dividends received from EXOR S.A. for €2,487.5 million, CNH Industrial for €73.4 million, PartnerRe for €4.9 million and Emittenti Titoli for €0.4 million.

In 2014 the line item amounted to €143.5 million and consisted of dividends received from CNH Industrial for €73.4 million, EXOR S.A. for €70 million and Emittenti Titoli for €0.1 million.

2. Gains (losses) on disposals, impairment (losses) reversals of investments

In 2015 the line item includes gains of €4.1 million relating to the sale of listed securities.

In 2014, gains (losses) on disposals, impairment (losses) and reversals of investments consisted of gains of €5.8 million on the sale of listed securities and total losses of €10.6 million, of which €5 million referred to the sale of the remaining investment in Alpitour (7.17% of capital) and €5.6 million established in the agreement signed by EXOR and Alpitour on June 30, 2014 which definitely closed all present and future disputes.
The line item also included €7.9 million for the reinstatement of the carrying amount of Fiat preferred shares written down in 2001, which had not been fully reinstated in subsequent years.

3. Net financial income (expenses)

Net financial income in 2015 of €0.6 million shows a net improvement of €73.3 million compared to net financial expenses in 2014 (€72.7 million). The change is mostly attributable to higher interest income on the mandatory convertible securities issued by FCA in December 2014 (€61.1 million), the absence of non-recurring expenses (€32.5 million in 2014 on the partial cancellation of non-convertible bonds 2007-2017 for a nominal amount of €250 million), offset by the reduction in bank interest income (€8.1 million), the increase in interest expenses (€3.5 million) on higher average debt and other net negative changes of €8.7 million.

4. Net general expenses

Net general expenses amount to €16.6 million (€13.4 million net of the notional cost of the EXOR stock option plan). The decrease of €1.5 million is mainly due to the reduction in personnel costs compared to €18.1 million (€14.9 million net of the notional cost of the EXOR stock option plan) in 2014.

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

Net expenses of €9.4 million refer to the investment in PartnerRe, costs for the reduction in staff, tax consulting and the writedown of receivables from the tax authorities for withholding taxes paid abroad.

Non-recoverable receivables in 2014 represented the writedown of interest income earned on the Deferred Price relating to the sale of Alpitour under the June 30, 2014 agreement with Alpitour.

€ million	2015	2014	Change
Expenses connected with the reduction in staff	**(1.6)**	(3.2)	1.6
Non-recoverable receivables	**(2.1)**	(2.1)	0.0
Consulting and services rendered in connection with investments	**(5.1)**	(0.1)	(5.0)
Defense fees in legal proceedings	**0.0**	(0.4)	0.4
Other miscellaneous income (expenses)	**(0.6)**	(0.4)	(0.2)
Total	**(9.4)**	(6.2)	(3.2)

6. Investments and financial assets available-for-sale

€ million	12/31/2015	12/31/2014	Change
Investments accounted for at cost			
Fiat Chrysler Automobiles N.V. - common shares	**1,328.5**	1,328.5	0.0
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016	**711.2**	711.2	0.0
Fiat Chrysler Automobiles N.V.	**2,039.7**	2,039.7	0.0
CNH Industrial N.V.	**1,694.5**	1,694.5	0.0
EXOR S.A.	**746.2**	746.5	(0.3)
Juventus Football Club S.p.A.	**95.7**	95.7	0.0
Arenella Immobiliare S.r.l.	**26.0**	26.0	0.0
EXOR Holding N.V.	**1.0**	0.0	1.0
Emittenti Titoli S.p.A.	**0.3**	0.3	0.0
	4,603.4	4,602.7	0.7
Financial assets available-for-sale			
PartnerRe	**324.1**	0.0	324.1
Other listed funds and securities	**7.9**	30.1	(22.2)
	332.0	30.1	301.9
Total	**4,935.4**	4,632.8	302.6

The increase from December 31, 2014 is mainly due to the purchase of 2,525,664 PartnerRe common shares. The outlay was €296.5 million, while the fair value adjustment based on the trading price at December 31, 2015 of $139.74, translated at the exchange rate of €/$1.0887, generated a further increase in the investment value of €27.5 million, which was recognized directly in equity.

A comparison between carrying amounts and trading prices of listed investments at year-end 2015 is as follows:

		Carrying amount		Trading price December 30, 2015	
	Number	Per unit (€)	Total (€ million)	Per share (€)	Total (€ million)
Fiat Chrysler Automobiles N.V. - common shares	375,803,870	3.535	1,328.5	13.00	**4,883.8**
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016	8,860,000	80.272 (a)	711.2	107.155 (b)	**949.4**
			2,039.7		**5,833.2**
CNH Industrial N.V.	366,927,900	4.618	1,694.5	6.36	**2,333.6**
Juventus Football Club S.p.A.	642,611,298	0.149	95.7	0.26	**169.6**
Total			**3,829.9**		**8,336.4**

(a) Issued in nominal amounts of $100, translated at the exchange rate of €/$1.2457.
(b) Trading price of $116.66, translated at the exchange rate of €/$1.0887.

7. Equity

Equity at December 31, 2015 amounts to €6,419.3 million (€3,409.9 million at December 31, 2014). The increase of €3,009.4 million is summarized as follows:

€ million	
Equity at December 31, 2014	**3,409.9**
Sale of 12,000,000 treasury shares	508.5
Dividends paid	(77.8)
Other net changes	27.4
Profit for the year	2,551.3
Net change during the year	**3,009.4**
Equity at December 31, 2015	**6,419.3**

Additional details are provided in the statement of changes in equity in the separate financial statements of EXOR S.p.A. at December 31, 2015.

8. Net financial position

The net financial position at December 31, 2015 is a positive balance of €1,501.3 million, with an improvement of €2,701 million compared to the negative balance of €1,199.7 million at year-end 2014.
The balance is composed as follows:

€ million	Current	Non current	Total	Current	Non current	Total	Total
Cash and cash equivalents	**3,406.0**	**0.0**	**3,406.0**	276.4	0.0	276.4	3,129.6
Financial receivables from subsidiaries	**701.8**	**0.0**	**701.8**	1.1	0.0	1.1	700.7
Financial assets (a)	**24.8**	**26.4**	**51.2**	167.0	26.3	193.3	(142.1)
Total financial assets	**4,132.6**	**26.4**	**4,159.0**	444.5	26.3	470.8	3,688.2
EXOR bonds 2015-2022	**(1.3)**	**(743.4)**	**(744.7)**			0.0	(744.7)
EXOR bonds 2014-2024	**(3.8)**	**(648.4)**	**(652.2)**	(3.8)	(648.3)	(652.1)	(0.1)
EXOR bonds 2007-2017	**(13.2)**	**(439.3)**	**(452.5)**	(13.2)	(438.9)	(452.1)	(0.4)
EXOR bonds 2015-2025	**(0.2)**	**(246.6)**	**(246.8)**			0.0	(246.8)
EXOR bonds 2013-2020	**(0.9)**	**(198.5)**	**(199.4)**	(0.9)	(198.3)	(199.2)	(0.2)
EXOR bonds 2012-2019	**(1.5)**	**(148.3)**	**(149.8)**	(1.5)	(147.9)	(149.4)	(0.4)
EXOR bonds 2018-2025	**(4.8)**	**(98.1)**	**(102.9)**	(4.8)	(98.0)	(102.8)	(0.1)
EXOR bonds 2011-2031	**(0.7)**	**(76.1)**	**(76.8)**	(0.7)	(68.6)	(69.3)	(7.5)
Bank debt and other financial liabilities	**(32.6)**	**0.0**	**(32.6)**	(45.6)	0.0	(45.6)	13.0
Total financial liabilities	**(59.0)**	**(2,598.7)**	**(2,657.7)**	(70.5)	(1,600.0)	(1,670.5)	(987.2)
Net financial position of EXOR S.p.A.	**4,073.6**	**(2,572.3)**	**1,501.3**	374.0	(1,573.7)	(1,199.7)	2,701.0

(a) €26.1 million in the non-current portion (in 2014 €25 million in the current portion and €26.3 million in the non-current portion) relate 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 €2,701 million in 2015 is described in the following table:

€ million			
Net financial position at December 31, 2014			**(1,199.7)**
Dividends received from investment holdings			2,566.3
- EXOR S.A.	2,487.5		
- CNH Industrial N.V.	73.4		
- PartnerRe	4.9		
- Emittenti Titoli	0.5		
Purchase of PartnerRe shares			(296.5)
Net change in non-current financial assets			16.0
Sale of 12,000,000 treasury shares			508.5
Financial income on Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 12/15/2016			63.5
Dividends paid by EXOR S.p.A.			(77.8)
Other changes			(79.0)
- Net general expenses	(15.2)		
- Non-recurring other income (expenses) and general expenses	(7.3)		
- Net financial expenses	(62.9)		
- Income taxes and other taxes and duties	(6.5)		
- Other net changes	12.9	(a)	
Net change during the year			**2,701.0**
Net financial position at December 31, 2015			**1,501.3**

(a) Includes the measurement of the cross currency swap on the Japanese yen bonds 2011-2031 of €6.5 million and other net changes of €6.4 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, 2015 and December 31, 2014 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.

	Profit (Loss)		Equity	
€ million	**2015**	2014	**12/31/2015**	12/31/2014
Separate financial statements of EXOR S.p.A.	**2,551**	52	**6,419**	3,410
Difference between the carrying amounts of investments and the corresponding equity at year-end, net of consolidation adjustments	**875**	503	**3,719**	4,585
Elimination of dividends received from consolidated companies and companies accounted for by the equity method	**(2,568)**	(146)		
Adjustments of gains/losses on disposals and impairments and reversals of investments	**(114)**	(86)		
Consolidated financial statements of the EXOR Group (attributable to owners of the parent)	**744**	323	**10,138**	7,995

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP - SHORTENED

EXOR holds its investments and manages its financial resources directly or through certain subsidiaries. These companies, together with the holding company, EXOR, constitute the so-called “Holdings System”.

EXOR presents the interim consolidated financial statements at March 31 and September 30 of each year (statement of financial position and income statement) in shortened form prepared by applying the “shortened” consolidation criteria. In accordance with this criteria, the 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 (FCA, CNH Industrial, Almacantar, The Economist Group, Juventus Football Club and Arenella Immobiliare) are accounted for using the equity method on the basis of their financial statements or accounting data drawn up in accordance with IFRS.

The financial statements drawn up using the “shortened” criteria, in order to facilitate the analysis of financial condition and cash flows, as well as the results of operations of the Group, are also presented along with the annual consolidated financial statements and the half-year condensed consolidated financial statements of each year.

Consolidation of The Economist Group
As a result of the acquisition of an additional interest in the share capital of The Economist Group in the third quarter of 2015, EXOR, through the subsidiary EXOR S.A., increased its investment in The Economist Group from 4.72% to 34.72%, becoming the largest shareholder.
Accordingly and consistently with the provisions of IAS 28, beginning December 31, 2015 EXOR recorded The Economist Group in investments accounted for using the equity method.
The 4.72% stake previously held in The Economist Group was recorded in investments available-for-sale and measured at fair value, with recognition in equity; following the change in the measurement method the investment was aligned to the purchase price agreed for the acquisition of the additional interest in share capital of The Economist Group while the accumulated fair value was subsequently reclassified to a specific item of the income statement.

The alignment of The Economist Group to equity was carried out on the basis of the accounting data at September 30, 2015 (the most recent available data of the company). At December 31, 2015 there were no significant variations compared to the period taken into consideration. The carrying amount of the investment includes goodwill represented by the difference between the fair value of the investment and the price paid.
In view of the above, the use of the equity method did not have any effect on the income statement.

The following table shows the consolidation and valuation methods used for the investment holdings:

	% of consolidation	
	12/31/2015	12/31/2014
Holding Company - EXOR S.p.A. (Italy)	**100**	100
Companies in the Holdings System consolidated line-by-line		
- EXOR S.A. (Luxembourg)	**100**	100
- Exor Capital Limited (Ireland)	**100**	100
- Ancom USA Inc. (USA)	**100**	100
- Exor N.V. (Netherlands)	**100**	100
- Exor SN LLC (USA)	**100**	100
- Pillar Ltd. (Bermuda) (a)	**100**	-
- Exor Holding N.V. (Netherlands) (b)	**100**	-
- Exor Inc. (USA) (c)	**-**	100
Investments in operating subsidiaries and associates, accounted for using the equity method		
- FCA	**29.16**	29.25
- CNH Industrial	**27.28**	27.42
- Almacantar	**38.30**	38.29
- The Economist Group (d)	**34.72**	-
- Juventus Football Club S.p.A.	**63.77**	63.77
- Arenella Immobiliare S.r.l.	**100**	100
- C&W Group (e)	-	83.06

(a) Company incorporated on April 13, 2015 as part of the transaction for the acquisition of PartnerRe.
(b) Company incorporated on September 30, 2015.
(c) Company in a wind-up.
(d) Measured in accordance with IAS 39 up to September 30, 2015.
(e) Company sold on September 1, 2015.

The EXOR Group closes the year 2015 with a consolidated profit of €744.5 million; the year 2014 ended with a consolidated profit of €323.1 million. The positive change of €421.4 million can principally be ascribed to the increase in net gains of €632.1 million (of which €521.3 million relates to the sale of C&W Group shown in profit from discontinued operations), partially offset by the decrease in the share of the profit (loss) of investments of €177.6 million.

At December 31, 2015 the consolidated equity attributable to owners of the parent amounts to €10,138.4 million and is a net increase of €2,143.4 million compared to €7,995 million at year-end 2014. Additional details are provided in the following Note 12.

The consolidated net financial position of the Holdings System at December 31, 2015 is a positive €1,336.8 million and reflects an increase of €774.3 million compared to the positive balance of €562.5 million at year-end 2014. Additional details are provided in the following Note 13.

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	2015		2014	Change
Share of the profit (loss) of investments accounted for using the equity method	1	**204.7**		382.3	(177.6)
Dividends from investments	2	**13.8**		4.9	8.9
Gains (losses) on disposals and impairments on investments, net	3	**73.9**		(36.9)	110.8
Net financial income (expenses)	4	**(10.5)**		(42.0)	31.5
Net general expenses	5	**(20.6)**		(21.3)	0.7
Non-recurring other income (expenses) and general expenses	6	**(27.0)**		(6.8)	(20.2)
Income taxes and other taxes and duties		**(11.9)**	(a)	0.0	(11.9)
Profit		**222.4**		280.2	(57.8)
Profit from discontinued operations:					
- Share of profit		**0.8**		42.9	(42.1)
- Gain on sale		**521.3**		-	521.3
Profit from discontinued operations	7	**522.1**		42.9	479.2
Profit attributable to owners of the parent		**744.5**		323.1	421.4

(a) Includes mainly EXOR income taxes and other taxes and duties for an expense of €7.7 million net of consolidation adjustments.

EXOR GROUP – Consolidated Statement of Financial Position - Shortened

€ million	Note	12/31/2015		12/31/2014	Change
Non-current assets					
Investments accounted for using the equity method	8	**7,464.8**		6,596.8	868.0
Other financial assets:					
- Investments measured at fair value	9	**706.0**		350.2	355.8
- Other investments	10	**634.9**		558.4	76.5
- Other financial assets		**0.0**		4.1	(4.1)
Property, plant and equipment, intangible assets and other assets		**21.7**		1.2	20.5
Total Non-current assets		**8,827.4**		7,510.7	1,316.7
Current assets					
Financial assets and cash and cash equivalents	13	**3,958.6**		2,156.7	1,801.9
Tax receivables and other receivables		**9.4**	(a)	7.7	1.7
Total Current assets		**3,968.0**		2,164.4	1,803.6
Non-current assets held for sale	11	**60.1**		-	60.1
Total Assets		**12,855.5**		9,675.1	3,180.4
Capital issued and reserves attributable to owners of the parent	12	**10,138.4**		7,995.0	2,143.4
Non-current liabilities					
Bonds	13	**2,598.8**		1,600.0	998.8
Provisions for employee benefits		**2.5**		2.9	(0.4)
Deferred tax liabilities and other liabilities		**0.5**		0.9	(0.4)
Total Non-current liabilities		**2,601.8**		1,603.8	998.0
Current liabilities					
Bonds and other financial payables and liabilities	13	**99.2**		70.5	28.7
Other payables and provisions		**16.1**	(b)	5.8	10.3
Total Current liabilities		**115.3**		76.3	39.0
Total Equity and Liabilities		**12,855.5**		9,675.1	3,180.4

(a) Includes mainly prepaid auxiliary expenses (€3.9 million) incurred on the remaining credit line of $1.9 billion not yet utilized and intended for the acquisition of the entire investment in PartnerRe (originally for $4.8 million), as well as receivables from the tax authorities for €4.8 million (€6.3 million at December 31, 2014) referring primarily to EXOR.

(b) Includes mainly IRES taxes payable by EXOR (€4.5 million) and payables due to advisors on the acquisition of PartnerRe (€1.3 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - SHORTENED

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

In 2015 the share of the profit (loss) of investments accounted for using the equity method is a profit of €204.7 million, a reduction compared to 2014 (€382.3 million). The negative change of €177.6 million mainly reflects the decrease in the share of the profit of CNH Industrial (€253.5 million) and FCA (€52 million), partially offset by the increase in the share of the profit of Juventus (€36.6 million) and Almacantar (€91.4 million).

		Profit (Loss) (million)				EXOR's share (€ million)		
		2015		2014	Change	2015	2014	Change
FCA (a)	€	**334.0**	€	568.0	(234.0)	**112.8**	164.8	(52.0)
CNH Industrial (a)	$	**236.0**	$	917.0	(681.0)	**(64.1)** (b)	189.4	(253.5)
Almacantar	£	**248.1**	£	83.1	165.0	**130.9**	39.5	91.4
Juventus Football Club (c)	€	**39.3**	€	(18.2)	57.5	**25.0**	(11.6)	36.6
Arenella Immobiliare	€	**0.1**	€	0.2	(0.1)	**0.1**	0.2	(0.1)
Total						**204.7**	382.3	(177.6)

(a) Includes consolidation adjustments.
(b) The share of the result of CNH Industrial includes EXOR's share of the €450 million charge that CNH Industrial will make in 2016 in relation to an investigation conducted by the European Commission. The result of CNH Industrial without this charge is a profit of $236 million (EXOR's share is a profit of €58.7 million).
(c) The profit relates to the accounting data prepared for the company's consolidation in EXOR and refers to the period January 1 – December 31, 2015.

Given the timing and the manner of acquisition of the significant influence in The Economist Group, the share of its result was not recorded.

For comments on the performance of the principal operating subsidiaries and associates, please refer to the following sections.

2. Dividends from investments

Details are as follows:

€ million	2015	2014	Change
Dividends received from investments accounted for using the equity method			
- CNH Industrial	**73.4**	73.4	0.0
- The Economist Group	**6.4**	0.0	6.4
- C&W Group	**0.0**	2.2	(2.2)
Dividends received from other investment holdings:			
- PartnerRe	**7.7**	0.0	7.7
- Noco A	**3.2**	0.0	3.2
- The Economist Group	**1.7** (a)	2.5	(0.8)
- Banca Leonardo	**0.0**	0.7	(0.7)
- Other	**1.2**	1.7	(0.5)
Dividends included in the net financial position	**93.6**	80.5	13.1
Dividends received from investments accounted for using the equity method	**(79.8)**	(75.6)	(4.2)
Dividends included in the income statement	**13.8**	4.9	8.9

(a) Dividends not eliminated since they were received in the first half of 2015.

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

Details are as follows:

€ million	2015		2014		Change
Disposals:					
- Allied World Assurance Company Holdings	**60.4**	(a)	0.0		60.4
- Sequana	**4.1**		(32.0)	(b)	36.1
- Other	**9.4**		(4.9)	(c)	14.3
Total	**73.9**		(36.9)		110.8

(a) Arising from the recognition in the income statement of the balances of the respective fair value reserves previously recorded in equity.
(b) Of which €30.6 million refers to the impairment charge arising from the reclassification to the income statement of the fair value reserve at June 30, 2014 previously recognized in equity.
(c) Of which -€10.6 million relates to Alpitour (including -€5.6 million for the reduction in the Deferred Price and -€5 million for the reclassification to the income statement of the fair value reserve previously recognized in equity.

4. Net financial income (expenses)

In 2015 net financial expenses amount to €10.5 million (net financial expenses of €42 million in 2014).
Details are as follows:

€ million	2015		2014		Change
Interest income and other financial income					
Interest income on:					
- bank current accounts and deposits	**7.2**		16.3		(9.1)
- bonds	**8.1**		12.2		(4.1)
Income (expenses) and fair value adjustments to financial assets held for trading	**10.2**		8.1		2.1
Other financial income	**0.6**		0.1		0.5
Interest income and other financial income, net	**26.1**		36.7		(10.6)
Interest expenses and other financial expenses					
Interest expenses and other expenses on EXOR bonds	**(67.8)**		(63.3)		(4.5)
Non-recurring expenses for the cancellation of EXOR 2007-2017 bonds (a)	**0.0**		(32.5)	(d)	32.5
Interest expenses and other expenses on bank borrowings	**(10.9)**	(a)	(3.0)		(7.9)
Interest expenses and other financial expenses	**(78.7)**		(98.8)		20.1
Net exchange gains (losses)	**2.7**		1.4		1.3
Financial income (expenses) generated by the financial position	**(49.9)**		(60.7)		10.8
Income on other investments and sundry financial income (b)	**39.4**	(c)	18.7	(c)	20.7
Financial income (expenses) recorded in the income statement	**(10.5)**		(42.0)		31.5

(a) Includes mainly expenses relating to the credit line secured for the acquisition of PartnerRe of €8.6 million, as well as the credit risk adjustment component recorded in the income statement relating to the measurement of the cross currency swap under IFRS 13, which is a negative €0.8 million, in line with 2014.
(b) Included in non-current other financial assets.
(c) Includes mainly the net gain realized on the redemption of The Black Ant Value Fund of €6.1 million (€4.8 million in 2014) and the net loss on the redemption of the Perella Weinberg Funds of €1.4 million (gain of €13 million in 2014), in addition to the reclassification of the fair value of €28.9 million arising from the revaluation of the 4.72% interest in The Economist Group, classified in the income statement following the change in the method of measurement, consistently with the provisions of IAS 39.
(d) Due to the difference between the average per unit purchase price (€113.01) and the nominal amount (€100) on the notional €250 million cancelled.

5. **Net general expenses**

In 2015 net general expenses amount to €20.6 million, a decrease of €0.7 million compared to the prior year (€21.3 million).
The balance includes the cost of EXOR's stock option plans of approximately €3.2 million, in line with 2014 (€3.3 million). Additional details are provided in the following Note 12 on capital issued and reserves attributable to owners of the parent.

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

€ million	2015	2014	Change
Personnel costs	**(8.2)**	(9.7)	1.5
Compensation to and other costs relating to directors	**(5.1)**	(5.3)	0.2
Purchases of goods and services	**(6.7)**	(6.5)	(0.2)
Other operating expenses, net of revenues and cost recoveries	**(0.6)**	0.2	(0.8)
Total	**(20.6)**	(21.3)	0.7

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

Details of the main items of non-recurring other income (expenses) and general expenses are as follows:

€ million	2015	2014	Change
Expenses connected with the reduction in staff	**(1.7)**	(3.2)	1.5
Expenses relating to investments:			
- PartnerRe	**(19.7)**	0.0	(19.7)
- Other	**(0.1)**	(0.6)	0.5
Sundry	**(5.5)**	(3.0)	(2.5)
Total	**(27.0)**	(6.8)	(20.2)

7. **Profit from discontinued operations**

Details of the profit from the sale of C&W Group, closed on September 1, 2105, are as follows:

million	$	€
EXOR's share of the profit of C&W Group in the first half of 2015 (a)	**0.9**	**0.8**
- Proceeds from the sale net of auxiliary expenses	1,277.6	1,134.2
- Book value at 6/30/2015		(612.9)
Net gain		**521.3**
Profit from discontinued operations		**522.1**

(a) Profit of the investee company in the first half is equal to $1 million (€0.9 million); consolidation percentage is equal to 82.03%.

8. Investments accounted for using the equity method

Details are as follows:

€ million	Carrying amount at 12/31/2015		Carrying amount at 12/31/2014	Change	
FCA	**4,811.2**		4,077.6	733.6	
CNH Industrial	**1,589.2**		1,615.8	(26.6)	
Almacantar	**532.8**		281.8	251.0	
The Economist Group	**457.5**	(a)	-	457.5	
Juventus Football Club	**47.8**		22.7	25.1	(b)
Arenella Immobiliare	**26.3**		26.1	0.2	
C&W Group (c)	**-**		572.8	(572.8)	
Total	**7,464.8**		6,596.8	868.0	

(a) The stake held previously was classified under investments measured at fair value.
(b) The change arises from the profit for the period January 1 – December 31.
(c) Divested on September 1, 2015.

The positive change in EXOR's investment in FCA is mainly due to the increase in the equity attributable to owners of FCA owing to the sale on the market of 10% of Ferrari common shares in the Ferrari IPO (€255 million), the increase in exchange differences on translating foreign operations (€269.6 million) and the defined benefit plans remeasurement reserve (€139 million) and by the profit for the year before consolidation adjustments (€97.3 million), net of other net negative changes (a total of €27.5 million).

The negative change in EXOR's investment in CNH Industrial is mainly due to its share of the result of CNH Industrial (-€64.1 million) which includes the charge recorded in 2015 by EXOR and that CNH Industrial will record in 2016 following the investigation conducted by the European Commission (€122.8 million) and to dividends paid (€71.6 million), partially offset by increases in the cash flow hedge reserve (€42.7 million), the defined benefit plans remeasurement reserve (€31.1 million) and the exchange differences on translating foreign operations (€43.6 million).

In October EXOR purchased 27.8% of the share capital of The Economist Group for a net equivalent amount of €398.2 million, raising its interest in the company to 34.72% of capital (20% of voting rights), becoming the largest shareholder.
EXOR thus attained a significant influence over the investee company as defined by IAS 28 and therefore starting from the 2015 financial statements the investment in The Economist Group is accounted for using the equity method.
The previously held 4.72% interest in share capital, classified in investments available-for-sale measured at fair value with recognition of the difference in equity, was adjusted to fair value, €36.64 per share, (for a total of €59.3 million), that is, at the purchase price of the additional shares acquired. Therefore an increase in value of €18.9 million was recognized in equity; following the change in the method of measurement the accumulated fair value of €28.9 million was reclassified to the income statement. The entire investment in The Economist Group was classified in investments accounted for using the equity method and the measurement at December 31, 2015 was made on the basis of the accounting data at September 30, 2015 (the most recent company data available).

The positive change in EXOR's investment in Almacantar is mainly the result of share capital increases carried out in the months of June and July 2015 (for a total of €108.6 million), the profit for the year (€130.9 million) and the increase in exchange differences on translating foreign operations (€13.3 million).

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

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

€ million	12/31/2015			12/31/2014			Change	
	%		Carrying amount	%		Carrying amount		
PartnerRe	9.9	(a)	**606.6**	-		-	606.6	
Banca Leonardo	16.51		**59.0**	17.37		60.0	(1.0)	
NoCo A	2.00	(b)	**18.9**	2.00	(b)	17.5	1.4	(c)
Banijay Group (d)	-		**-**	17.09		41.0	(41.0)	
The Economist Group (e)	-		**-**	4.72		40.4	(40.4)	
Other listed investments			**21.5**			191.3	(169.8)	
Total			**706.0**			350.2	355.8	

(a) Percentage computed on common share capital.
(b) Percentage ownership interest in the limited partnership, measured at cost.
(c) Exchange differences on translating foreign operations.
(d) Reclassified to non-current assets held for sale in accordance with IFRS 5. See Note 11.
(e) Reclassified beginning December 31, 2015 under investments accounted for using the equity method.

As part of the operation for the purchase of the entire investment in PartnerRe, during the first half of 2015 EXOR and its subsidiary EXOR S.A. purchased a total of 4,725,726 shares (9.9% of common share capital) on the market for a net equivalent amount of €553.2 million. At December 31, 2015 the investment was adjusted to fair value on the basis of the per share trading price of $139.74 (€128.35 on the basis of the €/$1.0887 exchange rate at the end of the year). At December 31, 2015 the positive fair value adjustment recognized in equity amounts to €53.4 million.

The reduction in the investment in Banca Leonardo is due to the reimbursement of capital reserves of €5.5 million, partially offset by the positive fair value adjustment of €4.5 million.
At December 31, 2015 the fair value recognized in equity is a negative €4.4 million.

The reduction in other listed investments is primarily the result of the disposal of the investment held in Allied World Assurance Company Holdings by EXOR S.A. for a net equivalent amount of €153.7 million. The net gain on the disposal of €60.4 million relates to the realization of the fair value reserve.

10. Non-current other financial assets – Other investments

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

€ million	12/31/2015	12/31/2014	Change
Investments measured at fair value			
- The Black Ant Value Fund	**373.6**	392.0	(18.4)
- Other funds	**185.1**	90.1	95.0
	558.7	482.1	76.6
Investments measured at amortized cost			
- Bonds held to maturity	**76.2**	76.3	(0.1)
Total	**634.9**	558.4	76.5

The net decrease in The Black Ant Value Fund of €18.4 million is due to the redemption of 135,375 shares, in accordance with the signed agreements and taking into account the positive performance recorded during 2014, for a total equivalent amount of €19.6 million, partially offset by the positive fair value adjustment of €1.2 million. The redemption resulted in a net gain of €6.1 million from the realization of a part of the fair value reserve. At December 31, 2015 the fair value adjustment recognized in equity amounts to a positive €116.4 million.

The increase in Other funds is due to the subscription of funds that invest in specific geographical areas and in specific sectors.

11. Non-current assets held for sale

This line item includes the investment in Banijay Holding, which was reclassified to Non-current assets held for sale following the finalization of the agreement for its sale to Zodiak Media signed on November 20, 2015. The investment was recognized at the sales price (€60.1 million) established by the same agreement.
The closing of the agreement took place on February 23, 2016.

12. Capital issued and reserves attributable to owners of the parent

Details are as follows:

€ million	12/31/2015	12/31/2014	Change
Share capital	**246.2**	246.2	0.0
Reserves	**10,063.4**	8,092.9	1,970.5
Treasury stock	**(171.2)**	(344.1)	172.9
Total	**10,138.4**	7,995.0	2,143.4

Details of changes during the year are as follows:

€ million		
Balance at December 31, 2014	**7,995.0**	
Fair value adjustments to investments and other financial assets:		
- PartnerRe	53.4	
- Allied World Assurance Company Holdings	23.0	
- Banijay Group	19.1	
- The Economist Group	18.9	
- The Black Ant Value Fund	1.2	
- Other financial assets	52.2	
Reclassification of fair value to income statement:		
- Allied World Assurance Company Holdings	(60.4)	
- The Economist Group	(28.9)	(a)
- The Black Ant Value Fund	(6.1)	
- Other financial assets	(13.9)	
Sale of EXOR treasury stock	508.5	(b)
Measurement of derivative financial instruments of EXOR and Holdings System companies	50.4	
Dividends paid by EXOR	(77.8)	
Attributable other net changes recorded in equity, shown by EXOR, its subsidiaries and the investments consolidated and accounted for using the equity method		
- Ferrari IPO effect (c)	255.0	
- Exchange differences on translating foreign operations	312.3	
- Defined benefits plan remeasurement reserve (net of deferred taxes)	170.6	
- Cash flow hedge reserve	67.6	
- Other	53.8	
Profit attributable to owners of the parent	744.5	
Net change during the year	**2,143.4**	
Balance at December 31, 2015	**10,138.4**	

(a) Release to the income statement of the fair value of the 4.72% stake in The Economist Group following the change in the method of measurement, consistently with the provisions of IAS 39.
(b) Net of auxiliary expenses connected with the transaction.
(c) Relating to the increase in equity attributable to owners of the parent of FCA owing to the sale on the market of 10% of Ferrari common shares.

EXOR treasury stock

On November 11, 2015 EXOR completed the placement of 12 million treasury shares (4.87% of share capital) through an accelerated book building offering to institutional investors for a total gross amount of €511.2 million.

The placement of the shares, which were acquired by EXOR at an average per share price of €14.41, was closed at a price of €42.60 per share, corresponding to a discount of 4.99% on the closing market price on the transaction date.

Following this transaction EXOR holds 11,883,746 treasury shares equal to approximately 4.83% of share capital. Lastly, in 2016 EXOR will cancel the remaining treasury shares except for those treasury shares necessary to service EXOR's stock options plans.

EXOR stock option plans

The composition and change in the stock option plans are as follows:

	Plan 2008-2019	Stock Option Plan 2012-2021		Plan 2015-2018
	Stock Option	Company Performance	Stock Grant	Stock Grant
Balance at December 31, 2014	**6,112,000**	**1,377,600**	**166,666**	**0**
Options forfeited and awarded	(250,000)	(344,400)	1,500 (a)	28,032
Balance at December 31, 2015	**5,862,000** (b)	**1,033,200**	**168,166**	**28,032**
Cost referring to 2015 (€ million):				
- personnel costs	0.6	0.3	0.6	-
- compensation to the Chairman and Chief Executive Officer	1.2	0.3	-	-
- compensation to directors	-	-	-	0.2
Total	**1.8**	**0.6**	**0.6**	**0.2**
Cost referring to 2014 (€ million):				
- personnel costs	0.7	0.4	0.6	-
- compensation to the Chairman and Chief Executive Officer	1.2	0.4	-	-
- compensation to directors	-	-	-	-
Total	**1.9**	**0.8**	**0.6**	**-**

(a) Of which 4,500 options awarded and 3,000 options forfeited.
(b) Corresponding to 1,553,430 shares.

The reduction in the number of "Company Performance" options is the result of not having reached the specific performance targets linked to the change in EXOR's NAV, which was lower than the change in the MSCI World Index in Euro in 2014.

Stock Option Plan 2015-2018

In 2015 the directors of EXOR were awarded 28,032 options to the directors of EXOR under the new Incentive Plan approved by the shareholders' meeting on May 29, 2015. The purpose of the Incentive Plan is to align the compensation of the directors with the strategic objectives of the company, as an alternative to the cash compensation established by the shareholders' meeting. The Plan provides for free shares to be awarded for a total maximum number of 70,000 EXOR shares to the directors who decide to join the Plan, subject to the continuation of their appointment as company director up to the vesting date in 2018.

The Plan will be serviced exclusively by treasury stock without the issue of new shares, and, therefore, will have no dilutive effect.

13. Consolidated net financial position of the Holdings System

The consolidated net financial position of the Holdings System at December 31, 2015 is a positive €1,336.8 million and a positive change of €774.3 million compared to the balance at year-end 2014 (€562.5 million). The positive change is primarily due to the disposals of C&W Group for net proceeds of €1,134.2 million and EXOR treasury stock of €508.5 million, partially offset by the acquisitions of PartnerRe and The Economist Group for outlays of €553.2 million and €398.2 million, respectively.

The composition of the balance is as follows:

€ million	12/31/2015 Current	12/31/2015 Non current	12/31/2015 Total	12/31/2014 Current	12/31/2014 Non current	12/31/2014 Total	Change Current	Change Non current	Change Total
Financial assets	**32.5**	**76.2**	**108.7**	937.5	76.3	1,013.8	(905.0)	(0.1)	(905.1) (a)
Financial receivables	**3.4**	**0.0**	**3.4**	1.9	0.0	1.9	1.5	0.0	1.5
Cash and cash equivalents	**3,922.7**	**0.0**	**3,922.7**	1,217.3	0.0	1,217.3	2,705.4	0.0	2,705.4
Total financial assets	**3,958.6**	**76.2**	**4,034.8**	2,156.7	76.3	2,233.0	1,801.9	(0.1)	1,801.8
EXOR bonds	**(26.4)**	**(2,598.8)**	**(2,625.2)**	(24.9)	(1,600.0)	(1,624.9)	(1.5)	(998.8)	(1,000.3)
Financial payables	**(39.6)**	**0.0**	**(39.6)**	0.0	0.0	0.0	(39.6)	0.0	(39.6)
Other financial liabilities	**(33.2)**	**0.0**	**(33.2)**	(45.6)	0.0	(45.6)	12.4	0.0	12.4
Total financial liabilities	**(99.2)**	**(2,598.8)**	**(2,698.0)**	(70.5)	(1,600.0)	(1,670.5) 0.0	(28.7)	(998.8)	(1,027.5)
Consolidated net financial position of the Holdings System	**3,859.4**	**(2,522.6)**	**1,336.8**	2,086.2	(1,523.7)	562.5	1,773.2	(998.9)	774.3

(a) The net change reflects the Group's strategy regarding the management of the securities portfolio and the investment of financial resources.

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 has the ability, 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 interim 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.

Current financial receivables primarily include the financial income of €2.8 million on the FCA N.V. mandatory convertible securities maturing December 15, 2016.

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

At December 31, 2015 **Bonds** issued by EXOR can be analyzed as follows:

Issue date	Maturity date	Issue price	Coupon	Rate (%)		Currency	Nominal amount (million)	Balance at (a) 12/31/2015 (€ million)	Balance at (a) 12/31/2014 (€ million)
6/12/2007	6/12/2017	99.554	Annual	fixed 5.375		€	440.0	**(452.6)**	(452.1)
10/16/2012	10/16/2019	98.136	Annual	fixed 4.750		€	150.0	**(149.8)**	(149.4)
11/12/2013	11/12/2020	99.053	Annual	fixed 3.375		€	200.0	**(199.4)**	(199.2)
12/3/2015	12/2/2022	99.499	Annual	fixed 2.125		€	750.0	**(744.7)**	-
10/8/2014	10/8/2024	100.090	Annual	fixed 2.50		€	650.0	**(652.2)**	(652.1)
12/7/2012	1/31/2025	97.844	Annual	fixed 5.250		€	100.0	**(102.9)**	(102.8)
12/22/2015	12/22/2025	98.934	Annual	fixed 2.875		€	250.0	**(246.8)**	-
5/9/2011	5/9/2031	100.000	Semiannual	fixed 2.80	(b)	Yen	10,000.0	**(76.8)**	(69.3)
								(2,625.2)	(1,624.9)

(a) Includes the current portion.
(b) To protect against currency fluctuations, a hedging transaction was put in place using a cross currency swap. The cost in Euro is fixed at 6.012% per year.

Financial payables of €39.6 million refer to the amount due to Almacantar S.A. for the capital subscribed by EXOR S.A. in July 2015 but not yet fully paid in.

Other financial liabilities principally consist of the measurement of cash flow hedge derivative instruments.

The net change in the year 2015 is a positive €774.3 million. Details are as follows:

€ million		
Consolidated net financial position of the Holdings System at December 31, 2014		**562.5**
Dividends from investments		93.6
- CNH Industrial	73.4	
- The Economist Group	8.1	
- PartnerRe	7.7	
- NoCo A	3.2	
- Other	1.2	
Reimbursements of reserves		6.4
- Banca Leonardo	5.5	
- Other	0.9	
Sales/Redemptions		1,877.4
- C&W Group (a)	1,134.2	
- EXOR treasury stock (a)	508.5	
- Allied World Assurance Company Holdings	153.7	
- The Black Ant Value Fund	19.6	
- Sequana	18.7	
- Other non-current financial assets	42.7	
Investments		(1,142.0)
- PartnerRe	(553.2)	
- The Economist Group	(398.2)	
- Almacantar	(108.6) (b)	
- Other		
. Specialized funds	(62.6)	
. Other non-current investments	(19.4)	
Financial income from Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016		63.5
Dividends paid by EXOR		(77.8)
Other changes		
- Net general expenses		(17.4)
- Non-recurring other income (expenses) and general expenses		(24.3)
- Net financial expenses		(49.9)
- Income taxes and other taxes and duties		(12.5)
- Other net changes		57.3 (c)
Net change during the year		**774.3**
Consolidated net financial position of the Holdings System at December 31, 2015		**1,336.8**

(a) Net of auxiliary expenses.
(b) Of which $47.4 million has already been paid (€67 million).
(c) Primarily includes the positive effects of the hedge on the U.S. dollar loan (€43.9 million) for the acquisition of PartnerRe, as well as the measurement of the cross currency swap on the 2011-2031 Japanese yen bonds for a positive €6.5 million.

At December 31, 2015 EXOR has unused irrevocable credit lines in Euro of €345 million (including €305 million due by December 31, 2016), in addition to unused revocable credit lines of over €558 million.
EXOR also has an irrevocable credit line in foreign currency for a residual amount of $1.9 billion (€1.7 billion), unused at December 31, 2015 and earmarked for the acquisition of PartnerRe. This credit line, which is due after June 30, 2016, was partially cancelled upon receipt of the proceeds from the sale of C&W Group, the placement of EXOR treasury stock and the issue of two EXOR bonds in the month of December.
EXOR's long-term and short-term debt rating from Standard & Poor's is "BBB+" and "A-2", respectively, with a "negative" outlook. On November 2, 2015 the rating agency published a specific analysis on EXOR.

CORPORATE GOVERNANCE

In its meeting held on April 14, 2016 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 2015 Annual Report and is available on the website www.exor.com.

OTHER INFORMATION

Management and coordination

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

Related party transactions

Information and balances in the statement of financial position and in the income statement originating from 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 SUBIDIARIES AND ASSOCIATES

(The percentages indicated for the stakes, voting rights and share capital are calculated on the basis of data as at December 31, 2015)

(29.16% stake, 44.27% of voting rights on issued capital)

The key consolidated figures of FCA reported in 2015, including the data of Ferrari, unless otherwise indicated, are the following:

	Year		Change
€ million	2015	2014	
Net revenues	**113,191**	96,090	17,101
EBIT (1)	**2,625**	2,834	(209)
Adjusted EBIT (2)	**5,267**	3,766	1,501
Profit before taxes (1)	**259**	783	(524)
Profit from discontinued operations (3)	**284**	273	11
Profit for the year	**377**	632	(255)
Net profit attributable to owners of the parent	**334**	568	(234)

(1) Excluding Ferrari, classified as a discontinued operation for the year ended December 31, 2015.
(2) Adjusted EBIT is a non-GAAP financial measure used to measure performance. It is calculated as EBIT excluding gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and other unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature.
(3) Profit attributable to Ferrari.

€ million	12/31/2015	12/31/2014	Change
Total assets	**105,040**	100,510	4,530
Net debt	**(8,583)**	(10,849)	2,266
- of which: Net industrial debt	**(6,012)**	(7,654)	1,642
Equity attributable to owners of the parent	**16,092**	13,425	2,667

Net revenues

Net revenues for the year are €113.2 billion, an increase of €17.1 billion, or 18% (+6% at constant exchange rates) from €96.1 billion in the prior year. As for the segments, the improvement is mainly attributable to the €17.5 billion increase in **NAFTA** (+33%; +13% at constant exchange rates) thanks to higher volumes, positive net pricing and favorable foreign currency translation effects, the increases in **EMEA** of €2.3 billion (+13%; +11% at constant exchange rates) due to higher volumes, positive net pricing and favorable product mix and in **Components** of €1.2 billion (+13%; +11% at constant exchange rates), partially offset by the decreases recorded by **LATAM** (-25%; -18% at constant exchange rates) driven by reduced shipments, by **APAC** (-22%; -31% at constant exchange rates) caused by lower shipments and increased incentives in China and by **Maserati** (-13%; -22% at constant exchange rates) owing to a reduction in volumes that resulted from weaker segment demand in the reference markets.

	Year		Change	
€ million	2015	2014	amount	%
NAFTA	**69,992**	52,452	17,540	33.4
LATAM	**6,431**	8,629	(2,198)	-25.5
APAC	**4,885**	6,259	(1,374)	-22.0
EMEA	**20,350**	18,020	2,330	12.9
Ferrari	**2,596**	2,450	146	6.0
Maserati	**2,411**	2,767	(356)	-12.9
Components (Magneti Marelli, Teksid, Comau)	**9,770**	8,619	1,151	13.4
Other	**844**	831	13	1.6
Unallocated items and adjustments	**(4,088)**	(3,937)	(151)	n.s.
Net revenues	**113,191**	96,090	17,101	17.8

Adjusted EBIT

Adjusted EBIT in 2015 is €5,267 million, an increase of €1,501 million (+40%; +19% at constant exchange rates) from the prior year. The increase in Adjusted EBIT is primarily due to strong gains recorded in **NAFTA** attributable to higher volumes, positive net pricing, positive foreign currency translation effects and purchasing efficiencies, partially compensated by increased warranty costs due to recall campaigns and vehicle content enhancement. **EMEA** recorded continual improvements thanks to a favorable product mix reflecting the continued success of the Fiat 500X and Jeep Renegade, positive net pricing and purchasing and industrial efficiencies, partially offset by the increase in industrial costs, reflecting higher costs for U.S. imported vehicles due to a stronger U.S. dollar and marketing spending.

Adjusted EBIT of **LATAM** is a negative €87 million, a reduction of €376 million due to lower shipments owing to market conditions, start-up costs for the Pernambuco factory and costs for the commercial launch of the Jeep Renegade, which was partially offset by favorable net pricing and favorable product mix driven by sales of the Jeep Renegade.

The decrease in **APAC** Adjusted EBIT of €489 million is due to lower volumes, unfavorable net pricing and negative foreign currency translation effects, partially offset by reduced advertising expenses.

Maserati reported lower Adjusted EBIT due to lower volumes, unfavorable mix and higher industrial costs related to the start-up costs for the all-new Levante, which is expected to launch in 2016.

The improved performance of **Components** (+52.3%) is related to higher volumes, cost containment actions and efficiencies.

	Year		Change
€ million	**2015**	2014	
NAFTA	**4,450**	2,179	2,271
LATAM	**(87)**	289	(376)
APAC	**52**	541	(489)
EMEA	**213**	(41)	254
Ferrari	**473**	404	69
Maserati	**105**	275	(170)
Components (Magneti Marelli, Teksid, Comau)	**395**	285	110
Other	**(150)**	(116)	(34)
Unallocated items and adjustments	**(184)**	(50)	(134)
Adjusted EBIT	**5,267**	3,766	1,501

EBIT

EBIT in 2015 included net unusual expenses totaling €2,169 million principally referring to the change in estimate for future recall campaign costs for vehicles sold in NAFTA in prior periods (€761 million), the estimate of expenses to realign a portion of manufacturing capacity in NAFTA (€834 million), the writedown of inventory and incremental incentives for the vehicles affected by the explosions at the Port of Tianjin (€142 million), the devaluations of the Argentinian Peso (€83 million) resulting from changes in monetary policy and the Venezuelan bolivar (€80 million) following the adoption of the SIMADI exchange rate and the agreement, and subsequent amendments, with the National Highway Traffic Safety Administration in the United States (€144 million).

EBIT in 2014 was adjusted to arrive at Adjusted EBIT mainly by the €495 million charge connected with the UAW Memorandum of Understanding entered into by FCA US in January 2014, the €92 million writedown of the Venezuelan bolivar, net of the €223 million non-cash and non-taxable unusual income resulting from the fair value of the options previously exercised in relation to the purchase of FCA US.

Profit for the year

Net financial expenses total €2,377 million, €330 million higher than in 2014, primarily reflecting the prepayment of certain FCA US notes, unfavorable foreign currency translation, an increase in debt levels in Brazil, partially offset by interest cost savings resulting from the refinancing transactions and reduction in overall gross debt in 2015.

Tax expenses amount to €310 million, a decrease of €234 million compared to 2014. The reduction is primarily related to lower profit before taxes.

Net industrial debt

Net industrial debt at December 31, 2015 is €6 billion, a decrease from €7.7 billion at December 31, 2014. The improvement of €1.7 billion reflects positive cash flow of €9.7 billion from industrial operating activities and €0.7 billion of positive foreign exchange translation effects primarily related to the devaluation of the Brazilian real, which are partially offset by capital expenditures of €9.2 billion. The decrease also reflects the net cash proceeds from the IPO of 10% of Ferrari on the New York Stock Exchange.

€ million		12/31/2015	12/31/2014	Change
Third parties debt (principal)		**(29,716)**	(32,892)	3,176
- Bank debt		**(14,507)**	(13,120)	(1,387)
- Capital market instruments (1)		**(13,646)**	(17,729)	4,083
- Other debt (2)		**(1,563)**	(2,043)	480
Asset-backed financing (3)		**(206)**	(469)	263
Accruals and other adjustments		**(104)**	(305)	201
Gross debt		**(30,026)**	**(33,666)**	**3,640**
Cash and cash equivalents and current securities		**21,326**	23,050	(1,724)
Derivative assets/(liabilities)		**117**	(233)	350
Net debt		**(8,583)**	**(10,849)**	**2,266**
	Industrial activities	**(6,012)**	(7,654)	1,642
	Financial services	**(2,571)**	(3,195)	624

(1) Includes bonds and other securities issued on financial markets.
(2) Includes: HCT Notes (Canadian Health Care Trust Notes), arrangements accounted for as a lease under IFRIC 4 – Determining whether an arrangement contains a lease, and other non-bank financing.
(3) Advances on sale of receivables and securitizations on book.

Significant events in 2015

In April 2015 FCA issued $1.5 billion (€1.4 billion) total principal amount of 4.50% unsecured senior debt securities due in 2020 (the “Initial 2020 Notes”) and $1.5 billion total principal amount of 5.250% unsecured senior debt securities due 2023 (the “Initial 2023 Notes”) both at the issue price of 100% of their principal amount. The initial 2020 Notes and initial 2023 Notes are collectively referred to as “the Initial Notes”.

Also in April FCA’s new compensation arrangement was presented at a meeting with the trade unions. The arrangement incentivizes all employees within the automobiles business toward achievement of the productivity, quality and profitability targets established in the 2015-2018 business plan and is expected to cost FCA approximately €600 million over the 4-year period.

On May 14, 2015 FCA US prepaid its 8% secured senior notes due in 2019 with a redemption payment of $3.1 billion.

Giulia, a new model of Alfa Romeo, was unveiled to the international press in the Quadrifoglio Verde version at the newly renovated Alfa Romeo Historic Museum on June 24, 2015, the 105th anniversary of the founding of Alfa Romeo.

On July 4, 2015 the new Fiat 500 was revealed, exactly eight years after the iconic Fiat 500 was first launched, and the Fiat Toro, a new sport compact pick-up truck designed specifically for South America and to be built in Pernambuco, was previewed in September.

October 21, 2015 was the first day of trading on the New York Stock Exchange for the 17,171,500 shares in Ferrari’s initial public offering, at the initial offering price of $52 per share. The closing of the transaction was announced on October 26, 2015 with the confirmation that the underwriters exercised in full their option to purchase 1,717,150 shares. The gross proceeds for FCA of the total 18,892,150 Ferrari shares sold total $982.4 million.

On October 22, 2015 FCA US and UAW signed a new four-year national collective bargaining agreement effective 2016. The provisions of the new agreement include incentives upon meeting certain quality, productivity and profitability performance metrics and closes the pay gap between “traditional” older and “in-progression” younger employees over an eight-year period.

In November 2015 the all-new Fiat 124 Spider was introduced at the 2015 Los Angeles Auto Show and is expected to be available in EMEA and NAFTA in the second quarter of 2016.
The all-new Fiat Tipo was launched in Italy in December 2015 and is being sold in over forty countries across EMEA. The new Fiat Tipo won the prestigious AUTOBEST award and was voted “The Best Buy Car of Europe in 2016”.

On January 3, 2016 the transactions for the separation of FCA’s remaining ownership interest in Ferrari N.V. and the distribution of that ownership interest to holders of FCA shares and mandatory convertible securities were completed. FCA common shareholders and holders of special voting shares received one common share and one special voting share of Ferrari for every ten common shares and special voting shares of FCA, whereas the holders of FCA mandatory convertible securities received 0.77369 Ferrari common shares for every $100 notional amount held.
Starting January 4, 2016 Ferrari common shares are also traded on the Borsa Italiana’s MTA.
The spin-off of Ferrari allowed FCA to start 2016 operations with net industrial debt of €5 billion.

On March 2, 2016 FCA announced its intention to consummate a transaction that will result in the creation of the leading player in the Italian media and publishing business and to distribute all of its media and publishing sector interest to shareholders, consistent with its desire to increase focus on its core business.
The transaction, covered by a Memorandum of Understanding provides for the merger between FCA’s media and publishing subsidiary ITEDI S.p.A. and the Italian media group, Gruppo Editoriale L’Espresso S.p.A.
Based on the preliminary valuation range agreed between the parties, following consummation of the merger, FCA would hold approximately 16% of the share capital of the combined entity, while FCA’s minority partner in the publishing business Ital Press Holding S.p.A. (controlled by the Perrone family), would hold approximately 5% of the combined entity.
The Memorandum is binding on the parties and, subject to the conditions set out in the Memorandum, requires that they enter into definitive agreements no later than June 30, 2016. The merger is expected to be consummated in the first quarter of 2017, following receipt of the necessary regulatory approvals and satisfaction of the conditions precedent customary for this type of transaction (such as completing satisfactory due diligence and obtaining corporate approvals).
As soon as practicable following consummation of the merger, FCA will distribute its entire interest in the enlarged group to the holders of its common shares.
Consistent with its stated intent to increase focus on its core business and prior to proceeding with the above mentioned merger and distribution, FCA will distribute its entire ownership interest in RCS MediaGroup S.p.A. to holders of its common shares.

In March 2016 FCA US, which is controlled by FCA, made a $2 billion voluntary prepayment, applied to the Term Loans due in 2017 and 2018, in proportion to their respective principal balances, bringing the remaining debt to approximately $2.8 billion. This prepayment, together with the amendments to the two Term Loans, eliminates covenants restricting the provision of guarantees and payment of dividends by FCA US for the benefit of the rest of the FCA Group and enables access to the second €2.5 billion tranche of FCA’s €5 billion syndicated revolving credit facility.

(26.94% stake, 39.96% of voting rights on issued capital.
FCA also holds a 1.17% stake, 1.74% of voting rights)

The key consolidated figures of CNH Industrial in the year 2015 (drawn up in accordance with IFRS) are as follows:

	Year		Change
$ million	**2015**	2014	
Net revenues	**26,378**	32,957	(6,579)
Trading profit	**1,543**	2,399	(856)
Operating profit	**1,416**	2,167	(751)
Profit before taxes	**659**	1,482	(823)
Profit for the year	**234**	916	(682)
Profit attributable to owners of the parent	**236**	917	(681)

$ million	**12/31/2015**	12/31/2014	Change
Total assets	**49,117**	54,441	(5,324)
Net debt	**(19,951)**	(23,590)	3,639
- of which: Net industrial debt	**(1,570)**	(2,874)	1,304
Equity attributable to owners of the parent	**7,170**	7,534	(364)

Net revenues

Net revenues of the CNH Industrial Group in 2015 amount to $26,378 million, a decrease of 20% compared to 2014 (-8.9% on a constant currency basis). Net revenues of Industrial Activities are $24,903 million, a decrease of 20.7% (-9.4% on a constant currency basis).
The decrease in the net revenues of **Agricultural Equipment** (-16.9% on a constant currency basis) is primarily driven by declining volumes in all regions; the decrease in **Construction Equipment** (-18.3% on a constant currency basis) is mainly attributable to decreased industry volumes particularly in LATAM and APAC, while the decrease in **Powertrain** (-5.1% on a constant currency basis) is due mainly to lower captive demand. Excluding the impact of currency translation, **Commercial Vehicles** show an increase in net revenues of approximately 4.9%, owing primarily to higher volumes in EMEA, while in LATAM revenues are down due to declining volume in the Brazilian market.
Net revenues of **Financial Services** increased by 3.1% on a constant currency basis due to a higher average outstanding portfolio and increased sales of equipment formerly on operating leases, partially offset by a reduction in interest yield.

	Year		Change	
$ million	**2015**	2014	amount	%
Agricultural Equipment	**11,025**	15,204	(4,179)	-27.5
Construction Equipment	**2,542**	3,346	(804)	-24.0
Commercial Vehicles	**9,759**	11,087	(1,328)	-12.0
Powertrain	**3,569**	4,475	(906)	-20.2
Eliminations and other	**(1,992)**	(2,704)	712	n.s.
Total Industrial Activities	**24,903**	31,408	(6,505)	-20.7
Financial Services	**1,932**	2,086	(154)	-7.4
Eliminations and other	**(457)**	(537)	80	n.s.
Net revenues	**26,378**	32,957	(6,579)	-20.0

Trading profit

Trading profit in 2015 is $1,543 million, a decrease of $856 million (-35.7%) compared to 2014. The trading margin is 5.8% compared to 7.3% in 2014.
Trading profit of Industrial Activities totals $1,036 million, down $831 million from 2014, with a trading margin of 4.2%, a decrease of 1.7 percentage points compared to the prior year.

Agricultural Equipment's decrease in trading profit is principally due to declining industry volumes in NAFTA and LATAM and negative foreign exchange translation, partially offset by positive net pricing, lower raw material cost and structural cost reductions.

Construction Equipment closed 2015 with a decrease in trading profit compared to 2014 due to the negative impact of lower volumes in LATAM and APAC and higher R&D costs, only partially offset by structural cost containment actions and net price realization.

Commercial Vehicles' trading profit improved due to increased volumes mainly in EMEA, positive pricing, and a reduction in selling, general and administrative expenses. In LATAM positive pricing and manufacturing cost containment actions offset a large portion of the lower volumes in Brazil.

The reduction in trading profit of **Financial Services** in 2015 compared to the prior year is due to the negative impact of currency translation, partially offset by lower provisions for credit loss and selling, general and administrative costs.

	Year		Change
$ million	**2015**	2014	
Agricultural Equipment	**702**	1,689	(987)
Construction Equipment	**25**	66	(41)
Commercial Vehicles	**211**	2	209
Powertrain	**178**	220	(42)
Eliminations and other	**(80)**	(110)	30
Total Industrial Activities	**1,036**	1,867	(831)
Financial Services	**507**	532	(25)
Trading profit	**1,543**	2,399	(856)

Operating profit

In 2015 restructuring costs are $79 million and relate to actions in the efficiency program launched in 2014 in the **Agricultural Equipment** and **Commercial Vehicles** segments**.**

Restructuring costs in 2014 totaled $192 million and referred mainly to the same program.

Profit for the year

Net financial expenses in 2015 are $805 million including a pre-tax charge of $150 million related to the remeasurement of the net monetary assets of the Venezuelan operations denominated in Venezuelan bolivars following the adoption of the SIMADI exchange rate, and a pre-tax charge of $40 million due to the devaluation of the net monetary assets of the Argentinian subsidiaries. In 2014 net financial expenses came to $776 million and included a pre-tax charge of $71 million related to the remeasurement of Venezuelan monetary assets denominated in bolivars.

Excluding these pre-tax charges in both years, net financial expenses decreased by $132 million in 2015 compared to 2014 due to reduced average indebtedness and lower funding costs.

In 2015 **income taxes** total $425 million ($566 million in 2014). Excluding the impact of the pre-tax charge relating to the re-measurement of the net monetary assets of the Venezuelan operations, for which no corresponding tax benefit has been booked, and the impact of the inability to record deferred tax assets on losses in certain jurisdictions, primarily in Brazil, the effective tax rate for 2015 would have been 40%.

Net debt

Net industrial debt at December 31, 2015 is $1,570 million, a decrease of $1,304 million compared to $2,874 million at December 31, 2014. Cash flows from operations before changes in working capital are $1,537 million, while working capital generated another $504 million, mainly due to a decrease in inventories. Net capital expenditures are equal to $1,113 million and the currency translation differences produced a positive effect on net industrial debt of $550 million.

$ million		12/31/2015	12/31/2014	Change
Debt		**(26,458)**	(29,701)	3,243
Asset-backed financing		**(12,999)**	(13,587)	588
- Other debt		**(13,459)**	(16,114)	2,655
Other financial assets (liabilities) (1)		**142**	(30)	172
Liquidity		**6,365**	6,141	224
Net debt		**(19,951)**	(23,590)	3,639
	Industrial Activities	**(1,570)**	(2,874)	1,304
	Financial Services	**(18,381)**	(20,716)	2,335

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

Significant events in 2015 and subsequent events

In April 2015 CNH Industrial announced that in line with the ongoing global Efficiency Program launched in 2014, certain changes in the geographical location of the operations of its Iveco commercial vehicles will involve the manufacturing facilities in Madrid, Valladolid and Piacenza.

In September 2015 the Dow Jones Sustainability Indices (DJSI), World and Europe, again confirmed CNH Industrial as Industry Leader for 2015.
The DJSI has also named CNH Industrial as leader in the Capital Goods Industry Group. The 2015 assessment resulted in a score of 91/100 for CNH Industrial compared to an average of 52/100 for the participating companies in the Machinery and Electrical Equipment industry. All the companies chosen for consideration in the indices were judged in terms of economic, environmental and social performance by RobecoSAM, specialists exclusively focused on sustainable investment.

In January 2016 CNH Industrial, after authorization by the annual general meeting of the shareholders on April 15, 2015, announced a buyback program to repurchase up to $300 million in common shares, subject to market and business conditions. The buyback program will be financed from the CNH Industrial Group’s liquidity.

In February 2016 the Venezuelan government devalued its currency and changed its official and most preferential exchange rate to the CENCOEX rate, which will continue to be used for purchases of certain essential goods, from 6.3 Bs.F. to 10 Bs.F. per U.S. dollar. Venezuela reduced its three-tier system of exchange rates by eliminating the SICAD rate which last sold U.S. dollars for 13.5 Bs.F. The SIMADI exchange rate, initially fixed at 198.7 Bs.F, was allowed to float freely beginning at a rate of 202.9 Bs.F to the U.S. dollar. CNH Industrial is currently in the process of assessing the potential impact, if any, that this change to the Venezuelan exchange rate mechanism may have on its business, financial position, cash flows and/or results of operations in future periods.

On March 24, 2016 CNH Industrial communicated that, subsequent to the publication of the 2015 consolidated financial statements on March 4, 2016, developments arose relating to an investigation since 2011 conducted by the European Commission on the subsidiary Iveco S.p.A. and on some of its competitors in relation to certain alleged anticompetitive practices in the European Union.
Based on this CNH Industrial has decided to record a charge related to the matters under investigation of approximately $500 million (€450 million) in the first quarter of 2016. This charge will be taken into account as an exceptional item and is expected not to be tax deductible.

almacantar

(38.30% of share capital through EXOR S.A.)

The key consolidated income statement figures of the Almacantar Group in 2015 are as follows:

£ million	2015	2014	Change
Net property income	**16.6**	17.1	(0.5)
Profit attributable to owners of the parent	**248.1**	83.1	165.0

Net property income has decreased by £0.5 million, or 3%, to £16.6 million compared to £17.1 million in the prior year. Commercial rental income at Centre Point has ceased following the start of refurbishment in January 2015. As Marble Arch Tower moves towards a possible future start on site, rental income for this property has reduced as commercial tenants are retained on shorter term leases at reduced rates.

Profit attributable to owners of the parent has increased by £165.0 million to £248.1 million from £83.1 million in 2014. This is predominantly driven by investment property revaluation gains pursuant to IAS 40 of £248.6 million (£86.1 million in 2014) following the annual external valuation of the group's portfolio.

Key consolidated statement of financial position figures of the Almacantar Group at December 31, 2015 are as follows:

£ million	12/31/2015	12/31/2014	Change
Portfolio carrying value (a)	**1,488.8**	741.6	747.2
Net debt	**(340.3)**	(146.5)	(193.8)

(a) Excluding headlease asset.

The portfolio carrying value, besides the properties measured at fair value, includes the value of the residential elements of Centre Point, classified in 2015 in accordance with IFRS, as Property Inventory and valued at cost, which is representative of the market value when the reclassification was made to Property Inventory. However, based on the most recent external valuations, the estimated market value of Centre Point is £51.1 million higher than cost, so that the total of the portfolio carrying value, calculated according to EPRA (European Public Real Estate Association) amounts to £1,540 million as compared to the carrying amount of £1,488.8 million.

The increase in the carrying value of Almacantar's property portfolio, besides the fair value changes, reflects Almacantar's forward purchase, during July 2015, of two significant office developments at One and Two Southbank Place, from Braeburn Estates, a joint venture between Canary Wharf and Qatari Diar. One and Two Southbank Place will provide 572,616 square feet of Grade A office space in the two buildings when completed in 2018.

Additional capital expenditure was also incurred in relation to the refurbishment of Centre Point, pre-development activities for Marble Arch Tower, and an initial feasibility study for 125 Shaftesbury Avenue.

Shareholders' equity has increased in July following the issue of additional shares at a nominal amount of £151.8 million plus premium of £7.8 million. The amount of share capital not yet called for payment is £75.9 million.

Net debt at December 31, 2015 has increased by £193.8 million to £340.3 million compared to December 31, 2014, which mainly reflects new borrowings of £144.5 million used to finance the acquisition of One and Two Southbank Place, as well as £41.3 million drawn from the construction facility used to finance the refurbishment of Centre Point.

(63.77% of share capital)

The results for the first half of the financial year 2015/2016 (corresponding to the period July 1 – December 31, 2015) of Juventus Football Club S.p.A. are as follows:

€ million	Half I 2015/2016	Half I 2014/2015	Change
Revenues	**204.5**	156.2	48.3
Operating costs	**140.4**	119.4	21.0
Operating income	**38.1**	2.4	35.7
Profit (loss) for the period	**30.3**	(6.7)	37.0

€ million	At 12/31/2015	6/30/2015	Change
Shareholders' equity	**75.0**	44.6	30.4
Net financial debt	**(197.3)**	(188.9)	(8.4)

The interim data cannot be construed as representing the basis for a full-year projection.
For a correct interpretation of the data it should be noted that the financial year of Juventus 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 European competitions, particularly the UEFA Champions League, the calendar of football events and the two phases of the players' Transfer Campaign.
The financial position and cash flows of the company are also affected by the seasonal nature of the income components; in addition, some revenue items are collected in a different period than the period to which they refer.

The first half of the 2015/2016 financial year closes with a **profit** of €30.3 million, posting a positive change of €37 million compared to the loss of €6.7 million recorded in the same period of 2014.
This change mainly arises from an increase in revenues from players' registration rights of €30.2 million, and a general increase in recurring revenues of €18.1 million (€6.8 million of which comes from the sale of products and licenses), in addition to net non-recurring revenues of €10.6 million. These positive changes were partially offset by the increase in players' wages and technical staff costs of €13.7 million, the increase in costs for external services of €3.6 million, higher amortization of players' registration rights of €2.7 million, the purchase of products intended for sale of €2.1 million, as well as net positive changes of €0.2 million. The latter mainly include lower provisions (+€0.7 million) and lower net financial expenses (+€1 million) partially offset by higher costs for other personnel (-€1.5 million).

Revenues for the first half of the 2015/2016 financial year, totaling €204.5 million, show an increase of 30.9% compared to €156.2 million in the first half of 2014/2015 financial year.

Operating costs in the first half of the 2015/2016 financial year amount to €140.4 million. This is an increase of 17.6% compared to €119.4 million in the corresponding period of the prior financial year.

Shareholders' equity at December 31, 2015 is €75 million, up from €44.6 million at June 30, 2015 due primarily to the profit reported in the first half (+€30.3 million).

Net financial debt at December 31, 2015 totals €197.3 million (€188.9 million at June 30, 2015). The increase of €8.4 million is attributable to outlays for the Transfer Campaigns (-€22.1 million, net), investments in other fixed assets (-€8.1 million), investments in equity investments (-€0.2 million) and flows used for financial assets (-€2.6 million), partially offset by cash flows from operating activities (+€21.9 million) and the first repayment on the advances paid in prior years on the Continassa Project (+€ 2.7 million).

In order to improve the composition of its sources of funding and in accordance with industry regulations, as from September 2015 Juventus has begun a program to convert a significant portion of its short-term debt into medium-long-term loans. An amount of €105 million has already been converted under the program at December 31, 2015.

Significant events in the first half of the 2015/2016 financial year

Football season

On July 10, 2015 FIGC officers, after reviewing the documentation filed by Juventus and materials sent by the Lega Nazionale Professionisti Serie A, issued the National License for the current football season.
On August 8, 2015 the First Team won the seventh Italian Super Cup in its history.
In December the First Team qualified for the round of sixteen of the UEFA Champions League 2015/2016, placing second in its round, as well as the quarter finals of the Italian Cup.

2015/2016 Transfer Campaign – first phase

Purchases and disposals of players' registration rights

The transactions finalized in the first phase of the 2015/2016 Transfer Campaign, held from July 1 to August 31, 2015, led to a total increase in invested capital of €118.5 million resulting from acquisitions and increases of €138.7 million and disposals of €20.2 million (carrying amount of disposed rights).
The net capital gains generated by the disposals amount to €33.8 million.
The total net financial commitment of €88.1 million is spread over four years, and includes 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 €75.8 million.

Renewal of players' contracts

During the first months of the 2015/2016 financial year the contracts for players' registration rights were renewed for the following players: Leonardo Bonucci, Gianluigi Buffon, Claudio Marchisio, Alvaro Morata, Simone Padoin, Roberto Maximiliano Pereyra and Daniele Rugani.

Player's contract resolution

In July the contract with Andrea Pirlo expiring June 30, 2016 was terminated by mutual consent; there are no economic or financial effects.

2015/2016 season ticket campaign

The season ticket campaign for the 2015/2016 football season closed with the subscription of all 28,000 available season passes, for net proceeds of €21.6 million (€20.8 million in the previous season), including premium seats and additional services.

Direct management of licensing, merchandising and soccer school

On July 1, 2015 following Juventus' decision to directly manage licensing and merchandising activities, the stores on Via Garibaldi in Turin and the Megastore at the Area 12 Shopping Center, next to the Juventus Stadium, were reopened, following a complete renovation in cooperation with the new sponsor *adidas*.
On June 30, 2015 the operations, existing contracts and personnel of Juventus Merchandising (a company in the Nike Group) were transferred to Juventus, in conjunction with the acquisition of the relative business unit. The internal structure charged with licensing, retail and soccer school activities includes, to date, 36 resources.

Continassa project: start-up of the J Village Real Estate Fund

During the month of July, Accademia SGR S.p.A., the asset management company controlled by Banca del Sempione S.A., started up operation of the "J Village" Real Estate Fund for the redevelopment and upgrading project of most of the Continassa Area adjacent to the Juventus Stadium, promoted by Juventus.
Specifically, Accademia SGR obtained investment commitments from various subscribers for a total of €53.8 million and finalized a loan agreement in the first part of August with the lending institutions of the J Village Fund, UBI Banca S.c.p.A. and Unicredit S.p.A., for a maximum of €64.5 million.
Following these events the act of June 30, 2015 became effective whereby Juventus transferred the title on the long-term lease to the J Village Fund for an area of approximately 148,700 square meters and the relative building permits for 34,830 square meters of Gross Floor Area (GFA) for a total equivalent of €24.1 million, determined based on an estimate report drawn up by an independent expert as per Ministerial Decree 30 of March 5, 2015. For this transfer, which generates net income of approximately €10.3 million in the 2015/2016 financial year, Juventus received shares of the J Village Fund for the value of €24.1 million.
The City of Turin has already issued the building permits for the infrastructure works, the International School, the Hotel, the new Training and Media Center of Juventus' First Team and the new Juventus headquarters, which will be located on the lot of the old Cascina Continassa.
Completing the project is a building that will be built for commercial and innovative hospitality activities (Concept Store), for which the building permit is in the process of being issued).

Accademia SGR has hired Pessina Costruzioni S.p.A. for the construction of the new headquarters, the Hotel, the International School, the Concept Store and the infrastructure works; Costruzioni Generali Gilardi S.p.A. has been awarded the contract for the new Training and Media Center.
The job schedule calls for all the works to be delivered by the beginning of summer 2017.
Juventus retained ownership of the surface rights to a remaining area of about 15,662 square meters on which building permits for 3,170 square meters of GFA insist.

J Medical

In the first half of the 2015/2016 financial year work began on the renovation of the premises of the Eastern section of the Juventus Stadium, approximately 3,500 square meters, that will house the activities of J Medical, an outpatient care, diagnostic, rehabilitation and sports medicine clinic. Work was completed in February with an investment of €4.9 million; the center was inaugurated on March 23, 2016. J Medical S.r.l. is a joint venture of Juventus and Santa Clara S.r.l.

J Museum extension

During the first half ended December 31, 2015 the extension work on the J Museum was completed with the construction of two new exhibition areas for permanent exhibitions of mementos and memorabilia of champions of other sports, Juventus fans and the First Team (170 square meters), which opened to the public on October 4, 2015 and December 16, 2015 respectively.

Resolutions by the ordinary shareholders' meeting of October 23, 2015

The ordinary shareholders' meeting of Juventus Football Club S.p.A approved the financial statements at June 30, 2015 which closed with a net income of €2.3 million that was entirely allocated to reserves. As a result, no dividends were declared.
The shareholders' meeting established the number of members of the board of directors at twelve for the financial years 2015/2016, 2016/2017 and 2017/2018, and appointed the following directors: Andrea Agnelli, Maurizio Arrivabene, Giulia Bongiorno, Paolo Garimberti, Assia Grazioli Venier, Caitlin Mary Hughes, Daniela Marilungo, Giuseppe Marotta, Aldo Mazzia, Pavel Nedved, Francesco Roncaglio and Enrico Vellano.
The board of statutory auditors was also appointed and is composed of Paolo Piccatti (Chairman), Silvia Lirici and Roberto Longo. The deputy auditors appointed were Nicoletta Paracchini and Roberto Petrignani.
Finally, the shareholders' meeting approved the Remuneration Report pursuant to art. 123-ter of Legislative Decree 58/98.
At the end of the shareholders' meeting, Juventus held a meeting of the board of directors which confirmed Andrea Agnelli as Chairman, and Giuseppe Marotta and Aldo Mazzia as Chief Executive Officers and, finally, appointed Pavel Nedved Vice President and confirmed Paolo Garimberti President of J Museum.
After having verified the satisfaction of the requisite of independence of the directors Giulia Bongiorno, Paolo Garimberti, Assia Grazioli Venier, Caitlin Mary Hughes and Daniela Marilungo, the board appointed the following Committees:

- *Remuneration and Appointments Committee* composed by Paolo Garimberti (Chairman), Assia Grazioli Venier and Caitlin Mary Hughes;
- *Control and Risk Committee* composed by Daniela Marilungo (Chairman), Paolo Garimberti and Assia Grazioli Venier.

The members of the Supervisory Board pursuant to Legislative Decree 231/2001 were also appointed and are Alessandra Borelli, Guglielmo Giordanengo and Patrizia Polliotto.

Events subsequent to December 31, 2015

Football season

In March 2016 the First Team qualified for the finals of the Italian Cup and was eliminated in round of sixteen of the UEFA Champions League.

2015/2016 Transfer Campaign – second phase

Purchases and disposals of players' registration rights

The purchases finalized in the second phase of the 2015/2016 Transfer Campaign, held from January 4 to February 1, 2016, led to an increase in invested capital of €6.4 million, in addition to the capitalization of €1.4 million of bonuses accrued in favor of the previous clubs of some players purchased in past transfer campaigns.
The total net financial commitment (including auxiliary expenses as well as financial income and expenses implicit in deferred receipts and payments is a negative €6.8 million, distributed as follows: -€1.2 million in the second half of the 2015/2016 financial year, -€2.8 million in the 2016/2017 financial year, and -€2.8 million in the 2017/2018 financial year.

(34.72% of issued capital, 20% of voting rights)

The key consolidated figures of The Economist Group reported for the first half of the financial year 2015/2016 (corresponding to the period March 1 – September 30, 2015), based on the most recent data available, are as follows:

£ million	Half I 2015/2016	Half I 2014/2015	Changes
Net revenues	**160.0**	148.7	11.3
Operating costs	**(132.4)**	(122.9)	(9.5)
Operating profit	**27.6**	25.8	1.8
Profit for the period	**19.4**	17.7	1.7

£ million	At 9/30/2015	At 9/30/2014	Change
Equity attributable to owners of the parent	**(22.1)**	(21.4)	(0.7)
Net debt	**(47.7)**	(37.9)	(9.8)

For a correct interpretation of the data it should be noted that the financial year of The Economist Group does not coincide with the calendar year but covers the period April 1 – March 31.

The Economist Group's **net revenues** in the first half 2015 are up 8% (£11.3 million) from the same period last year. The dollar was stronger against the pound which boosted revenues by £8.1 million, and the results were also helped by the timing of EuroFinance's flagship conference. This year the conference was in September, last year in October, so the swing in revenues for the half-year comparison was more than £4 million. Excluding both these favorable factors, revenues fell slightly.

Operating profit increased by 7% (£1.8 million) in the first half but would have been lower if not for the benefit of the stronger dollar and the earlier timing of the EuroFinance event. Profit for the period was up 9% (£1.7 million) boosted by a lower effective tax rate.

Net debt increased in the period by £9.8 million as there were higher investments in new acquisitions and digital developments, a lower operating cash inflow and higher dividend payments.

Net revenues by sector are as follows:

£ million	Half I 2015/2016	Half I 2014/2015	Change
The Economist Businesses	109.7	102.6	7.1
The Economist Intelligence Unit	24.5	22.9	1.6
CQ Roll Call	23.8	21.3	2.5
Other businesses	2.0	1.9	0.1
Net revenues	**160.0**	**148.7**	**11.3**

On the plus side, and starting with **The Economist Businesses**, revenues from circulation grew by 4%, from digital advertising by 10% and from content solutions by 17%. There was a decline in print advertising, by an underlying 18%. The only unexpected negative came from TVC, the integrated communications agency, down 29% in the first half after large clients cut spending.

The other two divisions of the Group also did well: **The Economist Intelligence Unit's** constant-currency revenues were up by 2% and **CQ Roll Call's** by 2%.

Operating profit by division is as follows:

£ million	Half I 2015/2016	2014/2015	Change
The Economist Businesses	12.1	12.9	(0.8)
The Economist Intelligence Unit	6.7	5.6	1.1
CQ Roll Call	6.4	5.2	1.2
Other businesses	2.4	2.1	0.3
Operating profit	**27.6**	**25.8**	**1.8**

Operating profit by business was also helped by the stronger dollar and in the case of The Economist Businesses, the timing of the EuroFinance event.
The ongoing decline in high margin print advertising revenues has continued to affect profitability and while partly offset by strong growth in digital advertising this comes with a cost because of complex delivery and support. There has also been increased investment in digital capabilities and editorial teams.

Significant events in the first half of 2015

There has been a lot of activity in the first half: some of it is innovation, but The Economist Group is also spending to improve the efficiency of its day-to-day operations. Visits to Economist.com were almost 15% up from the same period as last year; Global Business Review (the foreign-language app) has been downloaded 328,000 times since its launch in April; Espresso has been downloaded almost 1 million times. The circulation of *The Economist* was steady at 1.6 million; four out of ten subscribers now take the bundle of print and digital, which is sold at a premium price. *The Economist* continued to increase the number of full-price subscriptions and also to reduce the number of discounted copies, so revenue per copy rose by 8% in absolute terms. Just as significant, the cost of acquiring new subscribers was reduced by 11%. The Economist Intelligence Unit completed the acquisition of Canback & Co in July 2015, a predictive analytics and consultancy business helping firms that seek to target consumers.

Events subsequent to the first half of 2015

The transaction for the buyback of the remaining 2,550,000 treasury shares of The Economist Group was concluded on March 23, 2016; the preceding 2,490,000 treasury shares were bought back in October 2015. The company financed the transaction in part with new 5-year term loan agreements entered into on October 16, 2015 and in part with cash raised from the sale of The Economist Complex in central London under the agreement signed on February 12, 2016.

ARENELLA IMMOBILIARE S.r.l.

(100% capital)

The key figures taken from the financial statements for the first year ended December 31, 2015 of Arenella Immobiliare S.r.l. are as follows:

€ million	12/31/2015	12/31/2014	Change
Profit for the year	**0.1**	0.2	(0.1)
Equity	**26.3**	26.1	0.2
Lido Arenella hotel property	**25.9**	26.3	(0.4)
Net financial position	**0.2**	(0.3)	0.5

The year 2015 shows a profit of €0.1 million. The €0.1 million decrease from 2014 is mainly due to the effect of the tax benefit from ACE transferred to EXOR in the course of participating in the national tax consolidation with EXOR.

The net reduction in the carrying amount of the Lido Arenella hotel property of €0.4 million is due to the depreciation charge for the year of €0.6 million, partially offset by extraordinary maintenance work of €0.2 million.

Beginning September 30, 2016 Arenella Immobiliare will be able to exercise an option to acquire, as set out in the March 12, 2012 agreement signed between the parties, the hotel concession and the beach area concession of the adjacent to the hotel complex.

EXOR S.A.

(100% of capital)

The key figures of the financial statements for the year ended December 31, 2015 of EXOR S.A., prepared under the laws of Luxembourg, are as follows:

€ million	12/31/2015	12/31/2014	Change
Profit for the year	**796.2**	87.7	708.5
Equity	**1,409.2**	3,100.5	(1,691.3)
Investments and non-current other financial assets	**2,331.9**	3,609.9	(1,278.0)
Net financial position	**(930.2)**	(509.1)	(421.1)

EXOR S.A. closed the year 2015 with a profit of €796.2 million compared to a profit of €87.7 million in 2014. The increase of €708.5 million is due mainly to the gains realized on the sales of C&W Group of €641.9 million and Allied World Assurance Company Holdings for €60.4 million.

Investments and non-current other financial assets at December 31, 2015 comprise the following:

	Number	12/31/2015			
	of shares	% of capital	Carrying amount	12/31/2014	Change
The Economist Group Ltd	8,750,000	34.72	**428.6**	30.3	398.3
Exor Capital Ltd	4,000,000	100	**424.0**	1,889.0	(1,465.0)
EXOR N.V.	450	100	**300.0**	300.0	0.0
Almacantar S.A.	220,480,355	38.30	**280.5**	171.9	108.6
PartnerRe Ltd	2,201,062	4.61	**256.6**	-	256.6
Banca Leonardo S.p.A.	45,459,968	16.51	**54.5**	60.0	(5.5)
Banijay Holding S.A.S.	351,590	17.17	**35.3**	35.3	0.0
C&W Group Inc.	-	-	**0.0**	495.3	(495.3)
Other	-	-	**40.9**	156.4	(115.5)
Total investments			**1,820.4**	3,138.2	(1,317.8)
Non-current other financial assets			**511.5**	471.7	39.8
Total investments and non-current other financial assets			**2,331.9**	3,609.9	(1,278.0)

The principal changes in investments and non-current other financial assets held by EXOR S.A. are described under Significant Events in 2015.

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

RISKS ASSOCIATED WITH GENERAL ECONOMIC CONDITIONS

Beginning in 2008 the world economy was hit by the effects of the global financial crisis. This crisis, including the European sovereign debt crisis, has caused enormous confusion in financial markets, considerably reducing liquidity and credit availability. Any continuation of this state of tension in the financial markets at the national and international level could influence the type, timing and profitability of investments realized (or that will be realized) with resulting potential detrimental effects on the results of operations, financial position and cash flows of the company.
However, it is impossible to ensure that there will not be a further deterioration of the global economy.

The earnings and financial position of EXOR and its principal investment holdings are affected by the performance of financial markets and macroeconomic variables over which EXOR exercises little or no control. The major business segments are also highly seasonal, which tends to reflect, if not amplify, the situation of the general economy.

Strong GDP growth in the United States has raised divergent expectations of monetary policy among the major advanced economies, provoking exchange rate fluctuations and discordant economic scenarios in emerging markets.

The recovery in Europe has missed its targets but new factors will raise the short-term outlook. The fall in oil prices and raw materials have triggered a process leading to the redistribution of the wealth of exporting countries to importing countries and provided a further boost to economic activities, strengthening the quantitative easing measures adopted by the ECB. This monetary policy aims to accelerate the normalization of inflation, currently at levels close to zero, and support the devaluation of the euro in order to buttress the competitiveness of companies. However, there are still uncertainties surrounding growth in the Eurozone nations.

It is not possible to provide an indication of the future effects of the aforementioned factors and variables which may have an adverse impact on the demand for products and services, the earnings, business prospects and financial position of EXOR and its subsidiaries and affiliates.

RISKS ASSOCIATED WITH EXOR'S BUSINESS

EXOR conducts investment activities which entail risks that are typical such as high exposure to certain sectors or investments, difficulties in identifying new investment opportunities that meet the characteristics of its 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, may have an adverse effect on the EXOR's earnings, financial position and cash flows.

The ability to access capital markets or other forms of financing and the related costs are dependent, among other things, on the assigned credit rating.
Any downgrade by the rating agencies could limit the ability to access capital markets and increase the cost of capital, with a consequent adverse effect on its earnings, financial position and cash flows.
EXOR's long-term debt and short-term debt rated by Standard & Poor's in 2015 is respectively at "BBB+" and "A-2", with a negative 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, spreading 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.
Most of the liquidity at December 31, 2015 is denominated in U.S. dollars in order to hedge the currency risk in the transaction for the acquisition of PartnerRe, a non-monetary investment in foreign currency.
However, in consideration of the current international financial market situation, market conditions which may adversely affect the normal operations in 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 deterioration of the conditions in the financial markets and the earnings of the principal investment holdings may affect EXOR's earnings and cash flows.

Through its investments in subsidiaries and associates, EXOR is present mainly in the automobile segment (FCA), the agricultural and construction equipment segment (CNH Industrial), publishing (The Economist Group), real estate (Almacantar) and professional football (Juventus Football Club). As a result, EXOR is exposed to the risks typical of the markets and sectors in which such subsidiaries and affiliates operate.

At December 31, 2015, the investments in FCA (29.16% stake) and in CNH Industrial (26.94% stake) represented, respectively, 38.4% and 15.4% 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 FCA Group and the CNH Industrial Group has a very significant impact on the earnings, financial position and cash flows of EXOR.

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 may have an adverse effect on the 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 associated with pending litigation which are evaluated and, where necessary, appropriate provision is made. However, it cannot be excluded that such risks will have adverse effects on the earnings, financial condition and cash flows of EXOR and/or its subsidiaries and associates.

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. Although the companies consider that the tax estimates are reasonable, any disputes correlated thereto may have a material adverse effect on the results of operations.

The following paragraphs indicate the specific main risks and uncertainties of the companies in consolidation (FCA, CNH Industrial and Juventus Football Club).

FCA

Risks related to the business, strategy and operations

FCA – The profitability of the Group depends on reaching certain minimum vehicle sales volumes. If vehicle sales deteriorate, particularly sales of the Group's pickup trucks, larger utility vehicles and minivans, the results of operations and financial condition of the Group will suffer

The Group's success requires it to achieve certain minimum vehicle sales volumes. As is typical for an automotive manufacturer, the Group has significant fixed costs and, therefore, changes in vehicle sales volume can have a disproportionately large effect on profitability. For example, assuming constant pricing, mix and cost of sales per vehicle, that all results of operations were attributable to vehicle shipments and that all other variables remain constant, a 10% decrease in 2015 vehicle shipments would reduce Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT") by approximately 29% for 2015, without considering actions and cost containment measures that may be taken in response to decreased vehicle sales.

In addition, profitability in the U.S., Canada, Mexico and Caribbean islands ("NAFTA"), a region which contributed a majority of the profit in 2015, is particularly dependent on demand for the Group's pickup trucks, larger utility vehicles and minivans. A shift in demand away from these vehicles within the NAFTA region, and towards compact and mid-size passenger cars, whether in response to higher fuel prices or other factors, could adversely affect profitability. Pickup trucks, larger utility vehicles and minivans accounted for approximately 41% of total U.S. retail vehicle sales in 2015 and the profitability of this portion of the portfolio is approximately 39% higher than that of the overall U.S. retail portfolio on a weighted average basis. A shift in demand such that U.S. industry market share for pickup trucks, larger utility vehicles and minivans deteriorated by 10 percentage points, whether in response to higher fuel prices or other factors, holding other variables constant, including overall industry sales and the Group's market share of each vehicle segment, would have reduced the Group's Adjusted EBIT by approximately 10% for 2015. This estimate does not take into account any other changes in market conditions or actions that the Group may take in response to shifting consumer preferences, including production and pricing changes. This estimate does not take into account any other changes in market conditions or actions that the Group may take in response to shifting consumer preferences, including production and pricing changes.

The Group's dependence within the NAFTA region on pickup trucks, larger utility vehicles and minivans is expected to increase further as the Group intends to shift production in that region away from compact and mid-size passenger cars.

Moreover, the Group tends to operate with negative working capital as the Group generally receives payments from vehicle sales to dealers within a few days of shipment, whereas there is a lag between the time when parts and materials are received from suppliers and when such parts and materials are paid; therefore, if vehicle sales decline the Group will suffer a significant negative impact on cash flow and liquidity as it continues to pay suppliers during a period in which the Group receive reduced proceeds from vehicle sales. If vehicle sales decline, 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.

FCA – The Group's businesses are affected by global financial markets and general economic and other conditions over which the Group has little or no control

The Group's results of operations 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, fuel prices, the cost of commodities or other raw materials, the rate of unemployment and foreign currency exchange rates—within the various countries in which the Group operates.

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 the Group 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.

FCA – The Group may be unsuccessful in efforts to expand the international reach of some of the brands that are believed to have global appeal and reach

The growth strategies reflected in the 2014-2018 Business Plan announced in May 2014 and updated in January 2016 (the "Business Plan") require significant investments, including the expansion of several brands that are believed to have global appeal into new markets. Most notably, these strategies include expanding global sales of the Jeep brand through localized production in Asia and Latin America. Additionally, the Group's plans include the launch of new large utility vehicle models in North America, the reintroduction in North America, and expansion in Europe and Asia, of the Alfa Romeo brand, and the further development of the Maserati brand portfolio to include the all-new Levante sport utility vehicle. These strategies require significant investments in production facilities and distribution networks. If the Group is unable to introduce vehicles that appeal to consumers in these markets and achieve brand expansion strategies, FCA may be unable to earn a sufficient return on these investments and this could have a material adverse effect on the Group's financial condition and results of operations.

FCA - Product recalls and warranty obligations may result in direct costs, and any resulting loss of vehicle sales could have material adverse effects on the Group's business

FCA, and the U.S. automotive industry in general, have recently experienced a significant increase in recall activity to address performance, compliance or safety-related issues. FCA's recent costs to recall vehicles have been significant and typically include the cost of replacement parts and labor to remove and replace parts. These costs substantially depend on the nature of the remedy and the number of vehicles affected, and may arise many years after a vehicle's sale. Product recalls may also harm the Group's reputation, force it to halt the sale of certain vehicles and may cause consumers to question the safety or reliability of the Group's products. Given recent increases in both the cost and frequency of recall campaigns and increased regulatory activity across the automotive industry in the U.S. and Canada, ongoing compliance may become even more costly.

Any costs incurred, or lost vehicle sales, resulting from product recalls could materially adversely affect the Group's financial condition and results of operations. Moreover, faced with consumer complaints, or information received from vehicle rating services that calls into question the safety or reliability of one of the Group's vehicles and the Group does not issue a recall, or if the Group does not do so on a timely basis, the Group's reputation may also be harmed and the Group may lose future vehicle sales. The Group is also obligated under the terms of its warranty agreements to make repairs or replace parts in its vehicles at its expense for a specified period of time. Therefore, any failure rate that exceeds the Group's assumptions may result in unanticipated losses.

In addition, compliance with U.S. regulatory requirements for product recalls has received heightened scrutiny recently. In connection with the failure in three specified campaigns to provide an effective remedy, and noncompliance with various reporting requirements under the National Traffic and Motor Vehicle Safety Act of 1966 and the Transportation Recall Enhancement, Accountability and Documentation (TREAD) Act, FCA US has recently agreed to pay substantial civil penalties, become subject to supervision and in certain instances been required to buy back vehicles as an additional alternative to a repair remedy. There can be no assurance that the Group will not be subject to additional regulatory inquiries and consequences in the future.

FCA - Future performance depends on the Group's ability to expand into new markets as well as enrich the product portfolio and offer innovative products in existing markets

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

Further, if the Group determines that a safety or emissions defect, a mechanical defect or a non-compliance with regulation exists with respect to a vehicle model prior to the retail launch, the launch of such vehicle could be delayed until the Group remedies the defect or non-compliance. The costs associated with any protracted delay in new model launches necessary to remedy such defect, and the cost of providing a free remedy for such defects or non-compliance in vehicles that have been sold, could be substantial.

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

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

In addition, global vehicle production capacity significantly exceeds current demand and this overcapacity 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 that have lower production costs may choose to export lower-cost automobiles to more established markets. These actions have had, and may continue to have, a negative impact on the Group's vehicle pricing, market share, and results of operations.

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 automotive industry or the Group's inability to adapt effectively to external market conditions coupled with more limited capital than many of its principal competitors could have a material adverse impact on the Group's financial condition and results of operations.

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

Government scrutiny has also increased industry-wide, and is expected to remain high, in connection with a recent significant EPA action involving the tailpipe emissions of a competitor's diesel vehicles. As a result, original equipment manufacturers ("OEMs") will likely experience additional regulation, increased enforcement and a more lengthy regulatory approval process.

In many cases, technological and cost barriers limit the mass-market potential of sustainable natural gas and electric vehicles. In certain other cases, the technologies that the Group plans to employ are not yet commercially practical and depend on significant future technological advances by it and by suppliers. There can be no assurance that these advances will occur in a timely or feasible manner, that the funds the Group has budgeted or expended for these purposes will be adequate, or that the Group will be able to obtain rights to use these technologies.

Further, competitors and others are pursuing similar technologies and other competing technologies, and there can be no assurance that they will not acquire and implement similar or superior technologies sooner than the Group will or on an exclusive basis or at a significant price advantage.

FCA – The Group's success largely depends on the ability of the current management team to operate and manage effectively

The Group's success largely depends on the ability of senior executives and other members of management to effectively manage the Group and individual areas of the business. In particular, the Chief Executive Officer, Sergio Marchionne, is critical to the execution of the strategic direction and implementation of the Business Plan. Although Mr. Marchionne has indicated his intention to remain as Chief Executive Officer through the period of the Business Plan, if the Group were to lose his services or those of any of the other senior executives or key employees it could have a material adverse effect on the Group's business prospects, earnings and financial position. The Group has developed succession plans that is believed are appropriate in the circumstances, although it is difficult to predict with any certainty that the Group will replace these individuals with persons of equivalent experience and capabilities. If the Group is unable to find adequate replacements or to attract, retain and incentivize senior executives, other key employees or new qualified personnel the business, financial condition and results of operations may suffer.

FCA - The FCA Group may be subject to more intensive competition if other manufacturers pursue consolidations

The FCA Group has advocated consolidation in its industry due to the Group's view that the automotive industry is characterized by significant duplication in product development costs, much of which does not drive value as perceived by consumers. The FCA Group believes that sharing product development costs among manufacturers, preferably through consolidation, will enable automakers to improve their return on capital employed for product development and manufacturing and enhance utilization of tooling, machinery and equipment. While the FCA Group continues to implement its Business Plan, and believes that the business will continue to grow and operating margins will continue to improve, if competitors are able to successfully integrate with one another and the FCA Group is not successful with its own efforts to enhance collaboration or adapt effectively to increased competition, the competitors' integration could have a material adverse impact on the Group's financial condition and results of operations.

FCA – The Group may be exposed to shortfalls in its pension plans

Certain of the defined benefit pension plans are currently underfunded. As of December 31, 2015, the defined benefit pension plans were underfunded by approximately €5.1 billion (€4.9 billion of which relates to FCA US's defined benefit pension plans). The Group's 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. The Group'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 defined benefit plans, as well as the investment strategy for the plans, the Group 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 generally increase the value of investments in fixed income securities and the present value of the obligations.

Any reduction in the discount rate 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 the Group's financial condition and results of operations. If the Group fails to make required minimum funding contributions, it could be subject to reportable event disclosure to the U.S. Pension Benefit Guaranty Corporation, as well as interest and excise taxes calculated based upon the amount of any funding deficiency. As a result of the Group's 100% indirect ownership of FCA US, the Group may be subject to certain U.S. legal requirements making it secondarily responsible for a funding shortfall in certain of FCA US's pension plans in the event these pension plans were terminated and FCA US were to become insolvent.

FCA – The lack of a captive finance company in certain key markets could place the Group at a competitive disadvantage to other automakers that may be able to offer consumers and dealers financing and leasing on better terms than the Group customers and dealers are able to obtain

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

Unlike many of the competitors, the Group does not own and operate a controlled finance company dedicated solely to the mass-market vehicle operations in the U.S. and certain key markets in Europe. Instead the Group has elected to partner with specialized financial services providers through joint ventures and commercial agreements. The Group's lack of a controlled finance company in these key markets may increase the risk that the Group's 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 competitors are better able to implement financing programs designed to maximize vehicle sales in a manner that optimizes profitability for them and their 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, lack of a controlled finance company in those markets could adversely affect the Group's results of operations.

In other markets, the Group relies on controlled finance companies, joint ventures and commercial relationships with third parties, including third party financial institutions, to provide financing to its dealers and retail customers. The ability of a finance company to provide financing services at competitive rates is subject to various factors, including:

- the performance of loans and leases in their portfolio, which could be materially affected by delinquencies, defaults or prepayments;
- wholesale auction values of used vehicles;
- higher than expected vehicle return rates and the residual value performance of vehicles they lease; and
- fluctuations in interest rates and currency exchange rate.

Any financial services provider, including the Group's joint ventures and controlled finance companies, will also face other demands on its capital, including the need or desire to satisfy funding requirements for dealers or customers of competitors as well as liquidity issues relating to other investments. Furthermore, they may 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.

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

FCA - Vehicle sales depend heavily on affordable interest rates for vehicle financing

In certain regions, including NAFTA, 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. As 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 retail customers or steer consumers to less expensive vehicles that tend to be less profitable for the Group, adversely affecting financial condition and results of operations. Additionally, if consumer interest rates increase substantially or if financial service providers tighten lending standards or restrict their lending to certain classes of credit, the Group's retail customers may not desire to or be able to obtain financing to purchase or lease the Group's vehicles. Furthermore, because the 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 competitors.

FCA - Limitations on the Group's liquidity and access to funding may limit the ability to execute the Business Plan and improve the 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 access 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 its 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 the 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, lenders and financial service providers, to do business with the Group, which may adversely affect the Group’s financial condition and results of operations.

FCA – The Group’s current credit rating is below investment grade and any further deterioration may significantly affect its 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 its credit ratings and the Group is currently rated below investment grade. The rating agencies review the Group’s ratings regularly and, accordingly, new ratings may be assigned to the Group in the future. 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, which may cause a material adverse effect on the Group’s business prospects, earnings and financial position.

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

FCA – The Group’s ability to achieve cost reductions and to realize production efficiencies is critical to maintaining its competitiveness and long-term profitability

While some productivity improvements are within the Group’s 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 the 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 and government regulations.

FCA – 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, dealer and supplier disputes, environmental claims and lawsuits, antitrust, intellectual property, tax and other legal proceedings including those that arise in the ordinary course of the 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 claims, lawsuits and other legal matters are not expected individually to have a material adverse effect on its financial condition or results of operations, such matters 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. While the Group maintains insurance coverage with respect to certain claims, the Group 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.

FCA - A significant malfunction, disruption or security breach compromising the electronic control systems contained in the Group’s vehicles could damage the reputation, disrupt business and adversely impact the Group’s ability to compete

The Group’s vehicles, as well as vehicles manufactured by other OEMs, contain interconnected and increasingly complex systems that control various vehicle processes including engine, transmission, safety, steering, brakes, window and door lock functions. Such internal and vehicle systems are susceptible to malfunctions and interruptions due to equipment damage, power outages, and a range of other hardware, software and network problems. These systems are also susceptible to cybercrime, or threats of intentional disruption, which are increasing in terms of sophistication and frequency. A significant malfunction, disruption or security breach compromising the electronic control systems contained in the Group’s vehicles could damage the Group’s reputation, expose it to significant liability and have a material adverse effect on the results of operations.

FCA – The Group may not be able to realize anticipated benefits from acquisitions that may be undertaken, and challenges associated with strategic alliances may have an adverse impact on the 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 it from realizing the expected benefits of the transactions or achieving the Group's 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; and
- 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.

FCA - There can be no assurance that the FCA Group will be able to offset the earnings power lost as a result of the Ferrari separation

In January 2016, FCA completed the previously announced separation of Ferrari N.V., which was intended to, among other things, strengthen the capital base. The separation consisted primarily of the October 2015 initial public offering of 10% of the common shares of Ferrari N.V. and the January 2016 transaction in which holders of FCA common shares and FCA mandatory convertible securities received the remaining 80% interest in Ferrari N.V. The initial public offering and spin-off will in the aggregate ultimately have a positive €1.5 billion impact on FCA's Net industrial debt. However, Ferrari N.V. contributed approximately €2.6 billion in revenue and €444 million in EBIT in 2015, and is now accounted for as a discontinued operation. If the improvement in FCA's capital position resulting from the separation of Ferrari N.V. is not sufficient to offset the related loss of revenue and EBIT, FCA could experience a material adverse impact on its results of operations and financial condition.

FCA - Failure to maintain adequate financial and management processes and controls could lead to errors in the Group's financial reporting, which could harm its business reputation and cause a default under certain covenants in its credit agreements and other debt

The Group continuously monitors and evaluates changes in its internal controls over financial reporting. In support of the drive toward common global systems, the Group has extended the 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 the previous processes. The Group's management believes that the implementation of these systems will continue to improve and enhance internal controls over financial reporting. If the Group fails to maintain adequate financial and management processes and controls, however, it could lead to errors in financial reporting, which could harm the Group's business reputation and cause a default under certain covenants in credit agreements and other debt.

In addition, if the Group does not maintain adequate financial and management personnel, processes and controls, the Group may not be able to accurately report its financial performance on a timely basis, which could cause a default under certain covenants in the indentures governing certain of the Group's public indebtedness, and other credit agreements.

FCA - A disruption or security breach in Group's information technology systems could disrupt business and adversely impact the ability to compete

A significant malfunction, disruption or security breach compromising the operation of the Group's information technology systems could damage the reputation, disrupt the business and adversely impact the ability to compete. The Group's ability to keep the business operating effectively depends on the functional and efficient operation of the information, data processing and telecommunications systems, including the Group's vehicle design, manufacturing, inventory tracking and billing and payment systems. A significant or large-scale malfunction or interruption of any one of the computer or data processing systems could adversely affect the Group's ability to manage and keep its operations running efficiently, and damage its reputation if the Group is unable to track transactions and deliver products to its dealers and customers.

A malfunction or security breach that results in a wider or sustained disruption to the business could have a material adverse effect on the Group's business, reputation, financial condition and results of operations.

In addition to supporting operations, the Group uses systems to collect and store confidential and sensitive data, including information about its business, its and its employees. As its technology continues to evolve, the Group anticipates that it will collect and store even more data in the future and that the Group's systems will increasingly use remote communication features that are sensitive to both willful and unintentional security breaches. Much of the Group's value is derived from its confidential business information, including vehicle design, proprietary technology and trade secrets, and to the extent the confidentiality of such information is compromised, the Group may lose its competitive advantage and its vehicle sales may suffer. The Group also collects, retains and uses personal information, including data gathered from customers for product development and marketing purposes, and data obtained from employees. In the event of a breach in security that allows third parties access to this personal information, the Group is subject to a variety of ever-changing laws on a global basis that require notification to be provided to the data owners, and that subject the Group to lawsuits, fines and other means of regulatory enforcement. The Group's reputation could suffer in the event of such a data breach, which could cause consumers to purchase their vehicles from competitors. Ultimately, any significant compromise in the integrity of data security could have a material adverse effect on the Group's business.

FCA - The Group may not be able to adequately protect its intellectual property rights, which may harm its business

The Group's success depends, in part, on its ability to protect its intellectual property rights. If the Group fails to protect intellectual property rights, others may be able to compete against the Group using intellectual property that is the same as or similar to the Group's own. In addition, there can be no guarantee that the intellectual property rights are sufficient to provide the Group with a competitive advantage against others who offer products similar to the Group's products. Despite efforts, the Group may be unable to prevent third parties from infringing its intellectual property and using its technology for their competitive advantage. Any such infringement and use could adversely affect the Group's business, financial condition or results of operations.

The laws of some countries in which the Group operates do not offer the same protection of intellectual property rights as do the laws of the U.S. or Europe. In addition, effective intellectual property enforcement may be unavailable or limited in certain countries, making it difficult for the Group to protect intellectual property from misuse or infringement there. The Group's inability to protect or intellectual property rights in some countries may harm the Group's business, financial condition or results of operations.

FCA - 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

- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on the repatriation of funds; and
- the introduction of more stringent laws and regulations.

Unfavorable developments in any one or a combination 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.

FCA - 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) and have recently taken steps to expand its manufacturing presence in its South and Central America ("LATAM") region and Asia and Pacific countries ("APAC") region. 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 developments in certain LATAM markets, as well as China, have had and could have in the future material adverse effects on the Group's financial condition and results of operations. Further, in certain markets in which the Group or its joint ventures operate, government approval may be required for certain activities, which may limit the Group's ability to act quickly in making decisions on its operations in those markets.

The automotive market in these emerging markets is highly competitive, with competition from many of the largest global manufacturers as well as numerous smaller domestic manufacturers.

The Group anticipates that additional competitors, both international and domestic, will also seek to enter these markets and that existing market participants will try to aggressively protect or increase their market share. Increased competition may result in price reductions, reduced margins and the inability to gain or hold market share, which could have a material adverse effect on the Group's financial condition and results of operations.

FCA – The Group's reliance on joint ventures in certain emerging markets may adversely affect the development of the Group's business in those regions

The Group intends to expand its presence in emerging markets, including China and India, through partnerships and joint ventures. For instance, the Group has entered into a joint venture with Guangzhou Automobile Group Co., Ltd ("GAC Group") which has commenced local production of the Jeep Cherokee and will locally produce two other new Jeep vehicles for the Chinese market, expanding the portfolio of Jeep sport utility vehicles ("SUVs") currently available to Chinese consumers as imports. The Group has also entered into a joint venture with TATA Motors Limited for the production of certain of its vehicles, engines and transmissions in India.

The Group's reliance on joint ventures to enter or expand its presence in these markets may expose the Group to risk of conflict with its joint venture partners and the need to divert management resources to oversee these shareholder arrangements. Further, as these arrangements require cooperation with third party partners, these joint ventures may not be able to make decisions as quickly as the Group would if the Group was operating on its own or may take actions that are different from what the Group would do on a stand-alone basis in light of the need to consider its partners' interests. As a result, the Group may be less able to respond timely to changes in market dynamics, which could have an adverse effect on the Group's financial condition and results of operations.

FCA - The Group depends on its relationships with suppliers

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

FCA – The Group faces risks associated with increases in costs, disruptions of supply or shortages of raw materials, parts, components and systems used in its vehicles

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 market conditions can affect its ability to manage cost of sales over the short term. The Group may not be successful in managing its exposure to these risks. Substantial increases in the prices for raw materials would increase its operating costs and could reduce profitability if the increased costs cannot be offset by changes in vehicle prices or countered by productivity gains. In particular, certain raw materials are sourced 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 or man-made 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 disruptions and 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 the Group's 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/or results of operations.

FCA - Labor laws and collective bargaining agreements with the Group's labor unions could impact its ability to increase the efficiency of operations

Substantially all of the Group's production employees are represented by trade unions, are covered by collective bargaining agreements and/or are 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 in the Group's collective bargaining agreements may impede its ability to restructure the business successfully to compete more effectively, especially with those automakers whose employees are not represented by trade unions or are subject to less stringent regulations, which could have a material adverse effect on the Group's financial condition and results of operations.

FCA – 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 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 industrial activities and for providing financing to its dealers and customers. Moreover, liquidity for industrial activities is also principally invested in variable-rate or short-term financial instruments. The 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 Net revenues, finance costs and margins.

In addition, although the Group manages risks associated with fluctuations in currency and interest rates through financial hedging instruments, fluctuations in currency or interest rates could have a material adverse effect on the Group's financial condition and results of operations.

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

FCA - FCA is a Dutch public company with limited liability, and the shareholders may have rights different from those of shareholders of companies organized in the U.S.

The rights of the shareholders of the Group may be different from the rights of shareholders governed by the laws of U.S. jurisdictions. FCA is a Dutch public company with limited liability (*naamloze vennootschap*). Its corporate affairs are governed by the articles of association and by the laws governing companies incorporated in the Netherlands. The rights of shareholders and the responsibilities of members of the board of directors may be different from the rights of shareholders and the responsibilities of members of the board of directors of the Group in companies governed by the laws of other jurisdictions including the U.S. In the performance of its duties, the board of directors of the Group is required by Dutch law to consider the interests of the Group and the interests of its shareholders, employees and other stakeholders, in all cases with due observation of the principles of reasonableness and fairness. It is possible that some of these parties will have interests that are different from, or in addition to, the interests of the shareholders.

FCA - It may be difficult to enforce U.S. judgments against FCA

FCA is incorporated under the laws of the Netherlands, and a substantial portion of the assets are outside of the U.S. Most of the directors and senior management and the independent auditors are resident outside the U.S., and all or a substantial portion of their respective assets may be located outside the U.S. As a result, it may be difficult for U.S. investors to effect service of process within the U.S. upon these persons. It may also be difficult for U.S. investors to enforce within the U.S. judgments predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof. In addition, there is uncertainty as to whether the courts outside the U.S. would recognize or enforce judgments of U.S. courts obtained against FCA or its directors and officers predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof. Therefore, it may be difficult to enforce U.S. judgments against FCA, its directors and officers and its independent auditors.

FCA – FCA operates so as to be treated as exclusively resident in the United Kingdom for tax purposes, but the relevant tax authorities may treat it as also being tax resident elsewhere

FCA is not a company incorporated in the United Kingdom ("U.K."). Therefore, whether FCA is resident in the U.K. for tax purposes depends on whether "central management and control" is located (in whole or in part) in the U.K. The test of "central management and control" is largely a question of fact and degree based on all the circumstances, rather than a question of law. Nevertheless, the decisions of the U.K. courts and the published practice of Her Majesty's Revenue & Customs ("HMRC"), suggest that FCA, a group holding company, is likely to be regarded as having become U.K.-resident on this basis from incorporation and remaining so if, as FCA intends, (i) at least half of the meetings of FCA's board of directors are held in the U.K. with a majority of directors present in the U.K. for those meetings; (ii) at those meetings there are full discussions of, and decisions are made regarding, the key strategic issues affecting the FCA Group and its subsidiaries; (iii) those meetings are properly minuted; (iv) at least some of FCA's directors, together with supporting staff, are based in the U.K.; and (v) FCA has permanent staffed office premises in the U.K. HMRC has accepted that "central management and control" of FCA is in the U.K.

Although it has been accepted that FCA "central management and control" is in the U.K., it would nevertheless not be treated as U.K.-resident if (a) it were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) that has a double tax treaty with the U.K. and (b) there were a tie-breaker provision in that tax treaty which allocated exclusive residence to that other jurisdiction.

FCA's residence for Italian tax purposes is largely a question of fact based on all circumstances. A rebuttable presumption of residence in Italy may apply under Article 73(5-*bis*) of the Italian Consolidated Tax Act ("CTA"). However, FCA has set up and thus far maintained, and intend to continue to maintain, a management and organizational structure in such a manner that it should be deemed resident in the U.K. from incorporation for the purposes of the Italy-U.K. tax treaty. The result of this is that FCA should not be regarded as an Italian tax resident either for the purposes of the Italy-U.K. tax treaty or for Italian domestic law purposes. Because this analysis is highly factual and may depend on future changes in FCA's management and organizational structure, there can be no assurance regarding the final determination of FCA's tax residence. Should FCA be treated as an Italian tax resident, it would be subject to taxation in Italy on its worldwide income and may be required to comply with withholding tax and/or reporting obligations provided under Italian tax law, which could result in additional costs and expenses.

Although it has been accepted that "central management and control" is in the U.K., FCA will be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes on the basis that it is incorporated there. Nonetheless, FCA will be regarded as solely resident in either the U.K. or the Netherlands under the Netherlands-U.K. tax treaty if the U.K. and Dutch competent authorities agree that this is the case. FCA has applied for and received a ruling from the U.K. and Dutch competent authorities that it should be treated as resident solely in the U.K. for the purposes of the treaty. If there is a change over time to the facts upon which a ruling issued by the competent authorities is based, the ruling may be withdrawn or cease to apply.

FCA - The U.K.'s controlled foreign company taxation rules may reduce net returns to shareholders

On the assumption that FCA is resident for tax purposes in the U.K., it will be subject to the U.K. controlled foreign company ("CFC") rules. The CFC rules can subject U.K.-tax-resident companies (in this case, FCA) to U.K. tax on the profits of certain companies not resident for tax purposes in the U.K. in which they have at least a 25% direct or indirect interest. Interests of connected or associated persons may be aggregated with those of the U.K.-tax-resident company when applying this 25% threshold. For a company to be a CFC, it must be treated as directly or indirectly controlled by persons resident for tax purposes in the U.K. The definition of control is broad (it includes economic rights) and captures some joint ventures.

Various exemptions are available. One of these is that a CFC must be subject to tax in its territory of residence at an effective rate not less than 75% of the rate to which it would be subject in the U.K., after making specified adjustments. Another of the exemptions (the "excluded territories exemption") is that the CFC is resident in a jurisdiction specified by HMRC in regulations (several jurisdictions in which the group has significant operations, including Brazil, Italy and the U.S., are so specified). For this exemption to be available, the CFC must not be involved in an arrangement with a main purpose of avoiding U.K. tax and the CFC's income falling within certain categories (often referred to as the CFC's "bad income") must not exceed a set limit. In the case of the U.S. and certain other countries, the "bad income" test need not be met if the CFC does not have a permanent establishment in any other territory and the CFC or persons with an interest in it are subject to tax in its home jurisdiction on all its income (other than non-deductible distributions). It is expected that the principal operating activities should fall within one or more of the exemptions from the CFC rules, in particular the excluded territories exemption.

Where the entity exemptions are not available, profits from activities other than finance or insurance will only be subject to apportionment under the CFC rules where:

- some of the CFC's assets or risks are acquired, managed or controlled to any significant extent in the U.K. (a) other than by a U.K. permanent establishment of the CFC and (b) other than under arm's length arrangements;
- the CFC could not manage the assets or risks itself; and;
- the CFC is party to arrangements which increase its profits while reducing tax payable in the U.K. and the arrangements would not have been made if they were not expected to reduce tax in some jurisdiction.

Profits from finance activities (whether considered trading or non-trading profits for U.K. tax purposes) or from insurance may be subject to apportionment under the CFC rules if they meet the tests set out above or specific tests for those activities. A full or 75% exemption may also be available for some non-trading finance profits.

Although FCA does not expect the U.K.'s CFC rules to have a material adverse impact on its financial position, the effect of the new CFC rules on FCA is not yet certain. FCA will continue to monitor developments in this regard and seek to mitigate any adverse U.K. tax implications which may arise. However, the possibility cannot be excluded that the CFC rules may have a material adverse impact on the Group's financial position, reducing net returns to the shareholders.

FCA - If FCA is deemed to not maintain a permanent establishment in Italy, it could experience a material increase in its tax liability

Whether FCA has maintained a permanent establishment in Italy after the Merger (an "Italian P.E.") is largely a question of fact based on all the circumstances. FCA believes that, on the understanding that it should be a U.K.-resident company under the Italy-U.K. tax treaty, it is likely to be treated as maintaining an Italian P.E. because it has maintained and intends to continue to maintain sufficient employees, facilities and activities in Italy to qualify as maintaining an Italian P.E. Should this be the case (i) the embedded gains on FCA's assets connected with the Italian P.E. cannot be taxed as a result of the Merger; (ii) FCA's tax-deferred reserves cannot be taxed, inasmuch as they have been recorded in the Italian P.E.'s financial accounts; and (iii) the Italian fiscal unit that was headed by Fiat before the Merger (the "Fiscal Unit"), continues with respect to the Italian subsidiaries whose shareholdings are part of the Italian P.E.'s net worth.

FCA filed a ruling request with the Italian tax authorities in respect of the continuation of the Fiscal Unit via the Italian P.E. on April 16, 2014. The Italian tax authorities issued the ruling on December 10, 2014 (the "2014 Ruling"), confirming that the Fiscal Unit may continue via the Italian P.E. Moreover, in another ruling issued on October 9, 2015 (the "2015 Ruling", and together with the 2014 Ruling, the "Rulings"), the Italian tax authorities confirmed that the separation of Ferrari from the Group (including the first demerger of certain assets held through the Italian P.E.) will qualify as a tax-free, neutral transaction from an Italian income tax perspective. However, the Rulings are not assessments of certain sets of facts and circumstances. Therefore, even though the 2014 Ruling confirms that the Fiscal Unit may continue via the Italian P.E. and the 2015 Ruling assumes such a P.E. to exist, this does not rule out that the Italian tax authorities may in the future verify whether FCA actually has a P.E. in Italy and potentially challenge the existence of such a P.E. Because the analysis is highly factual, there can be no assurance regarding the maintenance of an Italian P.E. after the Merger.

Risks related to the Group's substantial existing indebtedness

FCA – The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding on competitive terms 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 the Group's indebtedness, which may reduce the amount of funds available to the Group for other purposes;
- the Group is more financially leveraged than some of its competitors, which may put the Group at a competitive disadvantage; and
- 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 the 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.

Even though the Group is the 100% indirect owner of FCA US, it operates separately from a cash management standpoint. Additionally, the Group has not provided guarantees or security or undertaken any other similar commitment in relation to any financial obligation of FCA US, nor does the Group have any commitment to provide funding to FCA US in the future.
However, with the replacement of the prior FCA revolving credit facilities with the new FCA revolving credit facilities entered into in June 2015, FCA no longer has limitations in providing funding to FCA US.
Furthermore, certain of its notes include covenants that may be affected by FCA US's circumstances. In particular, these notes include cross-default clauses which may accelerate the relevant issuer's obligation to repay its notes in the event that FCA US fails to pay certain debt obligations at maturity or is otherwise subject to an acceleration in the maturity of any of those obligations. Therefore, these cross-default provisions could require early repayment of those notes in the event FCA US's debt obligations are accelerated or are not repaid at maturity. There can be no assurance that the obligation to accelerate the repayment by FCA US of its debts will not arise or that it will be able to pay its debt obligations when due at maturity.

FCA - Restrictive covenants in the debt agreements could limit the Group's 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 certain 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; and
- enter into sale and leaseback transactions.

FCA - Restrictions arising out of FCA US's senior credit facilities may hinder the Group's ability to manage its operations on a consolidated, global basis

FCA US is party to credit agreements for certain senior credit facilities. These debt instruments include covenants that restrict FCA US's ability to pay dividends or enter into sale and leaseback transactions, 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 and February 2015, FCA US paid distributions of U.S.$1.9 billion (€1.4 billion) and U.S.$1.3 billion (€1.2 billion), respectively, to its members. Further distributions will be limited to 50% of FCA US's cumulative consolidated net income (as defined in the agreements) from the period from January 1, 2012 until the end of the most recent fiscal quarter, less the amounts of the January 2014 and February 2015 distributions.
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 particular, the senior credit facilities contain, and future indebtedness may contain, other and more restrictive covenants.
These agreements also limit FCA US's ability to prepay certain of its indebtedness or impose limitations that make prepayment impractical. The senior credit facilities require FCA US to maintain borrowing base collateral coverage and a minimum liquidity threshold. A breach of any of these covenants or restrictions could result in an event of default on the indebtedness and the other indebtedness of FCA US or result in cross-default under certain of its or the Group's indebtedness.
If FCA US 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, FCA US 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 FCA US in such circumstances, it may not be available on acceptable terms.
Compliance with certain of these covenants could also restrict FCA US's ability to take certain actions that its management believes are in FCA US's and the Group's best long-term interests.
Should FCA US be unable to undertake strategic initiatives due to the covenants provided for by the above-referenced instruments, the Group's business prospects, financial condition and results of operations could be impacted.

FCA - No assurance can be given that restrictions arising out of FCA US's senior credit facilities will be eliminated

In connection with the Group's capital planning to support the Business Plan, the Group has announced the intention to eliminate existing contractual terms limiting the free flow of capital among Group companies, including through prepayment, refinancing and/or amendment of the outstanding FCA US senior credit facilities. No assurance can be given regarding the timing of such transactions or that such transactions will be completed.

FCA - Substantially all of the assets of FCA US and its U.S. subsidiary guarantors are unconditionally pledged as security under its senior credit facilities and could become subject to lenders' contractual rights if an event of default were to occur

FCA US is an obligor and several of its U.S. subsidiaries are guarantors under FCA US's senior credit facilities. The obligations under the senior credit facilities are secured by senior priority security interests in substantially all of the assets of FCA US and its U.S. subsidiary guarantors. The collateral includes 100% of the equity interests in FCA US's U.S. subsidiaries, 65% of the equity interests in certain of its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors. An event of default under FCA US's senior credit facilities could trigger its lenders' contractual rights to enforce their security interest in these assets.

Risks related to the Group's common shares

FCA – The Group's maintenance of two exchange listings may adversely affect liquidity in the market for its common shares and could result in pricing differentials of its common shares between the two exchanges

The Group's common shares are listed and traded on both the New York Stock Exchange ("NYSE") and the Mercato Telematico Azionario ("MTA") operated by Borsa Italiana. The dual listing of the common shares may split trading between the two markets and may result in limited trading liquidity of the shares in one or both markets, which may adversely affect the development of an active trading market for the common shares on either or both exchanges and may result in price differentials between the exchanges. Differences in the trading schedules, as well as volatility in the exchange rate of the two trading currencies, among other factors, may result in different trading prices for its common shares on the two exchanges, which may contribute to volatility in the trading of its shares.

FCA - The loyalty voting structure may affect the liquidity of the Group's common shares and reduce the common share price

The implementation of the loyalty voting structure could reduce the liquidity of FCA common shares and adversely affect the trading prices of its common shares. The loyalty voting structure is intended to reward shareholders for maintaining long-term share ownership by granting initial shareholders and persons holding FCA common shares continuously for at least three years at any time following the effectiveness of the Merger the option to elect to receive FCA special voting shares. Its special voting shares cannot be traded and, immediately prior to the deregistration of common shares from the FCA Loyalty Register, any corresponding special voting shares shall be transferred to FCA for no consideration (*om niet*). This loyalty voting structure is designed to encourage a stable shareholder base and, conversely, it may deter trading by those shareholders who are interested in gaining or retaining its special voting shares. Therefore, the loyalty voting structure may reduce liquidity in FCA common shares and adversely affect their trading price.

FCA - The loyalty voting structure may make it more difficult for shareholders to acquire a controlling interest, change Group management or strategy or otherwise exercise influence over the Group, and the market price of the common shares may be lower as a result

The provisions of the articles of association which establish the loyalty voting structure may make it more difficult for a third party to acquire, or attempt to acquire, control of the company, even if a change of control were considered favorably by shareholders holding a majority of FCA common shares. As a result of the loyalty voting structure, a relatively large proportion of FCA voting power could be concentrated in a relatively small number of shareholders who would have significant influence. According to the most recent data available, EXOR had a voting interest in FCA of approximately 44.27% due to its participation in the loyalty voting structure and as a result will have the ability to exercise significant influence on matters involving FCA shareholders. Such shareholders participating in the loyalty voting structure could effectively prevent change of control transactions that may otherwise benefit FCA shareholders. The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changing FCA management or strategy or otherwise exerting influence.

FCA - There may be potential Passive Foreign Investment Company tax considerations for U.S. Shareholders

Shares of the Group's stock held by a U.S. holder would be stock of a passive foreign investment company ("PFIC") for U.S. federal income tax purposes with respect to a U.S. Shareholder if for any taxable year in which such U.S. Shareholder held the Group's common shares, after the application of applicable look-through rules (i) 75% or more of gross income for the taxable year consists of passive income (including dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations), or (ii) at least 50% of its assets for the taxable year (averaged over the year and determined based upon value) produce or are held for the production of passive income. U.S. persons who own shares of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the dividends they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

While the Group believes that shares of its stock are not stock of a PFIC for U.S. federal income tax purposes, this conclusion is based on a factual determination made annually and thus is subject to change. Moreover, shares of the Group's stock may become stock of a PFIC in future taxable years if there were to be changes in Group assets, income or operations.

FCA - *Tax consequences of the loyalty voting structure are uncertain*

No statutory, judicial or administrative authority directly discusses how the receipt, ownership, or disposition of special voting shares should be treated for Italian, U.K. or U.S. tax purposes and as a result, the tax consequences in those jurisdictions are uncertain.

The fair market value of the Group's special voting shares, which may be relevant to the tax consequences, is a factual determination and is not governed by any guidance that directly addresses such a situation. Because, among other things, the special voting shares are not transferable (other than, in very limited circumstances, together with the Group's associated common shares) and a shareholder will receive amounts in respect of the special voting shares only if the Group is liquidated, the Group believes and intends to take the position that the fair market value of each special voting share is minimal. However, the relevant tax authorities could assert that the value of the special voting shares as determined by the Group is incorrect.

The tax treatment of the loyalty voting structure is unclear and shareholders are urged to consult their tax advisors in respect of the consequences of acquiring, owning and disposing of special voting shares.

FCA - Tax may be required to be withheld from dividend payments

Although the U.K. and Dutch competent authorities have ruled that the Group should be treated as solely resident in the U.K. for the purposes of the Netherlands-U.K. double tax treaty, under Dutch domestic law dividend payments made by the Group to Dutch residents are still subject to Dutch dividend withholding tax and the Group would have no obligation to pay additional amounts in respect of such payments.

Should Dutch or Italian withholding taxes be imposed on future dividends or distributions with respect to the Group's common shares, whether such withholding taxes are creditable against a tax liability to which a shareholder is otherwise subject depends on the laws of such shareholder's jurisdiction and such shareholder's particular circumstances. Shareholders are urged to consult their tax advisors in respect of the consequences of the potential imposition of Dutch and/or Italian withholding taxes.

CNH INDUSTRIAL

Risks related to the business, strategy and operations

CNH Industrial – The Group is exposed to political, economic and other risks beyond our control as a result of operating a global business

The Group manufactures and sells products and offer services in several continents and numerous countries around the world including those experiencing varying degrees of political and economic instability. Given the global nature of the activities, the Group is exposed to risks associated with international business activities that may increase costs, impact the ability to manufacture and sell products and require significant management attention. These risks include:

- changes in 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, including new or additional trade or economic sanctions imposed by the U.S. or other governmental authorities and supranational organizations (e.g., the United Nations); and
  - 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 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 Argentina and Brazil, including the Brazilian government discontinuing programs subsidizing interest rates on equipment loans; and
- war, civil unrest and terrorism.

Unfavorable developments in any one of these areas, which vary from country to country and many of which are outside of the Group's control, could have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial - 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 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 access to capital markets or other sources of financing. A decline in revenues could have a negative impact on the cash-generating capacity of 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. Instability in global capital markets, including market disruptions, limited liquidity and interest rate and exchange rate volatility, could reduce our access to capital markets or increase the cost of our short and long-term financing. Any difficulty in obtaining financing could have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

The Group's ability to access the capital markets or other forms of financing and related costs are highly dependent on, among other things, the credit ratings of CNH Industrial N.V., its subsidiaries, asset-backed securities ("ABS") and other debt instruments. Rating agencies may review and revise their ratings from time to time, and any downgrade or other negative action with respect to credit ratings by one or more rating agencies may increase the cost of capital, potentially limit access to sources of financing and have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial – The Group subject to 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, including as a result of changes in monetary or fiscal policies of governmental authorities from time to time. The Group is subject to currency exchange risk to the extent that costs are denominated in currencies other than those in which it earns revenues. In addition, the reporting currency for the consolidated financial statements is the U.S. dollar. Certain of the assets, liabilities, expenses and revenues are denominated in other currencies. Those assets, liabilities, expenses and revenues are translated into the U.S. dollar at the applicable exchange rates to prepare the consolidated financial statements. Therefore, increases or decreases in exchange rates between the U.S. dollar and those other currencies affect the value of those items reflected in the consolidated financial statements, even if their value remains unchanged in their original currency. Changes in currency exchange rates between the U.S. dollar and other currencies have had, and will continue to have, an impact on the Group's results of operations and/or financial position.

The Group uses various forms of financing to cover the funding requirements of Industrial Activities and for financing offered to customers and dealers. Financial Services implements a matching policy to offset the impact of differences in interest rates on the financed portfolio and related liabilities. Nevertheless, any future changes in interest rates can result in increases or decreases in revenues, finance costs and margins.

Although the Group seeks to manage currency risk and interest rate risk, including through hedging activities, there can be no assurance that it will be able to do so successfully, and the Group's business, results of operations and financial position could be adversely affected. In addition, by utilizing these instruments, the Group potentially foregoes the benefits that may result from favorable fluctuations in currency exchange rates.

The Group also faces risks from currency devaluations. Currency devaluations result in a diminished value of funds denominated in the currency of the country instituting the devaluation.

CNH Industrial – The Group faces risks associated with relationships with employees

In many countries where the Group operates, 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 the flexibility in reshaping and/or strategically repositioning business activities. Therefore, the 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. Furthermore, the Group is at greater risk of work interruptions or stoppages than non-unionized companies, and any work interruption or stoppage could significantly impact the volume of products the Group manufactures.

CNH Industrial - 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, farmers' income and their capitalization;
- the demand for food products; and
- 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; and
- new residential and non-residential construction.

The performance of the 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; and
- public infrastructure spending.

The above factors can significantly influence the demand for agricultural and construction equipment, as well as for commercial vehicles, and consequently, the Group's financial results. Additionally, if demand for products is less than expected, the Group may experience excess inventories and be forced to incur additional charges and profitability will suffer, including higher fixed costs associated with lower production levels at the Group's plants. Business may be negatively impacted if the Group experiences excess inventories or is unable to adjust production schedules or purchases from suppliers to reflect changes in customer demand and market fluctuations on a timely basis.

CNH Industrial – The Group depends on suppliers for raw materials, parts and components

The Group relies upon suppliers for raw materials, parts and components that are required to manufacture its products. The Group cannot guarantee that it will be able to maintain access to raw materials, parts and components, and in some cases, this access may be affected by factors outside of the Group's control and the control of the suppliers. Certain components and parts used in products are available from a single supplier and cannot be sourced quickly otherwise. Supply chain disruptions, including those due to supplier financial distress, capacity constraints, business continuity, delivery or disruptions due to weather-related or natural disaster events, could negatively impact the Group's operations and the profitability of its businesses.

The Group uses a variety of raw materials in its 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 while the Group seeks to manage this exposure, it may not be successful in mitigating these risks. Further, increases in the prices for raw materials can significantly increase costs of production, which could have a material adverse effect on the profitability of the Group's businesses, particularly if the Group is unable to recover the increased costs from customers.

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

The Group operates in highly competitive global and regional markets. Depending on the particular country, the Group competes with other international, regional and local manufacturers and distributors of agricultural and construction equipment, commercial vehicles, and powertrains. Certain of 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 of the Group's product offerings. The Group competes on the basis of product performance, innovation, quality, distribution, customer service and price. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays or failure to price products competitively could adversely affect the Group's business, results of operations and financial position. Additionally, there has been a trend towards consolidation in the trucks and construction equipment industries that has resulted in larger and potentially stronger competitors in those markets. The markets in which the Group competes 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 markets in which the Group competes in recent years. Should the Group be unable to adapt effectively to market conditions, this could have an adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial - Costs of ongoing compliance with, or failure to comply with, increasingly stringent environmental, health and safety laws could have an adverse effect on the Group's results of operations

The Group is subject to comprehensive and constantly evolving laws, regulations and policies in numerous jurisdictions around the world. The Group expects the extent of legal requirements affecting businesses and costs of compliance to continue to increase in the future. Such laws govern, among other things, products – with requirements on emissions of polluting gases and particulate matter, 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, the Group invests considerable research and development resources and expects to continue to incur substantial costs in the future. Failure to comply with such laws could expose the Group to penalties or clean-up costs, civil or criminal liability and sanctions on certain of its activities, as well as damage to property or natural resources. Liabilities, sanctions, damages and remediation efforts related to any non-compliance with such laws, including those that may be adopted or imposed in the future, could negatively impact the Group's ability to conduct operations and its financial position and results of operations. In addition, there can be no assurances that the Group will not be adversely affected by costs, liabilities or claims with respect to any subsequently acquired operations.

Further, environmental, health and safety regulations change from time to time, as may related interpretations and other guidance. For example, changes in environmental and climate change laws, including laws relating to engine and vehicle emissions, safety regulations, fuel requirements or greenhouse gas emissions, could lead to new or additional investments in product designs and could increase environmental compliance expenditures. If these laws are either changed or adopted and impose significant operational restrictions and compliance requirements on the Group or its products, they could negatively impact the Group's business, results of operations, financial position and competitive position.

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

Government initiatives that are intended to stimulate 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 those initiatives could have a material adverse effect on the Group's business prospects, operating results and/or financial position.

CNH Industrial – The Group's future performance depends on the Group's ability to innovate and on market acceptance of new or existing products

The success of the Group's businesses depends on its ability to maintain or increase 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 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 or supply products that meet regulatory requirements, including engine emissions requirements, could result in reduced market share, which could have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial – 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 exposes it to multiple and potentially conflicting cultural practices, business practices and legal requirements that are subject to change, including those related to tariffs, trade barriers, investments, property ownership rights, taxation and sanction requirements. For example, the Group may encounter difficulties in obtaining 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 competitors. The emerging market 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 flows. Many emerging market economies have experienced slower growth and other economic challenges in recent periods and may be subject to a further slowdown in gross domestic product expansion and/or be impacted by domestic political or currency volatility, potential hyperinflationary conditions and/or increase of public debt.

CNH Industrial – The Group is subject to extensive anti-corruption and antitrust laws and regulations

The Group's global operations are subject to a number of laws and regulations that govern its operations around the world, including the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act, which apply to conduct around the world, as well as a range of national anti-corruption and antitrust or competition laws that apply to conduct in a particular jurisdiction. The anti-corruption laws prohibit improper payments in cash or anything of value to improperly influence government officials or other persons to obtain or retain business or gain a business advantage. These laws tend to apply whether or not those practices are legal or culturally acceptable in a particular jurisdiction. Over the past several years there has been a substantial increase in the enforcement of anti-corruption and antitrust or competition laws both globally and in particular jurisdictions and the Group has from time to time been subject to investigations and charges claiming violations of anti-corruption or antitrust or competition laws. The Group is committed to operating in compliance with all applicable laws, in particular anti-corruption and antitrust or competition laws. The Group has implemented a program to promote compliance with these laws and to identify and minimize the risk of any violations. The Group's compliance program, however, may not in every instance protect it from acts committed by employees, agents, contractors, or collaborators that may violate the applicable laws or regulations of the jurisdictions in which the Group operates. Such improper actions could subject the Group to civil or criminal investigations and monetary, injunctive and other penalties. Investigations of alleged violations of these laws tend to require dedication of significant resources in funds and management time and attention, and these investigations or any violations, as well as any publicity regarding potential violations, could harm the Group's reputation and have a material adverse effect on the Group's business, results of operations and financial position.

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

At December 31, 2015, the funded status for the Group's defined benefit pension, and other post-employment benefits was an underfunded status of $2,194 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 - Dealer equipment sourcing and inventory management decisions could adversely affect the Group's sales

The Group sells finished products primarily through an independent dealer network and directly to OEMs and is subject to risks relating to their inventory management decisions and operating and sourcing practices. 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 - 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. The Group is also subject to the risk of insolvency of dealers and customers, in part due to unfavorable economic conditions in markets where their activities are carried out, and laws and government actions may, among other things, prevent the Group from enforcing legal rights and remedies in dealer or customer insolvency. 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 - 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 Group's results of operations

The Group has engaged in the past, and may engage in the future, in mergers and acquisitions or enter into, expand or exit from strategic alliances and joint ventures that could involve risks that could prevent the Group from realizing the expected benefits of the transactions or the achievement of strategic objectives or could divert management's time and attention. Such risks, many of which are outside the Group's control, include:

- technological and product synergies, economies of scale and cost reductions not occurring as expected;
- unexpected liabilities;
- incompatibility in integrating processes, operations or systems;
- unexpected changes in laws;
- 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; and
- 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 - Risks associated with the termination of the Group's strategic alliance with Kobelco Construction Machinery Co., Ltd.

Effective December 31, 2012, CNH Global and Kobelco Construction Machinery Co., Ltd. ("KCM") 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 is entitled to purchase components and parts from KCM on a non-exclusive basis in order to continue to manufacture excavators based upon KCM's technology in the Group's plants. Moreover, starting from December 31, 2012, the territorial sales and marketing restrictions limiting the right of KCM to distribute its excavators in certain significant markets (such as the Americas and Europe) expired and similar restrictions which applied to the Group's construction equipment activities expired in APAC 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 KCM) in connection with the termination of the alliance might arise, which 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 – The Group's business operations may be impacted by various types of claims, lawsuits and other contingent obligations

The Group is involved in pending litigation and investigations on a wide range of topics, including dealer and supplier litigation, intellectual property right disputes, product warranty and defect product claims, product performance, asbestos, personal injury, emissions and/or fuel economy regulatory and contractual issues and environmental claims that arise in the ordinary course of its business. The industries in which the Group operates are also periodically reviewed or investigated by regulators, which could lead to enforcement actions, fines and penalties or the assertion of private litigation claims. 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 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, and 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, the Group 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. The Group establishes reserves based on its assessment of contingencies, including contingencies related to legal claims asserted against it. Subsequent developments in legal proceedings may affect the Group's assessment and estimates of the loss contingency recorded as a reserve and require the Group to make payments in excess of its reserves, which could have a material adverse effect on the Group's results of operations and/or financial position.

CNH Industrial - 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 the 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. The Group's agricultural equipment 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, 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 schedule higher production, and anticipates higher inventories and wholesale shipments to dealers in the first quarter of the year. As a result, 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 the Group's dealers' inventories are typically reduced.

To the extent production levels (and timing) do not correspond to retail demand, the Group 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 – The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding and may limit its financial and operating flexibility

As of December 31, 2015, the Group had an aggregate of $26,458 million (including $20,129 million relating to Financial Services activities) of consolidated gross indebtedness, and equity was $7,217 million, including noncontrolling interests. The extent of its 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 the Group at a competitive disadvantage;
- the Group may not be able to introduce new products or pursue business opportunities;
- the Group may not be able to adjust rapidly to changing market conditions, which may make the Group more vulnerable to a downturn in general economic conditions; and
- 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, in part resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone and Latin America, and from continued concerns about global economic growth, particularly in the emerging markets.

CNH Industrial - Restrictive covenants in debt agreements could limit the Group’s financial and operating flexibility

The indentures or other instruments governing the Group’s outstanding debt securities and other credit agreements to which the Group is a party from time to time contain, or may contain, covenants that restrict its ability 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; and/or
- enter into sale and leaseback transactions.

Although the Group does not believe any of these covenants materially restrict its operations currently, a breach of one or more of the covenants could result in adverse consequences that could negatively impact its businesses, results of operations and financial position. 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 its lenders, refusal by its 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 - 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, some of which are managed by third parties, to operate the business, and the Group collects and stores sensitive data. Operating these information technology systems and networks, and processing and maintaining this data, in a secure manner, are critical to the Group’s business operations and strategy. Additionally, increased information technology security threats and more sophisticated computer crime pose a risk to the security of the systems and networks and the confidentiality, availability and integrity of the Group’s data.

While the Group actively manages information technology security risks within its control, there can be no assurance that such actions will be sufficient to mitigate all potential risks to the Group’s systems, networks and data.

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 the Group’s reputation, competitive position, businesses and results of operations. Security breaches could also result in litigation, regulatory action and potential liability, as well as higher operational and other costs of implementing further data protection measures. In addition, as security threats continue to evolve the Group may need to invest additional resources to protect the security of its systems.

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

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

CNH Industrial – The Group's business 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 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, disruptions to the Group's information technology systems and networks or other unexpected events could result in physical damage to and complete or partial closure of one or more of the 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 products to dealers and customers and delay in delivery of products to distribution centers. In the event such events occur, the Group's financial results might be negatively impacted. The Group's existing insurance arrangements may not protect against all costs that may arise from such events.

CNH Industrial - 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 affect sales of agricultural equipment. While higher commodity prices will benefit 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. Lower commodity prices directly affect farm income, which could negatively affect sales of agricultural equipment. Moreover, changing alternative energy demands may cause farmers to change the types or quantities of the crops they grow, 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 - International trade policies may impact demand for the Group's products and its competitive position

Government policies on international trade and investment such as sanctions, import quotas, capital controls or tariffs, whether adopted by individual governments or addressed by regional trade blocs, may affect the demand for the Group's products and services, impact the competitive position of its products or prevent the Group from being able to sell products in certain countries. The implementation of more restrictive trade policies, such as more detailed inspections, higher tariffs, or new barriers to entry, in countries where the Group sells products and provide services could negatively impact the Group's business, results of operations and financial position. For example, a government's adoption of trade sanctions or "buy national" policies or retaliation by another government against such policies could have a negative impact on the Group's results of operations.

Risks related to financial services

The Group offers a wide range of financial services and products to Agricultural Equipment, Construction Equipment and Commercial Vehicles dealers and customers including retail financing for the purchase or lease of new and used equipment and vehicles and wholesale financing to dealers.
In light of the above, the following risks associated with the financial services offered by the Group should be considered.

CNH Industrial - 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;
- the terms and conditions applicable to extensions of credit;
- interest rates (and changes in the applicable interest rates);
- the experience and skills of the customer's management team;
- commodity prices;
- political events;
- the weather; and
- 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 business and its earnings and cash flows. 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 a borrower defaults on a loan and the Group repossesses collateral securing the repayment of the loan, the Group's 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 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 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 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 – Funding risk

The Group's Financial Services business has traditionally relied upon the ABS market and committed asset-backed facilities as a primary source of funding and liquidity. A significant reduction in liquidity in the secondary market for ABS transactions could adversely affect the Group's ability to sell receivables on a favorable or timely basis. Such conditions could have an adverse impact on the Group's access to funding, financial position and results of operations. As Financial Services finances a significant portion of sales of the Group's equipment, to the extent Financial Services is unable to access funding on acceptable terms, the Group's sales of equipment would be negatively impacted.

CNH Industrial – Repurchase risk

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

CNH Industrial - Regulatory risk

The operations of the Group's Financial Services business 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; and
- 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 Financial Services and the Group's financial position and results of operations.

CNH Industrial - Potential Impact of the Dodd-Frank Act

The various requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"), including its many implementing regulations, may substantially affect the origination, servicing and securitization programs of the Group's Financial Services business. 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, a loan level disclosure requirement for certain 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 effect upon its access to the ABS market, these and future SEC regulations may affect the Group's ability to engage in these activities or increase the effective cost of ABS transactions in the future, which could adversely affect the financial position, results of operations and cash flows.

Other risks

CNH Industrial operates and will continue to operate, as a company that is resident in the U.K. for tax purposes; other tax authorities may treat CNH Industrial as being tax resident elsewhere

CNH Industrial is not incorporated in the U.K.; therefore, in order to be resident in the U.K. for tax purposes, CNH Industrial's central management and control must be located (in whole or in part) in the U.K. The test of central management and control is largely a question of fact based on all the circumstances. Nevertheless, the decisions of the U.K. courts and the published practice of Her Majesty's Revenue & Customs, or HMRC, suggest that CNH Industrial is likely to be regarded as having become U.K.-resident on this basis from the date of its incorporation. The competent authority ruling referred to below supports this analysis. Even if CNH Industrial's "central management and control" is in the U.K., it would not be treated as U.K.-resident if (a) CNH Industrial were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) which has a double tax treaty with the U.K.; and (b) that tax treaty allocates exclusive residence to that other jurisdiction.

Even if CNH Industrial's central management and control is in the U.K., CNH Industrial is considered to be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes because CNH Industrial is incorporated in the Netherlands. Nonetheless, the U.K. and Dutch competent authorities have agreed, following a mutual agreement procedure (as contemplated by the Netherlands-U.K. tax treaty), that CNH Industrial will be regarded as solely resident in the U.K. for purposes of the application of the Netherlands-U.K. tax treaty provided that CNH Industrial operates as planned and provides appropriate required evidence to the U.K. 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.

CNH Industrial's residence for Italian tax purposes is also largely a question of fact based on all the circumstances. For Italian tax purposes, a rebuttable presumption of CNH Industrial's residence in Italy may apply under Italian legislation. However, CNH Industrial has a management and organizational structure such that CNH Industrial should be deemed resident in the U.K. from the date of its incorporation for purposes of the Italy-U.K. 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, CNH Industrial would be subject to corporate income tax in Italy and may be required to comply with withholding tax on dividends and other distributions (currently at a withholding rate of 26%, subject to any benefits from double taxation treaties or other reliefs or exemptions that may be available to shareholders) and/or reporting obligations under Italian law, which could result in additional costs and expenses.

CNH Industrial – The Group may incur additional tax expense or become subject to additional tax exposure
The Group is subject to income taxes in many jurisdictions around the world. Its tax liabilities are dependent upon the location of earnings among these different jurisdictions. The Group's future results of operations could be adversely affected by changes in the effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in its overall profitability, changes in tax legislation and rates, changes in generally accepted accounting principles and changes in the valuation of deferred tax assets and liabilities. If the Group's effective tax rates were to increase, or if the ultimate determination of the taxes owed is for an amount in excess of amounts previously accrued or paid, the Group's operating results, cash flows and financial position could be adversely affected.

CNH Industrial - CNH Industrial, as successor to Fiat Industrial, is jointly liable with Fiat Chrysler Automobiles N.V. for certain obligations
CNH Industrial is successor to Fiat Industrial, a company formed as a result of the demerger of Fiat S.p.A. (which, effective October 12, 2014, was merged into FCA in favor of Fiat Industrial. As such, CNH Industrial continues to be liable jointly with FCA for the liabilities of FCA that arose prior to the effective date of the Demerger (January 1, 2011) and were still outstanding at that date (the "Liabilities"). This statutory provision is limited to the value of the net assets transferred to Fiat Industrial in the Demerger and survives until the Liabilities are satisfied in full. Furthermore, CNH Industrial may be responsible jointly with FCA in relation to tax liabilities, even if such tax liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger. At December 31, 2015, the outstanding Liabilities amounted to approximately $1.3 billion (of which $1.1 billion consisted of bonds guaranteed by FCA). CNH Industrial evaluated as extremely remote the risk of FCA's insolvency and therefore no specific provision has been accrued in respect of the above-mentioned potential joint liability.

CNH Industrial – The Group's maintenance of two exchange listings may adversely affect liquidity in the market for the common shares and could result in pricing differentials of the common shares between the two exchanges
The dual listing of the Group's common shares on the NYSE and the MTA may split trading between the two markets and adversely affect the liquidity of the shares in one or both markets and the development of an active trading market for the Group's common shares on the NYSE, and may result in price differentials between the exchanges. Differences in the trading schedules, trading volume and investor bases, as well as volatility in the exchange rate between the two trading currencies, among other factors, may result in different trading prices for the Group's common shares on the two exchanges or otherwise adversely affect liquidity and trading prices of the Group's shares.

CNH Industrial - The loyalty voting structure may concentrate voting power in a small number of the Group's shareholders and such concentration may increase over time
A relatively large proportion of the voting power of CNH Industrial could be concentrated in a relatively small number of shareholders who would have significant influence. As of December 31, 2015, EXOR S.p.A. had a voting interest in CNH Industrial of approximately 41.3%.

CNH Industrial - The loyalty voting structure may affect the liquidity of the Group's common shares and reduce the share price
CNH Industrial's loyalty voting structure is intended to reward shareholders for maintaining long-term share ownership by granting initial shareholders and persons holding shares continuously for at least three years at any time following the effectiveness of the Merger the option to elect to receive special voting shares. Special voting shares cannot be traded and, immediately prior to the transfer of common shares from the CNH Industrial Loyalty Register, any corresponding special voting shares shall be transferred to CNH Industrial for no consideration (*om niet*). This loyalty voting structure is designed to encourage a stable shareholder base and, conversely, it may deter trading by those shareholders who are interested in gaining or retaining special voting shares. Therefore, the loyalty voting structure may reduce liquidity in common shares and adversely affect their trading price.

CNH Industrial - The loyalty voting structure may prevent or frustrate attempts by the Group's shareholders to change management and hinder efforts to acquire a controlling interest in the Group, and the market price of the Group's common shares may be lower as a result

The provisions of the Articles of Association establishing the loyalty voting structure may make it more difficult for a third party to acquire, or attempt to acquire, control of the Group, even if a change of control is considered favorably by shareholders holding a majority of the common shares. As a result of the loyalty voting structure, a relatively large proportion of the voting power of the common shares could be concentrated in a relatively small number of shareholders who would have significant influence over the Group. As of December 31, 2015, EXOR S.p.A. had a voting interest in CNH Industrial of approximately 41.3%. Such shareholders participating in the loyalty voting structure could effectively prevent change of control transactions that may otherwise benefit the shareholders.

The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changes in management.

JUVENTUS FOOTBALL CLUB

Juventus Football Club - Risks connected to general economic conditions

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

Juventus Football Club - Risks connected to the sponsorship market

The economic weakness mentioned above continues to affect the market of sports sponsorships which currently has a narrower time frame of promotional and advertising investments. This market scenario in the short term has led to a lower level of long-term sponsorship revenues compared to the past. If this situation should continue, growth in sponsorship revenues may fall below our expectations, with the result that Juventus's financial position, income statement and cash flows may be impacted.

Juventus Football Club - Risks connected to funding requirements

Numerous factors affect Juventus' financial position. In particular, these include the fulfilment 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. Any temporary available liquidity is held in demand deposits or short-term deposits with a suitable number of different banks, to ensure the prompt availability of the funds. Nevertheless, given the current 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 related to 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, some of which can count on revenues exceeding those of Juventus, thus with greater spending capabilities. Any inability to keep "key people" may have a negative impact on the Club's growth prospects.

Juventus Football Club - Risks related to 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 and distributed. Rules governing the ownership of broadcasting rights to sports events and the distribution of income do not allow for direct management by the company and may have a significant impact on the financial position, income statement and cash flows of Juventus. A possible decrease in the rights market or a different application of the new criteria adopted by the *Lega* for the distribution of proceeds from the centralized and collective sale of radio and television rights may lead to a significant reduction of revenues in the future with a negative impact on the results of operations, financial position and cash flows of the company.
Moreover, for several years now, live streaming and piracy on Internet have caused the loss of income for TV broadcasters which could lead them to change their investments in the sector with a negative impact the results of operations, financial position and cash flows of the company.

Juventus Football Club - Risks associated with failure to qualify for sports tournaments

The company's earnings are 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, 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 "Financial Fair Play" rules, could have an adverse impact on the company's results of operations and financial position.

Juventus Football Club - Risks associated with the Transfer Campaign

The results of operations and financial position are affected significantly by the acquisitions and disposals made as part of Transfer Campaigns. The difficulties in correlating the single transactions compared to the Development Plan and guidelines related to sports management defined annually could result in negative impacts on the company's earnings and cash flows. Moreover, failure to optimize the bench as a result of the inclusion of footballers on the team who no longer meet the technical and tactical requirements of the team manager and the strategic needs of the sporting director, and who did not agree to transfers, raises the risk of unexpected or excessive costs (a risk common to all football clubs).

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

The possibility that these trends may continue in future years cannot be excluded and may affect the company's strategy and the dynamic management of its playing assets and have adverse effects on the company's results of operations, financial position and cash flows, as well as on its activities, strategies and prospects.

Juventus Football Club - Risks related to sporting activities

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

Juventus Football Club - Risks connected with management of the trademark

Trademark infringement by third parties, which jeopardizes an important portion of revenues, is another risk the company faces. The unlawful use or infringement of the trademark, in any form, as well as resulting in lower revenues, could adversely affect the commercial value of the trademark, with negative effects on the company's the results of operations, financial position and cash flows.

As of July 1, Juventus directly manages the licensing & retail activities previously entrusted to the Nike Group. This decision constitutes an opportunity for the company to increase revenues arising from the exploitation of the trademark and the reputation of the brand in foreign markets. However, operational and reputational risks associated with this new management cannot be excluded.

Juventus Football Club - Risks connected to 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 registered players and/or their immediate family, relatives and agents, 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 adverse effects on the earnings and financial position.

Juventus Football Club - Risks connected with management of the company-owned stadium

During the 2011/2012 football season, Juventus became the first club in Serie A to own its own stadium, and since the 2014/2015 season it has also directly managed the fan access control and assistance services ("Stewarding").

The company is therefore exposed to risks related to the structure of the stadium and the management of the surrounding public areas used for parking. This may also lead to unexpected costs, including due to damage or vandalism which is beyond Juventus' control. Activities at the Juventus Stadium could also be suspended following natural disasters and other events beyond the company's control with consequent negative impacts on Juventus' results of operations, financial position, and cash flows.

Lastly, a reduction of supporters and played matches would have a negative effect on Juventus's financial position, income statement and cash flows.

Juventus Football Club - Behavior of the public and risks connected to 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 measures and procedures considered necessary to avoid the infringement of these regulations, the company cannot rule out the possibility that events may occur beyond its control that result in sanctions (including suspension from a sector or from the stadium, fines, and bans from competitions), 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 expenses 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 connected to any unlawful behavior of registered players

Given current sports regulations on football clubs' liabilities regarding the behavior of their players, the possibility that Juventus may be fined by sports bodies in the future for events beyond its control, with negative effects that may also be significant on the earnings and financial position, cannot be excluded.

Juventus Football Club - Risks connected to 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, factoring, finance 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 to the risk of exchange rate fluctuations.

Juventus Football Club - Risks connected to Financial Fair Play and compliance with economic and financial parameters

A European-wide licensing system is in place for the admission of football clubs to the club competitions organized by UEFA (UEFA Champions League, UEFA Europa 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 result, according to which clubs can participate in European competitions only if they can demonstrate a balance between generated revenues and incurred costs.
From the 2015/2016 season, the FIGC has launched policies aimed at the introduction of Financial Fair Play also in Italy, by introducing some financial and operational ratios to ensure the financial sustainability of the sector.
The company has obtained a UEFA license and the National License to play in championships for the 2015/2016 Football Season, however it is not possible to predict if in the future these requirements (or any new requirements approved in the meantime) will be complied with, nor can it be excluded that shareholders may be asked for additional funding to meet the requirements needed for the licenses. If the company is not able to meet the above requirements, it may be subjected to management limitations or, in more severe cases, be excluded from participation in competitions, bearing an adverse impact on its earnings and financial position.

Juventus Football Club - Risks connected to 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' the results of operations, financial position and cash flows cannot be excluded on the basis of the current disputes.

Juventus Football Club – Risks connected to tax litigation

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

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, 2015 and, considering that the legal reserve is equal to one-fifth of share capital, we motion to appropriate the profit of €2,551,262,125.24 as follows:

- to the 234,346,104 ordinary shares currently outstanding, dividends of €0.35 per share for a maximum €82,021,136.40.

- to the extraordinary reserve, the remaining amount of a minimum €2,469,240,988.84.

The proposed dividends will become payable on June 22, 2016 (ex-dividend date June 20) and will be paid to the shares of record as of June 21, 2015 (record date).

Turin, April 14, 2016

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