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Letter to Shareholders



Dear Shareholders,

EXOR's Net Asset Value, or NAV, grew by 14.8% in 2014. This was against a backdrop of growth in global economies. As we highlighted last year, the largest contributors to our performance are FCA and CNH Industrial (both of which are in the S&P 500). It is interesting to note that if we were to exclude CNH Industrial from the calculation, our NAV would have grown by 11.5% in 2014. EXOR NAV PERFORMANCE vs. THE MSCI WORLD INDEX (in Euros)

2014: 14.8%
2013: 11.5%
2012: 10.2%
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EXOR's Net Asset Value (NAV) as of March 1st, the date before EXOR's listing on Borsa Italiana

Net Asset Value (NAV) as of March 1st, the date before EXOR's listing on Borsa Italiana

Net Asset Value (NAV) as of March 1st, the date before EXOR's listing on Borsa Italiana



But it was first and foremost a further incentive to continue building (and selling) great cars, which is what Sergio Marchionne has done. As Leonardo da Vinci is reported to have said:

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

It is this spirit that has driven the culture of Sergio Marchionne at FCA, which is why we have such great faith in its future and why we have such great faith in its future and why we have such great faith in its future.

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

EXOR GROSS ASSET VALUE (GAV)

INVESTMENTS (64.3% of GAV)

This line represents the principal component of our assets, so let's focus on the big three investments that make up 19% economic interest; 36.7% of GAV)



FCA delivered a strong performance in 2014 with 4.6 million cars sold, and the Jeep brand achieving records sales volume of 1.1 million units, up 1.1% to € 96.1 billion with an EBIT of € 3.7 billion, Net Industrial Debt of € 7.7 billion and average return on capital of 11.1%.

The essential points of the 2018 Plan are:

- Nearly doubling Jeep's volumes by 2018 to ~1.9 million units by extending its product range and geographic reach
- Accelerating the development of premium brands, so that we sell 75,000 Maseratis (compared with 36,000 in 2014)
- Repositioning the FIAT brand with the 500 family of products in order to step out of the "bloody" mass market
- Finally, giving clarity of purpose to our great US brands, Chrysler, Dodge and RAM, which have now shown a clear path to profitability

In achieving these goals, the company will see Group Net Revenues reach ~€132 billion by 2018, with EBITDA reaching ~€25 billion.

The capital required for this plan is substantial: the company will invest ~€ 55 billion to launch ~80 products. As a result, we have learned how much capital can be saved by working with the greater volumes of FCA today as opposed to the fragmented structure of the former companies.

That is why I'm convinced that the industry needs and will see more consolidation in the future. Hopefully this will be a positive outcome for all shareholders.

This is one of the most important lessons learned from combining Fiat and Chrysler to create FCA. Last but not least Ferrari will soon begin a new life as a listed company in its own right and become one of EXOR's investments.

Unfortunately a similar performance was absent on the track where the team's Formula 1 season was quite similar to the previous years. Luca was particularly successful in preserving the magic and mystique of the Ferrari brand (rated one of the most valuable brands in the world).

Luca's leadership in 2014 was particularly successful. He has been able to lead the team to a 1-2 finish in the Monaco Grand Prix, a result that has not been achieved since 1982. This is a testament to his leadership and the team's hard work.

Many other changes having already been made at Maranello, so I'm pleased to report that 2015 is off to a good start. We are confident that the team will continue to achieve great results in the coming years.

2019 76% of GAV) (2014 76% of GAV)

Despite a difficult year for the Agriculture Business where CNH Industrial generated 90% of its operating profits... It's interesting to note that Ag margins decreased less in 2014 with just a 0.4 point compression as opposed to... We understand the negativity of the Ag cycle as perceived by capital markets but being long-term oriented, we... Expand the Agricultural Equipment portfolio and geographic reach (in 2014 the Group commissioned i... Re-position the Construction Equipment segment's two brands and return them to profitable growth... Realize the potential of the Commercial Vehicles new product pipeline and rationalize the segment's i... Leverage the industry-leading powertrain technologies commercially.

Which in terms of financial targets means:
Net sales at \$38 billion in 2018 vs \$31 billion in 2014 (x 1.2);
Operating profit of \$3.4 billion in 2018 vs \$2.0 billion in 2014 (x 1.7);
Net income of \$2.2 billion in 2018 vs \$940 million in 2014 (x 2.3);
Net Debt in 2018 vs \$2.7 billion of Net Debt in 2014.

I also want to highlight that despite the importance of Ag there are positive surprises coming from other business... And let's not forget Commercial Vehicles, which account for almost a third of total revenues. This business is i... The broad scope of our capital goods activities will allow CNH Industrial to mitigate some of the headwinds it w... to achieve better visibility into the quantity and business of CNH Industrial machinery manufacturing capabilities of supply chain

2019 80.9% of GAV) (2014 80.9% of GAV)


2014 was a remarkable year for Cushman & Wakefield (C&W) with record results in terms of revenues and n... We acquired C&W in March 2007, a few months before the mortgage subprime crisis put the US real estate in... When we invested in the company, it had commissions and services revenues of \$1.5 billion, adjusted EBITDA... While at that time we were cautious about the US real estate cycle, we were far from expecting the major contr... Since 2010 C&W has focused on operating performance, deploying wisely and effectively its capital (both in org... In 2014, C&W advised on over \$1.2 trillion worth of appraisals worldwide and leased 538 million square feet of... 2014 also represents the first full year since Ed Forst joined as CEO. His commitment together with the overall... In December 2014 the Company completed the acquisition of Massey Knakal, the largest investment under EX... It has been great to work with Ed and see how he has defined the Company's objectives for 2017 when C&W... I'm confident that with the 37 Global Management team members and the outstanding professionals who work... Our remaining investments had a good year overall and I would like to draw your attention to a few highlights... to achieve the better financial performance and investment growth. They list the great 2014: the London-based rea

This time, I would like to draw your attention to Banijay, The Economist and Sequana.
First of all Banijay, which we founded in 2008 with Bernard Arnault, the De Agostini family and the entrepreneur... The Company has also expanded by creating content for other multimedia platforms, mainly digital, and extend... Under Stéphane and group CEO Marco Bassetti, who joined him in 2013, Banijay had a great 2014, with its hig... Banijay has established an impressive platform for development during the next stage of its growth.
Staying with our media investments The Economist, which has been one of journalism's finest institutions sinc... Chris Stibbs, the CEO, and John Micklethwait, the Editor-in-Chief, with their colleagues started innovations to... Despite the uncertainties provoked by the profound changes in the media industry and the many predictions of... My life has been filled with terrible misfortune, most of which never happened... and the positive results The Economist Group was able to achieve, inspire great faith in the future of this unique... Banijay and The Economist had a strong twelve months. But it's important to signal that not all went well in 20... Its stock price has reflected the firm's new positive course and we have since sold some of our shares at levels... FINANCIAL INVESTMENTS (5.5% of GAV)

Our Financial Investments returned 14.3% on average in 2014.
During the year we slightly reduced our exposure to single equity names (direct investments returned +14.1%)
Our main investment is in the Black Ant Fund (59.16% of our financial investments) which returned +12.7% and... Our fund investments, excluding Black Ant, were the best performers with a +20.3% return.
Our only new financial investment this year was the participation in the IPO of Lending Club.

Founded in 2006 by Renaud Laplanche it became the number one peer-to-peer lending company in the US (w... We bought ~0.25% of its capital and, taking into account the exchange rate and price at the end of the year, we... It's a company with a very innovative business model with long-term growth opportunities but by its nature it is... CASH AND CASH EQUIVALENT (18.6% of GAV)

Throughout the year we maintained a cautious allocation: 68% in time deposits, 26% in third-party funds and 6... Our time-deposit holdings yielded 0.90%, or three times the average sixth-month EURIBOR rate in 2014, while... Our goal is not maximize returns but make sure we have cash on hand when we need it... TREASURY STOCK (6.3% of GAV)

In 2014 our treasury stocks slightly outperformed our benchmark (+18.0% vs. +17.2%).
In the past five years we've been active in open-market repurchases of our shares and today we own ~10% of... GROSS DEBT

