

EXOR'S Board of Directors approves 2017 results

<i>US\$ million</i>	At 31/12/2017	At 31/12/2016	Change
NAV			
EXOR's Net Asset Value	22,972	14,642	+8,330

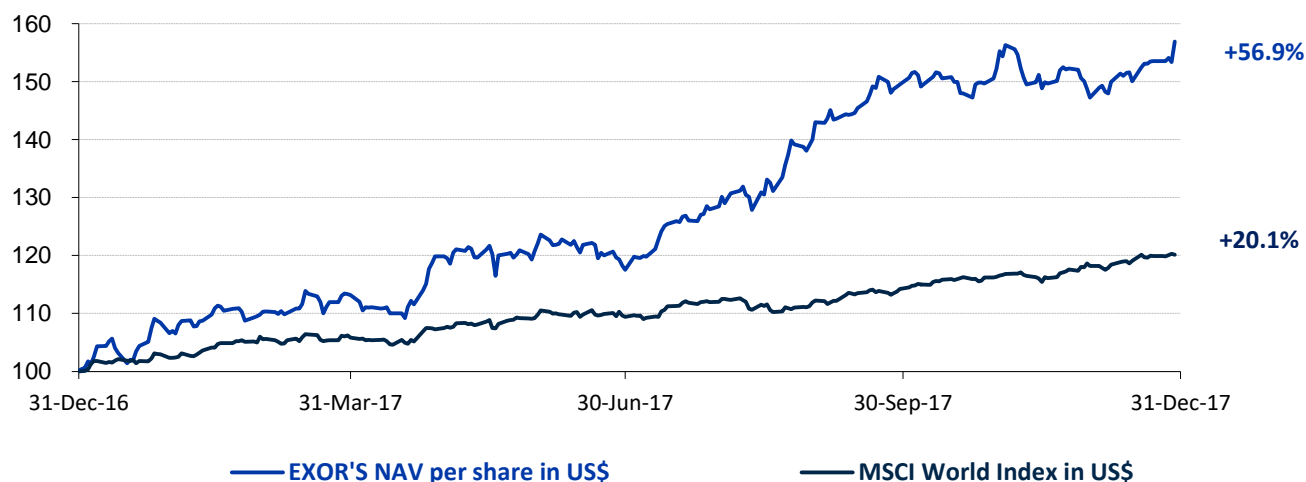
<i>€ million</i>	2017	2016	Change
EXOR GROUP – Consolidated data prepared in shortened form (a)			
Profit attributable to owners of the parent EXOR	1,392	588.6	+803.4

<i>€ million</i>	At 31/12/2017	At 31/12/2016	Change
Equity attributable to owners of the parent EXOR	10,804.8	10,981.8	-177
Consolidated net financial position of the "Holdings System"	(3,163.7)	(3,424.3)	+260.6

(a) Basis of preparation indicated on the attached statements.

The EXOR Board of Directors' meeting, chaired by John Elkann, met today in Amsterdam and approved the 2017 Annual Report which will be submitted for adoption to the Shareholders' meeting set for the date of 29 May 2018.

NAV At 31 December 2017 EXOR's NAV (Net Asset Value) was \$22,972 million, an increase of \$8,330 million (+56.9%) compared to \$14,642 million at 31 December 2016. NAV per share was \$95.32 at 31 December 2017 (\$60.75 at 31 December 2016). The change in NAV per share compared to the MSCI World Index in Dollars is presented below:



Summary of Results

EXOR Group closed the year 2017 with a consolidated profit of €1,392 million; the year 2016 ended with a consolidated profit of €588.6 million. The increase of €803.4 million was attributable to the improvement in the share of the profit of investments of €562.7 million, the increase in net financial income of €90.3 million (principally driven by the reduction of financial expenses and the gain on the redemption of The Black Ant Value Fund), the decrease of non-recurring expenses of €63.1 million and other net positive changes of €87.3 million.

At 31 December 2017 the consolidated equity attributable to owners of the parent amounted to €10,804.8 million with a net decrease of €177 million compared to €10,981.8 million at year-end 2016. The decrease derived from translation exchange differences (-€1.612 million), the payment of dividends (-€82.1 million), partially offset by the consolidated profit (+€1.392 million) and net change in other reserves (+€125.1 million).

The consolidated net financial position of the Holdings System at 31 December 2017 was a negative €3,163.7 million and reflected a positive change of €260.6 million compared to the negative balance of €3,424.3 million at year-end 2016. The positive change was primarily due to sales and redemptions (+€356.9 million, of which €353.5 million related to the redemption of The Black Ant Value Fund), the dividends and reimbursement of reserves received from investments (+€230.1 million), partially offset by the payment of dividends (-€82.1 million), investments made (-€44.5 million) and other net changes (-€199.8 million).

Dividends

The Board of Directors put forward a proposal to present to the Shareholders Annual General Meeting the 2017 Annual Report for adoption, as well as to approve the payment of dividends per share of €0.35 for a total of €82.3 million to the 235,072,305 ordinary shares outstanding as of today. In 2017, EXOR paid dividends per share of €0.35 for a total of €82.1 million.

The proposed dividends will become payable on 20 June 2018 (ex-dividend date 18 June) and will be paid to the shares of record as of 19 June 2018 (record date).

Performance of subsidiaries

At present all the listed subsidiaries have published their accounting data relating to 2017. EXOR's 2017 Annual Report, which will be available at the head office of the company and on the website www.exor.com in the time frame established by law, includes comments on the performance of all the principal subsidiaries.

Significant Events

Increase in investment in Welltec

During the year 2017, EXOR acquired a further 6.58% of Welltec for a total consideration of €32.5 million. At 31 December 2017 EXOR held 21.23% of the share capital of Welltec.



Redemption of the investment in The Black Ant Value Fund

In the first half of 2017, EXOR received €353.5 million on the redemption of the entire investment in The Black Ant Value Fund; €17.8 million was received in January 2017 and the residual amount of €335.7 million in June 2017. The redemption resulted in a net total gain of €109.1 million arising from the reversal of the available for sale reserve. The fund, purchased in 2012, had a duration of five years.

Repayment of EXOR non-convertible 2007 - 2017 bonds

On 12 June 2017, EXOR repaid an amount of €440 million related to the residual amount outstanding of EXOR non-convertible bond 2007-2017 using a combination of available liquid resources and bank debt.

Investment in GEDI Gruppo Editoriale S.p.A.

On 29 June 2017, FCA's transfer of ITEDI S.p.A to GEDI Gruppo Editoriale S.p.A. (hereafter GEDI) in exchange for new GEDI shares became effective. Subsequently, FCA demerged of its GEDI shares into InterimCo BV and liquidated the latter company resulting in the distribution of its GEDI ordinary shares to all FCA shareholders. On 4 July 2017 EXOR received 4.28% of GEDI's share capital. In 2017 EXOR also purchased on the market 1.71% of GEDI share capital for a total amount of €6.8 million. Currently EXOR holds 5.99% of GEDI's share capital.

Agreement for divestment the entire shareholding in Banca Leonardo

On 7 November 2017, EXOR together with the other major shareholders of Banca Leonardo (a leading independent wealth manager in Italy) announced an agreement under which Banca Leonardo will be acquired by Indosuez Wealth Management (the global wealth management brand of Crédit Agricole group), resulting in the divestment of EXOR's entire 16.51% shareholding. The transaction will be completed in the first half of 2018, subject to the approval of the competent authorities.

Issue of EXOR non-convertible 2018-2028 bonds

On 18 January 2018, EXOR finalized the bond issuance for a nominal amount of €500 million, maturing January 2028, with a fixed annual coupon of 1.750% and an effective yield to maturity of 1.914%. The purpose of the issue was to raise new funds for EXOR's general corporate purposes, including the repayment of certain loan facilities of the company. The bond is listed on the Luxembourg Stock Exchange and assigned a credit rating of BBB+ by Standard and Poor's rating agency.

Issue of EXOR non-convertible 2018-2038 bonds

On 15 February 2018, EXOR finalized the bond issuance for a nominal amount of €200 million, maturing February 2038, with a fixed annual coupon of 3.125%, with the purpose of refinancing short-term debt. The bond, with a credit rating of BBB+ by Standard and Poor's rating agency, is listed on the Luxembourg Stock Exchange MTF Market.

New Board of Directors' composition

The Board of Directors resolved to nominate Joseph Bae as independent non-executive director to be appointed by the Annual General Meeting (AGM), with effect from that date. Attached the curriculum vitae of Mr. Bae.

The directors Niccolò Camerana, Lupo Rattazzi, Robert Speyer, Mike Volpi and Ruth Wertheimer stepped down as board members, with effect from the AGM.

The Board will maintain a majority of independent directors.

The Audit Committee will, with effect from the AGM, consist of Melissa Bethell (Chairman), Laurence Debroux and Annemiek Fentener van Vlissingen and the Compensation and Nominating Committee will, as per the same date, consist of Antonio Horta-Osorio (Chairman), Joseph Bae (subject to approval of the appointment) and Alessandro Nasi.

Treasury Stock Resolution

The meeting of the Board of Directors resolved to propose to the AGM the renewal of the authorization for the purchase and disposal of treasury stock. Under the authorization the company may purchase on the market, for 18 months from the date of the shareholders' resolution, shares for a maximum number such as not to exceed the limit set by law, and for a maximum disbursement of €500 million.

Outlook for 2018

EXOR N.V. does not prepare budgets or business plans nor does it publish forecast data or data on the basis of which it is possible to calculate forecast data.

Certain EXOR Group operating subsidiaries (FCA, CNH Industrial and Ferrari) publish forecast data on their performance. Other EXOR Group operating subsidiaries (PartnerRe and Juventus Football Club) publish information on the foreseeable outlook.

The forecast data and information of the aforementioned operating companies are drawn up autonomously and communicated by the relative companies and are not homogenous. Quantitative forecast disclosure prepared by these operating companies and the type of information provided, as well as the underlying assumptions and calculation methods vary, according to the accounting principles applicable to each subsidiary and associate and the conventional application practices in the respective sector of reference. EXOR N.V. in fact, is a holding company without a specific business of reference, head of a diversified and non-integrated group that operates in different segments and does not exercise direction and coordination activities over its subsidiaries and associates, which operate in a completely independent manner.



EXOR N.V. deems that the forecast data and information of the subsidiaries and associates are not significant or suitable for the purposes of providing indications about the prospective economic trend of EXOR NV's operations nor represent a forecast or estimate of the company's results and that therefore in assessing EXOR N.V.'s future prospects it is not possible to rely on the data and prospective information published by the aforesaid operating subsidiaries and affiliates.

The 2017 Annual Report will be audited by the Company's audit firm which will issue their reports in the time frame established by law.

EXOR GROUP –CONSOLIDATED FINANCIAL STATEMENTS - SHORTENED (*)

(*) Prepared by consolidating on a line-by-line basis the company financial statements of EXOR and the subsidiaries of the “Holdings System” and using the equity method, on the basis of the consolidated or company financial statements, to account for the other operating subsidiaries and associates.

Consolidated Income Statement - shortened

€ million	2017	2016	Change
Share of the profit (loss) of investments accounted for using the equity method	1,448.4	885.7	562.7
Dividends from investments	7.4	22.1	(14.7)
Gains (losses) on disposals and impairment (losses) reversals on investments	(66.1)	28.5	(94.6)
Net financial income (expenses)	14.2	(76.1)	90.3
Net general expenses	(27.9)	(25.6)	(2.3)
Non-recurring other (expenses) income and general expenses	(6.3)	(69.4)	63.1
Income taxes and other taxes and duties	22.3	(176.6)	198.9
Profit (loss) attributable to owners of the parent	1,392.0	588.6	803.4

Share of the profit (loss) of investments accounted for by the equity method

	Profit (Loss) (million)			EXOR's share (€ million)		
	2017	2016	Change	2017	2016	Change
FCA	€ 3,491	€ 1,803	1,688.0	1,017.0	531.1	485.9
PartnerRe	\$ 189	\$ 186	3.0	167.4	167.7	(0.3)
CNH Industrial	\$ 460	\$ (373) ^(a)	833.0	110.2	31.5 ^(a)	78.7
Ferrari	€ 535	€ 399	n.a.	125.9	93.8	32.1
The Economist Group	£ 39	£ 145	n.a.	19.1	32.6	(13.5)
Juventus Football Club	€ 14	€ 46	(32.0)	8.8	29.2	(20.4)
Almacantar Group	£ -	£ (0.6)	0.6	-	(0.2)	0.2
Total				1,448.4	885.7	562.7

(a) The loss of CNH Industrial included the charge of approximately \$502 million (€450 million) in relation to an investigation conducted by the European Commission. EXOR had already recognized its share of the charge, for €122.8 million, in the financial statements at 31 December 2015, since these developments occurred before the approval of its financial statements. Therefore, in the first half 2016, EXOR's share of CNH Industrial's loss was adjusted by eliminating such charge recognized by the subsidiary. CNH Industrial's loss for 2016 also included a further charge of \$49 million as a result of closing the settlement with the European Commission (EXOR's share is approximately €12 million).

EXOR GROUP – CONSOLIDATED FINANCIAL STATEMENTS - SHORTENED (*)

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Consolidated Statement of Financial Position - shortened

€ million	31/12/2017	31/12/2016	Change
Investments accounted for using the equity method	13,879.5	14,085.8	(206.3)
Investments measured at fair value	44.1	117.3	(73.2)
Other investments	3.7	365.8	(362.1)
Property, plant and equipment, intangible assets and other assets	15.4	18.3	(2.9)
Financial assets, financial receivables and cash and cash equivalents	105.7	204.5	(98.8)
Tax receivables and other receivables	6.6	57.1	(50.5)
Assets held for sale	28.2	0.0	28.2
Total Assets	14,083.2	14,848.8	(765.6)
Issued capital and reserves attributable to owners of the parent	10,804.8	10,981.8	(177.0)
Bonds	2,521.3	2,999.0	(477.7)
Bank debt	714.9	602.2	112.7
Provision for tax and other liabilities	9.0	238.2	(229.2)
Other financial liabilities	33.2	27.6	5.6
Total Equity and Liabilities	14,083.2	14,848.8	(765.6)

EXOR GROUP – INTERIM CONSOLIDATED FINANCIAL STATEMENTS - SHORTENED (*)

- (*) Prepared by consolidating on a line-by-line basis the company financial statements of EXOR and the subsidiaries of the “Holdings System” and using the equity method, on the basis of the consolidated or company financial statements, to account for the other operating subsidiaries and associates.

Consolidated Net Financial Position of the “Holdings System”

€ million	31/12/2017	31/12/2016	Change
Financial assets	56.6	87.9	(31.3)
Financial receivables form related parties	25.7	0.1	25.6
Cash and cash equivalents	23.4	116.5	(93.1)
Cash, cash equivalents and financial assets	105.7	204.5	(98.8)
EXOR bonds	(2,521.3)	(2,999.0)	477.7
Financial payables	(714.9)	(602.2)	(112.7)
Other financial liabilities	(33.2)	(27.6)	(5.6)
Gross debt	(3,269.4)	(3,628.8)	359.4
Net financial position of the Holdings System	(3,163.7)	(3,424.3)	260.6

Rating

On 28 April 2017, Standard & Poor's affirmed the rating for EXOR's long-term and short-term debt at “BBB+” and “A-2” and improved the outlook to “stable” from “negative”.



Joseph Y. Bae

Joseph Y. Bae joined KKR in 1996 , where he is now Co-President and Co-Chief Operating Officer.

Mr. Bae has been a member of the board of directors of KKR since 16 July 2017. Prior to July 2017, when he was promoted to his current position, he was the managing partner of KKR Asia and the global head of KKR's infrastructure and energy real asset businesses. He is the chairman of KKR's Asia and Americas Private Equity Investment Committees and serves on KKR's European Private Equity, Growth Equity, Energy, Infrastructure, Real Estate and Special Situations Investment Committees. He is also a member of KKR's Inclusion and Diversity Council.

Prior to KKR, Mr. Bae worked for Goldman Sachs & Co. in its principal investment area, where he was involved in a broad range of merchant banking transactions. He has a B.A., magna cum laude, from Harvard College. Mr. Bae serves on the boards of a number of non-profit educational and cultural institutions including, as a trustee for Phillips Andover Academy, the Global Advisory Council at Harvard University, a board member of the Lincoln Center, The Asia Society and the Asia Art Archives.