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Diffusione presunta

Oggetto : EXOR'S Board of Directors approves H1
2015 consolidated results

Testo del comunicato

Vedi allegato.

PRESS RELEASE
EXOR'S Board of Directors approves H1 2015 consolidated results

<i>€ million</i>	at 6/30/2015	at 12/31/2014	Change
NAV			
EXOR's Net Asset Value	12,878	10,164	+2,714
EXOR GROUP – Consolidated data prepared in shortened form (a)	H1 2015	H1 2014	Change
Profit attributable to owners of the parent	219.3	57.4	161.9
	at 6/30/2015	at 12/31/2014	Change
Equity attributable to owners of the parent	8,548.0	7,995.0	+553.0
Consolidated net financial position of the "Holdings System"	132.8	562.5	-429.7

(a) Basis of preparation indicated in attached statements.

The EXOR Board of Directors' meeting, chaired by John Elkann, met in Turin today and approved the consolidated results for the first half of 2015.

NAV

At June 30, 2015 EXOR's Net Asset Value (NAV) is €12,878 million and an increase of €2,714 million (+26.7%) compared to €10,164 million at December 31, 2014. The change in NAV against the MSCI World Index in Euro is presented below:



Summary of results

The EXOR Group closes the first half of 2015 with a consolidated profit of €219.3 million; the corresponding period of the prior year ended with a profit of €57.4 million. The positive change of €161.9 million is primarily attributable to higher gains realized on disposals of investments (€63.8 million) during the first six months compared to the writedown of the investment in Sequana (€26.9 million) and the loss realized on the remaining disposal of Alpitour (€10.4 million) recognized in the first half of 2014, the increase in the share of the profit (loss) of investments of €90.9 million, higher dividends received of €3.4 million, partially offset by the increase in net financial expenses of €23.4 million and non-recurring other expenses of €3.4 million, in addition to other net negative changes of €6.7 million.

At June 30, 2015 consolidated equity attributable to owners of the parent amounts to €8,548 million, a net increase of €553 million compared to €7,995 million at year-end 2014.

The increase is attributable to translation exchange differences (+€445 million) and profit for the period (+€219.3 million), partially offset by the payment of dividends by EXOR S.p.A. (-€77.8 million), the net change in the fair value reserve (-€2.1 million) and other net negative changes (-€31.4 million).

At June 30, 2015 the consolidated net financial position of the Holdings System is positive for €132.8 million and represents a negative change of €429.7 million from the positive balance of €562.5 million at year-end 2014.

Significant events

Agreement for the sale of the investment in C&W Group

On May 11, 2015 EXOR announced that an agreement had been reached for the sale of Cushman & Wakefield to DTZ, a company held by TPG Capital PAG Asia Capital and the Ontario Teachers' Pension Plan. The transaction recognizes a total enterprise value for Cushman & Wakefield of \$2,042 million; this will generate proceeds of \$1,278 million and a gain of approximately \$722 million for EXOR S.A. The closing of the deal is expected in the third quarter of 2015 subject to customary closing conditions and receipt of regulatory approvals.

Sale of the investment in Sequana

During the first half of 2015 EXOR S.A. sold the remaining 5,367,687 Sequana shares (10.85% of capital) on the market for a total equivalent amount of €18.7 million, realizing a net gain of €4.1 million.

Investment in PartnerRe

On August 3, 2015 EXOR announced it had signed the definitive agreement with the Board of Directors of PartnerRe for the all-cash acquisition of 100% of the common shares of PartnerRe for \$137.50 per share plus a special dividend of \$3.00, for total consideration of approximately \$6.9 billion, in addition to \$0.70 per share of ordinary dividends per quarter through closing.

Preferred shareholders are also offered a higher dividend rate (+100 basis points) or the equivalent economic value through January 2021, in addition to securities that are non-callable before that date.

The transaction is expected to close not later than the first quarter of 2016, subject to obtaining the necessary approval of PartnerRe shareholders, receipt of regulatory clearance and customary closing conditions.

During the first half of 2015, EXOR has invested \$609.3 million (€553.1 million) purchasing, also through its subsidiary EXOR S.A., 9.9% of PartnerRe outstanding common shares, becoming the largest shareholder.

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) and paid in 50% of the amount equal to £7.3 million (€10 million). The remaining 50% of £7.3 million (€10.4 million) was paid in on July 17, 2015.

On July 17, 2015 Almacantar S.A. carried out a further capital increase for a total 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 50% of the amount equal to £29.1 million (€41.7 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 in of £29.1 million.

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.

Agreement to increase the investment in The Economist Group

On August 12, 2015 EXOR agreed to purchase 6.3 million ordinary shares (or 27.8% of the class) for £227.5 million and 1.26 million B special shares (or 100% of the class) for £59.5 million in The Economist Group from the Pearson Group plc for a total of £287 million (€405 million). Following this purchase, and a separate share buyback announced by The Economist of Pearson's remaining ordinary shares in the Group, EXOR's shareholding in The Economist Group will increase from 4.7% to 43.4%.

It has also been agreed that, subject to a shareholder vote, The Economist's Articles of Association will be amended to limit to 20% the voting powers of any single shareholder, and to ensure that no one individual or company can own more than 50% of the Group's shares. The editorial values of the newspaper will continue to be overseen by its independent Trustees.

The transaction is expected to close in the fourth quarter of 2015, subject to obtaining the necessary receipt of regulatory clearance, as well as the approval both on the part of the shareholders of The Economist with a 75% majority and on the part of its independent Trustees.

Performance of Subsidiaries/ Associates

There follows a brief commentary on the performance of C&W Group, EXOR's principal unlisted investment. The Half-year Financial Report 2015 of EXOR, which will be posted on the corporate website www.exor.com within the time limit set by law, presents comments on the performance of all the principal subsidiaries and associates.

C&W Group

C&W Group delivered significant revenue growth for the first half of 2015, as net revenue set a new record for the period. The record net revenue performance was led by strong transaction revenues from Capital Markets, which increased 39.6% year-over-year, fueled by organic growth and the acquisition of Massey Knakal, New

York's number one investment sales firm in terms of the number of transactions, as the Company continues to execute its strategic growth initiatives, as well as continued growth in Corporate Occupier & Investor Services ("CIS"), which was driven by recurring revenue from significant contract awards.

In addition to the strong revenue performance in the first half of the year, the Company continued the robust implementation of its strategic plan in 2015, investing in its foundation cities around the world and making acquisitions that enhance its platforms.

During the first six months of 2015, C&W Group reported year-over-year gross revenue growth of 4.6%, or 9.1% excluding the impact of foreign exchange, to a record \$1,337.5 million for the period, as compared with \$1,279.0 million for the first half of 2014, while net revenue increased \$88.7 million, or 9.9%, 15.7% excluding the impact of foreign exchange, to a record \$983.9 million, as compared with \$895.2 million for the first half of 2014.

Total costs, which excludes other expense, net and excludes reimbursed costs of \$353.6 million and \$383.8 million for the six months ended June 30, 2015 and 2014, respectively, increased \$97.0 million, or 11.0%, to \$979.6 million, as compared with \$882.6 million for the same period in the prior year. For the first half of 2015, Group's total costs exceeded its increase in net revenue, primarily due to an increase in commission expense attributable to the strong growth in Capital Markets and year-over-year favorability in Leasing net revenues, higher cost of services sold due to continued growth in CIS, and planned increases in employment and other operating expenses to drive the Group's full-year 2015 revenue growth and strategic plan initiatives. Total costs included certain acquisition and non-recurring reorganization-related charges totaling \$1.0 million and \$0.8 million, that are excluded from Adjusted EBITDA for the six month periods ended June 30, 2015 and 2014, respectively, and certain computer software accelerated depreciation expense of \$0.6 million and \$0.1 million, which is excluded from Adjusted (loss) income attributable to owners of the parent for the six month periods ended June 30, 2015 and 2014, respectively, as well as a non-recurring impairment charge of \$2.8 million, which was excluded from Adjusted income attributable to owners of the parent for the first half of 2014.

On an operational level, operating income for the six months ended June 30, 2015 was \$4.3 million, as compared with \$12.6 million for the same period in the prior year.

For the first half of 2015, other expense, net decreased \$1.9 million to \$2.8 million for the six months ended June 30, 2015, as compared with \$4.7 million for the same period in the prior year. The decrease in other expense, net is primarily attributable to a decrease of \$13.5 million in the charge related to the non-controlling shareholders put option liability, which included a non-recurring reorganization-related credit of \$16.6 million resulting from the pending merger with DTZ. This decrease was partially offset by an increase in non-recurring reorganization-related charges of \$11.0 million, to \$12.4 million in the current year period, as compared with \$1.4 million in the same period in the prior year, with the current period charges including \$11.9 million of costs incurred in connection with the merger. The net non-recurring reorganization-related credit and charge of \$4.2 million and \$1.4 million, respectively, are excluded from Adjusted EBITDA for the six month periods ended June 30, 2015 and 2014.

Adjusted EBITDA decreased \$9.1 million, or 23.3%, to \$29.9 million for the six months ended June 30, 2015, as compared with \$39.0 million for the same period in the prior year. EBITDA, as reported, was \$33.1 million for the six months ended June 30, 2015, a decrease of \$3.7 million, or 10.1%, as compared with a record of \$36.8 million for the same period in the prior year.

The Adjusted loss attributable to owners of the parent for the first six months of 2015 was \$12.4 million, a decrease of \$14.2 million from the Adjusted income attributable to owners of the parent of \$1.8 million for the first six months of 2014. The Adjusted (loss) income attributable to owners of the parent excludes the total tax-affected impact of certain acquisition and non-recurring reorganization-related items, certain computer software depreciation charges, as well as certain non-recurring income tax benefits in the current and prior year periods of a net benefit of \$13.4 million and a net benefit of \$8.3 million, respectively. In addition, the Adjusted income attributable to owners of the parent for the prior year period excluded the tax-affected impacts of certain computer software impairment charges of \$1.8 million. The income attributable to owners of the parent, as reported, was \$1.0 million for the six months ended June 30, 2015, as compared with \$11.9 million for the same period in the prior year.

C&W Group's net financial position as of June 30, 2015 was a negative \$209.9 million (principally debt in excess of cash), as compared with a negative \$56.8 million as of December 31, 2014.

Outlook

EXOR S.p.A. expects to report a profit for 2015.

At the consolidated level, 2015 will show a profit which, however, will largely depend upon the performance of the principal subsidiaries and associates.

The executive responsible for the preparation of EXOR S.p.A.'s financial reports, Enrico Vellano, declares, in accordance with article 154 *bis*, paragraph 2 of the Consolidated Finance Act, that the accounting information contained in this press release corresponds to the results documented in the books, accounting and other records.

A review of the half-year condensed consolidated financial statements at June 30, 2015 was performed by the independent auditors which issued their review report on today's date.

MEDIA

Tel. +39.011.5090318
media@exor.com

INVESTOR RELATIONS

Tel. +39.011.5090345
ir@exor.com

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

(*) Prepared by consolidating on a line-by-line basis the interim financial statements or accounting data of EXOR and the subsidiaries of the "Holdings System" and using the equity method to account for the other operating subsidiaries and associates on the basis of their interim financial statements or accounting data drawn up in accordance with IFRS.

Consolidated Income Statement - shortened

€ million	Half 1		
	2015	2014	Change
Share of the profit (loss) of investments accounted for using the equity method	184.7	93.8	90.9
Dividends from investments	4.2	0.8	3.4
Gains (losses) on disposals and impairments on investments, net	69.2	(31.9)	101.1
Net financial income (expenses)	(18.9)	4.5	(23.4)
Net general expenses	(9.5)	(10.1)	0.6
Non-recurring other income (expenses) and general expenses	(9.0)	(5.6)	(3.4)
Income taxes and other taxes	(2.2)	(1.2)	(1.0)
Consolidated profit	218.5	50.3	168.2
Profit from discontinued operations	0.8	7.1	(6.3)
Consolidated profit attributable to owners of the parent	219.3	57.4	161.9

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

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

	Profit (loss) (million)			EXOR's share (€ million)		
	Half 1			Half 1		
	2015	2014	Change	2015	2014	Change
FCA	€ 398.0	€ (14.3)	412.3	126.5	(9.9)	136.4
CNH Industrial	\$ 206.0	\$ 543.8	(337.8)	50.7	110.3	(59.6)
Almacantar	£ 1.8	£ 1.1	0.7	0.9	0.5	0.4
Juventus Football Club	€ 10.2	€ (11.1)	21.3	6.5	(7.1)	13.6
Arenella Immobiliare	€ 0.1	€ n.s.	-	0.1	-	0.1
Total				184.7	93.8	90.9

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Consolidated Statement of Financial Position - shortened

€ million	6/30/2015	12/31/2014	Change
Non-current assets			
Investments accounted for using the equity method	6,489.2	6,596.8	(107.6)
Other financial assets:			
- Investments measured at fair value	737.6	350.2	387.4
- Other investments	638.9	558.4	80.5
- Other financial assets	0.0	4.1	(4.1)
Other property, plant and equipment and intangible assets	11.0	1.2	9.8
Total Non-current assets	7,876.7	7,510.7	366.0
Current assets			
Financial assets and cash and cash equivalents	1,734.5	2,156.7	(422.2)
Tax receivables and other receivables	16.0	7.7	8.3
Total Current assets	1,750.5	2,164.4	(413.9)
Non-current assets held for sale	612.9	0.0	612.9
Total Assets	10,240.1	9,675.1	565.0
Capital issued and reserves attributable to owners of the parent	8,548.0	7,995.0	553.0
Non-current liabilities			
Bonds	1,604.8	1,600.0	4.8
Provisions for employee benefits	2.5	2.9	(0.4)
Deferred tax liabilities and other liabilities	0.8	0.9	(0.1)
Total Non-current liabilities	1,608.1	1,603.8	4.3
Current liabilities			
Bonds, other financial payables and liabilities	73.2	70.5	2.7
Other payables and provisions	10.8	5.8	5.0
Total Current liabilities	84.0	76.3	7.7
Total Equity and Liabilities	10,240.1	9,675.1	565.0

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

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Consolidated net financial position of the Holdings System

€ million	6/30/2015			12/31/2014			Change		
	Current	Non current	Total	Current	Non current	Total	Current	Non current	Total
Financial assets	807.6	76.3	883.9	937.5	76.3	1,013.8	(129.9)	0.0	(129.9)
Financial receivables	73.2	0.0	73.2	1.9	0.0	1.9	71.3	0.0	71.3
Cash and cash equivalents	853.7	0.0	853.7	1,217.3	0.0	1,217.3	(363.6)	0.0	(363.6)
Total financial assets	1,734.5	76.3	1,810.8	2,156.7	76.3	2,233.0	(422.2)	0.0	(422.2)
EXOR bonds	(25.3)	(1,604.8)	(1,630.1)	(24.9)	(1,600.0)	(1,624.9)	(0.4)	(4.8)	(5.2)
Financial payables	(10.2)	0.0	(10.2)	0.0	0.0	0.0	(10.2)	0.0	(10.2)
Other financial liabilities	(37.7)	0.0	(37.7)	(45.6)	0.0	(45.6)	7.9	0.0	7.9
Total financial liabilities	(73.2)	(1,604.8)	(1,678.0)	(70.5)	(1,600.0)	(1,670.5)	0.0	(2.7)	(7.5)
Consolidated net financial position of the Holdings System	1,661.3	(1,528.5)	132.8	2,086.2	(1,523.7)	562.5	(424.9)	(4.8)	(429.7)

Rating

On April 17, 2015 following the announcement of the offer for the all-cash purchase of PartnerRe, Standard & Poor's confirmed EXOR long-term and short-term debt rating (respectively at "BBB+" and "A-2") and revised the outlook from "stable" to "negative".

Fine Comunicato n.0149-90

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