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Oggetto : EXOR approves CROSS-BORDER
MERGER PLAN to create HOLDING
COMPANY EXOR N.V.

Testo del comunicato

Vedi allegato.

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Turin, 25 July 2016

PRESS RELEASE

**EXOR APPROVES CROSS-BORDER MERGER PLAN TO CREATE
HOLDING COMPANY EXOR N.V.**

**New simplified corporate structure further aligns EXOR
with its existing major businesses**

**Transaction supported by Giovanni Agnelli & C. and a group of globally
prominent entrepreneurs and institutions**

EXOR to retain Borsa Italiana listing

The Board of Directors of EXOR (the “Company”), meeting today in Turin under the chairmanship of John Elkann, resolved to propose to shareholders a simplified corporate structure to better reflect the ever more global profile of the Company and its businesses.

Proposed Transaction in Summary

The Board is proposing a cross-border merger of EXOR with and into EXOR Holding N.V. (“EXOR N.V.”), a wholly-owned Dutch subsidiary of EXOR in which EXOR N.V. will survive as the new parent company.

- Each current EXOR shareholder will receive 1 Ordinary Share of EXOR N.V. with 1 voting right for each EXOR share owned.
- The Ordinary Shares of EXOR N.V. will be listed solely on the Mercato Telematico Azionario managed and organized by Borsa Italiana.
- EXOR N.V. will adopt a loyalty voting structure designed to incentivize long-term share ownership: for each EXOR N.V. ordinary share held without interruption for a period of 5 years, shareholders will be entitled to 5 voting rights at the end of that period, and for each EXOR N.V. ordinary share held without interruption for a total of 10 years, shareholders will be entitled to 10 voting rights at the end of that period.

The transaction is conditional, amongst other things, on the amount payable by EXOR to (a) those shareholders who exercise their statutory right of withdrawal (*recesso*) and (b) creditors of EXOR exercising their creditor opposition rights not exceeding EUR 400 million in aggregate value. EXOR’s controlling shareholder Giovanni Agnelli & C. S.a.p.az. (“GAC”) and a number of long-term oriented entrepreneurs and institutions have committed to acquire EXOR shares, available from the exercise of the right of withdrawal (*recesso*) and that may have not been purchased in the offer and sale process provided for under Italian law. Specifically, GAC has committed to acquire EXOR residual withdrawn shares up to aggregate amount of EUR 100 million (based on the

price per share equivalent to the withdrawal price) and, should the aggregate value of the residual withdrawn shares exceed EUR 100 million, the other investors, severally and not jointly, will acquire the remaining amount pro rata based on their commitments, up to the aggregate amount of EUR 300 million.

The price payable to shareholders exercising their withdrawal rights is EUR 31.2348 for each share. Today's closing price of EXOR shares was EUR 33.51.

GAC, which today owns 52.99% of EXOR's issued capital, has confirmed its full support for the transaction.

The transaction does not have an impact on EXOR's controlled companies, whose industrial and fiscal commitments remain unchanged in each jurisdiction in which they operate.

Commenting on the proposal, John Elkann, Chairman and CEO of EXOR said:

“Over the past ten years we have continuously simplified and developed on the back of the evolution of our businesses. Our principal investments have themselves already reorganized their own corporate structures to better reflect their global activity and it is natural that we align EXOR with them.

The proposal we are making today, which provides us with a simpler corporate structure, is a further important step in EXOR's development as a globally active holding company. We also believe the loyalty scheme will reward committed long-term shareholders and I'm delighted that this project has already received the support of a number of the world's most successful entrepreneurs and institutions, including some we are proud to have as existing shareholders.”

Background to and Rationale for the Merger Proposal

Over the past years, EXOR has created value for all of its shareholders by progressively focusing its investments on a limited number of globally relevant businesses. Since the listing of EXOR in March 2009 to March 31, 2016, its Net Asset Value per share in US dollars has grown at a compound annual rate of 17.5%, almost 5.8 percentage points more than its benchmark MSCI World Index in US dollars. During the same period, the Group's share price has recorded annualized growth of 27.2%.

EXOR has thus grown to become one of Europe's leading holding companies with controlling or significant shareholdings in a number of global businesses. These include PartnerRe, a leading reinsurer; Fiat Chrysler Automobiles, the seventh largest automobile manufacturer; CNH Industrial, one of the world's largest capital goods companies; Ferrari, the most recognizable luxury sports car brand; and The Economist Group, the leading English language media group specializing in the analysis of business and world affairs. During the course of the past three years, as part of the normal evolution of their businesses, Fiat Chrysler Automobiles, CNH Industrial and Ferrari have themselves reorganized their corporate structures and in the process have identified the Netherlands as their legal domicile, while at the same time retaining their Borsa Italiana Stock Exchange listings. Also, EXOR's largest investment PartnerRe is controlled through a Dutch company.

It is in this context that the Board of Directors of EXOR believes that the time is now right to take the next natural step in the Group's development by properly aligning its own governance with the indisputably global character of its principal businesses. The new simpler corporate structure and the loyalty scheme, designed to incentivize long-

term investment in the company, will help EXOR achieve even more solid foundations for its future growth.

Transaction Timetable

25 July 2016: Announcement of Merger Proposal.

3 September 2016: EXOR Shareholders Meeting to approve the Proposal.

It is envisaged that the Merger will become effective by the end of 2016, subject to the satisfaction or the waiver of the conditions precedent.

All documents concerning the Merger, including the Common Cross Border Merger Plan, the Board Reports, the Information Document and the proposal of resolution, will be made available to the public within the terms of law.

ABOUT EXOR

EXOR (Bloomberg: EXO IM, Reuters: EXOR.MI) is one of Europe's leading holding companies and is controlled by the Agnelli Family. With a Net Asset Value (NAV) of around \$12 billion, EXOR invests in global businesses primarily based in Europe and the US and actively participates in building its companies for the long term.

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DETAILS ON THE MERGER PROPOSAL

According to the common merger plan approved by the Board of Directors (“**Common Merger Plan**”) EXOR will be merged with and into EXOR N.V. and the activity of EXOR will be continued by EXOR N.V. as universal successor of EXOR (the “**Merger**”). As a result of the Merger – which is subject to the approval of the Extraordinary General Meeting of Shareholders (“**EGM**”) – all shares of EXOR will be cancelled and EXOR N.V. will issue and allot one EXOR N.V. Ordinary Share (each having a nominal value of EUR 0.01) for each share in EXOR. Each EXOR N.V. Ordinary Share will grant one voting right. EXOR N.V. Ordinary Shares will be listed solely on the Mercato Telematico Azionario managed and organized by Borsa Italiana.

It is envisaged that EXOR N.V. will have its residence for legal and tax purposes in the Netherlands.

The Common Merger Plan will be submitted for approval to the EXOR shareholders at an extraordinary general meeting that will be held on 3 September 2016. Further information on the EGM will be made available in the notice to call the EGM, which will be published on www.exor.com; an excerpt notice will be published in the newspaper “La Stampa”.

Loyalty voting structure – Special Voting Shares

EXOR N.V. will adopt a loyalty voting structure designed to foster the development and continued involvement of a core base of long-term shareholders, by granting long-term EXOR N.V. shareholders with Special Voting Shares (as defined below), to which multiple voting rights are attached, additional to the one granted by each EXOR N.V. Ordinary Share that they hold. In particular, according to the special-voting structure:

(i) after 5 years of uninterrupted ownership of EXOR N.V. Ordinary Shares held in a special register, each EXOR N.V. shareholder will be entitled to 5 voting rights for each EXOR N.V. Ordinary Share and, to this purpose, will receive – and EXOR N.V. will issue – one special voting share, to which 4 voting rights are attached, and with a nominal value of EUR 0.04 (“**Special Voting Share-A**”), additional to each EXOR N.V. Ordinary Share owned (to which 1 voting right is attached); and

(ii) after 10 years of uninterrupted ownership of EXOR N.V. Ordinary Shares, each EXOR N.V. shareholder will be entitled to 10 votes for each EXOR N.V. Ordinary Share and, to this purpose, each Special Voting Share-A held will be converted into one special voting share, to which 9 voting rights are attached, and with a nominal value of EUR 0.09 (“**Special Voting Share-B**”), additional to each EXOR N.V. Ordinary Share owned (to which 1 voting right is attached).

Special Voting Shares-A and Special Voting Shares-B, which are collectively referred to as “**Special Voting Shares**”, will not be tradable and will have only minimal economic entitlements.

The holding period for these loyalty shares will only begin at the completion of the Merger. No Special Voting Share will be issued as part of the Merger. Assuming the qualifying conditions to obtain the Special Voting Shares are met, the first Special Voting Shares will be issued 5 years after the effective date of the Merger. Therefore, each holder of the newly issued shares will be entitled to receive Special Voting Shares only after 5, and then 10, years of uninterrupted ownership after their registration in the loyalty register maintained by EXOR N.V.

Whilst EXOR NV Ordinary shares are freely transferrable, Special Voting Shares may not be transferred to third parties (except in very limited circumstances). In order to transfer the qualifying ordinary shares (*i.e.* shares with respect to which Special Voting Shares are allocated) or the electing ordinary shares (*i.e.* shares registered in the loyalty register for the purpose of becoming qualifying common shares) the relevant shareholder will have to request the deregistration from the special register of its qualifying ordinary shares or of its electing ordinary shares, as the case may be; after such de-registration, the relevant EXOR NV Ordinary Shares will cease to be qualifying ordinary shares or electing ordinary shares and shall be freely transferable. The Special Voting Shares must be surrendered without consideration when the qualifying shares are transferred (except in case of transfers to a loyalty transferee in limited specified circumstances), when the holder de-registers from the loyalty register and when a change of control over that shareholder occurs.

In the case of a capital increase, EXOR N.V. will issue new ordinary shares with 1 voting right each.

Under the Merger Proposal, all of EXOR's shareholders will be entitled to the same percentage of shares they held before the Merger, subject to the effects of the potential exercise of the withdrawal rights. The loyalty voting structure may affect a particular shareholder's voting interest in EXOR N.V., which will depend on the extent to which the shareholder and other shareholders participate in the loyalty voting structure.

Withdrawal Right. Conditions precedent

In the event of the approval of the Merger by the EGM, EXOR shareholders who did not vote in favor of the Common Merger Plan (*i.e.*, those shareholders who did not attend the meeting or who attended and voted against the proposed resolution or who abstained from voting) will be entitled to exercise their withdrawal rights no later than fifteen days following the registration with the Companies' Register of Turin of the minutes of the EGM. Information regarding the withdrawal process will be communicated by press release.

The price payable to shareholders exercising their withdrawal rights is EUR 31.2348 for each share. The price has been established according to the relevant provisions of law, with reference to the arithmetic average of the daily closing price of EXOR shares in the six-month period prior to the date of publication of the notice calling the EXOR EGM (which will occur tomorrow, 26 July 2016). Given that the events giving rise to the withdrawal rights will only occur upon completion of the Merger, as stated in the Common Merger Plan, the exercise of the withdrawal rights by EXOR shareholders as well as the right to receive the withdrawal price are conditional upon the satisfaction of the conditions precedent to the Merger and completion of the Merger. The withdrawal price will be paid to those shareholders exercising the withdrawal rights after completion of the process of offer and sale of the shares with respect to which the withdrawal right has been exercised, and subject to the satisfaction of the conditions precedent to the Merger and completion of the Merger, after the effective date of the Merger. The offer and sale process of the withdrawn shares may take up to 180 days from the communication by the relevant shareholder exercising the withdrawal right. In the interim period, the withdrawing shareholders may not sell or otherwise dispose of any of the shares in respect to which the withdrawal right has been exercised. Further information as to the withdrawal right will be provided pursuant to the applicable provisions of law.

The execution of the Merger is subject to the satisfaction of a limited number of conditions precedent, including the approval of the listing of EXOR N.V. Ordinary Shares on the Mercato Telematico Azionario of Borsa Italiana (MTA) and the absence of material adverse change in the economic, political or financial markets conditions or other extraordinary events that may have a material adverse effect on the business and results of operations of EXOR. It is also a specific condition precedent that the amount of cash, if any, to be paid by EXOR to EXOR shareholders exercising withdrawal rights and to creditors of EXOR exercising their creditor opposition rights, shall not exceed in the aggregate EUR 400 million. The Company will communicate to the market the satisfaction or the waiver of the conditions precedent.

The assessment of the satisfaction of this condition precedent will require, as regards creditors' opposition that, at a minimum, the term of 60 days from the date of registration with the Companies Register of Turin of the minutes of the EGM approving the Merger for creditor opposition has expired. With regard to the withdrawal price, the assessment of the satisfaction of the condition precedent will require that the outcome of the process of offer and sale of the shares, in respect to which withdrawal rights have been exercised, whose duration pursuant to applicable provisions of law cannot exceed 180 days, is known. Only at the end of this process will the actual amount of the disbursement by the Company for the payment of the withdrawal price be known. To the extent that any such shares are purchased by existing shareholders or by the public at the withdrawal price pursuant to the applicable

provisions of law, the purchase price for those shares (not being paid by the Company) will not count towards the EUR 400 million cap.

In order to mitigate the potential cash outflows resulting from the obligation to purchase from shareholders who have exercised their withdrawal rights, all of the shares that have not been purchased by shareholders or third parties pursuant to Article 2437-*quater* of the Italian Civil Code (the “**Residual Withdrawn Shares**”), and in order to mitigate the risks relating to changes in market conditions between the date hereof and the date of effectiveness of the Merger, EXOR has received commitments from its controlling shareholder Giovanni Agnelli & C. S.p.A. (“**GAC**”) and a number of long-term oriented entrepreneurs and institutions (such investors and GAC, collectively, the “**Investors**”) whereby (i) GAC has committed to acquire a certain number of the Residual Withdrawn Shares up to aggregate amount of EUR 100 million and (ii) to the extent the value of the Residual Withdrawn Shares exceed EUR 100 million, the other Investors, severally and not jointly, have committed to acquire the remaining Residual Withdrawn Shares up to aggregate amount of EUR 300 million. The purchase price per share will be equivalent to the price payable to shareholders exercising the withdrawal right determined pursuant to Article 2437-*ter*, paragraph 3, of the Italian Civil Code less a commitment fee to be deducted from such price as consideration for the aforesaid commitments assumed by the Investors.

Because the exercise of withdrawal rights by qualifying EXOR shareholders will be subject to completion of the Merger, also the aforesaid commitments of the Investors will be contingent to the Merger becoming effective.

By virtue of the commitments of the Investors and assuming the satisfaction of the aforesaid conditions precedent, EXOR does not envisage to purchase Residual Withdrawn Shares pursuant to Article 2437-*quater*, paragraph 5, of the Italian Civil Code.

RELATED PARTY TRANSACTION DISCLOSURE

The Cross-Border Merger

In accordance with the regulation containing provisions relating to transactions with related-party approved by Consob with Resolution no. 17221 dated March 12, 2010 (the “Regulation”), EXOR S.p.A. and EXOR Holding N.V. are related parties because EXOR Holding N.V. is a wholly-owned subsidiary of EXOR S.p.A. The proposed transaction – which qualifies as a “significant transaction” pursuant to the Regulation – was approved with the favorable vote of the entire Board of Directors of EXOR S.p.A. The transaction benefits from the exemption set forth by article 14 of the Regulation and article 5C (intragroup transactions) of the “Procedure for transactions with related parties” adopted by EXOR S.p.A. and published on the website of the Company (www.exor.com) (the “Procedures”). Pursuant to such exemption, EXOR S.p.A. will not publish the relevant information document (*documento informativo*) pursuant to article 5 of the Regulation.

Transaction with GAC

EXOR is a related party, pursuant to the Regulation, with GAC, which holds 52.99% of the Company’s issued capital. Pursuant to the Regulation and the Procedures, the aforesaid contingent commitment of GAC would qualify as a non-significant related party transaction. The aforesaid transaction has been approved with the favorable vote of all members of the board of directors of EXOR with the prior positive opinion of EXOR’s committee on related party transactions. As the transaction does not exceed the parameters of significance set out in Annex 3 of the Regulation and in Article 3 of the Procedures, EXOR will not file an

information document concerning these transactions in accordance with the Regulation and the Procedures.

Nevertheless, the information document provided for under article 70, paragraph 6, of the regulation adopted by Consob through the resolution no. 11971/1999 will be made available for the benefit of the shareholders in accordance with the applicable terms.

Important Information for Investors and Shareholders

This press release is for informational purposes only and is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction pursuant to the proposed transactions or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made. This press release does not represent an offer to the public in Italy, pursuant to Section 1, letter (t) of Legislative Decree no. 58 of February 24, 1998, as amended. The release, publication or distribution of this press release in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this press release is released, published or distributed should inform themselves about and observe such restrictions.

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Fine Comunicato n.0149-49

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