Ferrari N.V.

(Ferrari N.V., a public company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands)

Admission to listing and trading on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. of common shares

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This prospectus (the **Prospectus**) is published in connection with the first admission to listing and trading on the Mercato Telematico Azionario (the **MTA**), organized and managed by Borsa Italiana S.p.A. (**Borsa Italiana**) of common shares in the share capital of Ferrari N.V. (**Ferrari**), having a nominal value of €0.01 each (the **Common Shares**).

THIS PROSPECTUS IS NOT PUBLISHED IN CONNECTION WITH AND DOES NOT CONSTITUTE AN OFFER OF SECURITIES BY OR ON BEHALF OF FERRARI OR ANY OF ITS AFFILIATES IN THE EUROPEAN ECONOMIC AREA OR ELSEWHERE.

The admission to listing and trading on the MTA follows the separation of Ferrari and its subsidiaries (the **Group**) from Fiat Chrysler Automobiles N.V. (**FCA**). The separation occurred through a series of transactions and included (i) a restructuring of the Group, which established Ferrari's predecessor, New Business Netherlands N.V., a public company with limited liability (*naamloze vennootschap*), renamed Ferrari N.V. on October 17, 2015 (**NBNV**), as the new holding company for the Ferrari business, (ii) the initial public offering of NBNV and offer and sale by FCA of 18,892,150 common shares in the share capital of NBNV, representing approximately 10 percent of the then issued and outstanding common shares of NBNV, and start of trading of such shares on the New York Stock Exchange (**NYSE**) on October 21, 2015 and (iii) the distribution, shortly prior to the date of this prospectus to holders of shares and certain mandatory convertible securities of FCA of FCA's remaining ownership interest in NBNV through a series of corporate steps which were immediately followed by the merger of NBNV with and into FE New N.V., a public company with limited liability (*naamloze vennootschap*), renamed Ferrari N.V. effective on January 3, 2016 (**FE New**). As a consequence of such transactions (together, the **Separation**), FE New is the new holding company of the Ferrari business and FCA no longer holds an ownership interest in Ferrari.

At the date of this Prospectus, 188,923,499 Common Shares and 56,497,618 special voting shares in the share capital of Ferrari, having a nominal value of €0.01 each (the **Special Voting Shares** and together with the Common Shares collectively referred to as the **Shares**) are issued and outstanding. Only the Common Shares shall be admitted to listing and trading on the MTA. For more information on the Special Voting Shares, see Chapter 10 "Description of Share Capital and Corporate Governance, section "Terms and Conditions of the Special Voting Shares".

On November 23, 2015, the application for the admission to listing and trading of the Common Shares on the MTA was submitted to Borsa Italiana S.p.A. Common Shares were admitted to listing on the MTA (with the ISIN code NL0011585146) through the formal notification of admission no. 8147 issued by Borsa Italiana S.p.A. on December 14, 2015**.**

The trading of the Common Shares on the MTA is expected to commence on or about January 4, 2016. The Common Shares as to be traded on the MTA will be held through Monte Titoli S.p.A., the authorized CSD (Central Securities Depository) for centralized administration, settlement and ancillary services in the Italian market (**Monte Titoli**), as a participant of the Depository Trust Company, a United States financial services company providing clearing and settlement services to the financial markets (**DTC**).

INVESTING IN THE SHARES INVOLVES RISKS. SEE CHAPTER 2 "RISK FACTORS" BEGINNING ON PAGE 11 OF THIS PROSPECTUS FOR A DESCRIPTION OF CERTAIN RISKS THAT SHOULD BE CAREFULLY CONSIDERED BEFORE INVESTING IN THE SHARES.

This Prospectus has been approved by and filed with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, **AFM**). Ferrari has requested that the AFM provides the competent authority of Italy, the Italian Securities and Exchange Commission (*Commissione Nazionale per le Società e la Borsa,* ***Consob***) and the European Securities and Markets Authority, with a certificate of approval attesting that this Prospectus constitutes a prospectus for the purposes of Article 3 of Directive 2003/71/EC of the European Parliament and of the Council, and amendments thereto (the **Prospectus Directive**) and has been prepared in accordance with chapter 5.1 of the Dutch Act on financial supervision (*Wet op het financieel toezicht*; the **AFS**) and the rules promulgated thereunder.

This Prospectus is dated January 3, 2016

NOTICE TO PROSPECTIVE INVESTORS IN THE U.S.

The Common Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not determined the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

The initial public offering of NBNV was registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) by means of a registration statement on Form F-1 filed with the United States Securities and Exchange Commission—an agency of the United States federal government, with primary responsibility for enforcing U.S. federal securities laws and regulating the securities industry, the nation's stock and options, exchanges, and other activities and organizations, including the electronic securities markets in the United States (the **SEC**)—on October 20, 2015. The prospectus which formed part of the aforementioned registration statement is dated October 20, 2015 (such prospectus hereinafter referred to as: the **Form F-1**). Certain parts of the Form F-1 are incorporated in this Prospectus by reference. The Form F-1 is available on Ferrari's website (http://corporate.ferrari.com).

Distribution of this Prospectus may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of this Prospectus are urged to inform themselves of any such restrictions which may apply in their jurisdiction and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Ferrari disclaims all responsibility for any violation of such restrictions by any person.

CERTAIN DEFINED TERMS

In this Prospectus, unless otherwise specified, the terms “we,” “our,” “us,” the “Group” and “Ferrari” refer to Ferrari N.V., individually or together with its subsidiaries, as the context may require.

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1 SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary together with an indication that such Element is 'not applicable'.		
Section A—Introduction and warnings		
A.1	Introduction and warnings	This summary should be read as an introduction to this Prospectus in connection with the first admission to listing and trading on the Mercato Telematico Azionario (the **MTA**), organized and managed by Borsa Italiana S.p.A. (**Borsa Italiana**) of common shares in the share capital of Ferrari N.V. (**Ferrari**), having a nominal value of €0.01 each (the **Common Shares**). At the date of this Prospectus, 188,923,499 Common Shares and 56,497,618 special voting shares in the share capital of Ferrari having a nominal value of €0.01 each (the **Special Voting Shares** and together with the Common Shares collectively referred to as the **Shares**) are issued and outstanding. Only the Common Shares shall be admitted to listing and trading on the MTA. Any decision to invest in the Common Shares should be based on a consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the relevant jurisdiction, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Common Shares.
A.2	Consent, indication, conditions and notice	Not applicable; Ferrari does not consent to the use of this Prospectus for the subsequent public resale of, or final placement of the Common Shares by financial intermediaries.
Section B—The issuer		
B.1	Legal and commercial name of the Company	The legal and commercial name is Ferrari N.V.
B.2	Domicile, legal form, legislation and country of incorporation	Ferrari is a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands. Ferrari is registered with the Trade Register of the Chamber of Commerce under number 64060977. Its corporate seat (*statutaire zetel*) is in Amsterdam, the Netherlands and its registered office and principal place of business is located at Via Abetone Inferiore N.4, I-41053 Maranello (MO), Italy. Its telephone number is +39-0536949111.

B.3	Key factors relating to the nature of the Company's operations and its principal activities	Ferrari, including its subsidiaries (the **Group**), is among the world's leading luxury brands focused on the design, engineering, production and sale of the world's most recognizable luxury performance sports cars. Ferrari's brand symbolizes luxury, exclusivity, innovation, state-of-the-art sporting performance and Italian design and engineering heritage. Ferrari's name and history and the image enjoyed by its cars are closely associated with its Formula 1 racing team, Scuderia Ferrari, the most successful team in Formula 1 history. From the inaugural year of Formula 1 in 1950 through the present, Scuderia Ferrari has won 224 Grand Prix races, 16 Constructor World titles and 15 Drivers' World titles. Ferrari believes its history of excellence, technological innovation and defining style transcends the automotive industry, and is the foundation of the Ferrari brand and image. Ferrari designs, engineers and produces its cars in Maranello, Italy, and sells them in over 60 markets worldwide through a network of 178 authorized dealers operating 199 points of sale. Ferrari believes its cars are the epitome of performance, luxury and styling. Ferrari currently sells nine models, including seven sports cars (458 Italia, 488 GTB, 458 Spider, 488 Spider, F12berlinetta and our special series 458 Speciale and 458 Speciale A) and two GT cars (California T and FF). In March 2015, Ferrari launched the 488 GTB, which is replacing the 458 Italia and, in September 2015, Ferrari launched the 488 Spider, its latest sports car, which is replacing the 458 Spider. Ferrari expects to gradually replace its 458 models with successor 488 models during 2015 and the next several years. Ferrari also produces a limited edition supercar, LaFerrari, and very limited editions series (*Fuoriserie*) and one-off cars. Ferrari pursues a low volume production strategy in order to maintain a reputation of exclusivity and scarcity among purchasers of its cars and deliberately monitors and maintains its production volumes and delivery wait-times to promote this reputation. Ferrari divides its regional markets into EMEA (consisting of Europe, the Middle East and Africa), Americas, Greater China and Rest of APAC (consisting of the Asia-Pacific region, excluding Greater China), representing respectively 45 percent, 34 percent, nine percent and 12 percent of units shipped in 2014. In recent years Ferrari has allocated a higher proportion of shipments to the Middle East and Greater China and, to a lesser extent, the Americas and a lower proportion to Europe, reflecting changes in relative demand as part of its strategy to manage waiting lists and maintain product exclusivity. Ferrari licenses the Ferrari brand to a select number of producers and retailers of luxury and lifestyle goods, and sells Ferrari-branded merchandise through a network of 23 franchised and 12 owned Ferrari stores and on its website. As one of the world's most recognized premium luxury brands, Ferrari believes it is well positioned to selectively expand the presence of the Ferrari brand in attractive and growing lifestyle categories consistent with its image, including sportswear, watches, accessories, consumer electronics and theme parks which Ferrari believes enhance the brand experience of Ferrari's loyal following of clients and Ferrari enthusiasts.

		Ferrari focuses its marketing and promotion efforts in the investments it makes in its racing activities, in particular Scuderia Ferrari's participation in the Formula 1 World Championship, which is one of the most watched annual sports series in the world, with approximately 425 million television viewers annually. Although Ferrari's most recent Formula 1 world title was seven years ago, Ferrari is enhancing its focus on Formula 1 activities with the goal of improving recent racing results and restoring its historical position as the premier racing team in Formula 1. Ferrari believes that these activities support the strength and awareness of its brand among motor enthusiasts, clients and the general public. Ferrari will continue focusing its efforts on protecting and enhancing the value of its brand to preserve its strong financial profile and participate in the premium luxury market growth. Ferrari intends to selectively pursue controlled and profitable growth in existing and emerging markets while expanding the Ferrari brand to carefully selected lifestyle categories.
B.4a	Significant recent trends	Significant recent trends affecting the luxury performance cars market and Ferrari include: • significant economic growth and wealth creation in emerging economies: the recent sustained period of wealth creation in several Asian countries and, to a lesser extent, in the Americas, has led to an expanding population of potential consumers of luxury performance cars; • new product launches: new product launches tend to drive sales volumes, even in difficult market environments, because the novelty, exclusivity and excitement a new product is capable of creating and capturing its own demand from wealthy clients; • low volume strategy: Ferrari pursues a low volume production strategy in order to maintain a reputation of exclusivity and scarcity among purchasers of its cars and deliberately monitors and maintains its production volumes and delivery wait-times to promote this reputation.
B.5	Group description	Ferrari is the parent company of a group of operating companies. The principal assets of Ferrari include the equity interests it directly or indirectly holds in its operating subsidiaries and joint ventures.

B.6	Shareholders of the Company	The following table sets forth information with respect to the beneficial ownership of each holder of Shares (a **Shareholder**), or group of affiliated Shareholders, Ferrari knows to own 3% or more of Ferrari's issued and outstanding[1] share capital as of the date of this Prospectus.

Shareholder	Amount of share capital Owned		Percentage of voting rights
	Number / class of shares	Percentage of share capital	
Exor S.P.A. (**Exor**)[2]	44,435,280 Common Shares and 37,580,387 Special Voting Shares	ca. 23.5%	ca. 33.4%
Piero Ferrari[3]	18,892,160 Common Shares and 18,892,160 Special Voting Shares	ca. 10%	ca. 15.4%
Public shareholders	125,596,059 Common Shares and 25,071 Special Voting Shares	ca. 66.5%	ca. 51.2%

(1) The percentages of share capital and voting rights set out in this table may slightly differ from the percentages of share capital and voting rights included in the public register held by the AFM of all notifications made pursuant to the disclosure obligations under chapter 5.3 of the AFS, such, inter alia, because any shares held in treasury by Ferrari will be counted also in the relevant numerators for purposes of the AFS disclosure obligations, although such treasury shares cannot be regarded to be part of Ferrari's "outstanding share capital" and therefore have not been taken into consideration for the calculations of the percentages of share capital and voting rights set out in this table.

(2) Exor is in turn controlled by Giovanni Agnelli e C. S.a.p.az, which holds 51.39 percent of its share capital. G.A. is a limited partnership with interests represented by shares (Societa' in Accomandita per Azioni), founded by Gianni Agnelli and currently held by members of the Agnelli and Nasi families, descendants of Giovanni Agnelli, founder of Fiat S.p.A.

(3) Exor and Piero Ferrari have informed Ferrari that they have entered into a shareholders' agreement, which entered into force upon the Separation becoming effective and prior to the admission to listing and trading of the Common Shares on the MTA. For more information reference is made is made to Chapter 11 "Principal Shareholders and Related Party Transactions", section "Shareholders Agreement".

All Shareholders have the same voting rights with respect to the Common Shares and the Special Voting Shares.

B.7 — Selected historical key financial information

The following tables set forth selected historical consolidated financial data of NBNV, renamed Ferrari N.V. on October 17, 2015 and have been derived from the unaudited Interim Condensed Consolidated Financial Statements and the audited Annual Consolidated Financial Statements, both of which are included elsewhere in this Prospectus. This financial information has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and endorsed by the European Union (**IFRS**).

Consolidated Income Statement Data

	For the nine months ended September 30,		For the years ended December 31,		
	2015	2014	2014	2013	2012
	(€ million, except per share data)		(€ million, except per share data)		
Net revenues	2,110	2,011	2,762	2,335	2,225
EBIT	359	274	389	364	335
Profit before taxes	354	281	398	366	334
Net profit	235	186	265	246	233
Attributable to:					
Owners of the parent	233	182	261	241	225
Non-controlling interest	2	4	4	5	8
Basic and diluted earnings per common share (in Euro)[(1)]	1.24	0.97	1.38	1.27	1.19
Dividends paid per share (in Euro)	-	-	-	-	-

(1) See Note 12 to the Interim Condensed Consolidated Financial Statements and Note 12 to the Annual Consolidated Financial Statements for the calculation of basic and diluted earnings per common share.

Consolidated Statement of Financial Position Data

	At September 30,	At December 31,		
	2015	2014	2013	2012
	(€ million)	(€ million)		
Cash and cash equivalents	190	134	114	100
Deposits in FCA Group cash management pools[(1)]	1,216	942	684	457
Total Assets	4,945	4,641	3,895	3,465
Debt	579	510	317	261
Total equity	2,707	2,478	2,316	2,041
Equity attributable to owners of the parent	2,702	2,470	2,290	2,019
Non-controlling interests	5	8	26	22
Share capital[(2)]	4	4	4	4
Common shares issued (in thousands of shares)[(2)]	188,922	188,922	188,922	188,922

(1) Deposits in FCA Group cash management pools relate to the participation of the Ferrari group in a group-wide cash management system at FCA, where the operating cash management, main funding operations and liquidity investment of the Group are centrally coordinated by dedicated treasury companies with the objective of ensuring effective and efficient management of its funds. Following the Separation, these arrangements will be terminated and Ferrari will manage its liquidity and treasury function on a standalone basis.

(2) See Note 19 to the Interim Condensed Consolidated Financial Statements and Note 20 to the Annual Consolidated Financial Statements for the calculation of share capital and common shares issued.

B.8	Selected key pro forma financial information	Not applicable; no key pro forma financial information has been identified as such.
B.9	Profit forecast	Not applicable; Ferrari has not issued a profit forecast.
B.10	Historical audit report qualifications	Not applicable; there are no qualifications.
B.11	Explanation if insufficient working capital	Ferrari is of the opinion that the Group has sufficient working capital for its present requirements, that is, for at least the next twelve months from the date of the publication of this Prospectus.
	Section C – Securities	
C.1	Type and class, security identification number	The Common Shares admitted to listing and trading on the MTA are common shares in the share capital of Ferrari and have a nominal value of €0.01 each. The Common Shares admitted to listing and trading on the MTA are listed under symbol "RACE" under ISIN code: NL0011585146.
C.2	Currency of the Common Shares	The Common Shares are denominated in and will trade on the MTA in Euro.
C.3	Number of Shares and nominal value	The authorized share capital of Ferrari is seven million five hundred thousand Euro (€ 7,500,000), divided into three hundred seventy-five million (375,000,000) Common Shares, nominal value of one Euro cent (€0.01) each and an equal number of Special Voting Shares, nominal value of one Euro cent (€0.01) each. All issued Shares are fully paid-up and are subject to and have been created under Dutch law.
C.4	Rights attached to the Common Shares	All of the Common Shares issued and outstanding will rank equally and will be eligible for any profit or other payment that may be declared on the Common Shares. Each Common Share and each Special Voting Share confers the right on the holder to cast one vote at a general meeting of shareholders of Ferrari (the **General Meeting**). There are no voting restrictions, other than that in accordance with Dutch law. Ferrari has no voting rights on the Shares that it holds in treasury. Under Dutch law and Ferrari's articles of association (the **Articles of Association**), each Shareholder has a right of pre-emption in proportion to the aggregate nominal value of its shareholding upon the issuance of new Common Shares (or the granting of rights to subscribe for Common Shares). Exceptions to this right of pre-emption include the issuance of new Common Shares (or the granting of rights to subscribe for Common Shares): (i) to employees of Ferrari or another member of the Group pursuant to a stock compensation plan of Ferrari, (ii) against payment in kind (contribution other than in cash) and (iii) to persons exercising a previously granted right to subscribe for Common Shares. In the event of an issuance of Special Voting Shares, Shareholders shall not have any right of pre-emption.

		The General Meeting may resolve to limit or exclude the rights of pre-emption upon an issuance of Common Shares, which resolution requires approval of at least two-thirds of the votes cast, if less than half of the issued share capital is represented at the General Meeting. The Articles of Association or the General Meeting may also designate Ferrari's board of directors (the **Board of Directors**) to resolve to limit or exclude the rights of pre-emption in relation to the issuance of Common Shares. Pursuant to Dutch law, the designation by the General Meeting may be granted to the Board of Directors for a specified period of time of no more than five years and only if the Board of Directors has also been designated or is simultaneously designated the authority to resolve to issue Common Shares. The Board of Directors is designated in the Articles of Association as the competent body to issue Common Shares and Special Voting Shares up to the maximum aggregate amount of Ferrari's authorized share capital and to exclude or limit rights of pre-emption for an initial period of five years from January 2, 2016, which authorizations may be extended by the General Meeting with additional periods up to a maximum of five years per period.
C.5	Restrictions on transferability of the Common Shares	There are no restrictions on the free transferability of the Common Shares under the Articles of Association.
C.6	Listing and admission to trading of the Common Shares	On October 19, 2015 the New York Stock Exchange (**NYSE**) approved the listing of the Common Shares on the NYSE. Common Shares started trading on the NYSE on October 21, 2015 under the symbol "RACE" and with CUSIP code N3167J106. On November 23, 2015, the application for the admission to listing and trading of the Common Shares on the MTA was submitted to Borsa Italiana. Common Shares were admitted to listing and trading on the MTA (with the ISIN code NL0011585146) through the formal notification of admission no. 8147 issued by Borsa Italiana on December 14, 2015. The trading of the Common Shares on the MTA is expected to begin on or about January 4, 2016.
C.7	Dividend policy	Ferrari has no current plans to commence payment of a dividend on the Common Shares. It is expected that Ferrari's dividend policy will be determined by the Board of Directors prior to the next annual General Meeting. Payment of dividends on the Common Shares in the future will depend on general business conditions, Ferrari's financial condition, earnings and liquidity, and other factors. Pursuant to the Articles of Association and Dutch law, dividends may be declared on the Common Shares only if the amount of shareholders' equity exceeds the paid up and called up capital plus the reserves that have to be maintained pursuant to Dutch law or the Articles of Association. Holders of Special Voting Shares are pursuant to the Articles of Association entitled to a minimum dividend, which is allocated to a separate special dividend reserve (the **Special Dividend Reserve**). Ferrari has no intention to propose any distribution from the Special Dividend Reserve.

Section D – Risks		
D.1	Key risks that are specific to the Company or its industry	**Risks relating to the business, strategy and operations** • Ferrari may not succeed in preserving and enhancing the value of the Ferrari brand, which it depends upon to drive demand and revenues. • Ferrari's brand image depends in part on the success of its Formula 1 racing team. • If Ferrari is unable to keep up with advances in high performance car technology, its competitive position may suffer. • Demand for luxury goods, including luxury performance cars, is volatile, which may adversely affect Ferrari's operating results. • Ferrari's low volume strategy may limit potential profits. • Engine production revenues are dependent on Maserati's ability to sell its cars. • Ferrari's business is subject to changes in client preferences and automotive trends. • Global economic conditions may adversely affect Ferrari. • New laws, regulations, or policies of governmental organizations regarding increased fuel economy requirements, reduced greenhouse gas or pollutant emissions, or vehicle safety, or changes in existing laws, may have a significant effect on Ferrari's costs of operation and/or how it does business. • Ferrari faces competition in the luxury performance car industry. • Developments in emerging markets may adversely affect Ferrari's business. • Ferrari may become subject to product liability claims, which could harm its financial condition and liquidity if Ferrari is not able to successfully defend or insure against such claims.
D.3	Key risks relating to the Common Shares	**Risks relating to the admission to listing and trading on the MTA and the investment in the Common Shares** • There can be no assurance that a liquid trading market will develop or be sustained which may cause the Common Shares to trade at a discount from its initial listing price and make it difficult to sell any Common Shares purchased. • The market price and trading volume of the Common Shares may be volatile, which could result in rapid and substantial losses for Shareholders. • The Loyalty Voting Program may affect the liquidity of the Common Shares and reduce the price of the Common Shares. • The Separation or future sales of the Common Shares in the public market or the perception that future sales may occur, could lower the share price.

		• The interests of the major shareholder may differ from the interests of other Shareholders. • There may be potential conflicts of interest with FCA and Exor. • The interests of Piero Ferrari, Ferrari's substantial minority shareholder, may differ from the interests of other Shareholders. • Ferrari's ability to pay dividends on the Common Shares may be limited. • Because Ferrari is a recently incorporated company with a limited separate operating history it needs to create separate administrative and governance functions.
		Section E—Offer
E.1	Net proceeds and estimated expenses	Not applicable; no Common Shares or other securities are being offered for subscription or sale pursuant to this Prospectus.
E.2a	Reasons for the offering and use of proceeds	Not applicable; no Common Shares or other securities are being offered for subscription or sale pursuant to this Prospectus.
E.3	Terms and conditions of the offering	Not applicable; no Common Shares or other securities are being offered for subscription or sale pursuant to this Prospectus.
E.4	Material interests	Not applicable; no Common Shares or other securities are being offered for subscription or sale pursuant to this Prospectus.
E.5	Person or entity offering to sell the Common Shares and lock-up arrangements	No Common Shares or other securities are being offered for subscription or sale pursuant to this Prospectus. Ferrari (at the time known as NBNV) has agreed with the underwriters not to issue, sell, or otherwise dispose of or hedge any Common Shares, subject to certain exceptions, prior to January 18, 2016, without the prior consent of UBS Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated. Ferrari's Chairman, Sergio Marchionne, FCA and Piero Ferrari, have entered into similar lock-up agreements with the underwriters. These lock-up agreements also expire on January 18, 2016. UBS Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, may, at any time, release Ferrari, FCA and/or any of the abovementioned members of the Board of Directors from this lock-up agreement prior to this date. If the consent referred in the lock-up arrangements is requested, full discretion can be exercised by the underwriters as to whether or not such consent will be granted. In addition, the lock-up arrangements do not restrict the consummation of, or any activities by Ferrari or FCA in furtherance of, any of the transactions relating to the Separation. Except as described above, none of the shareholders of FCA acquiring Common Shares in connection with the Separation, other than Mr. Marchionne (as member of the Board of Directors), will enter into lock-up agreements with respect to the Common Shares.
E.6	Dilution	Not applicable; no Common Shares or other securities are being offered for subscription or sale pursuant to this Prospectus.

E.7	Estimated expenses charged to the investors by the Company or the Selling Shareholders	Not applicable; no expenses will be charged to investors.

2 RISK FACTORS

Before investing in the Common Shares, prospective investors should carefully consider the risks and uncertainties described below, together with the other information contained in this Prospectus. The occurrence of any of the events or circumstances described in these risk factors, individually or together with other circumstances, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks or of the scope of any potential harm to the Group's business, results of operations, financial condition and prospects.

The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, although we believe that the risks and uncertainties described below are the material risks and uncertainties concerning the Group's business and the Common Shares, they are not the only risks and uncertainties relating to the Group and the Common Shares. Other risks, facts or circumstances not presently known to Ferrari, or that Ferrari currently deems to be immaterial could, individually or cumulatively, prove to be important and could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. The value of the Common Shares could decline as a result of the occurrence of any such risks, facts or circumstances or as a result of the events or circumstances described in these risk factors, and investors could lose part or all of their investment.

Prospective investors should note that the risks relating to the Group, the Group's industry and the Common Shares summarized in the Summary of this Prospectus are the risks that Ferrari believes are essential to an assessment by a prospective investor of whether to invest in the Common Shares. However, as the risks that the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarized in the Summary of this Prospectus but also, among other things, the risks and uncertainties described below.

Prospective investors should read and carefully review the entire Prospectus and should reach their own views before making an investment decision with respect to any Common Shares. Furthermore, before making an investment decision with respect to any Common Shares, prospective investors should consult their financial, legal and tax advisers, and consider such an investment decision in light of their personal circumstances.

Risks relating to the business, strategy and operations

For risk factors relating to Ferrari's business, strategy and operations, please see page 13 up to and including 28 of the Form F-1 under "*Risks Related to Our Business, Strategy and Operations*".

Risks relating to the admission to listing and trading on the MTA and the investment in the Common Shares

There can be no assurance that a liquid trading market will develop or be sustained which may cause the Common Shares to trade at a discount from its initial listing price and make it difficult to sell any Common Shares purchased

Prior to the admission to listing and trading on the MTA, there has been a limited "public float" of approximately 10 percent of the Common Shares and the Common Shares started trading on NYSE as of October 21, 2015. At the date of this Prospectus, the Common Shares have also been admitted to listing and trading on the MTA. The initial date of trading of the Common Shares on the MTA is expected to be on January 4, 2016. Ferrari will timely provide the public and the Shareholders with information on the start of trading of the Common Shares by publishing a press release. There can be no assurance that an active market for the Common Shares will develop or be sustained following the admission to listing and trading of all the Common Shares on both the NYSE and the MTA, or that if it develops, the market will be sustained. If an active trading market does not develop or be sustained, the Common Shares may trade at a discount and Shareholders may have difficulty selling Common Shares at an attractive price, or at all. Trading on the NYSE and the MTA is not an indication of the merits of Ferrari or the Common Shares. It is not possible to predict how trading will develop on the two stock exchanges. The dual listing of the Common Shares may split trading between the two markets and adversely affect the liquidity of the Common Shares in one or both markets and the development of an active trading market for the Common Shares on the NYSE 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 the Common Shares on the two stock exchanges. For additional information relating to listing and trading of the Common Shares on the NYSE and the MTA, reference is made to Chapter 12 "Admission to Listing and Method of Trading".

The market price and trading volume of the Common Shares may be volatile, which could result in rapid and substantial losses for Shareholders

Even if an active trading market develops or be sustained, the market price of the Common Shares may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume of the Common Shares may fluctuate and cause significant price variations to occur. If the market price of the Common Shares declines significantly, Shareholders may be unable to sell their Common Shares at or above the purchase price, if at all. The market price of the Common Shares may fluctuate or decline significantly in the future. Some of the factors that could negatively affect the price of the Common Shares, or result in fluctuations in the price or trading volume of the Common Shares, include:

- variations in our operating results, or failure to meet the market's earnings expectations;
- publication of research reports about us or the automotive industry, or the failure of securities analysts to cover the Common Shares;
- departures of any members of our Senior Management team or additions or departures of other key personnel;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- actions by Shareholders;
- changes in market valuations of similar companies;
- changes or proposed changes in laws or regulations, or differing interpretations thereof, affecting our business, or enforcement of these laws and regulations, or announcements relating to these matters;
- adverse publicity about the automotive industry generally, or particularly scandals relating to the industry, specifically;
- litigation and governmental investigations; and
- general market and economic conditions.

The Loyalty Voting Program may affect the liquidity of the Common Shares and reduce the price of the Common Shares

The Loyalty Voting Program could reduce the trading liquidity and adversely affect the trading prices of the Common Shares. The Loyalty Voting Program is intended to reward the Shareholders for maintaining long-term share ownership by granting initial Shareholders and persons holding the Common Shares continuously for at least three years the option to elect to receive Special Voting Shares. Special Voting Shares cannot be transferred to third parties and are not traded and, if Common Shares participating in the Loyalty Voting Program are sold they must be deregistered from the Loyalty Register and any corresponding Special Voting Shares transferred to us for no consideration (*om niet*). The Loyalty Voting Program is designed to encourage a stable Shareholder base and, conversely, it may deter trading by Shareholders that may be interested in participating in the Loyalty Voting Program. Therefore, the Loyalty Voting Program may reduce liquidity of the Common Shares and adversely affect their trading price. For more information on the Special Voting Shares, see Chapter 10 "Description of Share Capital and Corporate Governance", section "Terms and Conditions of the Special Voting Shares".

The Separation or future sales of the Common Shares in the public market or the perception that future sales may occur, could lower the share price

The market price of the Common Shares may decline as a result of the distribution of a significant number of Common Shares in the Separation or because of sales of a large number of Common Shares available for sale after completion of the admission to listing and trading of all the Common Shares on both the NYSE and the MTA, or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also may make it more difficult for Ferrari to raise additional capital by selling equity securities in the future, at a time and price that Ferrari deems appropriate. Ferrari may, in the future, grant share options or other share grants to retain and motivate its members of the Board of Directors and employees. These issuances of securities could dilute the voting and economic interests of the existing Shareholders. Ferrari has agreed with the underwriters not to issue, sell, or otherwise dispose of or hedge any Common Shares, subject to certain exceptions, prior to January 18, 2016, without the prior consent of UBS Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated. FCA, Sergio Marchionne and Piero Ferrari, have entered into similar lock-up agreements with the underwriters. UBS Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, may, at any time, release Ferrari, FCA and/or any of the abovementioned members of the Board of Directors from this lock-up agreement prior to this date. If the consent referred in the lock-up arrangements is requested, full discretion can be exercised by the underwriters as to whether or not such consent will be granted. In addition, the lock-up arrangements do not restrict the consummation of, or any activities by Ferrari or FCA in furtherance of, any of the transactions relating to the Separation. For more information regarding this lock-up agreement, please see page 160 of the Form F-1 under "*Lock-Up Agreements*" and page 200 up to and including 201 of the Form F-1 under "*No Sales of Similar Securities"*.

Ferrari cannot predict the timing or size of any future issuances of Common Shares or the effect, if any, that future issuances and sales of Common Shares may have on the market price of the Common Shares. Sales or distributions of substantial amounts of Common Shares, or the perception that such sales could occur, may cause the market price of the Common Shares to decline.

The interests of the major shareholder may differ from the interests of other Shareholders

At the date of this Prospectus, Exor holds approximately 23.5 percent of the Common Shares and approximately 33.4 percent of the voting power due to its participation in the Loyalty Voting Program. By virtue of its ownership and voting interest in Ferrari, Exor will have an interest in Ferrari and will have a significant influence over matters submitted to a vote of the Shareholders, including matters such as adoption of the annual financial statements, capital increases and amendments to the Articles of Association. The interests of this major Shareholder may in certain cases differ from those of other Shareholders. In addition, the sale of substantial amounts of the Common Shares in the public market (following the expiration of the lock-up period) by Exor or the perception that such a sale could occur could adversely affect the prevailing market price of the Common Shares.

In addition, Exor and Piero Ferrari, who holds at the date of this Prospectus 10 percent of the Common Shares and approximately 15.4 percent of the voting interest in Ferrari, have informed Ferrari that they have entered into a shareholders' agreement in respect of their shareholdings in Ferrari, which entered into force upon the Separation becoming effective and prior to the admission to listing and trading of the Common Shares on the MTA (the **Shareholders Agreement**).

Under the Shareholders Agreement, Exor and Piero Ferrari have agreed that for the purposes of forming and exercising, to the extent possible, a common view on the items on the agenda of any General Meeting, they will consult with each other prior to each General Meeting. For the purposes of this consultation right and duties, representatives of each of Exor and Piero Ferrari shall meet in order to discuss in good faith whether they have or can find a common view as to the matters on the agenda of the immediately following General Meeting. The Shareholders Agreement also provides for a pre-emption right in favor of Exor in the event Piero Ferrari intends to transfer (in whole or in part) his Common Shares and a right of first offer in favor of Piero Ferrari in the event Exor intends to transfer (in whole or in part) its Common Shares. For more information regarding the Shareholders Agreement reference is made to Chapter 11 “Principal Shareholders and Related Party Transactions”, section “Shareholders Agreement”.

Pursuant to the Shareholders Agreement, in combination with their large shareholdings, Exor and Piero Ferrari will be in a position to exert substantial influence on matters submitted to a vote of the Shareholders, including those referred to above. This concentration of ownership could adversely affect the trading volume and market price of the Common Shares.

The Loyalty Voting Program may make it more difficult for Shareholders to acquire a controlling (voting) interest in Ferrari, change our management or strategy or otherwise exercise influence over Ferrari, which may affect the market price of the Common Shares.

The provisions of the Articles of Association which establish the Loyalty Voting Program may make it more difficult for a third party to acquire, or attempt to acquire, control over Ferrari, even if a change of control were considered favorably by Shareholders holding a majority of the Common Shares. As a result of the Loyalty Voting Program, a relatively large proportion of the voting power of Ferrari could be concentrated in a relatively small number of shareholders who would have significant influence over us. At the date of this Prospectus, Exor holds a voting interest in Ferrari of over 30 percent due to its holding of Common Shares and its participation in the Loyalty Voting Program. At the date of this Prospectus, Piero Ferrari holds 10 percent of the Common Shares and holds approximately 15.4 percent of the voting interest in Ferrari. As a result, Exor and Piero Ferrari may exercise significant influence on matters submitted to a vote of the Shareholders. Exor and Piero Ferrari and other Shareholders participating in the Loyalty Voting Program may have the power effectively to prevent or delay change of control or other transactions that may otherwise benefit the Shareholders. The Loyalty Voting Program may also prevent or discourage Shareholder initiatives aimed at changing Ferrari’s management or strategy or otherwise exerting influence over Ferrari. The Loyalty Voting Program may also prevent or discourage Shareholders’ initiatives aimed at changes in our management. For additional information regarding the Loyalty Voting Program, see Chapter 10 “Description of Share Capital and Corporate Governance”, section “Special Voting Shares and Loyalty Voting Program” and section “Terms and Conditions of the Special Voting Shares”.

There may be potential conflicts of interest with FCA and Exor

There are certain overlaps among the directors and officers of Ferrari and FCA. For example, Mr. Sergio Marchionne, Ferrari’s Chairman, is the Chief Executive Officer of FCA and Mr. Marchionne and certain of Ferrari’s other directors and officers are also directors or officers of FCA or Exor. These individuals owe duties both to Ferrari and to the other companies that they serve as officers and/or directors. This may raise conflicts as, for example, these individuals review opportunities that may be appropriate or suitable for both Ferrari and such other companies, or Ferrari pursues business transactions in which both Ferrari and such other companies have an interest, such as Ferrari’s arrangement to supply engines for Maserati cars. In addition, Exor, which is Ferrari’s largest shareholder at the date of this Prospectus, is also expected to remain FCA’s largest shareholder. At the date of this Prospectus, Exor holds approximately 23.5 percent of the Common Shares and approximately 33.4 percent of the voting power, while it holds approximately 29 percent of the common shares and 44 percent of the voting power in FCA. These ownership interests could create actual, perceived or potential conflicts of interest when these parties or Ferrari’s directors and officers are faced with decisions that could have different implications for Ferrari and FCA or Exor, as applicable.

The interests of Piero Ferrari, a substantial minority shareholder, may differ from the interests of other Shareholders

At the date of this Prospectus, Piero Ferrari holds 10 percent of the Common Shares and will hold a higher voting power given that Piero Ferrari participates in the Loyalty Voting Program. As a result, he will have influence in matters submitted to a vote of the Shareholders, including matters such as adoption of the annual financial statements, declarations of annual dividends, the election and removal of the members of the Board of Directors, capital increases and amendments to the Articles of Association. The interests of Piero Ferrari may in certain cases differ from those of other Shareholders. In addition, the sale of substantial amounts of the Common Shares in the public market (following the expiration of the lock-up period) by Piero Ferrari or the perception that such a sale could occur, could adversely affect the prevailing market price of the Common Shares. Furthermore, reference is made to the description of the Shareholders Agreement under the section "The interests of the major shareholder may differ from the interests of other Shareholders" above.

Ferrari's ability to pay dividends on the Common Shares may be limited

It is expected that Ferrari's dividend policy will be determined by the Board of Directors prior to the next annual General Meeting. The payment of dividend on Common Shares in the future will depend on business conditions, financial conditions, earnings and liquidity and other factors.

In addition, Ferrari may make distributions to the Shareholders and other persons entitled to the distributable profits only to the extent that its shareholders' equity exceeds the sum of the paid up and called up portion of the share capital and the reserves that must be maintained in accordance with Dutch law. Further, even if permitted to pay cash dividends on the Common Shares, Ferrari may not have sufficient cash to pay dividends in cash on the Common Shares.

Because Ferrari is a recently formed company with a limited separate operating history it needs to create separate administrative and governance functions

For risks relating to being a recently formed company with a limited separate operating history as a consequence of which Ferrari needs to create separate administrative and governance functions, please see page 33 of the Form F-1 under "*Because we are a recently formed company with a limited separate operating history we need to create separate administrative and governance functions*".

Following the Separation, FCA creditors may seek to hold Ferrari liable for certain FCA obligations

For risks relating to the possibility that, following the Separation, FCA creditors may seek to hold us liable for certain FCA obligations, please see page 33 of the Form F-1 under "*Following the Separation, FCA creditors may seek to hold us liable for certain FCA obligations*".

Risks relating to taxation

For risk factors relating to taxation, please see page 33 up to and including 35 of the Form F-1 under "*Risks related to taxation*".

3 IMPORTANT INFORMATION

Notice to prospective investors

Prospective investors should rely only on the information in this Prospectus. No person has been authorized to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by or on behalf of the Board of Directors. Without prejudice to any obligation of Ferrari to publish a supplementary prospectus pursuant to section 5:23 AFS, the delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the business or affairs of Ferrari taken as a whole since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice.

Prior to making any decision as to whether to invest in Common Shares, prospective investors should read this Prospectus in its entirety. In making an investment decision, prospective investors must rely upon their own examination of Ferrari and the terms of this Prospectus, including the risks involved.

Responsibility statement

This Prospectus is made available by Ferrari. Ferrari accepts responsibility for the information contained in this Prospectus. Ferrari declares that it has taken all reasonable care to ensure that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect its import.

Presentation of financial and other information

Included in this Prospectus are the consolidated statements of financial position of NBNV (which was renamed Ferrari N.V. on October 17, 2015) as of December 31, 2014 2013 and 2012, and the related consolidated income statements, statements of comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2014 including the accompanying notes thereto, prepared in accordance with IFRS, collectively referred to as the **Annual Consolidated Financial Statements**. The designation IFRS also includes International Accounting Standards (IAS) as well as the interpretations of the International Financial Reporting Committee (IFRIC and SIC). The Annual Consolidated Financial Statements are included in pages F-30 up to and including F-105 of this Prospectus. The designation IFRS also includes International Accounting Standards (IAS) as well as the interpretations of the International Financial Reporting Committee (IFRIC and SIC).

Included in this Prospectus are also the unaudited interim condensed consolidated statements of financial position of NBNV (which was renamed Ferrari N.V. on October 17, 2015) as of September 30, 2015 and December 31, 2014, and the related interim condensed consolidated income statements, statements of comprehensive income, cash flows and changes in equity for each of the nine months ended September 30, 2015 and 2014 including the accompanying notes thereto, prepared in accordance with IAS 34 Interim Financial Reporting (the **Interim Condensed Consolidated Financial Statements**). The Interim Condensed Consolidated Financial Statements are included in pages F-1 up to and including F-27 of this Prospectus.

For further clarity: Where in the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements (included in the Chapter 17 "Index to Consolidated Financial Statements of Ferrari N.V.") reference is made to Ferrari N.V., such reference is to NBNV, which was renamed Ferrari N.V. on October 17, 2015. Where elsewhere in this Prospectus reference is made to NBNV, such reference is to NBNV before as well as after its name change on October 17, 2015 into Ferrari N.V.

Basis of preparation of the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements

As explained in Note 1 to the Annual Consolidated Financial Statements and Note 1 to the Interim Condensed Consolidated Financial Statements, on October 29, 2014, FCA announced its intention to separate Ferrari S.p.A. (**Ferrari SpA**) from FCA. The separation occurred through a series of transactions including:

(i) an intra-group restructuring which resulted in the acquisition of the assets and business of Ferrari North Europe Limited and the transfer by FCA of its 90 percent shareholding in Ferrari SpA to NBNV;

(ii) the transfer of Piero Ferrari's 10 percent shareholding in Ferrari SpA to NBNV;

(iii) the initial public offering of common shares of NBNV (then renamed Ferrari N.V.) and offer and sale by FCA of approximately 10 percent of the then issued and outstanding common shares of NBNV, and admission to listing of such shares on the NYSE; and

(iv) the distribution, following the initial public offering, of FCA's remaining interest in NBNV to its shareholders.

The transactions referred to in (i) and (ii) are defined in the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements as the "Restructuring" and were completed on October 17, 2015.

The initial public offering referred to in (iii) above was completed on October 26, 2015 and the transactions referred to in (iv) above were completed and effective on January 3, 2016.

The Restructuring comprised: (i) a capital reorganization of the group under NBNV and (ii) the issuance of the FCA Note (as defined below) which has been repaid using the net cash proceeds from the settlement of deposits in FCA's cash management pools, debt with FCA and receivables from financing activities with FCA, and for the remainder, using part of the proceeds from the Facility. For more information regarding the Facility reference is made to Chapter 15 "General Information", section "Material Contracts".

The capital reorganization:

- NBNV was incorporated by FCA solely to effect the Separation and was controlled by FCA until completion of the Separation. Therefore, the capital reorganization does not meet the definition of a business combination in the context of IFRS 3—"Business Combinations" but rather a combination of entities under common control and as such is excluded from the scope of IFRS 3. IFRS has no applicable guidance in accounting for such transactions. IAS 8—"Accounting Policies, Changes in Accounting Estimates and Errors" states that in the absence of an IFRS which specifically applies to a transaction, the relevant company may consider the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards or other accounting literature and accepted industry practices, to the extent that these do not conflict with the requirements in IFRS for dealing with similar and related issues or the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the IFRS Conceptual Framework for Financial Reporting (the "Framework"). Accordingly, NBNV has considered the guidance in ASC 805-50-30-5 on common control transactions, which indicates that the receiving entity (NBNV) is able to reflect the transferred assets and liabilities in its own accounting records at the carrying amount in the accounting records of the transferring entity (FCA). As a result, the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements include FCA's recorded goodwill relating to Ferrari SpA in the amount of €780,542 thousand.

- The retrospective accounting for the capital reorganization is consistent with the principles underlying paragraph 64 of IAS 33—"Earnings per Share" which requires calculation of basic and diluted earnings per share for all periods presented to be adjusted retrospectively if changes occur to the capital structure after the reporting period but before the financial statements are authorized for issue. The capital reorganization has been accounted for as though it had occurred effective January 1, 2012 in the Annual Consolidated Financial Statements and as though it had occurred effective January 1, 2014 in the Interim Condensed Consolidated Financial Statements. In particular:

  - The issuance of 156,917,727 common shares and 161,917,727 special voting shares in NBNV to FCA has been reflected as share capital and share premium in the amounts of €3.2 million and €5,098.0 million, respectively, with an offset to retained earnings of €5.1 billion.

  - The issuance of 27,003,873 common shares and the same number of special voting shares in NBNV to Piero Ferrari has been reflected as share capital and share premium in the amounts of €0.6 million and €877.4 million, respectively, with an offset to retained earnings of €878.0 million.

  - The historical number of common shares, nominal value per share, basic and diluted earnings per common share amounts and other per share disclosures retrospectively reflect the capital structure of NBNV post-Restructuring for all periods presented, with the required disclosures presented in Notes 12 and 20 to the Annual Consolidated Financial Statements and Notes 12 and 19 to the Interim Condensed Consolidated Financial Statements.

The Restructuring has been performed based on an independent appraisal performed for Dutch legal requirements.

The issuance of the FCA Note:

- The note in the original principal amount of €7.9 billion issued by NBNV to FCA in exchange for the transfer by FCA to NBNV of all the issued and outstanding share capital that it previously held in Ferrari SpA (representing 90 percent of the share capital in Ferrari SpA) (the **FCA Note**) and subsequent refinancing of the residual principal of the FCA Note of €2.8 billion have not been reflected in the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements. The acquisition of the Ferrari North Europe Limited assets and business and the FNE Note eliminate on consolidation.

Other steps relating to the Separation

In addition to the issuance of the FCA Note and subsequent refinancing using the net cash proceeds from the settlement of deposits in FCA's cash management pools, debt with FCA and receivables from financing activities with FCA, and for the remainder, using part of the proceeds from the Facility (as part of the Restructuring), the steps relating to the Separation, including the transactions referred to in (iii) and (iv) above under the section "Basis of preparation of the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements", have also not been reflected in the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements. The Separation and the initial public offering of common shares of NBNV (renamed Ferrari N.V. as per such initial public offering) have no impact on the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements, and, following completion of the Separation, the business of FE New (renamed Ferrari N.V. as of the Separation) was the same business as that of NBNV following the Restructuring but prior to completion of the Separation. Since incorporation, the activities of FE New have consisted only of preparing the Separation and in the period up to the date of this Prospectus FE New/Ferrari has not recorded any significant assets or liabilities. Ferrari is of the view that the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements provide the information required to be presented herein in accordance with Item 20.1 and

20.6 of Annex I of Commission Regulation (EC) No 809/2004 and pursuant to the AFS, which is designed to ensure that investors and potential investors in the Common Shares are aware of all information that, according to the particular nature of Ferrari and of the Common Shares, is necessary to enable investors and potential investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of Ferrari and of the rights attaching to the Common Shares.

Non-GAAP Financial Measures

Ferrari monitors and evaluates its operating and financial performance using several non-GAAP financial measures including: EBITDA, Adjusted EBITDA, Adjusted EBIT, Net Cash/(Net Debt) and Free Cash Flow, as well as a number of financial metrics measured on a constant currency basis. Ferrari believes that these non-GAAP financial measures, which have not been audited or reviewed, provide useful and relevant information regarding Ferrari's performance and its ability to assess its financial performance and financial position. They also provide Ferrari with comparable measures that facilitate management's ability to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions. While similar measures are widely used in the industry in which Ferrari operates, the financial measures used may not be comparable to other similarly titled measures used by other companies nor are they intended to be substitutes for measures of financial performance or financial position as prepared in accordance with IFRS.

For a description of the definitions of the non-GAAP financial measures, please see Chapter 7 "Management's Discussion and Analysis of Financial Conditions and Results of Operations", section "Non-GAAP financial measures" included elsewhere in this Prospectus.

Rounding and negative amounts

Certain totals in the tables included in this Prospectus may not add due to rounding. In tables, negative amounts are shown between brackets. Otherwise negative amounts are shown by "-" or "negative" before the amount.

Currency

The Group's financial information is presented in euros. In some instances, information is presented in U.S. Dollars. All references in this Prospectus to "Euro" and "€" refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended, and all references to "U.S. Dollars," "U.S.$" and "$" refer to the currency of the United States of America.

Exchange rates

The table below shows the high, low, average and period end noon buying rates in The City of New York for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York for U.S.$ per €1.00. The average is computed using the noon buying rate on the last business day of each month during the period indicated.

Period	Low	High	Average	Period end
Year ended December 31, 2010	1.1959	1.4536	1.3262	1.3269
Year ended December 31, 2011	1.2926	1.4875	1.3931	1.2973
Year ended December 31, 2012	1.2062	1.3463	1.2859	1.3186
Year ended December 31, 2013	1.2774	1.3816	1.3281	1.3779
Year ended December 31, 2014	1.2101	1.3927	1.3210	1.2101
Year ended December 31, 2015 (until November 27, 2015)	1.0524	1.2101	1.1123	1.0596

The table below shows the high and low noon buying rates for Euro for each month during the six months prior to the date of this Prospectus.

Period	Low	High
Month ended July 31, 2015	1.0848	1.1150
Month ended August 31, 2015	1.0868	1.1580
Month ended September 30, 2015	1.1104	1.1358
Month ended October 31, 2015	1.0524	1.1437
Month ended November 30, 2015 (until November 27, 2015)	1.0596	1.1026

Market and industry information

In this Prospectus, we include and refer to industry and market data, including market share, ranking and other data, derived from or based upon a variety of official, non-official and internal sources, such as internal surveys and management estimates, market research, publicly available information and industry publications, including FOM, Formula One Management (Formula 1); U.S. Maker Data Club (United States); ANFAVEA-Associação Nacional dos Fabricantes de Veículos Automotores (Brazil); OSZ-Österreichisches-Sprachen-Kompetenz-Zentrum (Austria); FEBIAC-Fédération Belge de l'industrie de l'automobile et du cycle (Belgium); AAA Data (France); KBA-Kraftfahrt-Bundesamt (Germany); SMMT-Society of Motor Manufacturers and Traders (United Kingdom); UNRAE-Unione Nazionale Rappresentanti Autoveicoli Esteri (Italy); RDC Datacentrum B.V. (the Netherlands); TRAFICO-Revista Tráfico y Seguridad Vial (Spain); BranschData (Sweden); ASTRA (Switzerland); China Automobile Industry Association (China); Hong Kong Motor Trader Association (Hong Kong); Ministry of Transportation and Communications (Taiwan); VFACTS Series produced by the Federal Chamber of Automotive Industries (Australia and New Zealand); JAIA-Japan Automobile Importers Association (Japan); GAIKINDO-Association of Indonesia Automotive Industries (Indonesia); Singapore Land Transport Authority and Singapore Motor Trader Associations (Singapore); KAIDA-Korea Automobile Importers & Distributors Association (South Korea); Thailand Department of Land Transportation (Thailand).

Market share, ranking and other data contained in this Prospectus may also be based on our good faith estimates, our own knowledge and experience and such other sources as may be available. Market share data may change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process, different methods used by different sources to collect, assemble, analyze or compute market data, including different definitions of car segments and descriptions and other limitations and uncertainties inherent in any statistical survey of market shares or size. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Where third party information has been sourced in this Prospectus, the source of such information has been identified. The information in this Prospectus that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Group is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

In addition, we normally estimate our market share for luxury performance cars based on registration data. In a limited number of markets where registration data are not available, we calculate our market share based on estimates relating to sales to final clients. Such data may differ from data relating to shipments to our dealers and distributors. While we believe our internal estimates with respect to our industry are reliable, our internal company surveys and management estimates have not been verified by an independent expert, and we cannot guarantee that a third party using different methods to assemble, analyze or compute market data would obtain or generate the same result. The market share data presented in this Prospectus represents the best estimates available from the sources indicated as of the date hereof but, in particular as they relate to market share and our future expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed in Chapter 2 "Risk Factors" of this Prospectus.

Forward-looking statements

Statements contained in this Prospectus, particularly those regarding our possible or assumed future performance, competitive strengths, costs, dividends, reserves and growth, industry growth and other trends and projections and estimated company earnings are "forward-looking statements" that contain risks and uncertainties. In some cases, words such as "may", "will", "expect", "could", "should", "intend", "estimate", "anticipate", "believe", "outlook", "continue", "remain", "on track", "design", "target", "objective", "goal", "plan" and similar expressions are used to identify forward-looking statements. These forward-looking statements reflect the respective current views of Ferrari with respect to future events and appear in a number of places in this Prospectus and include, among other things statements relating to:

- our ability to preserve and enhance the value of the Ferrari brand;
- the success of our Formula 1 racing team and the expenses we incur for our Formula 1 activities;
- our ability to keep up with advances in high performance car technology and to make appealing designs for our new models;
- our ability to preserve our relationship with the automobile collector and enthusiast community;
- our low volume strategy;
- the ability of Maserati, our engine customer, to sell its planned volume of cars;
- changes in client preferences and automotive trends;
- changes in the general economic environment and changes in demand for luxury goods, including high performance luxury cars, which is highly volatile;
- the impact of increasingly stringent fuel economy, emission and safety standards, including the cost of compliance, and any required changes to our products;
- our ability to successfully carry out our growth strategy and, particularly, our ability to grow our presence in emerging market countries;
- competition in the luxury performance automobile industry;
- reliance upon a number of key members of executive management and employees, and the ability of our current management team to operate and manage effectively;
- the performance of our dealer network on which we depend for sales and services;
- increases in costs, disruptions of supply or shortages of components and raw materials;

- disruptions at our manufacturing facilities in Maranello and Modena;
- our ability to provide or arrange for adequate access to financing for our dealers and clients, and associated risks;
- the performance of our licensees for Ferrari-branded products;
- our ability to protect our intellectual property rights and to avoid infringing on the intellectual property rights of others;
- product recalls, liability claims and product warranties;
- our continued compliance with customs regulations of various jurisdictions;
- labor relations and collective bargaining agreements;
- exchange rate fluctuations, interest rate changes, credit risk and other market risks;
- changes in tax, tariff or fiscal policies and regulatory, political and labor conditions in the jurisdictions in which we operate;
- our ability to ensure that our employees, agents and representatives comply with applicable law and regulations;
- the adequacy of our insurance coverage to protect us against potential losses;
- potential conflicts of interest due to director and officer overlaps with our largest Shareholders; and
- our ability to maintain the functional and efficient operation of our information technology systems.

Although Ferrari believes that the expectations reflected in these forward-looking statements are reasonable, Ferrari can provide no assurances that they will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements.

Investors or potential investors should not place undue reliance on the forward-looking statements in this Prospectus. Ferrari urges investors to read the Chapters of this Prospectus entitled “Risk Factors”, “Business” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” for a more complete discussion of the factors that could affect Ferrari’s future performance and the markets in which it operates. In light of the possible changes to Ferrari’s beliefs, assumptions and expectations, the forward-looking events described in this Prospectus may not occur. Additional risks currently not known to Ferrari or that Ferrari has not considered material as of the date of this Prospectus could also cause the forward-looking events discussed in this Prospectus not to occur. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. Ferrari undertakes no duty to and will not necessarily update any of the forward-looking statements in light of new information or future events, except to the extent required by applicable law.

Trademarks and trade names

This Prospectus contains references to our trademarks and service marks and to those belonging to other entities. Solely for convenience, trademarks and trade names referred to in this Prospectus may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Definitions

This Prospectus is published in English only. Definitions and terms used in this Prospectus are defined in Chapter 16 “Definitions” of this Prospectus.

4 DIVIDEND POLICY

Dividend policy

Ferrari has no current plans to commence payment of a dividend on the Common Shares. It is expected that Ferrari's dividend policy will be determined by the Board of Directors prior to the next annual General Meeting. Payment of dividends on the Common Shares in the future will depend on general business conditions, Ferrari's financial condition, earnings and liquidity, and other factors. Pursuant to the Articles of Association and Dutch law, dividends may be declared on the Common Shares only if the amount of shareholders' equity exceeds the paid up and called up capital plus the reserves that have to be maintained pursuant to Dutch law or the Articles of Association.

Profit ranking of the Shares

All of the Common Shares issued and outstanding will rank equally and will be eligible for any profit or other payment that may be declared on the Common Shares. Holders of Special Voting Shares are pursuant to the Articles of Association entitled to a minimum dividend, which is allocated to the Special Dividend Reserve. A distribution from the Special Dividend Reserve or the (partial) release of the Special Dividend Reserve will require a prior proposal from the Board of Directors and a subsequent resolution of the meeting of holders of Special Voting Shares. Ferrari has no intention to propose any distribution from the Special Dividend Reserve. For more information regarding dividends and other distributions reference is made to Chapter 10 "Description of Share Capital and Corporate Governance", section "Dividends and other distributions".

5 CAPITALIZATION AND INDEBTEDNESS

The following tables set forth the Group's historical capitalization and indebtedness presented in accordance with ESMA Recommendation 2013/139 as of September 30, 2015, and the Group's capitalization and indebtedness as of September 30, 2015, as adjusted to give effect to (I) the settlement of the FCA Note and (II) the settlement of deposits in FCA's cash management pools, debt with FCA and receivables from financing activities with FCA on completion of the Separation.

The historical information as of September 30, 2015 has been derived from the unaudited Interim Condensed Consolidated Financial Statements included elsewhere in this Prospectus.

Investors should read this table in conjunction with the Group's historical financial information included in the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements included in Chapter 17 "Index to Consolidated Financial Statements of Ferrari N.V.".

Capitalization

	Historical	**As Adjusted**[1]
	Unaudited	
	At September 30, 2015	
	(€ thousand)	
Total current debt	**568,904**	**179,451**
Guaranteed	-	-
Secured	-	-
Not guaranteed/unsecured	568,904	179,451
Total non-current debt (excluding current portion of long-term debt)	**10,250**	**1,984,076**
Guaranteed	-	-
Secured	-	-
Not guaranteed/unsecured	10,250	1,984,076
Equity	**2,706,954**	**(93,046)**
Share capital	3,778	3,778
Total other reserves[2]	2,697,952	(102,048)
Non-controlling interests	5,224	5,224
Total capitalization[3]	**3,286,108**	**2,070,481**

Indebtedness

	Historical	As Adjusted[1]
	Unaudited	
	At September 30, 2015	
	(€ thousand)	
Cash	190,081	190,081
Cash equivalents	-	-
Deposits in FCA Group cash management pools[4]	1,215,627	-
Trading securities	-	-
Liquidity	**1,405,708**	**190,081**
Current financial receivables	**1,198,727**	**1,198,727**
Current bank debt	(165,617)	(165,617)
Current portion of non-current debt	(2,661)	(2,661)
Other current financial debt	(400,626)	(11,173)
Current debt	**(568,904)**	**(179,451)**
Net Current Financial position	**2,035,531**	**1,209,357**
Non-current bank loans	(8,733)	(8,733)
Bonds issued	-	-
Other non-current loans	(1,517)	(1,975,343)
Non-current Financial Indebtedness	**(10,250)**	**(1,984,076)**
Net Financial Indebtedness	**2,025,281**	**(774,719)**

(1) These adjustments reflect:
   (a) The residual principal amount under the FCA Note obligation of €2.8 billion incurred in connection with the Restructuring.
   (b) The settlement of deposits in FCA's cash management pools, debt with FCA and receivables from financing activities with FCA which will be settled in cash following completion of the Separation. Trade intercompany receivables and payables will be settled in the normal course of business. The net cash of €826.2 million has been used to partially settle the residual principal amount under the FCA Note.
   (c) The settlement of the €2.8 billion residual principal amount under the FCA Note which has been repaid using the net cash proceeds from the settlement of deposits in FCA's cash management pools, debt with FCA and receivables from financing activities with FCA, and for the remainder, using part of the proceeds from the Facility. For more information regarding the Facility reference is made to Chapter 15 "General Information", section "Material Contracts".

(2) Total other reserves include (i) retained earnings, legal and other reserves, (ii) cash flow hedge reserve, (iii) currency translation differences and (iv) the remeasurement of defined benefit plans.

(3) Total capitalization is defined as the sum of total current debt, total non-current debt and equity.

(4) Deposits in FCA Group cash management pools relate to the participation of the Ferrari group in a group-wide cash management system at FCA, where the operating cash management, main funding operations and liquidity investment of the Group are centrally coordinated by dedicated treasury companies with the objective of ensuring effective and efficient management of its funds. Following the Separation, these arrangements will be terminated and Ferrari will manage its liquidity and treasury function on a standalone basis.

The Restructuring

On October 29, 2014, FCA announced its intention to separate Ferrari SpA from FCA. The separation occurred through a series of transactions including (i) an intra-group restructuring of the Group, resulting in Ferrari's acquisition of the assets and business of Ferrari North Europe Limited and the transfer by FCA of its 90 percent shareholding in Ferrari SpA to NBNV, (ii) the transfer of Piero Ferrari's 10 percent shareholding in Ferrari SpA to NBNV, (iii) the initial public offering of common shares of NBNV (then renamed Ferrari N.V.) and offer and sale by FCA of approximately 10 percent of the then issued and outstanding common shares of NBNV, and admission to listing of such shares on the NYSE and (iv) the distribution, following the initial public offering, of FCA's remaining interest in NBNV to its shareholders.

The transactions referred to in (i) and (ii) were completed on October 17, 2015 through the following steps:

- NBNV acquired from Ferrari North Europe Limited (a 100 percent owned subsidiary of Ferrari SpA) its assets and business of providing sales, after-sales and support services for the Ferrari brand and in exchange NBNV issued to Ferrari North Europe Limited a note in the principal amount of £2.8 million (the **FNE Note**).

- FCA transferred to NBNV all of the issued and outstanding share capital that it previously held in Ferrari SpA (representing 90 percent of the share capital in Ferrari SpA), and in exchange NBNV issued to FCA the FCA Note in the original principal amount of €7.9 billion.

- FCA contributed €5.1 billion to NBNV in consideration of the issue to FCA of 156,917,727 common shares and 161,917,727 special voting shares in the capital of NBNV. Following a subsequent transaction with Piero Ferrari, FCA owned 170,029,440 common shares and special voting shares in NBNV, equal to 90 percent of the outstanding common shares in NBNV. The proceeds received from FCA were applied to settle a portion of the FCA Note, following which the principal outstanding on the FCA Note is €2.8 billion, which, following the application of the net proceeds from the intercompany settlement described below, has been refinanced (as further described below).

- Piero Ferrari transferred his 10 percent interest in Ferrari SpA to NBNV and in exchange NBNV issued to Piero Ferrari 27,003,873 common shares and the same number of special voting shares in its share capital. Following a subsequent transaction with FCA, Piero Ferrari owned 18,892,160 common shares and an equivalent number of special voting shares, equal to 10 of NBNV's common shares outstanding. NBNV did not receive any cash consideration as part of this transaction.

On November 30, 2015, Ferrari entered into the Facility, part of the proceeds of which have been used to refinance the FCA Note. The other part of outstanding amount under the FCA Note has been repaid using the net cash proceeds from the settlement of deposits in FCA's cash management pools, debt with FCA and receivables from financing activities with FCA. For more information regarding the Facility reference is made to Chapter 15 "General Information", section "Material Contracts".

The acquisition of the Ferrari North Europe Limited assets and business and the FNE Note had no impact on NBNV's financial position since Ferrari North Europe Limited was one of Ferrari SpA's existing subsidiaries, therefore these intercompany transactions were eliminated in the Interim Condensed Consolidated Financial Statements and the Annual Consolidated Financial Statements, on consolidation.

The initial public offering referred to in (iii) above was completed on October 26, 2015 and the transactions referred to in (iv) above were completed and effective on January 3, 2016.

6 SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables set forth selected historical consolidated financial and other data of Ferrari and have been derived from the unaudited Interim Condensed Consolidated Financial Statements and the audited Annual Consolidated Financial Statements, both of which are included elsewhere in this Prospectus. This financial information has been prepared in accordance with IFRS.

As explained in Chapter 3 “Important Information”, section “Presentation of financial and other information”, with the exception of the FCA Note and subsequent refinancing, the Restructuring has been retrospectively reflected in the Annual Consolidated Financial Statements as though it had occurred effective January 1, 2012, and reflected in the Interim Condensed Consolidated Financial Statements as though it had occurred effective January 1, 2014.

The following information should be read in conjunction with Chapter 3 “Important Information”, section “Presentation of financial and other information”, Chapter 2 “Risk Factors,” Chapter 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” the Interim Condensed Consolidated Financial Statements and the Annual Consolidated Financial Statements.

Consolidated Income Statement Data

	For the nine months ended September 30,	
	2015	2014
	(€ million, except for per share data)	
Net revenues	2,110	2,011
EBIT	359	274
Profit before taxes	354	281
Net profit	235	186
Attributable to:		
Owners of the parent	*233*	*182*
Non-controlling interest	*2*	*4*
Basic and diluted earnings per common share (in Euro)(1)	1.24	0.97
Dividends paid per share (in Euro)	-	-

(1) See Note 12 to the Interim Condensed Consolidated Financial Statements for the calculation of basic and diluted earnings per common share.

Consolidated Statement of Financial Position Data

	At September 30, 2015	At December 31, 2014
	(€ million)	
Cash and cash equivalents	190	134
Deposits in FCA Group cash management pools(1)	1,216	942
Total assets	4,945	4,641
Debt	579	510
Total equity	2,707	2,478
Equity attributable to owners of the parent	*2,702*	*2,470*
Non-controlling interests	*5*	*8*
Share capital(2)	4	4
Common shares issued (in thousands of shares)(2)	188,922	188,922

(1) Deposits in FCA Group cash management pools relate to the participation of the Ferrari group in a group-wide cash management system at FCA, where the operating cash management, main funding operations and liquidity investment of the Group are centrally coordinated by dedicated treasury companies with the objective of ensuring effective and efficient management of its funds. Following the Separation, these arrangements will be terminated and Ferrari will manage its liquidity and treasury function on a standalone basis.

(2) See Note 19 to the Interim Condensed Consolidated Financial Statements for the calculation of share capital and common shares issued.

Other Statistical Information

	For the nine months ended September 30,	
	2015	2014
Shipments (in units)	5,643	5,280
Average number of employees for the period	2,939	2,834

Consolidated Income Statement Data

	2014	2013	2012
	(€ million, except per share data)		
Net revenues	2,762	2,335	2,225
EBIT	389	364	335
Profit before taxes	398	366	334
Net profit	265	246	233
Attributable to:			
Owners of the parent	*261*	*241*	*225*
Non-controlling interest	*4*	*5*	*8*
Basic and diluted earnings per common share (in Euro)(1)	1.38	1.27	1.19
Dividends paid per share (in Euro)	-	-	-

(1) See Note 12 to the Annual Consolidated Financial Statements for the calculation of basic and diluted earnings per common share.

Consolidated Statement of Financial Position Data

	At December 31,		
	2014	2013	2012
	(€ million, except shares issued)		
Cash and cash equivalents	134	114	100
Deposits in FCA Group cash management pools(1)	942	684	457
Total assets	4,641	3,895	3,465
Debt	510	317	261
Total equity	2,478	2,316	2,041
Equity attributable to owners of the parent	*2,470*	*2,290*	*2,019*
Non-controlling interests	*8*	*26*	*22*
Share capital(2)	4	4	4
Common shares issued (in thousands of shares)(2)	188,922	188,922	188,922

(1) Deposits in FCA Group cash management pools relate to the participation of the Ferrari group in a group-wide cash management system at FCA, where the operating cash management, main funding operations and liquidity investment of the Group are centrally coordinated by dedicated treasury companies with the objective of ensuring effective and efficient management of its funds. Following the Separation, these arrangements will be terminated and Ferrari will manage its liquidity and treasury function on a standalone basis.

(2) See Note 20 to the Annual Consolidated Financial Statements for the calculation of share capital and common shares issued.

Other Statistical Information

	For the years ended December 31,		
	2014	2013	2012
Shipments (in units)	7,255	7,000	7,405
Average number of employees for the period	2,843	2,774	2,708

7 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Prospective investors should read the following commentary together with the "Selected Historical Consolidated Financial and Other Data" included in Chapter 6, the information on our "Business" included in Chapter 7, the audited Annual Consolidated Financial Statements, included in page F-29 up to and including F-99 of this Prospectus, and the unaudited Interim Condensed Consolidated Financial Statements, included in page F-1 up to and including F-27 of this Prospectus. The audited Annual Consolidated Financial Statements and the unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with IFRS. The unaudited consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements.

This section may contain "forward-looking statements". Such statements are subject to risks, uncertainties and other factors, including those set forth in Chapter 2 "Risk Factors", that could cause the Group's future results of operations, financial position or cash flows to differ materially from the results of operations, financial position or cash flows expressed or implied in such forward looking statements. See Chapter 3 "Important Information", section "Forward-looking statements" for a discussion of risks associated with reliance on forward-looking statements.

Overview

For an overview pertaining to management's discussion and analysis of financial conditions and results of operations, please see page 46 up to and including 47 of the Form F-1 under "*Overview*".

Key factors affecting results

Shipments

Ferrari's results of operations depend on the achievement of shipment targets established in its budgets and business plans. One of the performance indicators Ferrari monitors is shipment volumes, which represent the number of cars Ferrari ships to third parties in a given period and which drive net revenues. Ferrari recognizes revenues from car shipments once it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue can be reliably measured. Revenue is recognized when the risks and rewards of ownership are transferred to Ferrari's dealers, the sales price is agreed or determinable and collectability is reasonably assured; this generally corresponds to the date on which the cars are released to the carrier responsible for transporting them to dealers.

In general, Ferrari's shipments do not vary based on changes in demand. Rather, Ferrari tends to ship based on volume targets established under its low volume strategy. As part of this strategy, Ferrari seeks to manage waiting lists in the various markets in which Ferrari operates to respond appropriately to relative levels of demand while being sensitive to local client expectations in those markets. In certain markets, Ferrari believes that waiting lists have promoted its products' sense of exclusivity; accordingly Ferrari monitors and manages such waiting lists to maintain such exclusivity while ensuring that it does not jeopardize client satisfaction.

Prior to 2013, Ferrari's production volumes were determined by plant capacity and as a result of increases in productivity, shipments increased each year from 2010 to 2012. In the year ended December 31, 2012, Ferrari shipped 7,405 units, representing a record year. In May 2013, Ferrari announced its decision to limit the number of cars sold, to approximately 7,000 per year in order to maintain a reputation of exclusivity among purchasers of our cars. Ferrari's strategic business plan reflects a continuation of the low volume strategy, while responding to growing demand in emerging markets and from demographic changes as the size and spending capacity of its target clients grows, gradually increasing shipments to approximately 9,000 units per year by 2019.

The following table sets forth Ferrari's shipments by geographic location:

(Number of cars and % of total cars)	For the nine months ended September 30,				For the years ended December 31,					
	2015	%	2014	%	2014	%	2013	%	2012	%
EMEA										
UK	619	11.0%	516	9.8%	705	9.7%	686	9.8%	686	9.3%
Germany	398	7.1%	479	9.1%	616	8.5%	659	9.4%	755	10.2%
Switzerland	241	4.3%	271	5.1%	332	4.6%	350	5.0%	366	4.9%
Italy	212	3.7%	199	3.8%	243	3.3%	206	2.9%	318	4.3%
France	198	3.5%	192	3.6%	253	3.5%	273	3.9%	330	4.5%
Middle East(1)	282	5.0%	371	7.0%	521	7.2%	472	6.7%	423	5.7%
Rest of EMEA(2)	463	8.2%	466	8.8%	604	8.3%	663	9.5%	825	11.1%
Total EMEA	**2,413**	**42.8%**	**2,494**	**47.2%**	**3,274**	**45.1%**	**3,309**	**47.3%**	**3,703**	**50.0%**
Americas(3)	1,969	34.9%	1,722	32.6%	2,462	33.9%	2,382	34.0%	2,208	29.8%
Greater China(4)	418	7.4%	496	9.4%	675	9.3%	572	8.2%	789	10.7%
Rest of APAC(5)	843	14.9%	568	10.8%	844	11.7%	737	10.5%	705	9.5%
Total	**5,643**	**100.0%**	**5,280**	**100.0%**	**7,255**	**100.0%**	**7,000**	**100.0%**	**7,405**	**100.0%**

(1) Middle East includes the United Arab Emirates, Saudi Arabia, Bahrain, Lebanon, Qatar, Oman and Kuwait.
(2) Rest of EMEA includes Africa and the other European markets not separately identified.
(3) Americas includes the Unites States of America, Canada, Mexico, the Caribbean and Central and South America.
(4) Greater China includes China, Hong Kong and Taiwan.
(5) Rest of APAC mainly includes Japan, Australia, Singapore, Indonesia and South Korea.

Ferrari targets its products to the upper end of the luxury car segment and buyers of its cars tend to belong to the wealthiest segment of the population. As the size and spending capacity of Ferrari's target client base has grown significantly in recent years, its addressable market and the sense of exclusivity fostered by its low volume strategy have been further enhanced. In response, Ferrari has expanded its distribution capabilities and sought to rebalance the geographic distribution of shipments from several traditional markets, particularly in Europe, to growing markets in Asia, particularly China and the Middle East. For example, in 1993, 90 percent of its cars were sold in Italy, Germany and the United States; those markets now represent less than half of its unit shipments. Furthermore, the profitability of Ferrari's cars may vary from market to market. Given that its shipment strategy is flexible, Ferrari was able to adjust shipment allocations across markets to respond to changes in its key markets.

Research, Development and Product Lifecycle

The design and development process for a new model currently takes approximately 40 months (approximately 33 months for modified, or "M" versions of existing models, depending on the modifications), measured from the beginning of the development project to the start of production. The first stage of the product development phase is the research phase. In this phase, Ferrari researches the specifications of new models that we believe will appeal to its clients and will be commercially viable. Costs it incurs for developments for car project production and related components, engines and systems are recognized as an asset if, and only if, both of the following conditions under IAS 38—Intangible Assets are met: that development costs can be measured reliably and that the technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalized development costs include all direct and indirect costs that may be directly attributed to the development process. Capitalized development costs are amortized on a straight-line basis from the start of production over the estimated lifecycle of the model and the useful life of the components (generally between four and eight years). All other research and development costs are expensed as incurred.

Ferrari also incurs research and development expenses in connection with Formula 1 racing activities, including initiatives to maximize the performance, efficiency and safety of its racing cars. While Ferrari develops these technologies for initial use in its Formula 1 racing car, Ferrari seeks to transfer these components and technologies, where appropriate, for use in its new models. Technological developments and changes in the regulations of the Formula 1 World Championship lead Ferrari to design, develop and construct a new racing car each year. Such costs are expensed in the income statement as incurred and classified as research and development costs. Research and development costs for Formula 1 activities can vary from year to year, often significantly, and may be difficult to predict because they are subject, among other things, to changes in race regulations and the need to respond to its car's performance relative to other racing teams.

For the nine months ended September 30, 2015, Ferrari capitalized development costs of €108 million and recognized amortization of capitalized development costs of €87 million (compared to €101 million and €93 million for the nine months ended September 30, 2014). For the year ended December 31, 2014, Ferrari capitalized development costs of €145 million, and recognized amortization of capitalized development costs of €125 million (compared to €93 million and €120 million, respectively, for the year ended December 31, 2013, and €84 million and €98 million, respectively, for the year ended December 31, 2012).

For the nine months ended September 30, 2015, Ferrari expensed research and development costs of €334 million (€299 million for the nine months ended September 30, 2014). For the year ended December 31, 2014, Ferrari expensed research and development costs of €415 million (€359 million for 2013 and €333 million for 2012).

Ferrari's results of operations are dependent on the comparative success of its product offering from period to period. Ferrari's models typically have a lifecycle of four to five years. After the fourth or fifth year, a significantly modified version is released. While the modified version may be based on the same platform as its predecessor, the increased technological content of the car, new design and other novel features lead Ferrari to consider the model as a new car. A portion of Ferrari's research and development efforts are related to the development of the various components used in its models, and in particular, electronic and mechanical components. Of the total research and development costs for the nine months ended September 30, 2015, which were not eligible for capitalization, and as such were expensed, €11 million related to research on components (€18 million for the nine months ended September 30, 2014). Of the 2014 total research and development costs, which were not eligible for capitalization, and as such were expensed, €20 million related to the research on components (€20 million for 2013 and €16 million for 2012). For the nine months ended September 30, 2015, Ferrari capitalized development costs relating to components of €11 million (€5 million for the nine months ended September 30, 2014). In 2014, Ferrari capitalized development costs relating to components of €15 million (nil for 2013 and 2012). Ferrari's new and modified models generally include new technology content, part of which is related to the output from the component research and development efforts. Ferrari's continued focus on component development has the objective of reducing the costs to develop new and modified models.

Demand for Ferrari's cars tends to be highest in the first year or two from a car's launch, while in the latter two years demand is generally lower as its clients tend to focus on more recently introduced cars. Ferrari believes that its relatively short and predictable lifecycle supports both new car sales and the value of existing models both in the primary and resale markets. Ferrari also believes that this lifecycle ensures that its products remain responsive to the expectations of our clients. With the exception of the years in which Ferrari renews its product range, its research and development expenditure (excluding Formula 1 research and development) does not normally fluctuate significantly from period to period. As a result of Ferrari's strategy to update its product range, Ferrari expects research and development expenditure to peak in 2015 and in any future years in which it has significant renewals of the product range.

Car Profitability

The relative profitability of the cars Ferrari sells tends to vary depending on a number of factors including engine size, exclusivity of the offering, content of the car and the geographic market in which it is sold. Ferrari's products equipped with V12 engines have historically commanded a higher price, and have therefore been more profitable than those equipped with the V8 engine. At September 30, 2015 Ferrari's V12 product offering included the LaFerrari, the F12berlinetta and the FF, its current V8 product offering includes the 458

Italia, the 458 Spider, the 458 Speciale and the 458 Speciale Aperta (also referred to as 458 Speciale A) (both of which Ferrari refers to as the 458 VS), 488 GTB and the California T. Ferrari's total shipments (excluding LaFerrari shipments) represented by V12 models increased from 20.6 percent in 2012 to 26.0 percent in 2013, driven by an increase in shipments of the F12berlinetta, then decreased to 24.3 percent in 2014, primarily driven by an increase in V8 model shipments. Ferrari's total shipments (excluding shipments of LaFerrari and the FXX K, a special racing car that may only be used on track, deliveries of which started in the second quarter of 2015) represented by V12 models decreased from 26.6 percent for the nine months ended September 30, 2014 to 17.1 percent in for the nine months ended September 30, 2015, mainly driven by a decrease in shipments of the F12berlinetta. Ferrari's recent trend towards a relatively higher proportion of shipments of V8 model sales as compared to V12 models is expected to continue over the next few years based on its current and expected product offerings and anticipated growth plans, and is consistent with industry trends toward cars with smaller displacement and more fuel efficient engines, even among high performance cars.

The exclusivity of a particular product offering is also a relevant factor in its profitability. For example, in November 2013, Ferrari launched the LaFerrari, its latest limited edition supercar, which was planned for a total production run of only 499 units. In light of the exclusivity of the offering, along with the "supercar" advanced technological and design content, LaFerrari has a sales price in excess of €1 million, which is much higher than other models in the Ferrari product range. Therefore, Ferrari's 2014 and 2015 net revenues have benefited significantly from shipments of LaFerrari. Ferrari expects to complete the production run of the LaFerrari in early 2016. In general, more exclusive offerings generate higher net revenues and provide better margins than those generated on shipments of range models (which include Sports and GT models, V8 and V12 models and represent the core of our product offering) and special series cars. Similarly, its limited edition cars which Ferrari launches from time to time are typically sold at a significantly higher price point than its range models and therefore they benefit its results in the periods in which they are sold.

Ferrari seeks to increase over time the average price point of its range models and special series by continually improving performance, technology and other features, and by leveraging the scarcity value resulting from its low volume strategy. Furthermore, the content of the cars Ferrari sells can be customized through its interior and exterior personalization program, which can be further enhanced through bespoke specifications. Incremental revenues from personalization are a particularly favorable factor of its pricing and product mix, due to the fact that Ferrari generates a margin on each additional option selected by the client.

Maserati Engine Volumes

In 2011, Ferrari began producing a new family of V6 engines for Maserati for use in their cars. The net revenues associated with sales of these engines correspond directly to Maserati production volumes. In order to meet its obligations under its agreement with Maserati, Ferrari constructed a new production line dedicated to the Maserati V6 engine, which was funded by Maserati.

Net revenues generated from the Maserati engine shipments decreased from €184 million for the nine months ended September 30, 2014, to €137 million for the nine months ended September 30, 2015, primarily driven by a 28.0 percent decrease in the number of engines shipped. This reduction followed an extended period in which net revenues from Maserati engines increased significantly. Net revenues generated from the Maserati engine shipments increased from €50 million for 2012, to €163 million for 2013 and €251 million for 2014, primarily driven by a 242.4 percent and 70.4 percent increase in the number of engines shipped from 2012 to 2013 and from 2013 to 2014, respectively. The Separation has no impact on Ferrari's contract with Maserati.

Cost of Sales

Cost of sales comprises expenses incurred in the manufacturing and distribution of cars and parts, including engines rented to other Formula 1 racing teams. Costs of materials, components and labor are the most significant elements of Ferrari's cost of sales. The remaining costs principally include depreciation, amortization, insurance and transportation costs. Cost of sales also includes warranty, maintenance and product-related costs, which are estimated and recorded at the time of shipment of the car. Expenses that are directly attributable to Ferrari's financial services companies, including the interest expenses related to their financing as a whole and provisions for risks and write-downs of assets, are also reported in cost of sales.

Ferrari purchases a variety of components (including mechanical, steel, aluminium, electrical and electronic, plastic components as well as casting and tires), raw materials (the most significant of which is aluminium) and supplies, and Ferrari incurs costs of utilities, logistics and other services from numerous suppliers in the manufacture of its cars. Fluctuations in cost of sales are primarily related to the number of cars Ferrari produces and sells along with shifts in car mix, as newer models generally have more technologically advanced components and enhancements and therefore higher costs per unit. Supercars and limited edition cars (fuoriserie) also tend to have higher costs per unit but these higher costs tend to be more than offset by higher sales prices. Cost of sales are also affected, to a lesser extent, by fluctuations of certain raw material prices, although, Ferrari typically seeks to manage these costs and minimize their volatility through the use of fixed price long-term purchase contracts.

In recent years, management has made efforts to achieve technical and commercial efficiencies. In particular, commercial efficiencies have been achieved through negotiating discounts where appropriate and entering into long-term contracts with suppliers, who commit upfront to passing on to Ferrari a portion of the efficiencies they achieve in performing our supply contract. Furthermore, efforts are made to award new business to existing suppliers, in order to negotiate favorable pricing. Technical efficiencies include efforts made to produce components using innovative, less expensive materials without compromising the components' performance. In order to achieve these technical efficiencies, Ferrari performs in-house research and development activities and invites its suppliers to present solutions that they have developed.

As cost of sales also includes the depreciation of plant and equipment, cost of sales are affected by product launches, which trigger the commencement of depreciation of plant and equipment acquired specifically for the production of a certain model.

Effects of Foreign Currency Exchange Rates

Ferrari is affected by fluctuations in foreign currency exchange rates (i) through translation of foreign currency financial statements into Euro in consolidation, which Ferrari refers to as the translation impact, and (ii) through transactions by entities in the Group in currencies other than their own functional currencies, which we refer to as the transaction impact.

Translation impacts arise in preparation of the consolidated financial statements; in particular, Ferrari presents its consolidated financial statements in Euro, while the functional currency of each of its subsidiaries depends on the primary economic environment of that entity. In preparing the consolidated financial statements, Ferrari translates assets and liabilities measured in the functional currency of the subsidiaries into Euro using the foreign currency exchange rate prevailing at the balance sheet date, while Ferrari translates income and expenses using the average foreign currency exchange rates for the period covered. Accordingly, fluctuations in the foreign currency exchange rate of the functional currencies of its entities against the Euro impacts its results of operations.

Transaction impacts arise when Ferrari's entities conduct transactions in currencies other than their own functional currency. Ferrari is therefore exposed to foreign currency risks in connection with scheduled payments and receipts in multiple currencies.

Ferrari's costs are primarily denominated in Euro, while its net revenues may be denominated in Euro, U.S. Dollars, Japanese Yen, Chinese Yuan or other currencies. In general, for the unhedged portion of its net revenues, an appreciation of the U.S. Dollar against the Euro would positively impact its net revenues and results of operations.

As part of the FCA Group, Ferrari has applied the FCA Group policy, which contemplates the use of derivative financial instruments to hedge foreign currency exchange rate risk. In particular, Ferrari has used derivative financial instruments as cash flow hedges for the purpose of fixing the foreign currency exchange rate at which a predetermined proportion of forecasted transactions denominated in foreign currencies will be accounted for. Accordingly, Ferrari's results of operations have not been fully exposed to fluctuations in foreign currency exchange rates.

Regulation

Ferrari ships its cars throughout the world and are therefore subject to a variety of laws and regulations. These laws regulate its cars, including their emissions, fuel consumption and safety, and its manufacturing facilities. As Ferrari is currently a small volume manufacturer, in certain jurisdictions it benefits from certain regulatory exemptions, including less stringent emissions caps. Developing, engineering and producing cars which meet the regulatory requirements, and can therefore be sold in the relevant markets, requires a significant expenditure of resources.

Recent developments

On November 30, 2015, Ferrari, as borrower and guarantor, entered into a €2.5 billion syndicated loan facility with a group of ten bookrunner banks (the **Facility**). The Facility comprises a bridge loan (the **Bridge Loan**) and a term loan (the **Term Loan**) of €2 billion in aggregate and a revolving credit facility of €500 million (the **RCF**). The proceeds of the Bridge Loan and the Term Loan have principally been used to refinance the FCA Note. The other part of outstanding amount under the FCA Note has been repaid using the net cash proceeds from the settlement of deposits in FCA's cash management pools, debt with FCA and receivables from financing activities with FCA. Proceeds of the RCF may be used from time to time for general corporate and working capital purposes of the Group. For more information regarding the Facility reference is made to Chapter 15 "General Information", section "Material Contracts".

Other than as described in the section referenced above, there have not been any significant trends affecting Ferrari's results of operations, financial position or the markets in which Ferrari operates in the period from September 30, 2015 up to the date of this Prospectus.

Critical accounting estimates

The Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements, included elsewhere in this Prospectus, are prepared in accordance with IFRS which require the use of estimates, judgments and assumptions that affect the carrying amount of assets and liabilities, the disclosure of contingent assets and liabilities and the amounts of income and expenses recognized. The estimates and associated assumptions are based on elements that are known when the financial statements are prepared, on historical experience and on any other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed periodically and continuously by the Group. If the items subject to estimates do not perform as assumed, then the actual results could differ from the estimates, which would require adjustment accordingly. The effects of any changes in estimate are recognized in the consolidated income statement in the period in which the adjustment is made, or prospectively in future periods.

The items requiring estimates for which there is a risk that a material difference may arise in respect of the carrying amounts of assets and liabilities in the future are discussed below.

Allowance for doubtful accounts

The allowances for doubtful accounts reflect management's estimate of losses inherent in the dealer and end-client credit portfolio. The allowances for doubtful accounts are based on management's estimation of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, and careful monitoring of portfolio credit quality.

At December 31, 2014, the Group had gross receivables from financing activities of €1,238 million (€873 million and €813 million at December 31, 2013 and December 31, 2012, respectively), and allowances for doubtful accounts of €14 million at December 31, 2014 or 1.1 percent of the gross balance (€10 million or 1.2 percent of the gross balance at December 31, 2013 and €10 million or 1.3 percent at December 31, 2012). Provisions for doubtful accounts charged to the consolidated income statement as cost of sales were €7 million for the year ended December 31, 2014 (€4 million for the year ended December 31, 2013 and €8 million for year ended December 31, 2012).

At December 31, 2014, the Group had gross trade receivables of €198 million (€236 million and €161 million at December 31, 2013 and December 31, 2012, respectively), and allowances for doubtful accounts of €15 million, or 7.4 percent of the gross trade receivables balance (€30 million or 12.8 percent of the gross trade receivables balance at December 31, 2013 and €25 million or 15.5 percent at December 31, 2012). Provisions for doubtful accounts charged to the consolidated income statement as selling, general and administrative costs were €6 million for the year ended December 31, 2014 (€11 million for the year ended December 31, 2013 and €10 million for year ended December 31, 2012).

Should economic conditions worsen resulting in an increase in default risk, or if other circumstances arise, the estimates of the recoverability of amounts due to the Group could be overstated and additional allowances could be required, which could have an adverse impact on the Group's results.

Recoverability of non-current assets with definite useful lives

Non-current assets with definite useful lives include property, plant and equipment and intangible assets. Intangible assets with definite useful lives mainly consist of capitalized development costs.

The Group periodically reviews the carrying amount of non-current assets with definite useful lives when events and circumstances indicate that an asset may be impaired. Impairment tests are performed by comparing the carrying amount and the recoverable amount of the cash-generating unit (**CGU**). The recoverable amount is the higher of the CGU's fair value less costs of disposal and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

For the period covered by the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements, the Group has not recognized any impairment charges for non-current assets with definite useful lives.

Recoverability of goodwill

In accordance with IAS 36—Impairment of Assets, goodwill is not amortized and is tested for impairment annually or more frequently if facts or circumstances indicate that the asset may be impaired.

As the Group is composed of one operating segment, goodwill is tested at the Group level which represents the lowest level within the Group at which goodwill is monitored for internal management purposes in accordance with IAS 36. The impairment test is performed by comparing the carrying amount (which mainly comprises property, plant and equipment, goodwill and capitalized development costs) and the recoverable amount of the CGU. The recoverable amount of the CGU is the higher of its fair value less costs of disposal and its value in use.

Development costs

Development costs are capitalized if the conditions under IAS 38—Intangible Assets have been met. The starting point for capitalization is based upon the technological and commercial feasibility of the project, which is usually when a product development project has reached a defined milestone according to the Group's established product development model. Feasibility is based on management's judgment which is formed on the basis of estimated future cash flows. Capitalization ceases and amortization of capitalized development costs begins on start of production of the relevant project.

The amortization of development costs requires management to estimate the lifecycle of the related model. Any changes in such assumptions would impact the amortization charge recorded and the carrying amount of capitalized development costs. The periodic amortization charge is derived after determining the expected lifecycle of the related model and, if applicable, any expected residual value at the end of its life. Increasing an asset's expected lifecycle or its residual value would result in a reduced amortization charge in the consolidated income statement.

The useful lives and residual values of the Group's models are determined by management at the time of capitalization and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life, such as changes in technology. Historically, changes in useful lives and residual values have not resulted in material changes to the Group's amortization charge.

For the year ended December 31, 2014, the Group capitalized development costs of €145 million (€93 million for the year ended December 31, 2013 and €84 million for the year ended December 31, 2012).

Product warranties and liabilities

The Group establishes reserves for product warranties at the time the sale is recognized. The Group issues various types of product warranties under which the performance of products delivered is generally guaranteed for a certain period or term, which is generally defined by the legislation in the country where the car is sold. The reserve for product warranties includes the expected costs of warranty obligations imposed by law or contract, as well as the expected costs for policy coverage. The estimated future costs of these actions are principally based on assumptions regarding the lifetime warranty costs of each car line and each model year of that car line, as well as historical claims experience for the Group's cars. In addition, the number and magnitude of additional service actions expected to be approved, and policies related to additional service actions, are taken into consideration. Due to the uncertainty and potential volatility of these estimated factors, changes in the assumptions used could materially affect the results of operations.

The Group periodically initiates voluntary service actions to address various client satisfaction, safety and emissions issues related to cars sold. Included in the reserve is the estimated cost of these services and recall actions. The estimated future costs of these actions are based primarily on historical claims experience for the Group's cars. Estimates of the future costs of these actions are inevitably imprecise due to several uncertainties, including the number of cars affected by a service or recall action. It is reasonably possible that the ultimate cost of these service and recall actions may require the Group to make expenditures in excess of (or less than) established reserves over an extended period of time. The estimate of warranty and additional service obligations is periodically reviewed during the year.

In addition, the Group makes provisions for estimated product liability costs arising from property damage and personal injuries including wrongful death, and potential exemplary or punitive damages alleged to be the result of product defects. By nature, these costs can be infrequent, difficult to predict and have the potential to vary significantly in amount. Costs associated with these provisions are recorded in the consolidated income statement and any subsequent adjustments are recorded in the period in which the adjustment is determined.

Other contingent liabilities

The Group makes provisions in connection with pending or threatened disputes or legal proceedings when it is considered probable that there will be an outflow of funds and when the amount can be reasonably estimated. If an outflow of funds becomes possible but the amount cannot be estimated, the matter is disclosed in the notes to the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements. The Group is the subject of legal and tax proceedings covering a wide range of matters in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the outflow of funds that could result from such disputes with any certainty. Moreover, the cases and claims against the Group often derive from complex legal issues which are subject to a differing degree of uncertainty, including the facts and circumstances of each particular case and the manner in which applicable law is likely to be interpreted and applied to such fact and circumstances, and the jurisdiction and the different laws involved. The Group monitors the status of pending legal proceedings and consults with experts on legal and tax matters on a regular basis. It is therefore possible that the provisions for the Group's legal proceedings and litigation may vary as the result of future developments in pending matters.

Litigation

Various legal proceedings, claims and governmental investigations are pending against the Group on a wide range of topics, including car safety; emissions and fuel economy, early warning reporting; dealer, supplier and other contractual relationships; intellectual property rights and product warranty matters. Some of these proceedings allege defects in specific component parts or systems (including airbags, seat belts, brakes, transmissions, engines and fuel systems) in various car models or allege general design defects relating to car handling and stability, sudden unintended movement or crashworthiness. These proceedings seek recovery for damage to property, personal injuries or wrongful death and in some cases could include a claim for exemplary or punitive damages. Adverse decisions in one or more of these proceedings could require the Group to pay substantial damages, or undertake service actions, recall campaigns or other costly actions.

Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. An accrual is established in connection with pending or threatened litigation if a loss is probable and a reliable estimate can be made. Since these accruals represent estimates, it is reasonably possible that the resolution of some of these matters could require the Group to make payments in excess of the amounts accrued. It is also reasonably possible that the resolution of some of the matters for which accruals could not be made may require the Group to make payments in an amount or range of amounts that could not be reasonably estimated.

The term "reasonably possible" is used herein to mean that the chance of a future transaction or event occurring is more than remote but less than probable. Although the final resolution of any such matters could have a material effect on the Group's operating results for the particular reporting period in which an adjustment of the estimated reserve is recorded, it is believed that any resulting adjustment would not materially affect the consolidated financial position.

Non-GAAP financial measures

Ferrari monitors and evaluates its operating and financial performance using several non-GAAP financial measures including: EBITDA, Adjusted EBITDA, Adjusted EBIT, Net Cash/(Net Debt) and Free Cash Flow, as well as a number of financial metrics measured on a constant currency basis. Ferrari believes that these non-GAAP financial measures provide useful and relevant information regarding its performance and its ability to assess its financial performance and financial position. They also provide Ferrari with comparable measures that facilitate management's ability to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions. While similar measures are widely used in the industry in which Ferrari operates, the financial measures used may not be comparable to other similarly titled measures used by other companies nor are they intended to be substitutes for measures of financial performance or financial position as prepared in accordance with IFRS.

EBITDA and Adjusted EBITDA

EBITDA is defined as net profit before income tax expense, net financial expenses/(income) and depreciation and amortization. Adjusted EBITDA is defined as EBITDA as adjusted for income and costs, which are significant in nature, but expected to occur infrequently. The following table sets forth the calculation of EBITDA and Adjusted EBITDA for the three and nine months ended September 30, 2015 and 2014 and for the years ended December 31, 2014, 2013 and 2012, and provides a reconciliation of these non-GAAP measures to net profit. EBITDA is presented by management to aid investors in their analysis of the performance of the Group and to assist investors in the comparison of the Group's performance with that of other companies. Adjusted EBITDA is presented to demonstrate how the underlying business has performed prior to the impact of the adjusted items which may obscure underlying performance and impair comparability of results between periods.

	For the three months ended September 30,		For the nine months ended September 30,		For the years ended December 31,		
	2015	2014	2015	2014	2014	2013	2012
	(€ million)						
Net profit	94	58	235	186	265	246	233
Income tax expense	48	36	119	95	133	120	101
Net financial expenses/(income)	(1)	(5)	5	(7)	(9)	(2)	1
Amortization and depreciation	73	71	203	211	289	270	238
EBITDA	**214**	**160**	**562**	**485**	**678**	**634**	**573**
Expense related to the resignation of the former Chairman	-	15	-	15	15	-	-
Expenses incurred in relation to the IPO	5	-	11	-	-	-	-
Gain recognized on disposal of investment property assets and liabilities	(6)	-	(6)	-	-	-	-
Adjusted EBITDA	**213**	**175**	**567**	**500**	**693**	**634**	**573**

Adjusted EBIT

Adjusted EBIT represents EBIT as adjusted for income and costs, which are significant in nature, but expected to occur infrequently. Ferrari presents such information in order to present how the underlying business has performed prior to the impact of such items, which may obscure underlying performance and impair comparability of results between the periods. The following table sets forth the calculation of Adjusted EBIT for the three and nine months ended September 30, 2015 and 2014 and for the years ended December 31, 2014, 2013 and 2012.

	For the three months ended September 30,		For the nine months ended September 30,		For the years ended December 31,		
	2015	2014	2015	2014	2014	2013	2012
	(€ million)						
EBIT	**141**	**89**	**359**	**274**	**389**	**364**	**335**
Expense related to the resignation of the former Chairman	-	15	-	15	15	-	-
Expenses incurred in relation to the IPO	5	-	11	-	-	-	-
Gain recognized on disposal of investment property assets and liabilities	(6)	-	(6)	-	-	-	-
Adjusted EBIT	**140**	**104**	**364**	**289**	**404**	**364**	**335**

Net Cash/(Net Debt)

Net Cash /(Net Debt) is the primary measure used by management to analyze Ferrari's financial leverage and capital structure, and is one of the key indicators used to measure Ferrari's financial position. The following table sets forth a reconciliation of Net Cash/(Net Debt) at September 30, 2015, December 31, 2014, 2013 and 2012 using information derived from Ferrari's consolidated statements of financial position each included elsewhere in this prospectus.

	At September 30,	At December 31,		
	2015	2014	2013	2012
	(€ million)			
Cash and cash equivalents	190	134	114	100
Deposits in FCA Group cash management pools	1,216	942	684	457
Financial liabilities with FCA Group	(389)	(379)	(242)	(196)
Financial liabilities with third parties	(190)	(131)	(76)	(65)
Total Net Cash/(Net Debt)	**827**	**566**	**480**	**296**

Free Cash Flow

Free Cash Flow is one of management's primary key performance indicators to measure the Group's performance and is defined as net cash generated from operations less cash flows used in investing activities. The following table sets forth Ferrari's Free Cash Flow for the nine months ended September 30, 2015 and 2014 and for the years ended December 31, 2014, 2013 and 2012 using information derived from the consolidated statement of cash flows:

	For the nine months ended September 30,		For the years ended December 31,		
	2015	2014	2014	2013	2012
	(€ million)				
Cash flows from operating activities	534	295	426	454	463
Cash flows used in investing activities	(196)	(168)	(290)	(267)	(258)
Free Cash Flow	**338**	**127**	**136**	**187**	**205**

Constant Currency Information

The "Results of Operations" discussion below includes information about Ferrari's net revenues on a constant currency basis. Ferrari uses this information to assess how the underlying business has performed independent of fluctuations in foreign currency exchange rates. Ferrari calculates constant currency by applying the prior-period average foreign currency exchange rates to current period financial data expressed in local currency in which the relevant financial statements are denominated, in order to eliminate the impact of foreign currency exchange rate fluctuations (see Note 2 "Significant Accounting Policies" to the Annual Consolidated Financial Statements and Note 5 "Other Information" to the Interim Condensed Consolidated Financial Statements, both included in this prospectus, for information on the foreign currency exchange rates applied). Although Ferrari does not believe that these measures are a substitute for GAAP measures, Ferrari believes that such results excluding the impact of currency fluctuations year-on-year provide additional useful information to investors regarding the operating performance on a local currency basis. For example, if a U.S. entity with U.S. Dollar functional currency recorded net revenues of U.S. $100 million for 2013 and 2012, the Group would have reported €75 million in net revenues for 2013 (using the 2013 average exchange rate of 1.3279) or a €3 million decrease over the €78 million reported for 2012 (using the 2012 average exchange rate of 1.2848). The constant currency presentation would translate the 2013 net revenues using the 2012 foreign currency exchange rates, and therefore indicate that the underlying net revenues on a constant currency basis were unchanged year-on-year. Similarly, if a U.S. entity with a U.S. Dollar functional currency recorded net revenues of $100 million for the nine months ended September 30, 2015 and 2014, the Group would have reported

€90 million in net revenues (using the nine months ended September 30, 2015 average exchange rate of 1.1142) or a €16 million increase over the €74 million reported for the nine months ended September 30, 2014 (using the nine months ended September 30, 2014 average exchange rate of 1.3550). The constant currency presentation would translate the nine months ended September 30, 2015 net revenues using the nine months ended September 30, 2014 foreign currency exchange rates, and therefore indicate that the underlying net revenues on a constant currency basis were unchanged period-on-period.

Results of operation

Three months ended September 30, 2015 compared to three months ended September 30, 2014

The following is a discussion of the results of operations for the three months ended September 30, 2015 compared to the three months ended September 30, 2014. The discussion of certain line items (cost of sales, selling, general and administrative costs and research and development costs) includes a presentation of such line items as a percentage of net revenues for the respective periods presented, to facilitate period-to-period comparisons.

	For the three months ended September 30,			
	2015	Percentage of net revenues	2014	Percentage of net revenues
	(€ million, except percentages)			
Net revenues	723	100.0%	662	100.0%
Cost of sales	372	51.5%	384	58.0%
Selling, general and administrative costs	80	11.0%	82	12.4%
Research and development costs	130	18.0%	116	17.5%
Other expenses/(income)	-	-%	(9)	(1.3)%
EBIT	**141**	**19.5%**	**89**	**13.4%**
Net financial income	1	0.1%	5	0.8%
Profit before taxes	**142**	**19.6%**	**94**	**14.2%**
Income tax expense	48	6.6%	36	5.4%
Net profit	**94**	**13.0%**	**58**	**8.8%**

Net revenues

	For the three months ended September 30,				Increase/(decrease)	
	2015	Percentage of net revenues	2014	Percentage of net revenues	2015 vs. 2014	
	(€ million, except percentages)					
Cars and spare parts(1)	537	74.3%	462	69.8%	75	16.2%
Engines(2)	51	7.0%	76	11.5%	(25)	(32.9)%
Sponsorship, commercial and brand (3)	110	15.2%	103	15.6%	7	6.8%
Other(4)	25	3.5%	21	3.1%	4	19.0%
Total net revenues	**723**	**100.0%**	**662**	**100.0%**	**61**	**9.2%**

(1) Includes the net revenues generated from shipments of our cars, including any personalization revenue generated on these cars and sales of spare parts.

(2) Includes the net revenues generated from the sale of engines to Maserati for use in their cars, and the revenues generated from the rental of engines to other Formula 1 racing teams.

(3) Includes the net revenues earned by our Formula 1 racing team through sponsorship agreements and our share of the Formula 1 World Championship commercial revenues and net revenues generated through the Ferrari brand, including merchandising, licensing and royalty income.

(4) Primarily includes interest income generated by the Ferrari Financial Services group and net revenues from the management of the Mugello racetrack.

Net revenues for the three months ended September 30, 2015 were €723 million, an increase of €61 million, or 9.2 percent (an increase of 2.6 percent on a constant currency basis), from €662 million for the three months ended September 30, 2014.

Cars and spare parts

Net revenues generated from cars and spare parts were €537 million for the three months ended September 30, 2015, an increase of €75 million, or 16.2 percent, from €462 million for the three months ended September 30, 2014. The increase was attributable to a €57 million increase in net revenues from range and special series cars and spare parts for the three months ended September 30, 2015 and an €18 million increase in net revenues from supercars and limited edition cars, primarily due to shipments of the supercar LaFerrari and the FXX K, a special racing car that may only be used on track, shipments of which commenced in the second quarter of 2015.

The €57 million increase in net revenues from range and special series cars and spare parts was driven by a 21.6 percent increase in shipments, which was partially offset by an unfavorable shift in product mix. In particular, the proportion of V12 models shipped decreased from 20.6 percent for the three months ended September 30, 2014, to 13.2 percent for the three months ended September 30, 2015, and was primarily driven by a 27.5 percent decrease in shipments of the F12berlinetta, in line with model lifecycle as the model has been on the market since 2012 and clients tend to focus on more recently introduced cars. Shipments of V8 models increased by 32.9 percent, primarily as a result of achieving full production of the California T, as well as shipments of the 488 GTB, launched in Q1 2014, and the 458 Speciale Aperta, launched in Q4 2014. Such increase was partially offset by decreased shipments of the 458 Spider and 458 Italia, which are being phased out during 2015.

The €57 million increase in net revenues from range and special series cars and spare parts was composed of (i) a €46 million increase in Americas net revenues, (ii) a €20 million increase in Rest of APAC net revenues, and (iii) a €2 million increase in EMEA net revenues, which were partially offset by (iv) a €11 million decrease in Greater China net revenues.

The €46 million increase in Americas net revenues was primarily attributable to favorable foreign exchange impact, which was driven by the weakening of the Euro against the U.S. Dollar and an increase in shipments, mainly driven by the California T, that was partially offset by decreased shipments of the 458 Spider. Such increases were partially offset by unfavorable product mix impact.

The €20 million increase in Rest of APAC net revenues was attributable to an increase of €13 million in Japan net revenues and an increase of €7 million in other Rest of APAC net revenues. The €13 million increase in Japan net revenues was mainly driven by an 80.6 percent increase in shipments, mainly due to the California T and 458 VS. The €7 million increase in other Rest of APAC net revenues was driven by a 48.3 percent increase in shipments.

The €2 million increase in EMEA net revenues was primarily attributable to increased shipments, driven by the 458 VS Spider and the 488 GTB, partially offset by decreased shipments due to the phase out of the 458 Spider and 458 Italia, as well as unfavorable mix.

The €11 million decrease in Greater China net revenues was primarily attributable to a €16 million decrease in mainland China net revenues, partially offset by a €4 million increase in Hong Kong net revenues and a €1 million increase in Taiwan net revenues. The decrease of €16 million in mainland China net revenues was primarily attributable to (i) unfavorable volume impact of €18 million due to a decrease in shipments of 34.7 percent, driven by the 458 Italia, 458 Spider and F12berlinetta, not yet compensated by the 488 GTB, which arrived in this market in Q3 2015, (ii) unfavorable product mix impact of €6 million and (iii) a €2 million decrease in net revenues generated by Ferrari's personalization program, partially offset by (iv) favorable foreign exchange impact of €10 million.

The €18 million increase in net revenues from supercars and limited edition cars was primarily driven by an increase in shipments of the LaFerrari and the FXX K. In particular, the €18 million increase in net revenues from supercars and limited edition cars was composed of (i) a €56 million increase in Americas net revenues, partially offset by (ii) a €26 million decrease in Greater China net revenues and (iii) an €12 million decrease in EMEA net revenues.

Engines

Net revenues generated from engines were €51 million for the three months ended September 30, 2015, a decrease of €25 million, or 32.9 percent, from €76 million for the three months ended September 30, 2014. The €25 million decrease was entirely attributable to a decrease in net revenues generated from the sale of engines to Maserati, driven by a 41.8 percent decrease in the volume of engines shipped in accordance with the planned orders received from Maserati.

Sponsorship, commercial and brand

Net revenues generated from sponsorship, commercial agreements and brand management activities were €110 million for the three months ended September 30, 2015, an increase of €7 million, or 6.8 percent, from €103 million for the three months ended September 30, 2014. The increase was mainly driven by licensing and retail net revenues.

Other

Other net revenues were €25 million for the three months ended September 30, 2015, an increase of €4 million, or 19.0 percent, from €21 million for the three months ended September 30, 2014, primarily related to interest income generated by Ferrari's financial services activities due to increased volumes.

Cost of sales

	For the three months ended September 30,				Increase/(decrease)	
	2015	Percentage of net revenues	2014	Percentage of net revenues	2015 vs. 2014	
	(€ million, except percentages)					
Cost of sales	372	51.5%	384	58.0%	(12)	(3.1)%

Cost of sales for the three months ended September 30, 2015, was €372 million, a decrease of €12 million, or 3.1 percent, from €384 million for the three months ended September 30, 2014. As a percentage of net revenues, cost of sales was 51.5 percent for the three months ended September 30, 2015, compared to 58.0 percent for the three months ended September 30, 2014.

The decrease in cost of sales was attributable to the combination of (i) decreased costs of €22 million related to lower Maserati engine shipments, partially offset by (ii) increased costs of €5 million related to product mix, (iii) an increase in cost of sales of supporting activities of €3 million, mainly related to financial services, and (iv) unfavorable foreign currency impact of €2 million.

The €22 million decrease in cost of sales related to the sale of engines to Maserati was driven by the 41.8 percent decrease in the volume of engines shipped to Maserati .The €5 million increase in cost of sales driven by product mix was mainly due to an increase in LaFerrari and FXX K shipments, which was only partially offset by an increase in the proportion of V8 models shipped, which in general have a lower cost of sales per unit.

The decrease in cost of sales as a percentage of net revenues was driven by a decrease in Maserati engine shipments as Maserati engines generate lower margins than Ferrari earns from the sale of cars and spare parts.

Selling, general and administrative costs

	For the three months ended September 30,				Increase/ (decrease)	
	2015	Percentage of net revenues	2014	Percentage of net revenues	2015 vs. 2014	
	(€ million, except percentages)					
Selling, general and administrative costs	80	11.1%	82	12.4%	(2)	(2.4)%

Selling, general and administrative costs for the three months ended September 30, 2015 were €80 million, a decrease of €2 million, or 2.4 percent, from €82 million for the three months ended September 30, 2014. As a percentage of net revenues, selling, general and administrative costs were 11.1 percent for the three months ended September 30, 2015, compared to 12.4 percent for the three months ended September 30, 2014.

The decrease in selling, general and administrative costs was attributable to (i) €15 million of expenses related to the resignation of the former Chairman recognized for the three months ended September 30, 2014, which were partially offset by (ii) consultancy costs incurred in relation to the initial public offering amounting to €5 million, (iii) costs related to the launch of the 488 GTB and corporate events of €3 million, (iv) unfavorable foreign currency exchange impact of €2 million, (v) costs related to new store openings of €2 million, and (vi) an increase in other costs of €1 million.

Research and development costs

	For the three months ended September 30,				Increase/(decrease)	
	2015	Percentage of net revenues	2014	Percentage of net revenues	2015 vs. 2014	
	(€ million, except percentages)					
Amortization of capitalized development costs	31	4.3%	31	4.7%	-	-%
Research and development costs expensed during the period	99	13.7%	85	12.8%	14	16.5%
Research and development costs	**130**	**18.0%**	**116**	**17.5%**	**14**	**12.1%**

Research and development costs for the three months ended September 30, 2015 were €130 million, an increase of €14 million, or 12.1 percent, from €116 million for the three months ended September 30, 2014. As a percentage of net revenues, research and development costs were 18.0 percent for the three months ended September 30, 2015, compared to 17.5 percent for the three months ended September 30, 2014.

The increase in research and development costs expensed during the period of €14 million was primarily driven by the Formula 1 activities and in particular reflected the Group's efforts related to power unit projects.

Other expenses/(income), net

	For the three months ended September 30,		Increase/(decrease)	
	2015	2014	2015 vs. 2014	
	(€ million, except percentages)			
Other expenses/(income), net	-	(9)	9	(100.0)%

For the three months ended September 30, 2015, other expenses/(income), net included other income of €9 million, mainly composed of a €6 million gain on disposal of assets and liabilities related to investment properties and €3 million related to miscellaneous income, fully offset by other expenses of €9 million, mainly composed of €5 million related to provisions and €4 million related to miscellaneous expenses.

For the three months ended September 30, 2014, other expenses/(income), net included of miscellaneous income of €9 million.

EBIT

	For the three months ended September 30,				Increase/(decrease)	
	2015	Percentage of net revenues	2014	Percentage of net revenues	2015 vs. 2014	
	(€ million, except percentages)					
EBIT	141	19.5%	89	13.4%	52	58.4%

EBIT for the three months ended September 30, 2015 was €141 million, an increase of €52 million, or 58.4 percent, from €89 million for the three months ended September 30, 2014.

The increase in EBIT was due to (i) favorable volume impact of €34 million, (ii) favorable product mix impact of €3 million, (iii) favorable foreign currency exchange impact of €10 million, (iv) a gain on disposal of assets and liabilities related to investment properties of €6 million, (v) decreased costs related to supporting activities and financial services of €11 million, and (vi) a decrease in selling, general and administrative costs of €2 million, which were partially offset by (vii) an increase in research and development costs of €14 million.

The positive volume impact of €34 million was primarily driven by a 21.6 percent increase in shipments of range and special series cars, driven by V8 models and in particular, the California T and newly launched 488 GTB, as well as positive impact from the personalization program. The positive product mix impact of €3 million was primarily driven by an increase in shipments of the LaFerrari and the FXX K, partially offset by an increase in the proportion of total shipments represented by V8 models. The positive foreign currency exchange impact was primarily driven by the strengthening of the U.S. Dollar and Pound Sterling against the Euro, partially offset by the weakening of the Japanese Yen.

As a percentage of net revenues, EBIT increased from 13.4 percent for the three months ended September 30, 2014 to 19.5 percent for the three months ended September 30, 2015, mainly due to cost of sales, which as a percentage of net revenues was 51.5 percent for the three months ended September 30, 2015, compared to 58.0 percent for the three months ended September 30, 2014.

Net financial income

	For the three months ended September 30,		Increase/(decrease)	
	2015	2014	2015 vs. 2014	
	(€ million, except percentages)			
Net financial income	1	5	(4)	(80.0)%

Net financial income for the three months ended September 30, 2015 were €1 million compared to net financial income of €5 million for the three months ended September 30, 2014.

The decrease in net financial income was driven by an increase in financial expenses related to industrial companies and mainly related to foreign exchange losses.

Income tax expense

	For the three months ended September 30,		Increase/(decrease)	
	2015	2014	2015 vs. 2014	
	(€ million, except percentages)			
Income tax expense	48	36	12	33.3%

Income tax expense for the three months ended September 30, 2015 was €48 million, an increase of €12 million, or 33.3 percent, from €36 million for the three months ended September 30, 2014. The increase in income tax expense was mainly attributable to an increase in profit before taxes from €94 million for the three months ended September 30, 2014 to €142 million for the three months ended September 30, 2015. The effective tax rate net of Italian Regional Income Tax (IRAP) was 30.9 percent for the three months ended September 30, 2015 as compared to 34.8 percent for the three months ended September 30, 2014, primarily due to deferred tax liabilities on unremitted earnings that Ferrari recognized in the three months ended September 30, 2014.

Nine months ended September 30, 2015 compared to nine months ended September 30, 2014

The following is a discussion of the results of operations for the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014. The discussion of certain line items (cost of sales, selling, general and administrative costs and research and development costs) includes a presentation of such line items as a percentage of net revenues for the respective periods presented, to facilitate period-to-period comparisons.

	For the nine months ended September 30,			
	2015	Percentage of net revenues	2014	Percentage of net revenues
	(€ million, except percentages)			
Net revenues	2,110	100.0%	2,011	100.0%
Cost of sales	1,094	51.8%	1,122	55.8%
Selling, general and administrative costs	232	11.0%	225	11.2%
Research and development costs	421	20.0%	392	19.5%
Other expenses/(income), net	4	0.2%	(2)	(0.1)%
EBIT	**359**	**17.0%**	**274**	**13.6%**
Net financial (expenses)/income	(5)	(0.2)%	7	0.4%
Profit before taxes	**354**	**16.8%**	**281**	**14.0%**
Income tax expense	119	5.7%	95	4.8%
Net profit	**235**	**11.1%**	**186**	**9.2%**

Net revenues

	For the nine months ended September 30,				Increase/(decrease)	
	2015	Percentage of net revenues	2014	Percentage of net revenues	2015 vs. 2014	
	(€ million, except percentages)					
Cars and spare parts(1)	1,545	73.2%	1,412	70.2%	133	9.4%
Engines(2)	172	8.2%	228	11.3%	(56)	(24.6)%
Sponsorship, commercial and brand(3)	322	15.3%	309	15.4%	13	4.2%
Other(4)	71	3.3%	62	3.1%	9	14.5%
Total net revenues	**2,110**	**100.0%**	**2,011**	**100.0%**	**99**	**4.9%**

(1) Includes the net revenues generated from shipments of our cars, including any personalization revenue generated on these cars and sales of spare parts.

(2) Includes the net revenues generated from the sale of engines to Maserati for use in their cars and the revenues generated from the rental of engines to other Formula 1 racing teams.

(3) Includes the net revenues earned by our Formula 1 racing team through sponsorship agreements and our share of the Formula 1 World Championship commercial revenues and net revenues generated through the Ferrari brand, including merchandising, licensing and royalty income.

(4) Primarily includes interest income generated by the Ferrari Financial Services group and net revenues from the management of the Mugello racetrack.

Net revenues for the nine months ended September 30, 2015 were €2,110 million, an increase of €99 million, or 4.9 percent (a decrease of 2 percent on a constant currency basis), from €2,011 million for the nine months ended September 30, 2014.

Cars and spare parts

Net revenues generated from cars and spare parts were €1,545 million for the nine months ended September 30, 2015, an increase of €133 million, or 9.4 percent, from €1,412 million for the nine months ended September 30, 2014. The increase was attributable to a €113 million increase in net revenues from supercars and limited edition cars, driven by higher shipments of the LaFerrari and the FXX K, and a €20 million increase in net revenues from range and special series cars and spare parts for the nine months ended September 30, 2015, as compared to the nine months ended September 30, 2014.

The €113 million increase in net revenues from supercars and limited edition cars was composed of (i) a €148 million increase in Americas net revenues and (ii) a €16 million increase in Rest of APAC net revenues, which were partially offset by (iii) a €27 million decrease in Greater China net revenues and (iv) a €24 million decrease in EMEA net revenues.

The €20 million increase in net revenues from range and special series cars and spare parts was primarily driven by higher shipments of V8 models, partially offset by an unfavorable shift in product mix towards relatively more V8 models and fewer V12 models. In particular, the proportion of V12 models shipped decreased from 26.6 percent for the nine months ended September 30, 2014 to 17.1 percent for the nine months ended September 30, 2015, and was primarily driven by a 36.0 percent decrease in shipments of the F12berlinetta, in line with model lifecycle as the model has been on the market since 2012 and clients tend to focus on more recently introduced cars. Shipments of V8 models increased by 19.5 percent, principally as a result of achieving full production of the 458 VS Spider, California T and 488 GTB, partially offset by decreases in shipments of the 458 Italia and 458 Spider, which are being phased out during 2015.

The €20 million increase in net revenues from range and special series cars and spare parts was composed of (i) a €99 million increase in Americas net revenues and (ii) a €53 million increase in Rest of APAC net revenues, which were partially offset by (iii) a €103 million decrease in EMEA net revenues and (iv) a €29 million decrease in Greater China net revenues.

The €99 million increase in Americas net revenues was primarily attributable to favorable foreign exchange impact, driven by the weakening of the Euro against the U.S. Dollar and favorable volume impact, driven by the California T. Such increases were partially offset by unfavorable product mix impact.

The €53 million increase in Rest of APAC net revenues was primarily attributable to an increase of €40 million in Japan net revenues and an increase of €12 million in Australia net revenues. The €40 million increase in Japan net revenues was primarily attributable to favorable volume impact of €37 million due to a 66.4 percent increase in shipments, mainly driven by the California T and 458 VS. The €12 million increase in Australia net revenues was mainly driven by a 79.5 percent increase in shipments.

The €103 million decrease in EMEA net revenues was primarily attributable to decreased shipments, driven by the 458 Italia and 458 Spider, which are being phased out during 2015. In particular, shipments decreased by 21.7 percent in the Middle East, 14.9 percent in Germany and 7.7 percent in Switzerland, offsetting increased shipments of 20.4 percent in the UK, 10.6 percent in Italy, 5.5 percent in France and 0.9 percent in Rest of EMEA.

The €29 million decrease in Greater China net revenues was primarily attributable to a decrease of €42 million in mainland China net revenues, partially offset by an increase of €10 million in Hong Kong net revenues and an increase of €3 million in Taiwan net revenues. The decrease of €42 million in mainland China net revenues was driven by (i) unfavorable volume impact of €41 million as a result of a 31.7 percent decrease in shipments, (ii) unfavorable product mix impact of €14 million and (iii) a €8 million decrease in net revenues from the personalization program and the sale of spare parts, partially offset by (iv) favorable foreign exchange impact of €21 million.

Engines

Net revenues generated from engines were €172 million for the nine months ended September 30, 2015, a decrease of €56 million, or 24.6 percent, from €228 million for the nine months ended September 30, 2014. The €56 million decrease was attributable to a €47 million decrease in net revenues generated from the sale of engines to Maserati, driven by a 28.0 percent decrease in the volume of engines shipped in accordance with the planned orders received from Maserati, and a €9 million decrease in net revenues generated from the rental of power units to other Formula 1 teams.

Sponsorship, commercial and brand

Net revenues generated from sponsorship, commercial agreements and brand management activities were €322 million for the nine months ended September 30, 2015, an increase of €13 million, or 4.2 percent, from €309 million for the nine months ended September 30, 2014. The increase was driven by sponsorship and commercial net revenues, primarily related to Ferrari's participation in the Formula 1 World Championship, which benefitted from the impact of the weakening of the Euro against the U.S. Dollar and an increase in retail and licensing net revenues.

Other

Other net revenues were €71 million for the nine months ended September 30, 2015, an increase of €9 million, or 14.5 percent, from €62 million for the nine months ended September 30, 2014, primarily related to Ferrari's financial services activities due to increased volumes.

Cost of sales

	For the nine months ended September 30,				Increase/(decrease)	
	2015	Percentage of net revenues	2014	Percentage of net revenues	2015 vs. 2014	
	(€ million, except percentages)					
Cost of sales	1,094	51.8%	1,122	55.8%	(28)	(2.5)%

Cost of sales for the nine months ended September 30, 2015 was €1,094 million, a decrease of €28 million, or 2.5 percent, from €1,122 million for the nine months ended September 30, 2014. As a percentage of net revenues, cost of sales was 51.8 percent for the nine months ended September 30, 2015, compared to 55.8 percent for the nine months ended September 30, 2014.

The decrease in cost of sales was attributable to the combination of (i) decreased costs of €44 million related to lower Maserati engine shipments, (ii) technical and commercial savings achieved of €7 million, (iii) a decrease in depreciation and amortization of €2 million, partially offset by (iv) increased costs of €17 million related to product mix, and (v) unfavorable foreign currency impact of €8 million.

The €44 million decrease in cost of sales related to the sale of engines to Maserati was driven by the 28.0 percent decrease in the volume of engines shipped to Maserati. The €17 million increase in cost of sales driven by unfavorable product mix was mainly due to an increase in LaFerrari and FXX K shipments for the nine months ended September 30, 2015, as compared to the nine months ended September 30, 2014, which was only partially offset by an increase in the proportion of V8 models shipped, which in general have a lower cost of sales per unit.

The decrease in cost of sales as a percentage of net revenues was driven by a decrease in Maserati shipments as Maserati engines generate lower margins than the sale of cars and spare parts.

Selling, general and administrative costs

	For the nine months ended September 30,				Increase/(decrease)	
	2015	Percentage of net revenues	2014	Percentage of net revenues	2015 vs. 2014	
	(€ million, except percentages)					
Selling, general and administrative costs	232	11.0%	225	11.2%	7	3.1%

Selling, general and administrative costs for the nine months ended September 30, 2015 were €232 million, an increase of €7 million, or 3.1 percent, from €225 million for the nine months ended September 30, 2014. As a percentage of net revenues, selling, general and administrative costs were 11.0 percent for the nine months ended September 30, 2015, compared to 11.2 percent for the nine months ended September 30, 2014.

The increase in selling, general and administrative costs was mainly attributable to (i) consultancy costs incurred in relation to the initial public offering amounting to €11 million, (ii) unfavorable foreign currency impact of €6 million, (iii) costs related to new store openings of €3 million, and (iv) costs related to the launch of the 488 GTB and corporate events of €3 million, which were partially offset by (v) the impact of the expenses related to the resignation of Ferrari's former Chairman of €15 million incurred in the nine months ended September 30, 2014, and (vi) a decrease in other costs of €1 million.

Research and development costs

	For the nine months ended September 30,				Increase/(decrease)	
	2015	Percentage of net revenues	2014	Percentage of net revenues	2015 vs. 2014	
	(€ million, except percentages)					
Amortization of capitalized development costs	87	4.1%	93	4.6%	(6)	(6.5)%
Research and development costs expensed during the period	334	15.9%	299	14.9%	35	11.7%
Research and development costs	**421**	**20.0%**	**392**	**19.5%**	**29**	**7.4%**

Research and development costs for the nine months ended September 30, 2015 were €421 million, an increase of €29 million, or 7.4 percent, from €392 million for the nine months ended September 30, 2014. As a percentage of net revenues, research and development costs were 20.0 percent for the nine months ended September 30, 2015, compared to 19.5 percent for the nine months ended September 30, 2014.

The increase in research and development costs expensed during the period of €35 million was primarily driven by the Formula 1 activities, and in particular reflecting the Group's efforts related to power unit projects, partially offset by a decrease in the amortization of capitalized development costs of €6 million, primarily due to the completion of amortization of capitalized development costs relating to the 458 Italia and 458 Spider, as these models reach the end of their planned lifecycle.

Other expenses/(income), net

	For the nine months ended September 30, 2015	2014	Increase/(decrease) 2015 vs. 2014	
	(€ million, except percentages)			
Other expenses/(income), net	4	(2)	6	n.m.

For the nine months ended September 30, 2015, other expenses/(income), net included other expenses of €19 million, mainly composed of €8 million related to provisions and €11 million related to miscellaneous expenses, partially offset by other income of €15 million, including a €6 million gain on disposal of assets and liabilities related to investment properties, €2 million related to rental income and €7 million related to miscellaneous income.

For the nine months ended September 30, 2014, other expenses/(income), net included other expenses of €14 million, mainly composed of €5 million related to provisions and €9 million related to miscellaneous expenses, more than offset by other income of €16 million, including €2 million related to rental income and €14 million related to miscellaneous income.

EBIT

	For the nine months ended September 30,				Increase/(decrease)	
	2015	Percentage of net revenues	2014	Percentage of net revenues	2015 vs. 2014	
	(€ million, except percentages)					
EBIT	359	17.0%	274	13.6%	85	31.0%

EBIT for the nine months ended September 30, 2015 was €359 million, an increase of €85 million, or 31.0 percent, from €274 million for the nine months ended September 30, 2014.

The increase in EBIT was due to (i) favorable volume impact of €38 million, (ii) favorable product mix impact of €9 million, (iii) favorable foreign currency exchange impact of €35 million, (iv) a gain on disposal of assets and liabilities related to investment properties of €6 million, and (v) decreased costs related to supporting activities and financial services of €33 million, which were partially offset by (vi) an increase in research and development costs of €29 million and (vii) an increase in selling, general and administrative costs of €7 million.

The positive volume impact of €38 million was primarily attributable to the 5.9 percent increase in shipments of range and special series cars, driven by V8 models and in particular, the California T, the 458 VS Spider and the newly launched 488 GTB. The positive product mix impact of €9 million was primarily driven by increases in shipments of the LaFerrari and the FXX K, partially offset by an increase in the proportion of total shipments represented by V8 models. The positive foreign currency exchange impact was primarily driven by the strengthening of the U.S. Dollar and Pound Sterling against the Euro, partially offset by the weakening of the Japanese Yen.

The decreased costs related to supporting activities and financial services of €33 million were driven by a decrease in financial services costs, brand, production efficiencies and to a lesser extent, to Formula 1 related costs.

As a percentage of net revenues, EBIT increased from 13.6 percent for the nine months ended September 30, 2014 to 17.0 percent for the nine months ended September 30, 2015, mainly due to the previously mentioned favorable foreign currency exchange impact and lower cost of sales, which as a percentage of net revenues was 51.8 percent for the nine months ended September 30, 2015, compared to 55.8 percent for the nine months ended September 30, 2014.

Net financial (expenses)/income

	For the nine months ended September 30,		Increase/(decrease)	
	2015	2014	2015 vs. 2014	
	(€ million, except percentages)			
Net financial (expenses)/income	(5)	7	(12)	n.m.

Net financial expenses for the nine months ended September 30, 2015 was €5 million compared to net financial income of €7 million for the nine months ended September 30, 2014.

The variation in net financial (expenses)/income was driven by an increase in financial expenses related to industrial companies and mainly related to foreign exchange losses.

Income tax expense

	For the nine months ended September 30, 2015	2014	Increase/(decrease) 2015 vs. 2014	
	(€ million, except percentages)			
Income tax expense	119	95	24	25.3%

Income tax expense for the nine months ended September 30, 2015 was €119 million, an increase of €24 million, or 25.3 percent, from €95 million for the nine months ended September 30, 2014. The increase in income tax expense was primarily due to an increase in profit before taxes from €281 million for the nine months ended September 30, 2014 to €354 million for the nine months ended September 30, 2015. The effective tax rate net of IRAP was 29.3 percent for the nine months ended September 30, 2015, compared to 28.9 percent for the nine months ended September 30, 2014.

2014 compared to 2013 and 2013 compared to 2012

For a description of the results of operation for the years ended December 31, 2014, 2013 and 2012, please see page 67 up to and including page 76 of the Form F-1 under "*Consolidated Results of Operations—2014 compared to 2013 and 2013 compared to 2012*".

For a description of the principal markets in which Ferrari competes, please see page 99 up to and including 102 of the Form F-1 under "*Industry Overview*".

For a breakdown of revenues by categories of activities and geographical markets, please see page 57 up to and including 76 of the Form F-1 under "*Results of Operations*" and for a breakdown by geographical markets please see "*Key Factors Affecting Results*" on page 28 up to and including 32 of this Prospectus.

Liquidity and capital resources

Liquidity Overview

Ferrari requires liquidity in order to meet its obligations and fund its business. Short-term liquidity is required to purchase raw materials, parts and components for car production, and to fund selling, administrative, research and development, and other expenses. In addition to Ferrari's general working capital and operational needs, Ferrari expects to use cash for capital expenditures to support its existing and future products. Ferrari makes capital investments mainly in Italy, for initiatives to introduce new products, enhance manufacturing efficiency, improve capacity, and for maintenance and environmental compliance. Ferrari's capital expenditures in 2015 are expected to be between €340 million to €370 million, mainly relating to property, plant and equipment and capitalized research and development, which Ferrari plans to fund primarily with cash generated from operating activities. In connection with the Restructuring, Ferrari has entered into the FCA Note, the residual principal amount of which has been refinanced using part of the proceeds from the Facility. The other part of outstanding amount under the FCA Note has been repaid using the net cash proceeds from the settlement of deposits in FCA's cash management pools, debt with FCA and receivables from financing activities with FCA. For more information regarding the Facility reference is made to Chapter 15 "General Information", section "Material Contracts".

Historically cash generated from operating activities has been sufficient to support the liquidity requirements of the business. Ferrari's Net Cash position increased from €296 million at December 31, 2012 to

€480 million at December 31, 2013 and €566 million at December 31, 2014 mainly due to positive Free Cash Flow (cash provided from operating activities less cash used in investment activities) of €205 million for the year ended December 31, 2012, €187 million for the year ended December 31, 2013 and €136 million for the year ended December 31, 2014 .Ferrari's Net Cash position increased from €566 million at December 31, 2014, to €827 million at September 30, 2015, primarily driven by positive Free Cash Flow of €338 million for the nine months ended September 30, 2015.

Ferrari's business and results of operations depend on its ability to achieve certain minimum car shipment volumes. Ferrari has significant fixed costs and, therefore, changes in car shipment volumes can have a significant effect on profitability and liquidity. Ferrari has historically managed its liquidity through participating in cash management and funding services provided by the treasury functions of the FCA Group. Therefore, its liquidity is essentially represented by deposits in FCA cash management pools.

Ferrari's debt is mainly with the FCA group and to a lesser extent with third parties and primarily relates to the financing of the financial services portfolios with the dealer network and clients. At September 30, 2015, Ferrari had total debt of €579 million (€510 million at December 31, 2014, €318 million at December 31, 2013 and €261 million at December 31, 2012), of which €190 million (€131 million at December 31, 2014, €76 million at December 31, 2013 and €65 million at December 31, 2012) was with third parties and the remainder with the FCA group.

Ferrari's debt position is expected to change significantly as a result of the Restructuring transactions and, in particular, the issue of the FCA Note which has a residual principal amount outstanding of €2.8 billion immediately following the Restructuring. The FCA Note is expected to mature on April 4, 2016. The FCA Note will bear interest at a rate of 2.00% per year, payable quarterly on January 4, 2016 and April 4, 2016. The terms of the FCA Note will allow for voluntary early repayment by us of up to the entire principal amount and include a covenant restricting our ability to issue indebtedness in the form of bonds, notes or other securities that are or are capable of being listed on a stock exchange or other securities market without equally and rateably providing security for the FCA Note, with certain permitted exceptions. The FCA Note also provides for customary events of default for failure to pay principal or interest or comply with other obligations under the note with specified cure periods or in the event of a payment default or acceleration of indebtedness in a principal amount exceeding €250 million or in the case of certain bankruptcy events. The FCA Note includes other terms such as limitations on mergers and similar events, and tax gross-up provisions, in each case in a form customary for capital markets indebtedness of investment grade issuers.

As a result of the Separation, deposits in FCA's cash management pools, debt with FCA (excluding the FCA Note) and receivables from financing activities with FCA will be settled. Ferrari has also refinanced the residual principal amount of the FCA Note, using part of the proceeds from the Facility. The other part of outstanding amount under the FCA Note has been repaid using the net cash proceeds from the settlement of deposits in FCA's cash management pools, debt with FCA and receivables from financing activities with FCA. Ferrari believes that its cash generation together with its current liquidity will be sufficient to fund its operating activities and capital expenditures.

Cyclical Nature of Cash Flows

For a description of the cyclical nature of cash flows, please see page 78 of the Form F-1 under "*Cyclical Nature of Our Cash Flows*".

Cash Flows

Nine months ended September 30, 2015 and 2014

The following table summarizes the cash flows from/(used in) operating, investing and financing activities for each of the nine months ended September 30, 2015 and 2014. For a complete discussion of our cash flows, see our Interim Condensed Consolidated Financial Statements included elsewhere in this Prospectus.

	For the nine months ended September 30, 2015	2014
	(€ million)	
Cash flows from operating activities	534	295
Cash flows used in investing activities	(196)	(168)
Cash flows from/(used) in financing activities	(288)	(85)
Translation exchange differences	6	8
Total change in cash and cash equivalents	**56**	**50**

Operating Activities—Nine months ended September 30, 2015

For the nine months ended September 30, 2015, Ferrari's cash flows from operating activities were €534 million, primarily the result of:

(i) profit before taxes of €354 million adjusted to add back €203 million for depreciation and amortization expense, €34 million in provisions recognized, €38 million related to other non-cash expenses and income, relating primarily to the accruals to the allowances for doubtful trade and financing receivables and the provision for slow moving and obsolete inventories and €7 million related to net gains on disposals of property, plant and equipment, intangible assets and investment properties;

(ii) €82 million related to cash generated by the decrease in receivables from financing activities, primarily driven by the full reimbursement of the financing of inventory related to the establishment of the Maserati standalone business in China, which at December 31, 2014 was equal to €147 million, partially offset by the increase in the financial services client financing portfolio;

(iii) €67 million relating to cash absorbed by the net change in other operating assets and liabilities, primarily attributable to an increase in other current assets and a decrease in other liabilities, driven by VAT, deferred income and foreign currency exchange translation;

(iv) €76 million related to cash absorbed from the net change in inventories, trade payables and trade receivables, primarily driven by (a) a decrease in trade payables of €100 million, (b) an increase in inventories of €11 million, partially offset by (c) a decrease in trade receivables of €35 million; and

(v) Income taxes paid of €27 million.

Operating Activities—Nine months ended September 30, 2014

For the nine months ended September 30, 2014, Ferrari's cash flows from operating activities were €295 million, primarily the result of:

(i) profit before taxes of €281 million adjusted to add back €211 million for depreciation and amortization expense, €48 million in provisions recognized, €23 million related to other non-cash expenses and income and €1 million related to the net gain on disposals of property, plant and equipment, intangible assets and investment properties;

(ii) €121 million relating to cash absorbed by the net change in other operating assets and liabilities, primarily due to an increase in other current assets;

(iii) €110 million related to cash absorbed from the net change in inventories, trade payables and trade receivables, primarily driven by (a) a decrease in trade payables of €69 million, (b) an increase in inventories of €58 million, mainly related to inventories of the LaFerrari to be shipped in future periods, partially offset by (c) a decrease in trade receivables of €17 million;

(iv) €20 million relating to cash absorbed by an increase in receivables from financing activities, mainly driven by an increase in business volumes of Ferrari Financial Services Inc; and

(v) income taxes paid of €16 million.

Investing Activities—Nine months ended September 30, 2015

For the nine months ended September 30, 2015, Ferrari's net cash used in investing activities was €196 million, primarily due to capital expenditures of €234 million, partially offset by €37 million proceeds from the disposal of assets and liabilities related to the investment properties. In particular, the €234 million of capital expenditures was comprised of (i) €115 million of additions to intangible assets, mainly related to externally acquired and internally generated development costs; and (ii) €119 million of additions to property, plant and equipment, related primarily to the new 488 GTB launched in 2015. For a detailed analysis of additions to property, plant and equipment and intangible assets, please see Chapter 8 "Business", section "Principal investments".

Investing Activities—Nine months ended September 30, 2014

For the nine months ended September 30, 2014, our net cash used in investing activities was €168 million, primarily due to capital expenditures of €207 million, partially offset by €39 million related to cash acquired on transactions with the non-controlling interests in Ferrari International Cars Trading (Shanghai) Co. L.t.d. In particular, the €207 million capital expenditures were comprised of (i) €111 million of additions to intangible assets, mainly related to externally acquired and internally generated development costs, and (ii) €96 million of additions to property, plant and equipment, related primarily to engine assembly lines and plant and machinery for the LaFerrari and the California T models. For a detailed analysis of additions to property, plant and equipment and intangible assets, please see Chapter 8 "Business", section "Principal investments".

Financing Activities—Nine months ended September 30, 2015

For the nine months ended September 30, 2015, net cash used in financing activities was €288 million, primarily the result of:

(i) €264 million related to the increase in deposits in FCA's cash management pools;

(ii) €41 million related to dividends paid to non-controlling interest in our Chinese distributor, Ferrari International Cars Trading (Shanghai) Co. Ltd;

(i) €31 million related to net change in financial liabilities with FCA;

(iv) €9 million related to net change in other debt; and

(v) €8 million related to the acquisition of non-controlling interest of the subsidiary Ferrari Financial Services S.p.A.

Partially offset by:

(i) €65 million related to net proceeds from bank borrowings primarily related to an increase in the Ferrari Financial Services Inc facility with Sumitomo Bank, which was fully drawn down to finance the financial services portfolio in the United States of America.

Financing Activities—Nine months ended September 30, 2014

For the nine months ended September 30, 2014, net cash used in financing activities was €85 million, primarily the result of:

(i) €198 million related to the increase in deposits in FCA's cash management pools; and

(ii) €18 million related to net change in other debt.

Partially offset by:

(i) €66 million related to the net change in financial liabilities with FCA; and

(ii) €65 million related to net proceeds from bank borrowings.

Years ended December 31, 2014, 2013 and 2012

For an explanation of the sources, amounts and a narrative description of Ferrari's cash flows for the years ended December 31, 2014, 2013 and 2012, please see page 80 up to and including 83 of the Form F-1 under "*Cash Flows*".

Indebtedness

Net Cash/(Net Debt)

Net Cash /(Net Debt) is the primary measure used by management to analyze Ferrari's financial leverage and capital structure, and is one of the key indicators used to measure Ferrari's financial position. The following table sets forth a reconciliation of Net Cash/(Net Debt) at September 30, 2015, December 31, 2014, 2013 and 2012 using information derived from the consolidated statements of financial position included elsewhere in this prospectus.

	At September 30, 2015	At December 31, 2014	2013	2012
	(€ million)			
Cash and cash equivalents	190	134	114	100
Deposits in FCA Group cash management pools	1,216	942	684	457
Total Liquidity	**1,406**	**1,076**	**798**	**557**
Financial liabilities with FCA Group	(389)	(379)	(242)	(196)
Financial liabilities with third parties	(190)	(131)	(76)	(65)
Total Net Cash/(Net Debt)	**827**	**566**	**480**	**296**

Cash and cash equivalents

Cash and cash equivalents of €190 million at September 30, 2015 (€134 million at December 31, 2014, €114 million at December 31, 2013 and €100 million at December 31, 2012) consist primarily of bank current accounts. Cash and cash equivalents are denominated in various currencies and available to certain subsidiaries which operate in areas other than the United States and Europe. Cash held in such countries may be subject to transfer restrictions depending on the jurisdictions in which these subsidiaries operate. In particular, cash held in China is subject to certain repatriation restrictions (and may only be repatriated as dividends). Ferrari does not believe such transfer restrictions have an adverse impact on its ability to meet its liquidity requirements at the dates represented above. During the nine months ended September 30, 2015, Maserati fully settled the receivable, which at December 31, 2014 amounted to €147 million, deriving from the financing of inventory related to the establishment of the Maserati standalone business in China, resulting in an increase in cash and cash equivalents denominated in Chinese Yuan.

The following table sets forth an analysis of the currencies in which Ferrari's cash and cash equivalents were denominated at the dates presented:

	At September 30,	At December 31,		
	2015	2014	2013	2012
	(€ million)			
Chinese Yuan	123	74	66	52
Japanese Yen	37	27	30	34
Euro	14	10	12	9
U.S. Dollar	5	14	-	2
Other currencies	11	9	6	3
Total	**190**	**134**	**114**	**100**

Deposits in FCA Group cash management pools

Deposits in FCA group cash management pools relate to Ferrari's participation in a group-wide cash management system at FCA, where the operating cash management, main funding operations and liquidity investment of the Group are centrally coordinated by dedicated treasury companies with the objective of ensuring effective and efficient management of its funds. Ferrari accesses funds deposited in these accounts on a daily basis and has the contractual right to withdraw its funds on demand and terminate the cash management arrangements depending on FCA's ability to pay at the relevant time. The carrying value of deposits in FCA group cash management pools approximates fair value based on the short maturity of these investments. Of the total €1,216 million of deposits in FCA group cash management pools at September 30, 2015 (€942 million at December 31, 2014, €684 million at December 31, 2013 and €457 million at December 31, 2012), €1,182 million was denominated in Euro and €34 million in U.S. Dollars (at December 31, 2014, 2013 and 2012, €844 million, €647 million and €455 million was in denominated in Euro and €98 million, €37 million and €2 million in U.S. Dollars, respectively). These arrangements will be terminated upon the Separation.

Total liquidity (defined as cash and cash equivalents plus deposits in FCA group cash management pools) at September 30, 2015 was €1,406 million, of which 85.1 percent was denominated in Euro, 8.7 percent in Chinese Yuan, 2.8 percent in U.S. Dollars and 3.4 percent in other currencies. Total liquidity at December 31, 2014 was €1,076 million, of which 79.4 percent was denominated in Euro, 10.5 percent in U.S. Dollars, 6.9 percent in Chinese Yuan, and 3.2 percent in other currencies. Total liquidity at December 31, 2013 was €798 million, of which 82.6 percent was denominated in Euro, 8.3 percent in Chinese Yuan, 4.6 percent in U.S. Dollars and 4.5 percent in other currencies. Total liquidity at December 31, 2012 was €557 million, of which 83.3 percent was denominated in Euro, 9.3 percent in Chinese Yuan, 0.7 percent in U.S. Dollars and 6.7 percent in other currencies.

Financial liabilities with FCA group

Financial liabilities with FCA group at September 30, 2015 were €389 million (€379 million, €242 million and €196 million at December 31, 2014, 2013 and 2012, respectively) and primarily relate to a credit line held with Fiat Chrysler Finance North America, the purpose of which is to finance the activities of Ferrari's financial services portfolio in the Americas. The facility is denominated in U.S. Dollars and bore interest of 30 Day LIBOR plus a spread of 100 bps to May 31, 2015, 30 Day LIBOR plus a spread of 220 bps from June to August and 30 Day LIBOR plus a spread of 130 bps from September, 2015.

Financial liabilities with third parties

Financial liabilities with third parties at September 30, 2015 were €190 million (€131 million, €76 million and €65 million at December 31, 2014, 2013 and 2012 respectively). Financial liabilities with third parties relates to a number of arrangements mainly used to support the financial services operations. In particular, of the total financial liabilities with third parties at September 30, 2015, (i) €134 million related to a Ferrari Financial Services Inc.(€62 million at December 31, 2014 and nil at both December 31, 2013 and 2012), (ii) €30 million related to Ferrari Financial Services Japan KK (€34 million, €12 million and €9 million at December 31, 2014, 2013 and 2012 respectively), (iii) €17 million related to Ferrari S.p.A. (€19 million, €16 million and €19 million at December 31, 2014, 2013 and 2012, respectively), (iv) €9 million related to Ferrari Financial Services SpA (€15 million, €42 million and €28 million at December 31, 2014, 2013 and 2012, respectively) and (v) €6 million and €9 million at December 31, 2013 and 2012, respectively related to other entities.

The financial liabilities with third parties of Ferrari Financial Services Inc. relate to a U.S. Dollar denominated credit facility, which bears interest at a variable rate of LIBOR plus a spread. This facility was renewed in July 2015 and increased to $150 million, from $75 million, and is payable in January 2016.

The financial liabilities with third parties of Ferrari Financial Services Japan KK, relate to medium-term loans provided by various local banks, denominated in Japanese Yen with maturity dates up to November 2016.

Other borrowings have been provided by various other banks, and are primarily denominated in the functional currency of the entity receiving the financing.

Off balance sheet arrangements

For a description of off balance sheet arrangements, please see page 88 of the Form F-1 under "*Off Balance Sheet Arrangements*".

Contractual obligations

For a description of contractual obligations, please see page 89 of the Form F-1 under "*Contractual Obligations*".

Pension and other post-employment benefits

Ferrari provides post-employment benefits for certain of its active employees and retirees. Ferrari classifies these benefits on the basis of the type of benefit provided and in particular as defined contribution plans, defined benefit obligations and other provisions for employees. At December 31, 2014 the liability for such obligations amounted to €77 million (€65 million and €79 million at December 31, 2013 and 2012, respectively). See Note 21 to the Annual Consolidated Financial Statements.

Qualitative and quantitative information on financial risks

Due to the nature of its business, Ferrari is exposed to a variety of market risks, including foreign currency exchange rate risk and to a lesser extent, interest rate risk.

Ferrari's exposure to foreign currency exchange rate risk arises from the geographic distribution of its shipments, as it generally sell its models in the currencies of the various markets in which it operate, while its industrial activities are all based in Italy, and primarily denominated in Euro.

Ferrari's exposure to interest rate risk arises from the need to fund certain activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing

Ferrari’s net profit/(loss), thereby indirectly affecting the costs and returns of financing and investing transactions.

These risks could significantly affect Ferrari’s financial position and results of operations, and for this reason these risks are identified and monitored, in order to detect potential negative effects in advance and take the necessary actions to mitigate them, primarily through Ferrari’s operating and financing activities and if required, through the use of derivative financial instruments.

As part of the FCA group, Ferrari has applied the FCA group policy, which foresees the use of derivative financial instruments to hedge foreign currency exchange rate risk. In particular, Ferrari has used derivative financial instruments as cash flow hedges for the purpose of fixing the foreign currency exchange rate at which a predetermined proportion of forecasted transactions denominated in foreign currencies will be accounted for.

As a result of applying the FCA group policies with respect to foreign currency exchange exposure, Ferrari’s results of operations have not been fully exposed to fluctuations in foreign currency exchange rates.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have. The quantitative data reported in the following section does not have any predictive value, in particular the sensitivity analysis on finance market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Quantitative information on foreign currency exchange rate risk

Ferrari is exposed to risk resulting from changes in foreign currency exchange rates, which can affect its earnings and equity. In particular:

- Where a Group company incurs costs in a currency different from that of its revenues, any change in foreign currency exchange rates can affect the operating results of that company. In 2014, the total trade flows exposed to foreign currency exchange rate risk amounted to the equivalent of 44 percent of Ferrari’s turnover (45 percent and 50 percent in 2013 and 2012, respectively).

- The main foreign currency exchange rate to which Ferrari is exposed is the Euro/U.S. Dollar for sales in U.S. Dollar in the United States, Canada and Mexico, and other markets where the U.S. Dollar is the reference currency. In 2014, the value of commercial activity exposed to changes in the Euro/U.S. Dollar exchange rate accounted for about 63 percent (63 percent in 2013 and 61 percent in 2012) of the total currency risk from commercial activity. Other significant exposures included the foreign currency exchange rate between the Euro and the following currencies: Swiss Franc, Pound Sterling, Australian Dollar, Japanese Yen, Chinese Yuan and Hong Kong Dollar. None of these exposures, taken individually, exceeded 10 percent of Ferrari’s total foreign currency exchange rate exposure for commercial activity in 2014, with the exception of the Pound Sterling, which represented approximately 12 percent (13 percent in 2013 and 12 percent in 2012). It is Ferrari’s policy to use derivative financial instruments to hedge a certain percentage of the exposure, on average between 50 percent and 90 percent. Until 2014, some exposures were covered over a 24-month rolling period, and since 2015 such timeframe has been reduced to 12 months for all currencies. For firm commitments, the policy is to fully hedge the exposure.

- Several subsidiaries are located in countries that are outside the Eurozone, in particular the United States, the United Kingdom, Switzerland, China, Hong Kong, Japan, Australia and Singapore. As Ferrari’s reporting currency is the Euro, the income statements of those subsidiaries are converted into Euro using the average foreign currency exchange rate for the period and, even if revenues and margins are unchanged in local currency, changes in foreign currency exchange rates can impact the amount of revenues, costs and profit as restated in Euro.

- The amount of assets and liabilities of consolidated companies that report in a currency other than the Euro may vary from period to period as a result of changes in foreign currency exchange rates. The effects of these changes are recognized directly in equity as a component of other comprehensive income/(loss) under gains/(losses) from currency translation differences.

There have been no substantial changes in 2014 in the nature or structure of exposure to foreign currency exchange rate risk or in Ferrari's hedging policies.

The potential decrease in fair value of derivative financial instruments held by Ferrari at December 31, 2014 to hedge against foreign currency exchange rate risk (currency swaps/forwards), which would arise in the case of a hypothetical, immediate and adverse change of 10 percent in the exchange rates of the major foreign currencies with the Euro, would be approximately €178 million (€147 million at December 31, 2013 and €162 million at December 31, 2012). Receivables, payables and future trade flows for which hedges have been put in place were not included in the analysis. It is reasonable to assume that changes in foreign currency exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Quantitative information on interest rate risk

Ferrari's exposure to interest rate risk, though less significant, arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing Ferrari's net profit/(loss), thereby indirectly affecting the costs and returns of financing and investing transactions.

These financial market risks could significantly affect Ferrari's financial position and results of operations, and for this reason these risks are identified and monitored, in order to detect potential negative effects in advance and take the necessary actions to mitigate them, primarily through Ferrari's operating and financing activities and if required, through the use of derivative financial instruments. Ferrari did not enter into any interest rate derivatives in the periods covered by the Interim Condensed Consolidated Financial Statements and Annual Consolidated Financial Statements.

Ferrari's most significant floating rate financial assets are its deposits in FCA group cash management pools, cash and cash equivalents and certain receivables from financing activities (mainly financial receivables from FCA group companies, factoring receivables, dealer financing and some client financing receivables) while Ferrari's debt generally bears floating rates of interest. At December 31, 2014, a 10 basis point decrease in interest rates on such floating rate financial assets and debt, with all other variables held constant, would have resulted in a decrease in profit before taxes of €598 thousand on an annual basis (€481 thousand at December 31, 2013 and €340 thousand at December 31, 2012). The analysis is based on the assumption that floating rate financial assets and debt which expires during the projected 12 month period will be renewed or reinvested in similar instruments, bearing the hypothetical short-term interest rates.

Information on credit risk

Receivables from financing activities amounting to €1,224,446 thousand at December 31, 2014 (€862,764 thousand at December 31, 2013 and €803,205 thousand at December 31, 2012) are shown net of the allowance for doubtful accounts amounting to €14,201 thousand (€10,865 thousand at December 31, 2013 and €10,285 thousand at December 31, 2012). After considering the allowance for doubtful accounts, €12,032 thousand of receivables were overdue (€14,707 thousand at December 31, 2013 and €12,207 thousand at December 31, 2012). Therefore, overdue receivables represent a minor portion of Ferrari's receivables from financing activities.

In addition, of the total receivables from financing activities, €1,059,592 thousand (€799,872 thousand at December 31, 2013 and €773,908 thousand at December 31, 2012) relate to the financial services portfolio and such receivables are generally secured on the titles of cars or with other guarantees.

New standards, amendments and interpretations under IFRS

For a description of new standards, amendments and interpretations under IFRS, please see Note 2 to the Annual Consolidated Financial Statements.

8 BUSINESS

Overview

For an overview of Ferrari's business, please see page 93 up to and including 94 of the Form F-1 under "*Overview*".

Ferrari's history

For a description of Ferrari's history, please see page 94 up to and including 95 of the Form F-1 under "*Our History*".

Ferrari's competitive strengths

For a description of Ferrari's competitive strengths, please see page 95 up to and including 97 of the Form F-1 under "*Our Competitive Strengths*".

Ferrari's strategies

For a description of Ferrari's strategies, please see page 97 up to and including 98 of the Form F-1 under "*Our Strategies*".

Industry overview

For an overview of the industry, please see page 99 up to and including 102 of the Form F-1 under "*Industry Overview*".

Products; Sports and GT Cars

Our current product range consists of nine models, including seven range models and two special series, equipped with either eight or twelve cylinder engines and divided into two classes: Sports cars and GT cars. We target end clients seeking high performance cars with distinctive design and state of the art technology. Within these parameters, we offer different models to meet our clients' varying needs and to differentiate our line-up from that of other manufacturers', ranging from the exceptional performance of our Sports cars to the luxury and drivability of our GT cars. Our diversified product offering includes different architectures (such as front-engine and mid-rear engine), engine sizes (V8 and V12), body styles (such as coupes and spiders), and seating (2 seaters and 2+2 seaters).

Our sports cars are characterized by compact bodies, a design guided by performance and aerodynamics, and often benefit from technologies initially developed for our Formula 1 single-seaters. They favor performance over comfort, seeking to provide a driver with an immediate response and superior handling, leveraging state of the art vehicle dynamics components and controls. In our sports car class, we offer five range models: four of which are equipped with mid-rear V8 engines, namely the 458 Italia (with 570hp), the 488 GTB (with 670 hp) which, starting from the second half of 2015, is replacing the 458 Italia, the 458 Spider (with 570hp) and the 488 Spider (with 670 hp) which, starting from the fourth quarter of 2015, is replacing the 458 Spider; and one equipped with a front V12 engine with 740hp, the F12berlinetta, the most powerful range model we have ever built. Our GT cars, while maintaining the performance expected of a Ferrari, are characterized by more refined interiors with a higher focus on comfort and quality of life on-board. In our GT class, we offer one model equipped with our V8 engine with 560 hp, the California T, and one model equipped with our V12 engine with 660hp, the FF, our first all-wheel drive four seat car. We also from time to time design, engineer and produce special series cars which are based on our range models but introduce novel product concepts. These cars are characterized by significant hardware and software mechanical modifications designed to enhance performance and drivability. Our special series cars are particularly targeted to collectors and, from a commercial and product development standpoint, they facilitate the transition from existing to new range models. Our current special series models are the Ferrari 458 Speciale and the 458 Speciale Aperta (a limited edition special series coupe based on the 458 Speciale).

In addition to our range models and special series described above, we also continue the longstanding Ferrari tradition of limited edition supercars, very limited series (*fuoriserie*) and one-off cars. Our limited edition supercars, which we typically launch in seven to 10 year intervals, are the highest expression of Ferrari performance and are often the forerunners of technological innovations for the future range models, with innovative features and futuristic design. We launched our latest supercar, LaFerrari, in 2013 with a limited production run of 499 models. Our *fuoriserie* cars can be based on range or special series mechanical components, but are characterized by important exterior body modifications resulting in an innovative product by concept or design. These exclusive cars are linked to specific events or celebrations, such as the Sergio (named after longtime designer of Ferrari cars, Sergio Pininfarina) and the F60 America (celebrating our 60th anniversary of sales in the United States). Our one-off cars are designed to meet the varying needs of our most loyal and discerning clients. They reflect the exact design and specifications required by the clients, and are produced as a single, unique vehicle. For more information regarding limited edition supercars, fuoriserie and one-off cars, please see Chapter 8 "Business", section "Limited Edition Supercars, Fuoriserie and One-Offs".

The table below sets forth our unit shipments for the nine months ended September 30, 2015 and 2014 and for the years ended December 31, 2014, 2013 and 2012, by geographic market:

(Number of cars and % of total cars)	For the nine months ended September 30,				For the years ended December 31,					
	2015	**%**	**2014**	**%**	**2014**	**%**	**2013**	**%**	**2012**	**%**
EMEA										
UK	619	11.0%	516	9.8%	705	9.7%	686	9.8%	686	9.3%
Germany	398	7.1%	479	9.1%	616	8.5%	659	9.4%	755	10.2%
Switzerland	241	4.3%	271	5.1%	332	4.6%	350	5.0%	366	4.9%
Italy	212	3.7%	199	3.8%	243	3.3%	206	2.9%	318	4.3%
France	198	3.5%	192	3.6%	253	3.5%	273	3.9%	330	4.5%
Middle East(1)	282	5.0%	371	7.0%	521	7.2%	472	6.7%	423	5.7%
Rest of EMEA(2)	463	8.2%	466	8.8%	604	8.3%	663	9.5%	825	11.1%
Total EMEA	**2,413**	**42.8%**	**2,494**	**47.2%**	**3,274**	**45.1%**	**3,309**	**47.3%**	**3,703**	**50.0%**
Americas(3)	1,969	34.9%	1,722	32.6%	2,462	33.9%	2,382	34.0%	2,208	29.8%
Greater China(4)	418	7.4%	496	9.4%	675	9.3%	572	8.2%	789	10.7%
Rest of APAC(5)	843	14.9%	568	10.8%	844	11.7%	737	10.5%	705	9.5%
Total	**5,643**	**100.0%**	**5,280**	**100.0%**	**7,255**	**100.0%**	**7,000**	**100.0%**	**7,405**	**100.0%**

(1) Middle East includes the United Arab Emirates, Saudi Arabia, Bahrain, Lebanon, Qatar, Oman and Kuwait.
(2) Rest of EMEA includes Africa and the other European markets not separately identified.
(3) Americas includes the Unites States of America, Canada, Mexico, the Caribbean and Central and South America.
(4) Greater China includes China, Hong Kong and Taiwan.
(5) Rest of APAC mainly includes Japan, Australia, Singapore, Indonesia and South Korea.

The table below sets forth our unit shipments for the nine months ended September 30, 2015 and 2014 and for the years ended December 31, 2014, 2013 and 2012, with a breakdown of Sports and GT cars:

(Number of cars)	For the nine months ended September 30, 2015	2014	For the years ended December 31, 2014	2013	2012
Sports					
V8[1]	2,441	2,902	3,651	3,944	4,274
V12[2]	904	1,225	1,565	1,401	481
Total Sports	**3,345**	**4,127**	**5,216**	**5,345**	**4,755**
GT					
V8	2,048	854	1,645	1,219	1,589
V12	250	299	394	436	1,061
Total GT	**2,298**	**1,153**	**2,039**	**1,655**	**2,650**
TOTAL	**5,643**	**5,280**	**7,255**	**7,000**	**7,405**

(1) Includes 458 Speciale and 458 Speciale A for 2014 and 458 Speciale for 2013 and for 2012.
(2) Includes LaFerrari starting from the fourth quarter of 2013.

We are also actively engaged in after sales activities driven, among other things, by the objective of preserving and extending the market value of the cars we sell. We believe our cars' performance in terms of value preservation after a period of ownership significantly exceeds that of any other brand in the luxury car segment. High residual value is important to the primary market because clients, when purchasing our cars, take into account the expected resale value of the car in assessing the overall cost of ownership. Furthermore, a higher residual value potentially lowers the cost for the owner to switch to a new model thereby supporting client loyalty and promoting repeat purchases.

Range Models and Special Series

Our products include the range models and special series described below. Our range models currently include five Sports cars, 458 Italia, 488 GTB, 458 Spider, 488 Spider and F12berlinetta, and two GT cars, California T and FF. In March 2015, we launched the 488 GTB, which is replacing the 458 Italia and, in September 2015, we launched the 488 Spider, our latest sports car, which is replacing the 458 Spider. We have started shipping our first 488 GTB in the second half of 2015 and we expect to gradually replace our 458 models with successor 488 models in the next several years. We expect to begin shipping of our first 488 Spider models in November 2015.

We also offer special series cars based on our range models. These cars are characterized by significant hardware and software modifications (engine, aerodynamics, and dynamics among others), designed to enhance performance and drivability when compared to current range models. Our current special series models are 458 Speciale and 458 Speciale A.

All of our range and special series models feature highly customizable interior and exterior options such as forged rims, luxury leathers, seat style, panoramic roof, dashboard and steering wheel inserts. For more information regarding the personalization program and tailor made program, please see Chapter 8 "Business", section "Personalization Program and Tailor Made Program".

458 Italia

The 458 Italia is a two-seater sports car with a 570 hp mid-rear mounted V8 engine, launched in 2009. Its longitudinally-mounted engine is influenced by Ferrari's Formula 1 racing technology, and has been engineered to reach 9,000 rpm, a first on an eight cylinder road car. The 458 Italia is designed as a pure sports car, for drivers seeking spirited performance on and off the track. The cabin features a reinterpretation of Ferrari's traditional sports car interior themes, with clean and simple yet innovative components. The redesigned and intuitive ergonomics have resulted in a completely driver-oriented layout. Among other international awards, the 458 Italia claimed the International Engine of the Year Award in both the Best Performance Engine and Above 4.0 litre categories for both 2011 and 2012. We discontinued production of the 458 Italia, which is being replaced by the 488 GTB, in May 2015.

488 GTB

The 488 GTB is a two seater berlinetta with a 670 hp mid-rear mounted V8 engine and is replacing the 458 Italia. It was launched in March 2015, 40 years after we unveiled our first ever mid-rear-engined V8 model (the 308 GTB). Its large signature air intake scallop evokes the original 308 GTB and is divided into two sections by a splitter. Designed for track-level performance, the 488 GTB can also provide enjoyment to non-professional drivers for everyday use. Accelerating from 0-200 km/h in only 8.3 seconds, its new 3902 cc V8 turbo engine is at top of the class for power output, torque and response times. In the cabin, the seamless integration of the new satellite control clusters, angled air vents and instrument panel heightens the sense that the cockpit is completely tailored around the driver, leading to an extremely sporty yet comfortable ambiance.

458 Spider

Launched in 2011, the 458 Spider is a two seat coupe with a 570 hp mid-rear mounted V8 engine and is the world's first mid-rear-engine car with a retractable hard top. If offers the full experience of sports car driving, especially on mixed and challenging surfaces, but aims to cater to those who do not need to constantly push their car to the limit on the track. Unlike the 458 Italia, the engine air intakes have been moved to the rear spoiler, close to the gearbox, clutch and oil radiators. Like the 458 Italia and the 458 Speciale (see below), the Spider draws inspiration from Formula 1 single-seaters, and has been made 12 percent more aerodynamic than its convertible predecessors, such as the F430. Among its other awards, it was named 2012's "Best of the Best" convertible by the Robb Report (a prominent luxury periodical). We currently expect to stop producing the 458 Spider by the end of July 2015.

488 Spider

Our latest sports car, the 488 Spider, launched in September 2015, is a two seat coupe with a 670 hp mid-rear mounted V8 engine and is replacing the 458 Spider. Its retractable hard top, which saves approximately 25 kg on a soft top, unfolds and retracts in 14 seconds and can also be raised or lowered while the car is moving.

Designed around the retractable hard top concept, the 488 Spider combines the prowess of the 488 GTB coupe's mid-rear V8 with innovations in aerodynamics, including a new Ferrari-patented blown spoiler, which allows air to enter an intake at the base of the rear screen and exit via the bumper and reduces drag. The 488 Spider accelerates from 0 to 100 km/h in 3.0 seconds and from 0 to 200 km/h in 8.7 seconds and offers exceptional dynamic behavior, with close to no turbo lag and response time of just 0.8 seconds. Production of the 488 Spider started in September 2015 and shipments are expected to begin in November 2015.

458 Speciale

The 458 Speciale was launched in 2013 and features a 605 hp V8 engine. It is aimed at clients willing to trade some on board comfort for a more track focused car. With a Ferrari-patented special active aerodynamics designed by the Ferrari Design Centre and Pininfarina, it is currently our most aerodynamic road car. Building on the integration of Formula 1 technology, on-track handling is enhanced by Ferrari's Side Slip Angle Control (SSC) system, which employs an algorithm to analyze the car's side slip, compare it to the car's projected trajectory and work with the electronic differential to instantly change the torque distribution between the rear wheels. The Speciale is available as a two seat coupe. We currently expect to stop producing the 458 Speciale by October 2015.

458 Speciale A

The 458 Speciale A (equipped with a 605 hp V8 engine) debuted at the 2014 Paris Auto Show and features the most powerful naturally aspirated V8 engine ever produced for a Ferrari spider. It is the latest variant of the 458 models, and celebrates the remarkable success of this line. It adopts the innovative retractable hard top that has become a signature of Ferrari spiders and features significantly improved combustion, mechanical and volumetric efficiency. The 458 Speciale A was rated Top Gear's 2014 Convertible of the Year, and has collected an array of other international motoring awards and track victories. The 499 models produced come as a two seat coupe. We currently expect to stop producing the 458 Speciale A by November 2015.

F12berlinetta

Launched in 2012, the F12berlinetta is equipped with a 740 hp V12 engine. It is the most powerful high performance Ferrari sports car ever built. Built around evolved transaxle architecture with cutting-edge components and control systems, it sets a new standard in aerodynamics and handling. Though conceived as a performance automobile, the F12berlinetta is capable of both high speed and long-distance driving. In 2013 it won the International Engine of the Year Award in both the Best Performance category and Best Engine above 4.0 liters category.

California T

The California T, which followed the great success of our 2008 California model, is equipped with a 560 hp V8 turbo engine. Launched in 2014, it is the only GT car in the segment to combine a retractable hard top, rear seats and a ski passage to the spacious trunk. Its new turbocharged V8 engine comes with a variable boost management system. This makes it the only turbo engine in the world with close to no turbo lag. It also features a revised rear and interior design and a 15 percent reduction in fuel consumption compared to its predecessor.

FF

Launched in 2011, the FF, our first four-wheel drive model, is equipped with a 660 hp V12 engine. Among its main innovations, the FF features the patented lightweight 4RM system, which transmits torque to all four wheels, thus allowing a 50 percent saving in weight compared to a traditional four-wheel drive system and a lower center of gravity to be maintained. Part of our GT class, the FF features an elegant two door, four seat sporting layout, and the best cabin and luggage space and occupant comfort in its class.

Personalization Program and Tailor Made Program

All of our models feature highly customizable interior and exterior options, which together comprise our personalization catalogue. Some of these options include custom shop wheels, alternate brake caliper colors, parking cameras, magneride dual mode suspension, sport exhaust systems, different panoramic roof options, various door configurations, steering wheel inserts and state of the art custom high fidelity sound systems.

With our "Special Equipment" program, we offer clients additional customization choices for their car. Our specialists are able to guide clients in creating a very customized car through a wide catalog of special items such as different types of rare leathers, custom stitching, special paints, special carbon fiber, and personalized luggage sets designed to match the car's interior.

The "Atelier" and "Tailor Made" programs provide two additional levels of personalization in accordance with the expectations of our clients. Both programs benefit from the Maranello factory environment that inspires clients' special requests. In particular, in the "Tailor Made" program a dedicated Ferrari designer assists clients in selecting and applying virtually any specific design element chosen by the client. Our clients benefit from a large choice of finishes and accessories in an array of different materials (ranging from cashmere to denim), treatments and hues. To assist our clients' choice we also offer three collections inspired by Ferrari's own tradition: *Scuderia* (taking its lead from our sporting history), *Classica* (bringing a modern twist to the styling cues of our signature GT models) and *Inedita* (showcasing more experimental and innovation-led personalization).

Limited Edition Supercars,* Fuoriserie *and One-Offs

In line with our tradition of supercars starting with the 288GTO in 1984 through to the Enzo, which we launched in 2002, we also produce limited edition supercars. These are the highest expression of Ferrari performance at the time and are often the forerunners of technological innovations for future range models, with innovative features and futuristic design. Furthermore, in connection with certain events or celebrations, we also launch very limited edition cars (our *fuoriserie*). These models can be offered globally, or may be limited to specific local markets. Based on an exotic product concept not available on the standard Ferrari model range, these cars feature completely unique design and specifications compared to our other models.

LaFerrari

Launched in 2013, LaFerrari is the latest in our line of supercars. Planned for a total production run of just 499 cars, LaFerrari is our first car with hybrid technology. Alongside its powerful rear-wheel drive layout V12 engine (which generates 800 hp), the hybrid system comprises two electric motors and a special battery consisting of cells developed by the Scuderia Ferrari where the F138 KERS technology was pioneered. Because the battery generates an additional 163 hp, LaFerrari has a combined total of 963 hp. LaFerrari's HY-KERS system is designed to achieve seamless integration and rapid communication between the V12 and electric motor, thus blending extreme performance with maximum efficiency. Thanks to the hybrid technology, LaFerrari generates almost 50 percent more horsepower than the Enzo, its predecessor, and 220 hp more than the F12, our most powerful car to date.

F60 America

The F60 America, a V12 open air roadster, celebrates our 60 years in the United States and is available to U.S. clients only. It combines two of our American clients' great passions—the modified V12 engine and open-top driving. The exterior is finished in North American Racing Team livery, with special 60th anniversary prancing horse badges adorning the wheel arches. Inside, the F60America features bespoke cabin trim, with the driver's side finished in red and the passenger side in black—a nod to our historic competition cars. We have pre-sold ten F60s, with scheduled production and delivery between 2015 and 2016.

Sergio

The Sergio is a 605 hp V8 2-seater *barchetta* named after Sergio Pininfarina. The car celebrates the spirit and core values of the historic company on the 60th anniversary of its collaboration with Ferrari. The Sergio's performance and dynamics are designed for excellence even when pushed to the limits. Based on the 458 Spider, it retains the latter's technological content as well as all of the functional aspects of its cockpit. It is powered by the latest 605 hp model of Ferrari's naturally aspirated 4,497 cubic centimeter V8 engine, which has won multiple categories of the International Engine of the Year award from Engine Technology International magazine in three of the last four years. This power unit also guarantees a 0 to 100 km/h acceleration in just three seconds. We produced six Sergio cars, all of which have been sold and will be dispatched to our clients by the end of 2015.

One-Offs

Finally, in order to meet the varying needs of our most loyal and discerning clients, we also from time to time produce one-off models. While based on the chassis and equipped with engines of one of the current range models for registration purposes, these cars reflect the exact exterior and interior design and specifications required by the clients, and are produced as a single, unique car.

Non-Registered Racing Cars

Based on our Sports and GT cars, we also develop and manufacture special racing cars. These cars are not registered for use on the road and may only be used on track. Clients and private teams purchase these cars for the purpose of participating in our non-competitive and competitive client events, such as *Corse Clienti* (please see Chapter 8 "Business", section "Client Relations"), or competing in other GT racing competitions, such as the GT2, GT3 and Grand-Am.

In 2014, we produced a total of thirty-seven 458 Challenge cars, which are reserved for owners competing in our mono-brand Ferrari Challenge championship. In 2014, we also produced a total of sixteen 458 GT cars aimed at drivers participating in Grand Tourism competitions worldwide.

Since 2005, we have also operated our XX Program, a non-competitive "owner-test drivers" program organized at some of the best known race tracks in Europe, Asia and North America. Through the XX Program, we test advanced solutions and technological innovations by providing a select group of clients the opportunity to drive cars enhanced with superior power and performance characteristics. As part of this program, we have developed the FXX K, based on LaFerrari, shipments of which started in the second quarter of 2015.

Sales and after-sales

For information on sales and after-sales, please see page 111 up to and including 114 of the Form F-1 under “*Sales and After-Sales*”.

Client Relations

For information on client relations, please see page 114 up to and including 115 of the Form F-1 under “*Client Relations*”.

Formula 1 activities

For a description of Ferrari’s Formula 1 activities, please see page 115 up to and including 117 of the Form F-1 under “*Formula 1 Activities*”.

Brand activities

Ferrari is one of the world’s leading luxury brands. We engage in brand development and protection activities through licensing contracts with selected partners, retail activities through a chain of franchised or directly managed Ferrari stores, licensed theme park and the development of a line of products sold exclusively in our Ferrari stores and on our website www.store.ferrari.com.

Licensing and Theme Park

We enter into license agreements with a number of licensees for the design, development and production of Ferrari branded products.

We carefully select our licensees through a rigorous process and we contractually seek to ensure that our brand and intellectual property are protected and that the products which will eventually bear our brand are of adequate quality, appearance and market positioning.

The table below sets forth our current licensing mix.

Category	Principal Licensees
Accessories	○ Oakley (sunglasses) ○ Tod’s (shoes and leather goods)
Consumer electronics	Various
Sportswear	Puma
Theme Parks	○ Ferrari World, Abu Dhabi ○ Ferrariland, Port Aventura
Toys	○ Bburago (play-set) ○ Lego (Lego toys)
Video games	○ Electronic Arts ○ Microsoft ○ Sony Polyphony ○ Ubisoft
Watches	○ Hublot (co-branded high-luxury watches) ○ Movado (Scuderia Ferrari Watches)
Other (including models collectors, kid apparels and accessories, stationary and credit cards)	Various

A significant portion of our revenues from licensing activities consists of royalties we receive in connection with Ferrari World, our theme park in Abu Dhabi (12 percent of royalties generated by licensing activities). Ferrari World opened on Yas Island—on the North East side of Abu Dhabi’s mainland in 2010 and it is currently the only operating Ferrari theme park. Ferrari World’s iconic sleek red roof is directly inspired by the classic double curve side profile of the Ferrari GT body, spanning 200,000 square meters and carrying the largest Ferrari logo ever created. Ferrari World Abu Dhabi offers an all-around Ferrari experience to children and adults alike. The attractions include futuristic 4D rides such as the child-friendly Speed of Magic and the world's fastest roller-coaster which reaches speeds of 240 km/h and simulates the breathtaking adrenaline rush of a Ferrari single-seater. In the G-Force experience, visitors are launched 62 meters upwards and over the roof of the Park before being pulled back to earth.

In 2014 we reached an agreement with PortAventura Entertainment S.A.U. to open Ferrari's first European theme park at the PortAventura resort near Barcelona in Spain. PortAventura Entertainment S.A.U. has announced a planned investment of €100 million and the park is expected to open in 2016. In the long-term we aim to open one theme park in each of the main geographic areas where we operate, including North America and Asia.

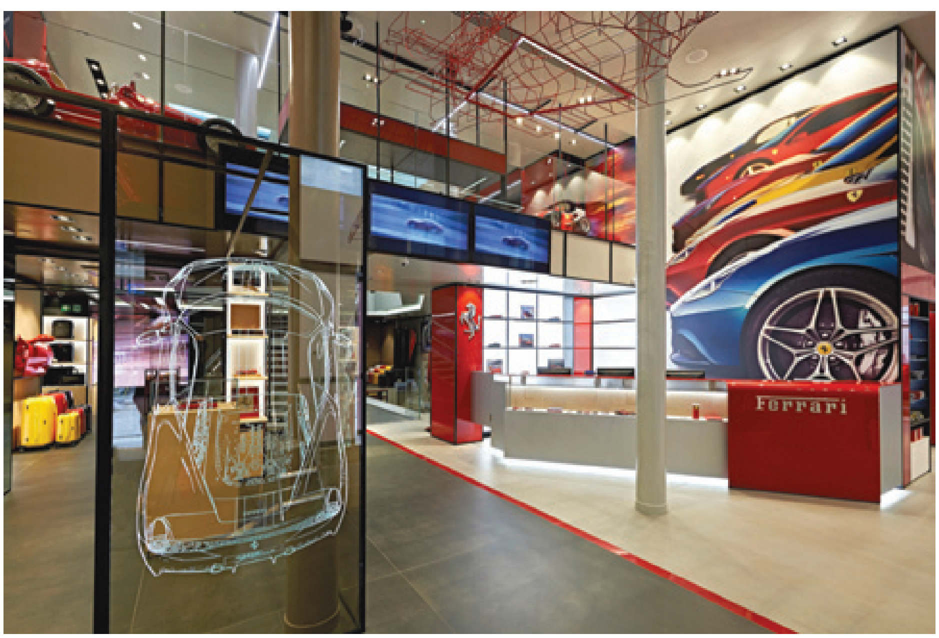
Retail and E-Commerce

Through our network of Ferrari stores (franchised or directly managed), we offer a wide range of Ferrari branded products, including a line of products exclusively sold in our Ferrari stores and on our website. All Ferrari branded product we sell in our stores and on our website are either manufactured by our licensees, or directly sourced from our selected network of suppliers.

At September 30, 2015, there were a total of 35 retail Ferrari stores, including those in Milan, St. Petersburg, Singapore, Macau, New York, Las Vegas, Honolulu and Miami (United States), Johannesburg (South Africa), Dubai and Abu Dhabi (UAE), including 23 franchised stores and 12 stores owned and operated by us.

We require all franchisees to operate Ferrari stores according to our standards. Stores are designed, decorated, furnished and stocked according to our directions and specifications.

We use multiple criteria to select our franchisees, including know-how, financial condition, sales network and market access. Generally, we require that applicants meet certain minimum working capital requirements and have the requisite business facilities and resources. We typically enter into a standard franchising agreement with our franchisees. Pursuant to this agreement, the franchisee is authorized to sell our products exclusively at a suggested retail price. In exchange, we provide them with our products, the benefit of our marketing platform and association with our corporate identity.



In recent years, our website has proved to be an increasingly valuable sales channel. With over 400,000 registered users in over 90 countries and translations in seven languages, in 2014 it recorded revenues of approximately €6.2 million.

Design, development and manufacturing

Design

The design of our cars is an essential and distinctive component of our products and our brand. Our designers, modellers and engineers work together to create car bodies that incorporate the most innovative aerodynamic solutions in the sleek and powerful lines typical of our cars. The interiors of our cars seek to balance functionality, aesthetics and comfort. Our cockpits are designed to maximize the driving experience, more sporty or more comfortable, depending on the model through an ergonomic layout of all main controls clustered on the steering wheel, and our cars' interiors boast elegant and sophisticated trims and details. A guiding principle of our design is that each new model represent a clear departure from prior models and introduce new and distinctive aesthetic elements.

For the design of our cars we have relied historically on our highly successful collaboration with the Italian car design firm Pininfarina. During over 60 years of collaboration with Pininfarina, our cars have been granted several renowned design awards, including: 458 Italia (Best in Show assigned by Autoweek magazine, 2009, Car of the Year and Supercar of the Year assigned by BBC Top Gear Magazine, 2009 and "Chi È" Cars of the Year 2010), California (Best Buy and Recommended Awards 2009 assigned by Chinese magazine Auto World Magazine and Oriental Award for Best Design, 2009), Enzo ("Best in Show" 2002—Paris Motor Show 2002).

In 2010 we established the Ferrari Design Centre, our in-house design department, in order to improve our control over the design process and ensure long-term continuity of the Ferrari style. All concepts and works from Ferrari Design Centre are marked with our logo "Ferrari Design" (please see page 127 up to and including 129 of the Form F-1 under "*Intellectual Property*"). Ferrari Design Centre handles all aspects of automotive styling for the Ferrari road cars product range, including the styling of all external bodywork and components, series production models for the GT and Sports car models, special editions, limited editions, one-off models and concept cars. Ferrari Design also includes a colour & trim team which handles the choice of materials and finishes for both exterior and interior trim and, in addition, is responsible for the Tailor Made program in conjunction with the product marketing department. Ferrari Design is also regularly involved with the styling and conceptual definition of Ferrari branded products produced by our licensees (please see Chapter 8 "Business", section "Brand Activities").

The department is organized as an integrated automotive design studio, employing a total workforce of approximately 70 people (both full-time workers and external contractors) including designers, 3D surfacing operators, physical modellers and graphic artists. It operates a modelling studio fully equipped with 5-axis milling machines with the capacity to develop various full-scale models (interior and exterior) in parallel.

Ferrari Design Centre entirely designed our most recent cars, such as the 488 GTB, the LaFerrari and the FXX K, while it designed other current range models, such as the F12berlinetta, in collaboration with Pininfarina. Although our collaboration with Pininfarina is still active with regard to certain special models and fuoriserie (please see Chapter 8 "Business", section "Limited Edition Supercars, Fuoriserie and One-Offs"), we expect that the design and development of most of our future models will be carried out primarily by our Ferrari Design Centre.

During the 5 years of activity of the Ferrari Design Centre, our cars have been granted several renowned design awards. Among the recent ones are the following:

- FXX K: Red Dot: "Best of the Best" award for top design quality and ground-breaking design (2015).

- F12berlinetta: “Compasso d’Oro 2014” (ADI); “Car of the Year 2014” (Robb Report); “Supercar of the Year 2013” (GQ); “Best Coupé 2013” (L’Automobile Magazine); “Design Award, 2012” (Auto Bild); “Goldenes Lenkrad 2012” (Auto Bild); “Supercar of the Year 2012” (Top Gear).
- LaFerrari: Red Dot design award for high design quality (2015); “Design Award” (AutoScout24 - 11th Internet Auto Awards); “Design of the Year 2014” (AutoDesign & Styling Awards); “Best Super Sportscar 2014” (Auto Zeitung); “2014 James May’s Car of the Year” (Top Gear); “Best Cars 2015—Coupé Category” (Motor Presse Iberia).
- California T: Red Dot design award for high design quality (2015); “The Most Beautiful Automobile Award 2014” (Car & Driver China); “Most Stylish Car 2014” (Schweizer Illustrierte).
- 458 Speciale: “Supercar of the Year 2013” (Top Gear—UK); “2014 Car of the Year” (Evo—UK); “James May’s Car of the Year 2013” (Top Gear—UK); “Supercar of the Year 2013” (Evo Middle East); “2014 Britain’s Best Driver’s Car” (Autocar—UK).
- 458 Speciale A: “Convertible of the Year 2014” (Top Gear UK).

Product Development

Our product development process is highly structured with the aim of allowing us to respond quickly to market demand and technological breakthroughs and to maintain our position at the top end of the market for car performance and luxury. Our technology team is comprised of approximately 580 engineers and technicians at December 31, 2014. All of our cars are designed and engineered in Italy, at our factories in Maranello and Modena (Carrozzeria Scaglietti).

Our product development includes innovation programs, components programs and car programs, with regular management reviews and detailed cycle milestones. Our components programs are intended to ensure technological innovation and support the development of future models rather than to create an “off the shelf” catalog of available components.

All our cars are designed and manufactured based on two highly modular architectures incorporating front and mid-rear engines respectively. This allows for flexible manufacturing at low volumes and easy adaptation to different models with limited additional investment. Our architectures utilize a number of common structures, reducing tooling investment for new model production. When developing a new platform, we focus on innovation, leveraging on our collaboration with the select research centers and universities, and flexibility, allowing us to respond efficiently to potentially varied market demand. The flexibility of our platforms enables us to introduce our highly innovative contents on a wide range of models while, at the same time, reducing the fixed costs connected to the use of multiple platforms.

Consistent with our mission to develop cutting edge sports and GT cars, our product development efforts continually focus on improving core components, such as the powertrain, car dynamics, and the use of materials such as special aluminium alloys and carbon fiber (please see Chapter 8 “Business”, section “Production Process”).

The expertise we acquired in these fields has recently guided our efforts to combine improved performance with reductions in CO2 emissions. In recent years, calls for CO2 emissions reductions have come from regulatory initiatives as well as market demand. LaFerrari is an example of such efforts, and we believe it shows our ability to apply our core mechanical know-how to new and expanding fields such as hybrid technology.

The design and development process for a new model currently takes approximately 40 months, depending on the modifications (approximately 33 months for M models), measured from the beginning of the development project to the start of production. We believe this fast development is made possible by our dedicated and concentrated development team as well as by the clarity and focus of the product marketing objectives. Our product marketing team is integrally involved in the entire development process, beginning with the initial product brief and, thereafter, through systematic interaction.

The cadence of production launches is designed to maintain our product portfolio's leading position in the industry segment and optimize the length of the model lifecycle relative to demand, while limiting research and development spend to maximize its productivity.

Generally, we plan for a four to five year life cycle for our range models. After four to five years, we typically launch a "modified" or "M" model based on the same platform but featuring significant aesthetic updates and technological improvements. This is, for example, the case of the California T, launched in 2014, which replaced and updated the earlier California, featuring new sheet-metal, new interior, a revised chassis and a new turbocharged powertrain. Typically, four years after the launch of the M-model, we start production of an entirely new model based on an completely new or overhauled platform. Therefore, the cumulative life cycle of each of our models is approximately eight to nine years, and typically we have launched one new model every year while keeping four or more range models in production at any time. The actual life cycles of our models vary depending on various factors including market response. Special series have different, typically shorter, lifecycles. We usually utilize additional platforms for production of our supercars, such as LaFerrari.

We also run specific programs for our most critical components, independently from the development of new car models. This is the case of our engines, which we manufacture according to cycle milestones not necessarily connected with the release of a new car model. Since 2011, we have also been producing the new F160 3.0-litre V6 Turbo engine exclusively for Maserati. In 2014, we produced approximately 31,000 F160 engines for Maserati. (please see Chapter 8 "Business", section "Production Process", under "Manufacturing of Engines for Maserati"). Many of our components, such as those relating to transmission, power steering, navigation systems and the instrument cluster, are co-designed by us and our suppliers based on our specifications.

Our research and development operations constantly focus on innovating our cars' concept and package, on powertrains design, car architecture and components development (please see Chapter 8 "Business", section "Research and Development").

Procurement

We source a variety of components (including transmissions, brakes, driving-safety systems, navigation systems, mechanical, electrical and electronic, plastic components as well as castings and tires), raw materials (aluminium, and precious metals including palladium and rhodium), supplies, utilities, logistics and other services from numerous suppliers.

Our focus on excellence, in terms of luxury and performance, require us to select suppliers and partners that are able to meet our high standards. For the sourcing of certain key components with highly technological specifications, we have developed strongly synergic relationships with some of our suppliers, which we consider "key strategic innovation partners." We currently rely on 14 key strategic innovation partners, including GETRAG and Brembo for the supply of transmissions and brakes respectively. We have also developed strong relationships with other industrial partners for bodyworks and chassis manufacturing and for powertrain and transmissions, among other things. Pursuant to our make-or-buy strategy, we generally retain production in-house whenever we have an interest in preserving or developing technological know-how or when we believe that outsourcing would impair the efficiency and flexibility of our production process. Therefore, we continue to invest in the skills and processes required for low-volume production of components that we believe improve product quality.

For the year ended December 31, 2014, the purchases from our five largest suppliers by value accounted for approximately 22 percent of total procurement costs, and no supplier accounted for more than 10 percent of our total procurement costs.

We recognize the contribution of our suppliers to our success through various initiatives, including Podio Ferrari, an annual event since 2001 devoted to Ferrari's suppliers who displayed particular excellence or innovative flair.

Production Process

Our production facilities are located in Maranello and in Modena, Italy (please see Chapter 8 "Business", section "Properties"). Our production processes include supply chain management, production and distribution logistics.

Notwithstanding the low volumes of cars produced, our production process requires a great variety of inputs—over 40,000 product identifier codes sourced from approximately 1,000 total suppliers—entailing a complex supply chain management to ensure continuity of production. Our stock of supplies is warehoused in Ubersetto, near Maranello, and its management is outsourced to the logistics company Kuehne & Nagel.

Most of the manufacturing process takes place in Maranello, including aluminium alloy casting in our foundry, engine construction, mechanical machining, painting, car assembly, and bench testing; at our second plant in Modena (Carrozzeria Scaglietti) we manufacture our cars' aluminium bodyworks and chassis. All parts and components not produced in house at Ferrari are sourced from our panel of suppliers (please see Chapter 8 "Business", section "Procurement").

In recent years we have made significant investments in our manufacturing facilities, and between 2002 and 2012 the plants housing our production processes were entirely renovated or rebuilt. We plan our investment activities based on an estimated plant useful life of approximately 20 years. Equipment, on the other hand, may require substantial investment with the introduction of new models, particularly in the case of shell tools for the foundry, tools for machining, feature tools for body welding and special mounting equipment for the assembly.

At December 31, 2014, our production processes employed over 1,250 engineers, technicians and other personnel (approximately 1,100 engineering and production employees and approximately 150 white collar employees). Furthermore, in 2014 we employed additional 239 temporary engineering and production employees for the manufacturing of engines for Maserati. We have a flexible production organization, which allows us to adjust production capacity to accommodate our expected production requirements. This is primarily due to the low volume of cars we produce per year and to our highly skilled and flexible employee base that can be deployed across various production areas. In addition, we can adjust our make-or-buy strategies to address fluctuations in the level of demand on our internal production resources. Our facilities can accommodate a meaningful increase in production compared to current output with the increase of weekend shifts or, to address special peaks in demand, temporary employees. Production could be increased even further with the introduction of a second shift on car assembly lines compared to the single shift currently operated. We constantly work to increase the utilization rate and reduce the internal scrap rate and we closely monitor an index of our production efficiency. In the past few years we have reduced our cycle time by approximately three percent per year. We are also committed to improve the reliability of our cars, reduce their defects, and optimize their finishing.

Unlike most low volume car producers, we operate our own foundry and machining department producing several of the main components of our engines, such as engine blocks, cylinders heads and crankshafts. We believe this accelerates product development and results in components that meet our specifications more closely.

Engine Production

Our engines are produced according to a vertical structure, from the casting of aluminium in our foundry up to the final assembly and testing of the engine. Several of the main components of our engines, such as blocks and cylinders heads are produced at our foundry in Maranello. For this purpose, we use a special aluminium alloy that includes seven percent silicon and a trace of iron, which improves mechanical integrity, and our own shell and sand casting molds. Once all components are ready, engines are assembled, on different lines for our V8 engines, V12 engines and for the V6 engines we manufacture for Maserati. The assembly process is a combination of automatic and manual operations. Since start of the assembly process, each engine is identified with a barcode and operations are recorded electronically. Every engine then goes to the test benches where its power and torque output are measured to ensure it delivers the expected performance. In 2014 we produced an average of 187 engines per day, including approximately nine V12, 47 V8 and 131 V6 for Maserati (please see Chapter 8 “Business”, section “Production Process”, under “Manufacturing of Engines for Maserati”).

Chassis and Body Assembly

In parallel with the assembly of our engines, we prepare our body-shells and chassis at our panel shop Carrozzeria Scaglietti in Modena. The main components of body-shells and chassis are not manufactured internally but are sourced from manufacturers such as Officine Meccaniche Rezzatesi for chassis and Fontana Group for bodies. At Carrozzeria Scaglietti we have two different production lines dedicated to the assembly of our V8 and V12 cars. We carefully check the alignment of the various parts—most importantly the engine cover and the wings—with electronic templates and gauges. Our highly trained specialists also perform surface controls to the aluminium panels and work any imperfections on it by either filing or panel beating.

Painting

Our paint shop was inaugurated in 2004 with what we believe to be state-of-the-art technology. When transferred to our paint shop, all body-shells are cleaned with automatic pressure blowers (to avoid the electrostatic effect) and carefully brushed with emu feathers (because of their natural anti-electrostatic properties) to clean off any dirt particles or impurities. The bodies are then mounted on a loading bay, immersed in the cataphoresis tanks and subsequently transferred to a fixing gas fired oven at 140 degrees. Primers are then applied and fixed at 190 degrees until the completely grey body-shell is ready for painting. Painting is automated for the larger surfaces, while it is done by hand for some other localized areas. The whole car is painted at the same time to ensure color harmony. The bodies are finally polished with lacquer to fix the paint and give the bodies their final finish.

Assembly Line and Final Checks

The final assembly of our cars takes place in our new body-shop built in 2008. Assembly of our eight and 12 cylinder cars are carried out separately. For each model, the initial assembly operations take place simultaneously on different lines and sections to maximize efficiency.

Personalization and Road Tests

The final stage of our car production is the fitting of all bespoke interiors, components and special equipment options that our clients choose as part of our personalization program (please see Chapter 8 “Business”, section “Range Models and Special Series” and section “Personalization Program and Tailor Made program”). After the personalization phase, every car completes a 40-kilometer road test-drive.

Finishing and Cleaning

After the road test all cars go to the finishing department. There, we thoroughly clean interior and exterior, check the whole car, polish and finish the bodies to give them their final appearance.

Manufacturing of Engines for Maserati

We have been producing engines for Maserati since 2003. The V8 engines that we historically produced and continue to produce for Maserati are variants of Ferrari families of engines and are mounted on Maserati’s highest performing models, such as the Quattroporte (turbo engines), the Granturismo and the Grancabrio (aspirated engines). All of the V8 engines that we sell to Maserati are manufactured and assembled according to the same production processes we adopt for the V8s equipped on our cars (please see Chapter 8 "Business", section "Production Process"). In 2014, we sold approximately 800 V8 turbo engines and approximately 4,300 V8 aspirated engines to Maserati.

In 2011 we began producing a family of engines exclusively for Maserati, namely the F160 3.0-litre V6 Turbo engines, in much larger production volumes. Our arrangement with Maserati is currently governed by a framework agreement entered into in December 2014. Pursuant to this agreement, the initial production run of up to 160,000 engines in aggregate through 2020 is expected to increase to up to 275,000 engines in aggregate through 2023 to cater to Maserati's planned expanded model range and sales. Volumes and pricing are adjusted from time to time to reflect Maserati's changing requirements. Under the framework agreement, Maserati is required to compensate us for certain costs we may incur, such as penalties from our suppliers, if there is a shortfall in the annual volume of engines actually purchased by Maserati in that year. In 2014, we sold approximately 31,000 V6 engines to Maserati in three different versions, ranging from 330 hp to 410 hp.

In order to meet the V6 volumes and specifications requirements, we built a dedicated assembly facility at Maranello with a much higher level of industrialization compared to production of our V12 and V8 engines. Due to the larger volumes and product specifications, our make-or-buy strategy for the production of V6 F160 engines also differs from the one applicable to Ferrari engines. The vast majority of the engine components are sourced externally from our panel of suppliers (please see Chapter 8 "Business", section "Procurement") and then assembled in Maranello on our highly automatized V6 assembly line.

From the sale of engines to Maserati, we recorded net revenues of €251 million in 2014 and €137 million in the nine months ended September 30, 2015.

Financial services

For information on financial services, please see page 124 up to and including 125 of the Form F-1 under "*Financial Services*".

Research and development

We engage in research and development activities aimed at improving the design, performance, safety, efficiency and reliability of our cars.

Our research and development center is in Maranello and, at December 31, 2014, included approximately 300 employees who are part of our broader technology team. Our personnel support product development efforts and have expertise in a number of disciplines, including mechanical, electrical, materials, computer science and chemical engineering.

For the nine months ended September 30, 2015, we capitalized development costs of €108 million (€101 million for the nine months ended September 30, 2014). We capitalized development costs of €145 million in 2014, €93 million in 2013 and €84 million in 2012.

Research and development costs expensed during each period mainly include the research and development incurred for the Formula 1 racing activities to support the development of the sports and GT car models and prototypes, which are expensed as incurred. The following table summarizes our research and development expenditures in the years ended December 31, 2014, 2013 and 2012 and for the nine months ended September 30, 2015 and 2014:

	For the nine months ended September 30,		For the years ended December 31,		
	2015	2014	2014	2013	2012
	(€ thousand)				
Amortization of capitalized development costs	86,526	92,925	125,497	120,444	97,949
Research and development costs expensed during the period	334,401	298,679	415,336	358,850	333,507
Total research and development costs	**420,927**	**391,604**	**540,833**	**479,294**	**431,456**

We transfer technologies developed by our racing team to our Sports and GT models across all core vehicle development areas, such as aerodynamics, powertrain, and car dynamics. To that end, we also transfer research and development personnel between the Formula 1 team and the sports and GT cars team, and the two teams regularly join forces for ad-hoc projects in areas such as combustion engine, new materials or computational fluid dynamics for aerodynamic performance.

Vehicle Concept

Achieving the most efficient combination of lightweight materials and optimal weight distribution gives our cars their superior longitudinal and lateral driving dynamics. We employ a range of technologies to reduce car weight. For our range models we are currently developing an aluminium lightweight chassis and body, which is lighter than a carbon fiber chassis. For LaFerrari we are currently using state of the art carbon fiber technologies, which we developed in conjunction with our Formula 1 research and development team. We are currently developing a new architecture, aimed at further reducing car weight and increasing performance, and thus improving stiffness and reducing noise, vibration and harshness (NVH), among other things.

Powertrain

The powertrain is a core area of our research and development. As with other research and development areas, powertrain research benefits from a constant exchange between the Formula 1 team and designers of our Sports and GT cars.

Engines

Our V12 engines' output ranges from 660 hp (in the FF), to 740 hp (in the F12), and up to 800 hp (in the LaFerrari). This range highlights our versatility in developing V12 aspirated engines, as there are no other carmakers which currently boast such specific high power ratios. With the new California T and the 488 GTB, we transitioned from aspirated V8 engines to turbo charged engines. This allowed us to increase specific engine power more than 20 percent, while reducing emissions by up to eight percent. All Ferrari turbo engines are designed to have the same throttle response delivered by a naturally aspirated car. To achieve this goal we are investing in cutting edge turbo charging technologies (such as aluminium-titanium-alloys and ball bearings), with our strategic partner IHI.

To further improve efficiency with respect to emissions and performance we continuously improve on our engines, researching new materials with higher specifications for friction, thermal and mechanical stress. We are also investing in technologies that improve the combustion process, with research focusing on high pressure injection and tumble flaps.

Transmissions

Our 7-shift double clutch gearbox is a core element of Ferrari powertrains. The architecture of the gearbox, combined with the shifting technologies developed by Ferrari, allow for one of the fastest and most performance orientated shifts on the market. The 488 GTB demonstrates the potential of this gearbox, reaching the 4th gear limiter in full acceleration in six seconds.

Vehicle dynamics

Suspension, braking systems and tires are key elements of vehicle dynamics. Our vehicle suspensions allow for a very rigid and direct force transmission which increases the response of the car, and we combine those with magnetorheological ride dampers. We continuously collaborate with our strategic partners in our effort to increase damper dynamics.

All Ferraris are equipped with carbon ceramic brakes, renowned for superior breaking performance. With the 458 Speciale we introduced a new generation of carbon ceramic brakes with even higher breaking performance and reduced weight. We plan on equipping future vehicles with these brakes.

Aerodynamics

We are constantly seeking to improve the aerodynamics of our models, working specifically on drag resistance and downforce. The new 488 GTB has an aerodynamic efficiency of 1.67 due to its specially designed front and its rear spoiler. We also use passive and active spoiler systems. Thanks to our collaboration with the racing team, who assist with calculations and testing, we believe we are able to develop innovative solutions in shorter timeframes.

Hybrid technology

With LaFerrari we developed not only a supercar with cutting edge engine performance and driving dynamics, but also a highly sophisticated hybrid car. In conjunction with our partner Magneti Marelli, we developed a compact electric power unit (120KW) and DC/DC charger. The battery (120KW/2,3KWH) was developed in conjunction with our Formula 1 team, who has extensive know-how in high performance powertrains.

The LaFerrari project greatly expanded our knowledge of powertrain electrification (and its implications on performance and efficiency). We actively work to improve performance and efficiency of electric powertrains and to extend the range of electric components in our cars (e.g. electric power steering).

Intellectual property

For information on intellectual property, please see page 127 up to and including 129 of the Form F-1 under "*Intellectual Property*".

Properties

Our principal manufacturing facility is located in Maranello (Modena), Italy. It has an aggregate covered area of approximately 630 thousand square meters. Our Maranello plant hosts our corporate offices and most of the facilities we operate for the design, development and production of our Sports and GT cars, as well as of our Formula 1 single-seaters (please see Chapter 8 "Business", section "Production Process"). Except for some leased technical equipment, we own all of our facilities and equipment in Maranello.

Between 2003 and 2008 most of the buildings in Maranello, including the paint shop building and the production building, were either rebuilt or renovated. In 2015 we have completed construction of the new building entirely dedicated to our Formula 1 team and racing activities.

Adjacent to the plant is our approximately 3,000 meter Fiorano track, built in 1972 and remodeled in 1996. The track also houses the Formula 1 logistics offices. Additional facilities in Maranello include a product development center, a hospitality area and the Ferrari museum.

We also own the Mugello racing circuit in Scarperia, near Florence, which we rent to racing events organizers (please see page 115 up to and including 117 of the Form F-1 "*Formula 1 Activities*", under "*The Mugello Circuit*").

We own a second plant in Modena, named Carrozzeria Scaglietti. At this approximately 26 thousand square meter plant we manufacture aluminium bodyworks and chassis for our regular range, special series and prototype cars.

The total carrying value of our property, plant and equipment at September 30, 2015 was €597 million.

Principal investments

Capital expenditures are defined as cash outflows that result in additions to property, plant and equipment and intangible assets. Capital expenditures for the nine months ended September 30, 2015 were

€234 million (€207 million for the nine months ended September 30, 2014) and €330 million for the year ended December 31, 2014 (€271 million and €258 million for the years ended December 31, 2013 and 2012, respectively).

The following table sets a forth a breakdown of capital expenditures by category for each of the nine months ended September 30, 2015 and 2014, and for each of the years ended December 31, 2014, 2013 and 2012:

	For the nine months ended September 30,		For the years ended December 31,		
	2015	2014	2014	2013	2012
	(€ million)				
Intangible assets					
Externally acquired and internally generated development costs	108	101	145	93	84
Patents, concessions and licenses	4	7	13	13	8
Other intangible assets	3	3	3	3	5
Total intangible assets	**115**	**111**	**161**	**109**	**97**
Property, plant and equipment					
Land	-	-	-	-	2
Industrial buildings	13	1	4	10	10
Plant, machinery and equipment	66	52	77	129	89
Other assets	9	7	12	12	8
Advances and assets under construction	31	36	76	11	52
Total property, plant and equipment	**119**	**96**	**169**	**162**	**161**
Total capital expenditures	**234**	**207**	**330**	**271**	**258**

Intangible assets

Our total capital expenditures in intangible assets was €115 million and €111 million for the nine months ended September 30, 2015 and 2014, respectively, the most significant component of which relates to externally acquired and internally generated development costs. In particular, we make such investments to support the development of our current and future product offering. The capitalized development costs primarily include materials costs and personnel expenses relating to engineering, design and development focused on content enhancement of existing cars and new models. We constantly invest in product development to ensure we can quickly and efficiently respond to market demand and/or technological breakthroughs and in order to maintain our position at the top of the performance and luxury sports car market.

For the nine months ended September 30, 2015, we invested €108 million in externally acquired and internally generated development costs, of which €59 million related to development of models to be launched in future years, €32 million related to development of the 488 GTB and 488 Spider, new models which were presented in 2015, €11 million related to components and €6 million related to investments to develop other existing models in our product line.

For the nine months ended September 30, 2014, we invested €101 million in externally acquired and internally generated development costs, of which €48 million related to the development of the 488 GTB, €24 million related to development of models to be launched in future years, €11 million related to development of the California T, €7 million related to the LaFerrari, €6 million related to investments to develop other existing models in our product line and €5 million related to components.

For the year ended December 31, 2014, we invested €145 million in externally acquired and internally generated development costs, of which €60 million related to the development of the 488 GTB, €60 million related to investments to develop existing models, including the FF, the California T and the LaFerrari and

€15 million related to components. Furthermore, during the year ended December 31, 2014, we invested an additional €10 million related to the development phase for a new car not yet scheduled to launch.

For the year ended December 31, 2013, we invested €93 million in externally acquired and internally generated development costs of which €24 million related to the development the LaFerrari, €51 million related to investments to develop existing models in our product line up and in particular, the California T and the 458 VS. Furthermore, we invested €18 million in the development of the new 488 GTB street car.

For the year ended December 31, 2012, we invested €84 million in externally acquired and internally generated development costs of which €32 million related to LaFerrari, €28 million related to the California T and €15 million related to the F12berlinetta.

Investment in other intangible assets mainly relates to costs recognized for the registration of trademarks, patents, concessions and licenses.

Property, plant and equipment

Our total capital expenditure in property, plant and equipment was €119 million and €96 million for the nine months ended September 30, 2015 and 2014, respectively.

Our most significant investments generally relate to plant, machinery and equipment, which amounted to €66 million for the nine months ended September 30, 2015 (€52 million for the nine months ended September 30, 2014) and to a lesser extent advances and assets under construction, which amounted to €31 million for the nine months ended September 30, 2015 (€36 million for the nine months ended September 30, 2014). In particular, our most significant investments include engine assembly lines and plant and machinery used for engine testing to ensure engines deliver the expected performance prior to installation in the car, referred to as the test bench.

For the nine months ended September 30, 2015, investments in plant and machinery of €66 million were composed of €25 million related to the 488 GTB, €7 million related to the F12tdf, a new limited edition car announced in October 2015, €6 million related to engine assembly lines, €4 million of plant related to our personalization program and €3 million related to the California T. The residual amount of capital expenditure in plant, machinery and equipment was largely related to the purchase of industrial tools needed for production of cars.

For the nine months ended September 30, 2014, investments in plant and machinery of €52 million were composed of €10 million related to the California T, €6 million related to the LaFerrari, €8 million related to engine assembly lines and €3 million related to the 488 GTB. The residual amount of capital expenditure in plant, machinery and equipment was largely related to the purchase of industrial tools needed for production of cars.

For the year ended December 31, 2014, investments in plant, machinery and equipment of €77 million, were composed of €44 million related to the investments in engine assembly lines, €10 million to test bench equipment and machinery and €3 million related to upgrade works performed on the wind tunnel. The residual amount of capital expenditure in plant, machinery and equipment was largely related to the purchase of industrial tools needed for production of cars.

For the year ended December 31, 2013, investments in plant, machinery and equipment of €129 million, were composed of €91 million related to the construction of new assembly line for the V12 hybrid engine for use in the LaFerrari which entered into production in 2013, €9 million for test bench equipment and machinery and €4 million related to upgrade and improvement works performed on our wind tunnel. The residual amount of capital expenditure in plant, machinery and equipment was largely related to the purchase of industrial tools needed for production of cars.

For the year ended December 31, 2012, investments in plant, machinery and equipment of €89 million, were composed of €47 million related to investments in engine assembly lines, €12 million for equipment and machinery, and €5 million related to wind tunnel upgrade and improvement. The residual amount of capital expenditure in plant, machinery and equipment was largely related to the purchase of industrial tools needed for production of cars. For the year ended December 31, 2012, capital expenditures related to engine assembly lines include investments made in the V6 engine assembly line, the products of which are sold to Maserati.

Advances and assets under construction for the nine months ended September 30, 2015 amounted to €31 million and €36 million for the nine months ended September 30, 2014.

In particular for the nine months ended September 30, 2015, and for the nine months ended September 30, 2014, advances and assets under construction primarily related to investments in car production lines.

Employees

For information on employees, please see page 129 up to and including 130 of the Form F-1 under "Employees".

Regulatory matters

For a description of regulatory matters, please see page 130 up to and including 133 of the Form F-1 under "*Regulatory Matters*".

9 BOARD OF DIRECTORS AND SENIOR MANAGEMENT

This Chapter summarizes certain information concerning the Board of Directors and Ferrari's Senior Management. Among other things, it summarizes, but does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the Articles of Association, the Board Regulations) as they read at the date of this Prospectus, in conjunction with the relevant provisions under Dutch corporate law.

Board structure

The Board of Directors is a one tier board and consists of three or more members, comprising both members having responsibility for the day-to-day management of Ferrari (executive directors) and members not having such day-to-day responsibility (non-executive directors). The executive directors are responsible for the day-to-day management of Ferrari's operations, as well as the operations of the Group, subject to the supervision of the non-executive directors. The majority of the members of the Board of Directors shall consist of non-executive directors.

Board of Directors

Powers, responsibilities and function

The tasks of the executive and non-executive directors in a one-tier board such as the Board of Directors may be allocated under or pursuant to the Articles of Association, provided that the General Meeting has stipulated whether such director is appointed as executive or as non-executive director and furthermore provided that the task to supervise the performance by the directors of their duties can only be performed by the non-executive directors. In addition, an executive director may not be appointed chairman of the Board of Directors or delegated the task of establishing the remuneration of executive directors or nominating members of the Board of Directors for appointment. Tasks that are not allocated fall within the power of the Board of Directors as a whole. Regardless of an allocation of tasks, all members of the Board of Directors remain collectively responsible for the proper management and strategy of Ferrari (including supervision thereof in case of non-executive directors).

The Board of Directors may perform all acts necessary or useful for achieving Ferrari's objectives, with the exception of those acts that are prohibited by law or by the Articles of Association. In performing its duties, the Board of Directors is required to be guided by the interests of Ferrari and the Group, taking into consideration the interests of Ferrari's stakeholders (which includes but is not limited to the Shareholders) as well as the corporate social responsibility issues that are relevant to the business. The Board of Directors must submit certain important decisions to the General Meeting for approval, as more fully described below. The lack of such approval, however, does not affect the authority of the Board of Directors or its members to represent Ferrari.

The general authority to represent Ferrari shall be vested in the Board of Directors and the chief executive officer of Ferrari (the **Chief Executive Officer**). The Board of Directors or the Chief Executive Officer may also confer authority to represent Ferrari, jointly or severally, to one or more individuals (*procuratiehouders*) who would thereby be granted powers of representation with respect to such acts or categories of acts as the Board of Directors or the Chief Executive Officer may determine and shall notify to the Dutch trade register. Such authority may be revoked provided that any authority conferred by the Board of Directors may be revoked only by the Board of Directors. Furthermore, the Articles of Association provide that the Board of Directors may determine that one or more members of the Board of Directors can lawfully adopt resolutions concerning matters belonging to his or their duties within the meaning of section 2:129a paragraph 3 of the DCC. Any member of the Board of Directors that adopts any resolutions within the meaning of this provision will have to inform the other members of the Board of Directors thereof within a reasonable time.

Board Regulations

Pursuant to the Articles of Association, the Board of Directors has established regulations to deal with matters that concern the board of directors internally (the **Board Regulations**). The Board Regulations include an allocation of tasks amongst the executive directors and non-executive directors and may provide for general or specific delegation of powers.

Composition, appointment and removal

The Articles of Association provide that the number of members in the Board of Directors is determined by the Board of Directors, provided that the Board of Directors shall consist of at least three members. The Board of Directors may appoint one of the non-executive directors as chairman. As of the date of this Prospectus, the Board of Directors consists of two executive directors and six non-executive directors.

The Shareholders appoint the members of the Board of Directors by a simple majority of the votes validly cast at a General Meeting. The General Meeting determines whether a member of the Board of Directors is an executive director or a non-executive director. The term of office of all members of the Board of Directors will be for a period of approximately one year after appointment, such period expiring on the day the first General Meeting is held in the calendar year that the term of the appointment expires (or such shorter period as included in the resolutions of the General Meeting appointing the relevant director). Each member of the Board of Directors may be reappointed at any subsequent General Meeting, for an unlimited number of terms. The General Meeting may at any time suspend or dismiss a member of the Board of Directors. In addition, the Board of Directors may at any time suspend an executive director.

Board meetings and decisions

Pursuant to the Articles of Association, the Board of Directors can adopt resolutions by the favourable vote of the majority of the members of the Board of Directors present or represented at the meeting, provided that the Board Regulations may contain specific provisions in this respect. Each member of the Board of Directors shall have one (1) vote. Resolutions can also be adopted without holding a meeting if all members of the Board of Directors shall have expressed their opinions in writing, unless one or more members of the Board of Directors object in writing to the resolution being adopted in this way prior to the adoption of the resolution.

Pursuant to Dutch law and the Articles of Association, the Board of Directors must obtain the approval of the General Meeting for resolutions concerning an important change in the identity or character of Ferrari. This includes in any event: (i) the transfer to a third party of the business of Ferrari or practically the entire business of Ferrari; (ii) the entry into or breaking off of any long-term cooperation of Ferrari or a subsidiary with another legal entity or company or as a fully liable partner of a general partnership or limited partnership, where such entry or breaking off is of far reaching importance to Ferrari; and (iii) the acquisition or disposal by Ferrari or a subsidiary of an interest in the share capital of a company with a value of at least one/third of the amount of Ferrari’s assets according to the consolidated balance sheet with explanatory notes included in the last adopted annual accounts of Ferrari.

Conflict of interest

Dutch law and the Articles of Association provide that a member of the Board of Directors of a Dutch public limited liability company, such as Ferrari, shall not participate in deliberations and the decision-making process in the event of a direct or indirect personal conflict of interest between that member of the Board of Directors and Ferrari and the enterprise connected with it. If there is such personal conflict of interest in respect of all members of the Board of Directors, the preceding sentence does not apply and the Board of Directors shall maintain its authority, subject to the approval of the General Meeting.

Pursuant to the Board Regulations, each member of the Board of Directors is required to promptly report any conflict of interest to the chairman (or the senior non-executive director or another director in case of the chairman) and shall provide all relevant information concerning such conflict of interest. In addition, the Board Regulations provide that the Board of Directors as a whole may determine that there is such a strong appearance of a conflict of interest of a member of the Board of Directors in relation to a specific matter, that it would be inappropriate for such member of the Board of Directors to participate in discussions and the decision making process with respect to such matter.

Members of the Board of Directors

At the date of this Prospectus, the Board of Directors is composed of the following eight members:

Name	Year of birth	Position	Member as of	Scheduled for re-election
Sergio Marchionne	1952	Chairman (executive director)	January 2, 2016	April 2016
Amedeo Felisa	1946	Chief Executive Officer (executive director)	January 2, 2016	April 2016
Piero Ferrari	1945	Vice-Chairman (non-executive director)	January 2, 2016	April 2016
Louis C. Camilleri	1955	Chair / Senior Non-Executive Director	January 2, 2016	April 2016
Eddy Cue	1964	Non-executive director	January 2, 2016	April 2016
Giuseppina Capaldo	1969	Non-executive director	January 2, 2016	April 2016
Sergio Duca	1947	Non-executive director	January 2, 2016	April 2016
Elena Emilia Teresa Zambon	1964	Non-executive director	January 2, 2016	April 2016

Ferrari's registered address (Via Abetone Inferiore n. 4, I-41053 Maranello (MO), Italy), serves as the business address for all members of the Board of Directors.

Sergio Marchionne

Mr. Marchionne has been the Chairman of Ferrari S.p.A. since October 2014. Mr. Marchionne currently serves as Chief Executive Officer of FCA and Chairman, Chief Executive Officer and Chief Operating Officer of FCA U.S. Mr. Marchionne leads FCA's Group Executive Council and has been Chief Operating Officer of its NAFTA region since September 2011. He also serves as Executive Chairman of CNH Industrial N.V. ("CNHI"). He was the chairman of Fiat Industrial and CNH Global N.V. until the integration of these companies into CNHI in 2013.

Prior to joining FCA, Mr. Marchionne served as Chief Executive Officer of SGS SA, Chief Executive Officer of the Lonza Group Ltd. and Chief Executive Officer of Alusuisse Lonza (Algroup). He also served as Vice President of Legal and Corporate Development and Chief Financial Officer of the Lawson Group after serving as Vice President of Finance and Chief Financial Officer of Acklands Ltd. and Executive Vice President of Glenex Industries.

Mr. Marchionne holds a Bachelor of Laws from Osgoode Hall Law School at York University in Toronto, Canada and a Master of Business Administration from the University of Windsor, Canada. Mr. Marchionne also holds a Bachelor of Arts with a major in Philosophy and minor in Economics from the University of Toronto.

Mr. Marchionne serves on the Board of Directors of Philip Morris International Inc. and as Executive Chairman of SGS SA headquartered in Geneva. Additionally, Mr. Marchionne is a director of Exor.

Mr. Marchionne is a member of the Board of Directors of ACEA (European Automobile Manufacturers Association). He previously served as appointed non-executive Vice Chairman and Senior Independent Director of UBS AG.

Amedeo Felisa

Mr. Felisa, who joined the Ferrari group in 1990, has been the CEO of Ferrari S.p.A. since 2008. From 2006 to 2008 he served as general manager and deputy general manager. From 1996 to 2004 he was the general manager of the GT department, coordinating the product development, powertrains and vehicle departments of both Ferrari and Maserati with respect to the market positioning of the two brands. In the 1990s, as a technical senior vice president, Mr. Felisa oversaw the planning, coordination and management of the entire technical department, including defining new business model plans, supervising the development of both innovation and products and managing the product development teams, including ensuring employee growth. Prior to joining Ferrari, he was a product development team leader at Alfa Romeo S.p.A. Mr. Felisa holds a degree in mechanic engineering from the Milan Politecnico.

Piero Ferrari

Mr. Piero Ferrari has been Vice Chairman of Ferrari S.p.A. since 1988. He also serves as Chairman of HPE-COXA, is a board member and Vice President of CRN Ancona (Ferretti Group) and Board Member of Modena University. He was President of Piaggio Aero Industries S.p.A. from 1998 to 2014 and served as Chairman of the Italian Motor Sport Commission (CSAI) from 1998 to 2001 and BA SERVICE from 2000 to 2015. He was also a board member and Vice President of Banca Popolare dell'Emilia Romagna in Modena from 2002 to 2011 and from 2001 to 2014 respectively. The son of Ferrari's founder Enzo Ferrari, Mr. Piero Ferrari covered a variety of management positions in the motor sport division of Ferrari from 1970 to 1988 with increasing responsibilities. His first position with Ferrari dates back to 1965 working on the production of the Dino 206 Competizione racing car. Mr. Piero Ferrari received an honorary degree in Aerospace Engineering from the University of Naples Federico II in 2004 and an Honorary Degree in Mechanical Engineering from the University of Modena and Reggio Emilia in 2005. In 2004, Mr. Piero Ferrari was awarded the title of Cavaliere del Lavoro.

Louis C. Camilleri

Mr. Camilleri currently serves as Chairman of the Board of Philip Morris International Inc. ("PMI"). From March 2008 to May 2013, he served as Chairman and Chief Executive Officer of PMI. From April 2002 and August 2002 until March 2008, he was Chief Executive Officer and Chairman of Altria Group, Inc., respectively. From November 1996 to April 2002, he served as Senior Vice President and Chief Financial Officer of Altria Group, Inc. He had been employed continuously by Altria Group, Inc. and its subsidiaries (including PMI) in various capacities since 1978. Mr. Camilleri was appointed to the Board of Directors of América Móvil, S.A.B. de C.V. in April 2011, and previously served on the Board of Telmex International SAB from December 2009. Mr. Camilleri was a director of Kraft Foods Inc. ("Kraft") from March 2001 to December 2007 and was Kraft's Chairman from September 2002 to March 2007. Mr. Camilleri received a degree in Economics and Business Administration from HEC Lausanne, the Faculty of Business & Economics of the University of Lausanne (Switzerland).

Eddy Cue

Mr. Cue currently serves as Apple Inc.'s Senior Vice President of Internet Software and Services. He joined Apple in 1989 and oversees Apple's industry-leading content stores including the iTunes Store, the App Store and the iBooks Store, as well as Apple Pay, Siri, Maps, iAd, the iCloud services, and Apple's productivity and creativity apps. Mr. Cue earned a bachelor's degree in Computer Science and Economics from Duke University. He was recognized by renowned cancer research center City of Hope with their 2014 Spirit of Life Award, honoring an individual whose work has fundamentally impacted the music, film and entertainment industry.

Giuseppina Capaldo

Ms. Capaldo is Full Professor of Private Law, at “La Sapienza” University of Rome. She is an independent member of the Board of Directors of Salini Impregilo S.p.A. (2012-present) and Credito Fondiario S.p.A. (2014-present). She was an independent member of the Board of Directors of Exor S.p.A. from 2012 to 2015. She was a member of the Board of Directors of Ariscom S.p.A. (an Italian insurance company) from 2012-2015 and A.D.I.R.—Assicurazioni di Roma (2006-2010). She collaborated with the Macchi di Cellere Gangemi law firm in the Banking and Finance, Corporate and M&A sectors (2004-2007). She has been Deputy Rector for Resource Planning and Assets (since 2014) at La Sapienza University; Director of LLM “Financial Markets Law” (since 2009). Previously, she served as Deputy Rector for Strategic Planning (2008- 2014); Head of Department of “Law and Business” (2007-2013); and (2007-2011) Director of PhD “Contract Law and Business”. Ms. Capaldo has a degree in Economics and a degree in Law from “La Sapienza” University of Rome, has been a licensed certified public accountant since 1992 and is listed in the Register of Independent Auditors (since 1999). In addition, Ms. Capaldo has been qualified to practice law in Italy since 2003. She authored several publications in the areas of contract law, insurance law, financial law and market legal theory.

Sergio Duca

Mr. Duca has been the Chairman of the Board of Statutory Auditors of Enel S.p.A. since April 2010. He also serves as Chairman of the Board of Directors of Orizzonte SGR, chairman of the board of auditors of the Silvio Tronchetti Provera Foundation, the Compagnia San Paolo and ISPI (Institute for the Study of International Politics), as well as a member of the board of auditors of Exor S.p.A. and of the Intesa San Paolo Foundation Onlus. Mr. Duca has previously served as Chairman of the Board of Statutory Auditors and regular auditor of GTech until April 2015 and as Chairman of the Board of Statutory Auditors of Tosetti Value SIM and an independent director of Sella Gestione SGR until April 2010. From 1997 until July 2007, Mr. Duca was the Chairman of PricewaterhouseCoopers S.p.A. In addition, he has previously served as member of the Edison Foundation’s advisory board and the University Bocconi in Milan’s development committee, as well as Chairman of the Bocconi’s Alumni Association’s board of auditors and a member of the board of auditors of the ANDAF (Italian Association of Chief Financial Officers). As a certified chartered accountant and auditor, he acquired broad experience through the PricewaterhouseCoopers network as the external auditor of a number of significant Italian listed companies. Mr. Duca graduated with honors in Economics and Business from University Bocconi in Milan.

Elena Zambon

Ms. Zambon is President of Zambon S.p.A., a multinational pharmaceutical company founded in Vicenza in 1906, Vice President of ZaCh—Zambon Chemicals and member of the Board of Zambon Company S.p.A., holding company of the group. Ms. Zambon is the founder of Secofind, the multi-family office of the Zambon family and President of the Foundation Zoe´, Zambo´n Open Education. Ms. Zambon is a member of the Board of Unicredit and of Fondo Strategico Italiano, the Italian Sovereign Fund, as well as a member of the Board of IIT- Istituto Italiano di Tecnologia (Italian Institute of Technology) and a member of the Strategic Vision Committee of Fondo Italiano d’Investimento. She is also a member of the Board of Directors and of the Strategic Committee of Italcementi S.p.A. Furthermore, Ms. Zambon is President of AidAF, the Italian Association of Family Businesses, and Vice President of Aspen Institute Italia. In June 2014 she was nominated “Cavaliere del Lavoro” by the President of the Italian Republic and has received the award “Imprenditore Olivettiano 2010” (Olivetti entrepreneur) and “Marisa Belisario 2010”, annually assigned to women who have distinguished themselves in the business world. From 1989 to 1994, Ms. Zambon worked for Citibank.
Ms. Zambon was born in Vicenza in 1964, and received a bachelor degree in Business Administration at the University “Bocconi” in Milan.

Senior Management

Set forth below are the names, year of birth and position of each of the members of the Senior Management of Ferrari. Unless otherwise indicated, the business address of each person listed below will be c/o Ferrari, Via Abetone Inferiore n. 4, I-41053 Maranello (MO), Italy.

Name	Year of birth	Position
S. Marchionne	1952	Chairman
A. Felisa	1946	Chief Executive Officer
A. Gili	1971	Chief Financial Officer
M. Arrivabene	1957	Managing Director of Gestione Sportiva (Formula 1 activities)
L. Fuso	1961	Chief Brand Officer
M. Mairano	1951	Chief Human Resources Officer
M. Leiters	1971	Chief Technology Officer
E. Galliera	1966	Chief Marketing and Commercial Officer
V. Regazzoni	1963	Chief Manufacturing Officer
E. Riccobon	1964	Chief of Product and Processes Competitiveness
N. Boari	1970	Head of Product Marketing
F. Manzoni	1965	Head of Design

Biographies for the members of the Senior Management of Ferrari are included below:

Sergio Marchionne

See above.

Amedeo Felisa

See above.

Alessandro Gili

Mr. Gili was appointed as Chief Financial Officer of Ferrari SpA in February 2015. In April 2015 he was also appointed as President of Ferrari Financial Services S.p.A. From 2002 to 2014 he held multiple positions with Fiat, FCA U.S. and FCA, including Group Chief Accounting Officer and Principal Accounting Officer, Vice President of World Class Finance and Processes, Corporate Controller and Chief Accounting Officer for FCA US, Head of Accounting and World Class Finance, Fiat Group Automobiles Sector, Director at Fiat Gesco (now FCA Services S.p.A.) and senior manager for KeyG Consulting S.p.A. Prior to joining the Fiat Group Mr. Gili was a project manager for Innovative Redesign Managements Consultants. Mr. Gili spent the first years of his career in Audit at Coopers & Lybrand.

Mr. Gili holds a degree in economics, finance and administration from Turin University and is a Certified Public Accountant and Certified Public Auditor in Italy.

Maurizio Arrivabene

Mr. Arrivabene was appointed as the Managing Director of the Ferrari Gestione Sportive (Formula 1 activities) and team principal of Scuderia Ferrari in January 2015. From 1997 to 2015 he held multiple positions with Philip Morris International and Philip Morris Europe, most recently responsible for consumer channel strategy and event marketing, gaining experience in marketing, events and promotion in Italy and abroad. Among his positions at Philip Morris were Vice President of Consumers, Channel Strategy and Event Marketing, Vice President of Marlboro Global Communication and Promotions and Manager of Event Marketing. Since 2010 Mr. Arrivabene has served on the F1 Commission as a member, first representing the Formula 1 sponsors and since January 2015, representing Scuderia Ferrari. Since 2012, Mr. Arrivabene has also served as a member of the Board of Directors, the Control and Risks Committee and the Nomination and Remuneration Committee of Juventus F.C. S.p.A.. Mr. Arrivabene holds a degree in architecture from University of Venice and studied business management at the International Institute for Management Development in Lausanne, Switzerland.

Luca Fuso

Mr. Fuso was appointed as Chief Brand Officer of Ferrari SpA in September 2015. Prior to joining Ferrari, Mr. Fuso served as the Global Head of Proprietary Brands Division from 2013 to 2015 and as the Global Head of Licensed Brands Division from 2011 to 2013 of the SAFILO Group, an Italian eyewear designer and manufacturer. He has also previously served as Managing Director, Sportswear Division of Moncler—Industries S.p.A., an Italian apparel manufacturer and lifestyle brand, CEO and Managing Director of B&B Italia S.p.A., an Italian furniture company, and in various roles at Diesel S.p.A., an Italian clothing company. Mr. Fuso received his degree in Business Administration from Perugia University and is a graduate of the Strategic Marketing Program at SDA Bocconi in Milan.

Mario Mairano

Mr. Mairano was appointed as Chief Human Resources Officer of Ferrari SpA in June 2006. He served as Senior Vice President human resources of Fiat Group from 2005 to 2007. Mr. Mairano held senior human resources roles at the Banca di Roma Group—Capitalia and Fiat Auto from 2000 to 2004 and previously served as human resources and organization manager at Ferrari SpA from 1993 to 2000. From 1987 to 1993 he was human resources director at Fiat Auto and, prior to that, he was head of human resources management at Iveco. Before his career in human resources, he was a primary school teacher. Mr. Mairano holds a degree in literature from Turin University.

Michael Hugo Leiters

Mr. Leiters was appointed as Chief Technology Officer in January 2014 of Ferrari SpA Prior to joining Ferrari he worked at Porsche AG from 2000 to 2013 where he held multiple positions, ultimately becoming head of the SUV product line. From 1996 to 2000, he served as an engineer and manager at the *Institut fur Produktionstechnologie* in Aachen, Germany. Mr. Leiters holds an engineering diploma and an engineering doctorate from RWTH—Aachen.

Enrico Galliera

Mr. Galliera was appointed as Chief Marketing and Commercial Officer in April 2010 of Ferrari SpA From 1990 to 2010 he worked for Barilla S.p.A, where he held multiple positions, ultimately becoming Europe and export market unit director. During his time at Barilla S.p.A., Mr. Galliera also served as director of customer business development for Europe, general manager for South West Europe and trade marketing director for Italy. Mr. Galliera holds a degree in economics and political science from the University of Parma.

Vincenzo Regazzoni

Mr. Regazzoni was appointed as Chief Manufacturing Officer in December 2010 of Ferrari SpA Prior to his appointment to that role, he held various senior production and industrial performance roles at Ferrari and Maserati, including head of process—product technologies from 2003 to 2010. Prior to joining Ferrari in 1998, he held production roles at Varian and Fiat. Mr. Regazzoni has a degree in mechanical engineering with a specialization in management systems from the University of Tor Vergata in Rome.

Ervino Riccobon

Mr. Riccobon was appointed as Chief of Product and Processes Competitiveness in November 2012, upon joining Ferrari. Prior to that, he was a director of McKinsey & Company, as a partner since 2000 and a

Director since 2005 where he advised clients across a number of industries and geographies on operations, strategy and organization. Mr. Riccobon has a degree in mechanical engineering from Turin Politecnico University and an MBA from the Scuola di Amministrazione Aziendale at Turin University.

Nicola Boari

Mr. Boari was appointed as Head of Product Marketing and Marketing Intelligence of Ferrari SpA in March 2010. Prior to joining Ferrari SpA he worked at Indesit Company from 2004 to 2010, where he held various positions including product marketing director, responsible for product development for all product lines. From 1998 to 2004 he was a manager with the Boston Consulting Group. Mr. Boari holds a master in finance and economics from the London School of Economics and a PhD from the University of Ancona, as well as a degree in finance and economics from the University of Bologna.

Flavio Manzoni

Mr. Manzoni was appointed as Head of Design of Ferrari SpA in January 2010. From 2007 to 2010 he was Director of Creative Design at the Volkswagen Group where he was involved in designing most of the Skoda, Bentley, Bugatti and Volkswagen recent cars as well as redefining the aesthetic philosophy of these brands. From 2001 to 2006, he worked at Fiat Group as Head of Design for Lancia, Fiat and LCV. He has also held design positions at Lancia and Seat. Mr. Manzoni holds a degree in architecture with a specialization in industrial design from the University of Florence.

Maximum number of positions of members of the Board of Directors

Since January 1, 2013, restrictions apply with respect to the overall number of supervisory board positions that a member of the management board or supervisory board (including a one-tier board) of a Dutch public company, a Dutch private limited liability company or qualifying Dutch foundations may hold. A foundation qualifies for this purpose if it is required by law to publish financial information equal or similar to annual accounts referred to in book 2 title 9 of the DCC, and meets the other criteria. The restrictions only apply with regard to executive and supervisory positions in Dutch public companies, Dutch private limited liability companies and qualifying Dutch foundations that, on two successive balance sheet dates without subsequent interruption on two successive balance sheet dates, meet at least two of the three criteria referred to section 2:397 paragraphs 1 and 2 DCC, which criteria are: (1) the value of the company's/foundation's assets according to its balance sheet with explanatory notes, on the basis of the purchase price or manufacturing costs exceeds €20 million; (2) the net turnover exceeds €40 million; and (3) the average number of employees is 250 or more (such a company or foundation, a **Large Company**). Based on Ferrari's assets and net turnover, this rule also applies to Ferrari.

Pursuant to the DCC, a person may not be appointed as a member of the management board if (A) he or she holds more than two supervisory positions with other Large Companies, or (B) if he or she acts as chairman of the supervisory board or, in the case of a one-tier board, serves as chairman of the board of directors of a Large Company. The term "supervisory position" refers to the position of supervisory board member, non-executive board member in case of a one-tier board, or member of a supervisory body established by the articles of association. A person may not be appointed as member of the supervisory board if he or she holds more than four supervisory positions with Large Companies. Acting as a chairman of a supervisory board or a supervisory body established by the articles of association or, in case of a one-tier board, chairman of the management board, of a Large Company counts twice.

A position as supervisory or non-executive board member of other companies within the group of the company does not count for this purpose.

An appointment in violation of the aforementioned restrictions will result in the last appointment being void. Earlier appointments at other entities are not affected. The fact that an appointment is thus void does not affect the validity of decision-making. All members of the Board of Directors comply with these rules because as of the date of this Prospectus they do not exceed the maximum number of positions held at other Large Companies.

Committees

The Board of Directors has established an Audit Committee effective as of January 3, 2016, the date the Separation became effective. Each member of the Audit Committee is an "independent" member of the Board of Directors under Rule 10A-3 under the Exchange Act of 1934, as amended (the **Exchange Act**) and within the meaning of the Dutch corporate governance code (the **Code**).

The Compensation Committee and a Governance and Sustainability Committee were established by the Board of Directors effective as of January 3, 2016. The functions that these committees shall perform and their powers and responsibilities will be determined by the Board of Directors in light of our size and structure and the provisions of the Code.

The Audit Committee consists of the following members:

Name	Position
Sergio Duca	Chairperson
Giuseppina Capaldo	Member
Elena Zambon	Member

The Board of Directors has approved the charter of the Audit Committee, effective as of January 3, 2016. The function of the Audit Committee is to assist the Board of Directors' oversight of, *inter alia*: (i) the integrity of Ferrari's financial statements, including any published interim reports; (ii) Ferrari's financing; (iii) the systems of internal controls that management and/or the Board of Directors have established; (iv) Ferrari's compliance with legal and regulatory requirements; (v) Ferrari's policies and procedures for addressing certain actual or perceived conflicts of interest; (vi) risk management guidelines and policies; and (vii) the implementation and effectiveness of the company's ethics and compliance program. The Audit Committee shall be comprised of at least three (3) non-executive directors elected by the Board of Directors. Each member of the Audit Committee shall:

- neither have a material relationship with Ferrari, as determined by the Board of Directors nor be performing the functions of auditors or accountants for Ferrari;
- be an "independent" member of the Board of Directors under the rules of the NYSE and Rule 10A-3 under the Exchange Act and within the meaning of the Code; and
- be "financially literate" and have "accounting or selected financial management expertise" qualifications, as determined by the Board of Directors.

At least one member of the Audit Committee shall be a "financial expert" as defined in rules of the SEC and best practice provisions of the Code.

The Governance and Sustainability Committee consists of the following members:

Name	Position
Sergio Marchionne	Chairperson
Eddy Cue	Member
Sergio Duca	Member

The Board of Directors has approved the charter of the Governance and Sustainability Committee effective as of January 3, 2016. The function of the Governance and Sustainability Committee is to assist the

Board of Directors with respect to the determination of, *inter alia*: (i) drawing up the selection criteria and appointment procedures for members of the Board of Directors; (ii) periodic assessment of the size and composition of the Board of Directors; (iii) periodic assessment of the performance of individual directors and reporting this to the Board of Directors; (iv) proposals for appointment and reappointments of executive and non-executive directors. The Governance and Sustainability Committee shall be comprised of at least three (3) directors, at most one (1) of whom may be an executive director and at most two (2) of whom will not be independent within the meaning of the Code, elected by the Board of Directors.

The Compensation Committee consists of the following members:

Name	Position
Giuseppina Capaldo	Chairperson
Louis Camilleri	Member
Elena Zambon	Member

The Board of Directors has approved the charter of the Compensation Committee. The function of the Compensation Committee is to assist and advise the Board of Directors' oversight of: (i) executive compensation; (ii) remuneration policy to be pursued; (iii) compensation of non-executive directors; (iv) remuneration report. The Compensation Committee shall be comprised of at least three (3) non-executive directors, at most one (1) of whom will not be independent within the meaning of the Code, elected by the Board of Directors.

Potential conflicts of interest and other information

Ferrari expects that there will be an overlap among the directors and officers of FCA and Ferrari's members of the Board of Directors and Senior Management. For example, Mr. Sergio Marchionne, Ferrari's Chairman, is the Chief Executive Officer of FCA and Mr. Marchionne and certain of Ferrari's other directors and officers are also directors or officers of FCA or Exor. These individuals owe duties both to Ferrari and to the other companies that they serve as officers and/or directors. This may raise conflicts as, for example, these individuals review opportunities that may be appropriate or suitable for both Ferrari and such other companies, or Ferrari pursues business transactions in which both Ferrari and such other companies have an interest, such as Ferrari's arrangement to supply engines for Maserati cars. Ferrari may also pursue opportunities in competition with FCA, Exor or other affiliates, for example with respect to supplier arrangements, hiring management talent, or R&D and technology matters. In addition, Exor, which is Ferrari's largest shareholder at the date of this Prospectus, is also expected to remain FCA's largest shareholder. At the date of this Prospectus, Exor holds approximately 23.5 percent of the Common Shares and approximately 33.4 percent of the voting power, while it holds approximately 29 percent of the common shares and 44 percent of the voting power in FCA. Ferrari is aware of the fact that at the date of this Prospectus, Mr. Sergio Marchionne and Mr. Piero Ferrari hold shares in both Ferrari and FCA. These ownership interests could create actual, perceived or potential conflicts of interest when these parties or Ferrari's directors and officers are faced with decisions that could have different implications for Ferrari and FCA or Exor, as applicable.

Ferrari is not aware of any arrangement or understanding with major Shareholders, suppliers, customers or others pursuant to which any member of the Board of Directors or member of the Senior Management was selected as a member of such management bodies of Ferrari.

There is no family relationship between any members of the Board of Directors or Senior Management.

During the last five years, none of the members of the Board of Directors or members of the Senior Management (1) has been convicted of fraudulent offenses, (2) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation, or (3) has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

Board of Directors remuneration

Ferrari has a policy in respect of the remuneration of the members of the Board of Directors. With due observation of the remuneration policy, the Board of Directors may determine the remuneration for the directors in respect of the performance of their duties. The Board of Directors must submit plans to award shares or the right to subscribe for shares to the General Meeting for its approval. Ferrari shall not grant the directors any personal loans or guarantees.

Pursuant to the remuneration policy, the remuneration of the members of the Board of Directors will consist of the following fixed and variable components which are discussed in more detail below.

Remuneration policy components

Fixed annual base salary

The primary objective of the base salary (the fixed part of the annual cash compensation) for executive directors is to attract and retain highly qualified senior executives. Ferrari's policy is to periodically benchmark comparable salaries paid to executives with similar experience by comparable companies.

Annual variable remuneration

Executive directors are also eligible to receive variable compensation subject to the achievement of pre-established financial and other identified performance targets. The short and long term components of executive directors' variable remuneration are linked to predetermined, assessable targets.

Short term incentives

The primary objective of performance based short-term variable cash based incentives is to incentivize the executive directors to focus on the business priorities for the current or next year. The executive directors' variable remuneration is linked to the achievement of short-term (i.e. annual) financial and other identified objectives proposed by the Compensation Committee and approved by the non-executive directors each year.

To determine the executive directors' annual performance bonus, the Compensation Committee and the non-executive directors:

- approve the executive directors' targets and maximum allowable bonuses;
- select the appropriate metrics and their weighting;
- set the stretch objectives;
- consider any unusual items in a performance year to determine the appropriate measurement of achievement; and
- approve the final bonus determination.

In addition, upon proposal of the Compensation Committee, the non-executive directors have authority to grant periodic bonuses for specific transactions that are deemed exceptional in terms of strategic importance and effect on Ferrari's results. The form of any such bonus (cash, common shares of the Company or options to purchase common shares) is determined by the non-executive directors from time to time.

Long term incentives

The primary objective of the performance based long-term variable equity based incentives is to reward and retain qualified executive directors over the longer term while aligning their interests with those of shareholders.

Ferrari's long-term variable incentives consist of a share-based incentive plan that links a portion of the variable component to the achievement of pre-established performance targets consistent with Ferrari's long term business planning. These equity based awards help align the executive directors' interests with shareholder interests by delivering greater value to the executive director as shareholder value increases.

Pension and fringe benefits

Executive directors may also be entitled to customary fringe benefits such as personal use of aircraft, company car and driver, personal/home security, medical insurance, accident insurance, tax preparation and financial counseling. The Compensation Committee may grant other benefits to the executive directors in particular circumstances.

Adjustments to variable remuneration

Pursuant to Dutch law and the Code the remuneration of directors may be reduced or directors may be obliged to repay (part of) their remuneration to the Company if certain circumstances apply.

Pursuant to Dutch law and the Code, the Board of Directors may adjust the variable remuneration (to the extent subject to reaching certain targets and the occurring of certain events) to an appropriate level if payment of the variable remuneration were to be unacceptable according to the criteria of reasonableness and fairness.

In addition, the non-executive directors will have the authority under the Code and Dutch law to recover from a member of the Board of Directors any variable remuneration awarded on the basis of incorrect financial or other data (claw back).

Furthermore, Dutch law prescribes that, in case the value of the Shares (including rights to subscribe for Shares) granted by Ferrari to the respective members of the Board of Directors as part of their remuneration increases during a period in which a public offer is made on the Shares, the remuneration of that respective member of the Board of Directors will be reduced by the amount by which the value of the Shares granted by Ferrari to such member has increased. Similar provisions apply in the situation of an intended legal merger or demerger, or if Ferrari intends to enter into certain transactions that are of such significance to Ferrari that the Board of Directors requires the approval of the General Meeting pursuant to Dutch law (transactions that fall within the scope of section 2:107a DCC)

Remuneration for the Board of Directors and the Senior Management

Ferrari paid no remuneration to or for the benefit of members of the Board of Directors for the year ended December 31, 2014.

The total remuneration paid by Ferrari and its subsidiaries to or for the benefit of the 11 members of Senior Management for the year ended December 31, 2014 amounted to approximately € 12.8 million in aggregate.

Equity holdings

The number of Shares directly and indirectly owned by members of the Board of Directors and Senior Management on December 15, 2015 is set forth in the table below.[(1)]

Name	Common Shares	Special Voting Shares
Piero Ferrari	18,892,160	18,892,160
Sergio Marchionne	1,462,000	
Louis C. Camilleri	495	
Mario Mairano	519	

(1) Based on the shareholdings in FCA as of December 15, 2015, assuming that the Separation (including the distribution, shortly prior to the date of this Prospectus to holders of shares and certain mandatory convertible securities of FCA, of FCA's remaining ownership interest in NBNV) would already have occurred on such date.

Employment, service and severance agreements

The members of the Board of Directors do not have an employment, service or severance contract with Ferrari.

Liability of members of the Board of Directors

Under Dutch law, members of the Board of Directors may be liable towards Ferrari for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards Ferrari for infringement of the Articles of Association or of certain provisions of the DCC. In addition, they may be liable towards third parties for infringement of certain provisions of the DCC. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

Insurance

Members of the Board of Directors and certain other officers are insured under an insurance policy taken out by Ferrari against damages resulting from their conduct when acting in their capacities as members or officers.

Indemnification

Under Dutch law, indemnification provisions may be included in a company's articles of association. Under the Articles of Association, Ferrari is required to indemnify its directors, officers, former directors, former officers and any person who may have served at Ferrari's request as a director or officer of another company in which Ferrari owns shares or of which Ferrari is a creditor who were or are made a party or are threatened to be made a party or are involved in, any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative or investigative (each a **Proceeding**), or any appeal in such a Proceeding or any inquiry or investigation that could lead to such a Proceeding, against any and all liabilities, damages, reasonable and documented expenses (including reasonably incurred and substantiated attorney's fees), financial effects of judgments, fines, penalties (including excise and similar taxes and punitive damages) and amounts paid in settlement in connection with such Proceeding by any of them. Notwithstanding the above, no indemnification shall be made in respect of any claim, issue or matter as to which any of the above-mentioned indemnified persons shall be adjudged to be liable for gross negligence or willful misconduct in the performance of such person's duty to Ferrari. This indemnification by Ferrari is not exclusive of any other rights to which those indemnified may be entitled otherwise. Ferrari has purchased directors' and officers' liability insurance for the members of the Board of Directors and certain other officers, substantially in line with that purchased by similarly situated companies.

Pension schemes

For information on pension, retirement or similar benefits, please see Chapter 7 "Management's Discussion and Analysis of Financial Conditions and Results of Operations", section "Pension and other post-employment benefits" and Note 21 of the Annual Consolidated Financial Statements under "Employee benefits".

10 DESCRIPTION OF SHARE CAPITAL AND CORPORATE GOVERNANCE

General

Ferrari was incorporated by Stichting FCA, a foundation (*stichting*) incorporated under the laws of the Netherlands with registered office in Amsterdam, the Netherlands (**Stichting FCA**) as a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands on 4 September 2015 under the name FE New N.V. (**FE New**). The legal predecessor of Ferrari (i.e. NBNV) was established on May 24, 2013 as a wholly owned-subsidiary of FCA. As a result of an intra-group restructuring by its parent company FCA and a separation of Ferrari SpA which was effected through two legal demergers and subsequently a legal merger of Ferrari (i.e. NBNV) with and into FE New, FCA no longer holds an ownership interest in Ferrari.

For a description of the intra-group restructuring and the separation of Ferrari SpA from FCA, including (i) the legal demerger under Dutch law pursuant to which *inter alia* shares in NBNV are split off by FCA to FE Interim B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands with registered office in Amsterdam, the Netherlands (**FE Interim**) (the **First Demerger**), (ii) the legal demerger under Dutch law pursuant to which shares in NBNV are split off by FE Interim to FE New (the **Second Demerger**) and (iii) the legal merger under Dutch law pursuant to which NBNV (then named Ferrari N.V.), as entity ceasing to exist, merged with and into Ferrari (at that time named FE New), as the acquiring entity continuing to exist (the **Merger**), please see page 134 up to and including 137 of the Form F-1 under "*The Restructuring and Separation Transactions*".

The intra-group restructuring and the separation of Ferrari SpA from FCA, including, inter alia, the First Demerger, Second Demerger and Merger as described in Form F-1 under paragraph "The Restructuring and Separation Transactions" is referred to as the **Restructuring and Separation Transactions**.

Ferrari is registered with the Trade Register of the Chamber of Commerce under number 64060977. Its corporate seat (*statutaire zetel*) is in Amsterdam, the Netherlands and its registered office and principal place of business is located at Via Abetone Inferiore N.4, I-41053 Maranello (MO), Italy. Its telephone number is +39-0536-949111.

Since its incorporation, Ferrari has had, and it intends to continue to have, its place of effective management in Italy. It will therefore be a tax resident of Italy under both Italian tax law and Article 4 of the Convention between the Kingdom of the Netherlands and the Republic of Italy for the avoidance of a double taxation with respect to taxes on income and on capital of 1980.

Summary of key provisions of the Articles of Association

Following is a summary of material information relating to the Common Shares, including summaries of certain provisions of the Articles of Association, the terms and conditions in respect of the Special Voting Shares and the applicable Dutch law provisions in effect at the date of this Prospectus. The summaries of the Articles of Association and the terms and conditions that apply to the issuance, allocation, holding, repurchase and transfer of Special Voting Shares (the **Terms and Conditions of the Special Voting Shares**) as set forth in this Prospectus are qualified in their entirety by reference to the full text of the Articles of Association, and the Terms and Conditions of the Special Voting Shares.

Corporate objects

Pursuant to article 3 of the Articles of Association, the objects for which Ferrari is established are to carry on, either directly or through wholly or partially-owned companies and entities, activities relating in whole or in any part to passenger and commercial vehicles, transport, mechanical engineering, energy, engines, capital machinery and equipment and related goods and propulsion, as well as any other manufacturing, commercial, financial or service activity. Within the scope and for the achievement of the purposes mentioned above, Ferrari may:

(a) operate in, among other areas, the mechanical, electrical, electro mechanical, thermo mechanical, electronic, nuclear, chemical, mining, steel and metallurgical industries, as well as in telecommunications, civil, industrial and agricultural engineering, publishing, information services, tourism and other service industries;

(b) acquire shareholdings and interests in companies and enterprises of any kind or form and purchase, sell or place shares, debentures, bonds, promissory notes or other securities or evidence of indebtedness;

(c) provide financing to companies and entities it wholly or partially owns and carry on the technical, commercial, financial and administrative coordination of their activities;

(d) provide or arrange for the provision (including through partially owned entities) of financing for distributors, dealers, retail customers, vendors and other business partners and carry on the technical, commercial, financial and administrative coordination of their activities;

(e) purchase or otherwise acquire, on its own behalf or on behalf of companies and entities it wholly or partially owns, the ownership or right of use of intangible assets providing them for use by those companies and entities;

(f) promote and ensure the performance of research and development activities, as well as the use and exploitation of the results thereof;

(g) undertake, on its own behalf or on behalf of companies and entities it wholly or partially owns, any investment, real estate, financial, commercial, or partnership transaction whatsoever, including the assumption of loans and financing in general and the granting to third parties of endorsements, surety ships and other guarantees, including real security; and

(h) undertake and perform any management or support services or any other activity ancillary, preparatory or complementary to any of the above.

Share capital

The authorized share capital of FE New is seven million five hundred thousand Euro (€7,500,000, divided into three hundred seventy-five million (375,000,000) Common Shares, nominal value of one Euro cent (€0.01) each and an equal number of Special Voting Shares, nominal value of one Euro cent (€0.01) each.

Prior to the Second Demerger the number of issued and outstanding shares of FE New amounted to 5,000,000 for the amount of Euro 50,000 whereas the authorized share capital was Euro 225,000.

Pursuant to the Second Demerger, each holder of FE Interim's common shares received one common share in FE New for every ten common shares in FE Interim held immediately prior to the Second Demerger. Also each holder of FE Interim special voting shares received one Special Voting Share in FE New for every ten special voting share in FE Interim held immediately prior to the Second Demerger.

Immediately after the Merger the holders of FCA's mandatory convertible securities received common shares in FE New pursuant to the terms of those securities. In December 2014, FCA issued mandatory convertible securities that convert automatically into FCA common shares in December 2016 (the **MCS**). Under the terms of the MCS, if FCA were to conduct a spin-off distribution to holders of its common shares consisting of equity interests in a subsidiary that upon issuance would be listed on a U.S. national securities exchange, then holders of the MCS would automatically receive a pro rata distribution of such equity interests. The Separation of Ferrari met the definition of a spin-off under the terms of the MCS, and therefore, holders of the MCS received equity interests in FE New in the Separation. The number of FE New common shares received by a holder of the MCS was be determined based on the number of FCA common shares which the MCS holders would be entitled to receive at the final mandatory conversion of the MCS.

Immediately after the Second Demerger the issued and outstanding share capital of FE New amounted to 128,895,601 Common Shares for the amount of Euro 1,288,956.01 and 37,605,458 of Special Voting Shares for the amount of Euro 376,054.58 whereas the authorized share capital was Euro 7,500,000.

Pursuant to the Merger, FE New (then renamed Ferrari N.V.) issued Common Shares to the holders of NBNV (then named Ferrari N.V.)'s common shares such in the same proportion as their shareholding in NBNV prior to the Merger. Also each holder of NBNV special voting shares received one Special Voting Share for each special voting share held in NBNV immediately prior to the Merger.

Immediately after the Merger the issued and outstanding share capital of FE New (which was renamed Ferrari N.V. as per the Merger) amounted to 188,923,499 Common Shares for the amount of Euro 1,889,234.99 and 56,497,618 of Special Voting Shares for the amount of Euro 564,976.18 whereas the authorized share capital was Euro 7,500,000.

Since January 3, 2016 (the date that the Merger became effective) there have been no changes to the issued share capital of Ferrari. At the date of this Prospectus, 188,923,499 Common Shares and 56,497,618 Special Voting Shares are issued and outstanding. Only the Common Shares shall be admitted to trading on the MTA.

All Common Shares and Special Voting Shares that are outstanding as of the date of this Prospectus are fully paid up and are subject to and have been created under Dutch law.

Form and trading of Common Shares

Common Shares are registered shares (*aandelen op naam*) represented by an entry in the register of shareholders of Ferrari. The Board of Directors may determine that, for the purpose of trading and transfer of shares on a foreign stock exchange, share certificates shall be issued in such form as shall comply with the requirements of such foreign stock exchange. A register of shareholders is maintained by Ferrari in the Netherlands and a branch register is maintained in the United States on Ferrari's behalf by Computershare, Ferrari's branch registrar and transfer agent in New York (the **Transfer Agent**).

In accordance with the provisions of Dutch law, pursuant to article 12 of the Articles of Association, the transfer of shares or a right *in rem* thereon requires a deed executed before a Dutch civil law notary, unless shares are (or shall shortly be) admitted to trading on a regulated market or multilateral trading facility as referred to in section 1:1 AFS or a system comparable to a regulated market or multilateral trading facility. The MTA qualifies as such.

The transfer of Common Shares that have not been entered into a book-entry system will be effected in accordance with article 12 of the Articles of Association.

Beneficial interests in Common Shares that are traded on the NYSE are held through the book-entry system provided by DTC. Common Shares traded on the MTA will be held through Monte Titoli, as a participant of DTC. Common Shares that have been entered into the DTC book-entry system will be registered in Ferrari's register of shareholders in the name of Cede & Co., as nominee for DTC and transfers of beneficial ownership of shares held through DTC will be effected by electronic transfer made by DTC participants. Article 12 of the Articles of Association does not apply to the trading of such Common Shares on a regulated market or the equivalent thereof.

DTC has its offices at 55 Water Street, New York, NY 10041, the United States and Monte Titoli has its offices at Piazza degli Affari 6, 20123, Milan, Italy.

Transfers of shares held outside of DTC (including Monte Titoli S.p.A., as a participant in DTC) or another direct registration system maintained by the Transfer Agent and not represented by certificates are effected by a stock transfer instrument and require the written acknowledgment by Ferrari. Transfer of registered certificates is effected by presenting and surrendering the certificates to the Transfer Agent. A valid transfer requires the registered certificates to be properly endorsed for transfer as provided for in the certificates and accompanied by proper instruments of transfer and stock transfer tax stamps for, or funds to pay, any applicable stock transfer taxes.

Common Shares are freely transferable. As described below, Special Voting Shares are generally not transferable.

At any time, a holder of Common Shares that subject to meeting certain conditions, can be registered in the Loyalty Register and may qualify as qualifying common shares (**Qualifying Common Shares**) or any Electing Common Shares (as defined below) that would become Qualifying Common Shares if held in such register after an uninterrupted period of at least three years after registration (the **Loyalty Register**) wishing to transfer such Common Shares other than in limited specified circumstances (*i.e.,* transfers to affiliates or to relatives through succession, donation or other transfers) must first request a de-registration of such shares from the Loyalty Register and if held outside the system maintained and operated by DTC or the direct registration system maintained by the Agent, as applicable (the **Regular Trading System**), transfer such Common Shares back into the Regular Trading System. After de-registration from the Loyalty Register, such Common Shares no longer qualify as Electing Common Shares or Qualifying Common Shares and the holder of such Common Shares is required to offer and transfer the Special Voting Shares associated with such Common Shares to Ferrari for no consideration (*om niet*).

Special Voting Shares and the Loyalty Voting Program

Subject to meeting certain conditions, the Common Shares can be registered in our Loyalty Register and all such common shares may qualify as Qualifying Common Shares. The holder of Qualifying Common Shares is entitled to receive without consideration one Special Voting Share in respect of each such Qualifying Common Share. Pursuant to the Terms and Conditions of the Special Voting Shares, and for so long as the Common Shares remain in the Loyalty Register, such Common Shares shall not be sold, disposed of, transferred, except in very limited circumstances (*i.e.,* transfers to affiliates or to relatives through succession, donation or other transfers (defined in the Terms and Conditions of the Special Voting Shares as “Loyalty Transferee”), but a Shareholder may create or permit to exist any pledge, lien, fixed or floating charge or other encumbrance over such Common Shares, provided that the voting rights in respect of such Common Shares and any corresponding Special Voting Shares remain with such Shareholder at all times. Shareholders who want to directly or indirectly sell, dispose of, trade or transfer such Common Shares or otherwise grant any right or interest therein, or create or permit to exist any pledge, lien, fixed or floating charge or other encumbrance over such Common Shares with a potential transfer of voting rights relating to such encumbrances will need to submit a de-registration request as referred to in the Terms and Conditions of the Special Voting Shares, in order to transfer the relevant Common Shares to the regular trading system except that a Shareholder may transfer Common Shares included in the Loyalty Register to a Loyalty Transferee (as defined in the Terms and Conditions of the Special Voting Shares) of such Shareholder without transferring such shares from the Loyalty Register to the regular trading system.

Shareholders who seek to qualify to receive Special Voting Shares can also request to have their Common Shares registered in the Loyalty Register. Upon registration in the Loyalty Register such shares will be eligible to be treated as Qualifying Common Shares, provided they meet the conditions more fully described under “Terms and Conditions of the Special Voting Shares” below.

Notwithstanding the fact that article 13 of the Articles of Association permits the Board of Directors of to approve transfers of Special Voting Shares, the Special Voting Shares cannot be traded and are transferable only in very limited circumstances (*i.e.,* to a Loyalty Transferee described above, or to Ferrari for no consideration (*om niet*)).

Pursuant to article 23 of the Articles of Association, Ferrari shall maintain a special capital reserve to be credited against the share premium exclusively for the purpose of facilitating any issuance or cancellation of Special Voting Shares.

The Special Voting Shares have immaterial economic entitlements. Such economic entitlements are designed to comply with Dutch law but are immaterial for investors. The Special Voting Shares carry the same voting rights as Common Shares.

Section 10 of the Terms and Conditions of the Special Voting Shares include liquidated damages provisions intended to deter any attempt by holders to circumvent the Terms and Conditions of the Special Voting Shares. Such liquidated damages provisions may be enforced by Ferrari by means of a legal action brought by Ferrari before competent courts of Amsterdam, the Netherlands. In particular, a violation of the provisions of the Terms and Conditions of the Special Voting Shares concerning the transfer of Special Voting Shares, Common Shares registered in the Loyalty Register for the purpose of becoming Qualifying Common Shares in accordance with the Articles of Association (**Electing Common Shares**) and Qualifying Common Shares may lead to the imposition of liquidated damages. Because we expect the restrictions on transfers of the Special Voting Shares to be effective in practice we do not expect the liquidated damages provisions to be used.

Pursuant to section 12 of the Terms and Conditions, any amendment to the Terms and Conditions of the Special Voting Shares (other than merely technical, non-material amendments and unless such amendment is required to ensure compliance with applicable law or regulations or the listing rules of any securities exchange on which the Common Shares are listed) may only be made with the approval of the General Meeting.

At any time, a holder of Qualifying Common Shares or Electing Common Shares may request the de-registration of such shares from the Loyalty Register to enable free trading thereof in the Regular Trading System. Upon the de-registration from the Loyalty Register, such shares will cease to be Electing Common Shares or Qualifying Common Shares as the case may be and will be freely tradable and voting rights attached to the corresponding Special Voting Shares will be suspended with immediate effect and such Special Voting Shares shall be transferred to Ferrari for no consideration (*om niet*).

Terms and Conditions of the Special Voting Shares

The Terms and *Conditions of the Special Voting Shares apply* to the issuance, allocation, acquisition, holding, repurchase and transfer of Special Voting Shares in the share capital of Ferrari and to certain aspects of Electing Common Shares, Qualifying Common Shares and Common Shares, which are or will be registered in the Loyalty Register.

Application for Special Voting Shares

A Shareholder may at any time elect to participate in the special voting share structure, connected with the Special Voting Shares (the **Loyalty Voting Program**) by requesting that Ferrari registers all or some of the number of Common Shares held by such Shareholder in the Loyalty Register. Such election shall be effective and registration in the Loyalty Register shall occur as of the end of the calendar month during which the election is made. If such Common Shares (i.e. Electing Common Shares) have been registered in the Loyalty Register (and thus blocked from trading in the Regular Trading System) for an uninterrupted period of three years in the name of the same Shareholder, the holder of such Common Shares will be entitled to receive one Special Voting Share for each such Common Share that has been registered. If at any moment in time such Common Shares are de-registered from the Loyalty Register for whatever reason, the relevant Shareholder loses its entitlement to hold a corresponding number of Special Voting Shares.

At the request, made within one month of the effective date of the Second Demerger, any holder of shares in FCA that immediately prior to the effective date of the Second Demerger was registered in FCA's loyalty voting program, the three years period described in the preceding paragraph shall be deemed to have commenced on the date of the initial registration of such holder's shares in FCA in the loyalty voting register of FCA.

Withdrawal of Special Voting Shares

As described above, a holder of Qualifying Common Shares or Electing Common Shares may request that some or all of its Qualifying Common Shares or Electing Common Shares be de-registered from the Loyalty Register and if held outside the Regular Trading System, transfer such shares back to the Regular Trading System, which will allow such Shareholder to freely trade its Common Shares. Such a request must be made by the relevant Shareholder through its broker, by submitting a duly executed de-registration form. From the moment of such request, the holder of Qualifying Common Shares shall be considered to have waived his rights to cast any votes associated with the Special Voting Shares which were issued and allocated in respect of such Qualifying Common Shares. Any such request would automatically trigger a mandatory transfer requirement pursuant to which the Special Voting Shares will be offered and transferred to Ferrari for no consideration (*om niet*) in accordance with the Articles of Association and the Terms and Conditions of the Special Voting Shares. Ferrari may continue to hold the Special Voting Shares as treasury stock, but will not be entitled to vote any such treasury stock. Alternatively, Ferrari may withdraw and cancel the Special Voting Shares, as a result of which the nominal value of such shares will be allocated to the special capital reserves of Ferrari. Consequently, the loyalty voting feature will terminate as to the relevant Qualifying Common Shares being deregistered from the Loyalty Register. No Shareholder required to transfer Special Voting Shares pursuant to the Terms and Conditions shall be entitled to any purchase price for such Special Voting Shares and each Shareholder expressly waives any rights in that respect as a condition to participation in the Loyalty Voting Program.

Change of Control

A Shareholder who is a holder of Qualifying Common Shares or Electing Common Shares must promptly notify the bank, depositary or trust appointed by the Board of Directors from time to time and in relation to the relevant jurisdiction in which the Common Shares are listed for trading (the **Agent**) and Ferrari upon the occurrence of a “change of control” as defined in the Articles of Association, as described below. Computershare Trust Company NA (US) and Computershare S.p.A. (Italy) have each been appointed as the first Agent. The change of control will trigger the de-registration of the relevant Electing Common Shares or Qualifying Common Shares or the relevant Common Shares in the Loyalty Register. The voting rights attached to the Special Voting Shares issued and allocated in respect of the relevant Qualified Common Shares will be suspended upon a direct or indirect change of control in respect of the relevant holder of such Qualifying Common Shares that are registered in the Loyalty Register.

For the purposes of this section a “change of control” shall mean, in respect of any Shareholder that is not an individual (*natuurlijk persoon*), any direct or indirect transfer in one or a series of related transactions as a result of which (i) a majority of the voting rights of such Shareholder, (ii) the de facto ability to direct the casting of a majority of the votes exercisable at general meetings of such Shareholder and/or (iii) the ability to appoint or remove a majority of the directors, executive directors or board members or executive officers of such Shareholder or to direct the casting of a majority or more of the voting rights at meetings of the board of directors, governing body or executive committee of such Shareholder has been transferred to a new owner, provided that no change of control shall be deemed to have occurred if (a) the transfer of ownership and/or control is an intra-group transfer under the same parent company, (b) the transfer of ownership and /or control is the result of the succession or the liquidation of assets between spouses or the inheritance, *inter vivos* donation or other transfer to a spouse or a relative up to and including the fourth degree or (c) the fair market value of the Qualifying Common Shares held by such Shareholder represents less than twenty percent (20 percent) of the total assets of the Transferred Group at the time of the transfer and the Qualifying Common Shares held by such shareholder, in the sole judgment of Ferrari, are not otherwise material to the Transferred Group or the Change of Control transaction. “Transferred Group” shall mean the relevant Shareholder together with its affiliates, if any, over which control was transferred as part of the same change of control transaction within the meaning of the definition of change of control.

Issue of Shares and granting of rights to subscribe for Shares

The General Meeting has the authority to resolve on any issuance of Shares, unless such authority has been delegated to the Board of Directors. In such a resolution, the General Meeting must determine the price and other terms of issuance. The Board of Directors may have the power to issue Shares if it has been authorized to do so by the General Meeting, or pursuant to the Articles of Association. Under Dutch law, such authorization may not exceed a period of five years, but may be renewed by a resolution of the General Meeting for subsequent five-year periods at any time. Pursuant to article 6.1 of the Articles of Association, the Board of Directors has been designated as the competent body to issue Common Shares and Special Voting Shares up to the maximum aggregate amount of Ferrari's authorized share capital for an initial period of five years from January 2, 2016, which may be extended by the General Meeting with additional consecutive periods of up to a maximum of five years each.

Ferrari will not be required to obtain approval from the General Meeting to issue Shares pursuant to the exercise of a right to subscribe for shares that was previously granted pursuant to authority granted by the General Meeting or pursuant to delegated authority by the Board of Directors. The General Meeting shall, for as long as any such designation of the Board of Directors for this purpose is in force, no longer have authority to decide on the issuance of Shares.

Rights of pre-emption

Under Dutch law and the Articles of Association, each Shareholder has a right of pre-emption in proportion to the aggregate nominal value of its shareholding upon the issuance of new Common Shares (or the granting of rights to subscribe for Common Shares). Exceptions to this right of pre-emption include the issuance of new Common Shares (or the granting of rights to subscribe for Common Shares): (i) to employees of Ferrari or another member of its Group pursuant to a stock compensation plan of Ferrari, (ii) against payment in kind (contribution other than in cash) and (iii) to persons exercising a previously granted right to subscribe for Common Shares.

In the event of an issuance of Special Voting Shares, Shareholders shall not have any right of pre-emption.

The General Meeting may resolve to limit or exclude the rights of pre-emption upon an issuance of Common Shares, which resolution requires approval of at least two-thirds of the votes cast, if less than half of the issued share capital is represented at the General Meeting. The Articles of Association or the General Meeting may also designate the Board of Directors to resolve to limit or exclude the rights of pre-emption in relation to the issuance of Common Shares. Pursuant to Dutch law, the designation by the General Meeting may be granted to the Board of Directors for a specified period of time of not more than five years and only if the Board of Directors has also been designated or is simultaneously designated the authority to resolve to issue Common Shares. The Board of Directors is designated in the Articles of Association (article 7.9) as the competent body to exclude or limit rights of pre-emption for an initial period of five years from January 2, 2016, which may be extended by the General Meeting with additional periods up to a maximum of five years per period.

Acquisition of Shares in Ferrari's capital

Upon agreement with the relevant Shareholder, Ferrari may acquire its own Shares at any time for no consideration (*om niet*), or subject to certain provisions of Dutch law and the Articles of Association for consideration, if: (i) Ferrari's shareholders' equity less the payment required to make the acquisition does not fall below the sum of called-up and paid-in share capital and any statutory reserves, (ii) Ferrari and its subsidiaries would thereafter not hold shares or hold a pledge over Common Shares with an aggregate nominal value exceeding 50 percent of Ferrari's issued share capital and (iii) the Board of Directors has been authorized to do so by the General Meeting.

The acquisition of fully paid-up Shares by Ferrari other than for no consideration (*om niet*) requires authorization by the General Meeting. Such authorization may be granted for a period not exceeding 18 months and shall specify the number of shares, the manner in which the Shares may be acquired and the price range within which Shares may be acquired. The authorization is not required for the acquisition of Shares for employees of Ferrari or another member of its Group, under a scheme applicable to such employees and no authorization is required for repurchase of Shares acquired in certain other limited circumstances in which the acquisition takes place by operation of law, such as pursuant to mergers or demergers. Such Shares must be officially listed on a price list of an exchange.

At a General Meeting the shareholders may resolve to designate the Board of Directors as the competent body to resolve on Ferrari acquiring any Ferrari's fully paid up Common Shares other than for no consideration (om niet) for a period of up to 18 months.

Ferrari may, jointly with its subsidiaries, hold Shares in its own capital exceeding one-tenth of its issued capital for no more than three years after acquisition of such Shares for no consideration (*om niet*) or in certain other limited circumstances in which the acquisition takes place by operation of law, such as pursuant to mergers or demergers. Any Shares held by Ferrari in excess of the amount permitted shall transfer to all members of the Board of Directors jointly at the end of the last day of such three year period. Each member of the Board of Directors shall be jointly and severally liable to compensate Ferrari for the value of the Shares at such time, with interest at the statutory rate thereon from such time. The term Shares in this paragraph shall include depositary receipts for Shares and Shares in respect of which Ferrari holds a right of pledge.

No votes may be cast at a General Meeting on the Shares held by Ferrari or its subsidiaries. Also no voting rights may be cast at a General Meeting in respect of Shares for which depositary receipts have been issued that are owned by Ferrari. Nonetheless, the holders of a right of usufruct or pledge in respect of Shares held by Ferrari and its subsidiaries are not excluded from the right to vote on such Shares, if the right of usufruct or pledge was granted prior to the time such Shares were acquired by Ferrari or its subsidiaries. Neither Ferrari nor any of its subsidiaries may cast votes in respect of a Share on which it or its subsidiaries holds a right of usufruct or pledge.

Currently, none of the Common Shares are held by Ferrari or its subsidiaries. No right of pledge may be established on Special Voting Shares and the voting rights attributable to Special Voting Shares may not be assigned to a usufructuary.

Reduction of share capital

Shareholders at a General Meeting have the power to cancel Shares acquired by Ferrari or to reduce the nominal value of the Shares. A resolution to reduce the share capital requires a majority of at least two-thirds of the votes cast at the General Meeting, if less than one-half of the issued capital is present or represented at the meeting. If more than one-half of the issued share capital is present or represented at the meeting, a simple majority of the votes cast at the General Meeting is required. Any proposal for cancellation or reduction of nominal value of Shares is subject to general requirements of Dutch law with respect to reduction of share capital.

Dividends and other distributions

Ferrari may make distributions to the Shareholders and other persons entitled to the distributable profits only to the extent that its shareholders' equity exceeds the sum of the paid-up and called up portion of the share capital and the reserves that must be maintained in accordance with Dutch law. No distribution of profits may be made to Ferrari itself for Shares that Ferrari holds in its own share capital.

Ferrari may only make a distribution of dividends to the Shareholders after the adoption of its statutory annual accounts demonstrating that such distribution is legally permitted. The Board of Directors may determine that other freely distributable distributions shall be made, in whole or in part, from Ferrari's share premium reserve or from any other reserve, provided that payments from reserves may only be made to the Shareholders that are entitled to the relevant reserve upon the dissolution of Ferrari and provided further that the policy of Ferrari on additions to reserves and dividends is duly observed.

Holders of Special Voting Shares will not receive any dividend in respect of the Special Voting Shares, however Ferrari maintains a separate dividend reserve for the Special Voting Shares for the sole purpose of the allocation of the mandatory minimal profits that accrue to the Special Voting Shares. This allocation establishes a reserve for the amount that would otherwise be paid. The Special Voting Shares do not carry any entitlement to any other reserve. Any distribution out of the special dividend reserve or the partial or full release of such reserve requires a prior proposal from the Board of Directors and a subsequent resolution of the meeting of holders of Special Voting Shares.

Insofar as the profits have not been distributed or allocated to the reserves, they may, by resolution of the General Meeting, be distributed as dividends on the Common Shares only. The General Meeting may resolve, on the proposal of the Board of Directors, to declare and distribute dividends in U.S. Dollars. The Board of Directors may decide, subject to the approval of the General Meeting and the Board of Directors having been designated as the body competent to pass a resolution for the issuance of shares, that a distribution shall, wholly or partially, be made in the form of Shares, or that shareholders shall be given the option to receive a distribution either in cash or in the form of Shares.

The right to dividends and distributions will lapse if the dividends or distributions are not claimed within five years following the day after the date on which they first became payable and any such amounts will be considered to have been forfeited to Ferrari. Any dividends or other distributions made in violation of the Articles of Association or Dutch law will have to be repaid by the shareholders who knew or should have known, of such violation.

General Meeting

An annual General Meeting must be held within six months from the end of Ferrari's preceding financial year. The purpose of the annual General Meeting is to discuss, among other things, the annual report, the adoption of the annual accounts, allocation of profits (including the proposal to distribute dividends), release of members of the Board of Directors from liability for their management and supervision, and other proposals brought up for discussion by the Board of Directors.

General Meeting and Place of Meetings

Other General Meetings will be held if requested by the Board of Directors, the chairman of the Board of Directors, the chairperson or the chief executive officer, or by the written request (stating the exact subjects to be discussed) of one or more Shareholders representing in aggregate at least 10 percent of the issued share capital of Ferrari (taking into account the relevant provisions of Dutch law, the Articles of Association and the applicable stock exchange regulations). General Meetings will be held in Amsterdam or Haarlemmermeer (Schiphol Airport), the Netherlands.

Convocation Notice and Agenda

General Meetings can be convened by a notice, specifying the subjects to be discussed, the place and the time of the meeting and admission and participation procedure, issued at least 42 days before the meeting. All convocations, announcements, notifications and communications to shareholders and other persons entitled to attend the General Meeting must be made on Ferrari corporate website in accordance with the relevant provisions of Dutch law. The agenda for a General Meeting may contain the items requested by one or more Shareholders representing at least three percent of the issued share capital of Ferrari, taking into account the relevant provisions of Dutch law. Requests must be made in writing, including the reasons for adding the relevant item on the agenda, and received by the Board of Directors at least 60 days before the day of the meeting.

Admission and Registration

Each Shareholder entitled to vote, and each person holding a usufruct or pledge to whom the right to vote on the Common Shares accrues, shall be authorized to attend the General Meeting, to address the General Meeting and to exercise its voting rights. The registration date of each General Meeting is the 28^{th} day prior to the date of the General Meeting so as to establish which Shareholders are entitled to attend and vote at the General Meeting. Only holders of Shares and other persons entitled to vote or attend the General Meeting, at such registration date are entitled to attend and vote at the General Meeting. The convocation notice for the meeting shall state the registration date and the manner in which the persons entitled to attend the General Meeting may register and exercise their rights.

Those entitled to attend a General Meeting may be represented at a General Meeting by a proxy authorized in writing. The requirement that a proxy must be in written form is also fulfilled when it is recorded electronically.

Members of the Board of Directors have the right to attend a General Meeting. In these General Meetings they have an advisory role.

Voting Rights

Each Common Share and each Special Voting Share confers the right on the holder to cast one vote at a General Meeting. Resolutions are passed by a simple majority of the votes cast, unless Dutch law or the Articles of Association prescribes a larger majority. Under Dutch law and/or the Articles of Association, the following matters require at least two-thirds of the votes cast at a meeting if less than half of the issued share capital is present or represented:

- a resolution to reduce the issued share capital;
- a resolution to amend the Articles of Association;
- a resolution to restrict or exclude rights of pre-emption;
- a resolution to authorize the Board of Directors to restrict or exclude shareholder rights of pre-emption;
- a resolution to enter into a legal merger or a legal demerger; or
- a resolution to dissolve Ferrari.

Shareholders' Votes on Certain Transactions

Any important change in the identity or character of Ferrari must be approved by the General Meeting, including (i) the transfer to a third party of the business of Ferrari or practically the entire business of Ferrari; (ii) the entry into or breaking off of any long-term cooperation of Ferrari or a subsidiary with another legal entity or company or as a fully liable partner of a general partnership or limited partnership, where such entry into or breaking off is of far-reaching importance to Ferrari; and (iii) the acquisition or disposal by Ferrari or a subsidiary of an interest in the capital of a company with a value of at least one-third of Ferrari's assets according to the consolidated statement of financial position with explanatory notes included in the last adopted annual accounts of Ferrari.

Amendment of the Articles of Association

A resolution of the General Meeting to amend the Articles of Association or to dissolve Ferrari may be approved only if proposed by the Board of Directors and must be approved by a vote of a majority of at least two-thirds of the votes cast if less than one-half of the issued share capital is present or represented at such General Meeting.

The rights of Shareholders may be changed only by amending the Articles of Association in compliance with Dutch law.

Dissolution and liquidation

The General Meeting may resolve to dissolve Ferrari, upon a prior proposal of the Board of Directors thereto. A majority of at least two-thirds of the votes cast shall be required if less than one-half of the issued capital is present or represented at the meeting. In the event of dissolution, Ferrari will be liquidated in accordance with Dutch law and the Articles of Association and the liquidation shall be arranged by the members of the Board of Directors, unless the General Meeting appoints other liquidators. During liquidation, the provisions of the Articles of Association will remain in force as long as possible.

If Ferrari is dissolved and liquidated, whatever remains of Ferrari's equity after all its debts have been discharged shall first be applied to distribute the aggregate balance of share premium reserves and other reserves (other than the special dividend reserve), to holders of Common Shares in proportion to the aggregate nominal value of the Common Shares held by each holder; secondly, from any balance remaining, an amount equal to the aggregate amount of the nominal value of the Common Shares will be distributed to the holders of Common Shares in proportion to the aggregate nominal value of Common Shares held by each of them; thirdly, from any balance remaining, an amount equal to the aggregate amount of the Special Voting Shares dividend reserve will be distributed to the holders of Special Voting Shares in proportion to the aggregate nominal value of the Special Voting Shares held by each of them; fourthly, from any balance remaining, the aggregate amount of the nominal value of the Special Voting Shares will be distributed to the holders of Special Voting Shares in proportion to the aggregate nominal value of the Special Voting Shares held by each of them; and, lastly, any balance remaining will be distributed to the holders of Common Shares in proportion to the aggregate nominal value of Common Shares held by each of them.

Dutch Corporate Governance Code

The Code contains principles and best practice provisions that regulate relations between the board and the shareholders (e.g. the general meeting). The Code is divided into five sections which address the following topics: (i) compliance with and enforcement of the Code; (ii) the management board, including matters such as the composition of the board, selection of board members and director qualification standards, director responsibilities, board committees and term of appointment; (iii) the supervisory board or the non-executive directors in a one-tier board; (iv) the shareholders and the general meeting of shareholders; and (v) the audit of the financial reporting and the position of the internal audit function and the external auditor.

Dutch companies whose shares are listed on a government-recognized stock exchange, such as the NYSE or the MTA, are required under Dutch law to disclose in their annual reports whether or not they apply the provisions of the Code and, in the event that they do not apply a certain provision, to explain the reasons why they have chosen to deviate.

Ferrari acknowledges the importance of good corporate governance and supports the best practice provisions of the Code. Therefore, Ferrari intends to comply with the relevant best practice provisions of the Code except as may be noted from time to time in Ferrari's annual reports.

Non-compliance with the Dutch Corporate Governance Code

The practices where Ferrari is not in compliance with the Code are the following:

- *Best practice provision III.1.1 of the Code: The division of duties within the supervisory board and the procedure of the supervisory board shall be laid down in terms of reference. The supervisory board's terms of reference shall include a paragraph dealing with its relations with the management board, the general meeting and the central works council or works council. The terms of reference shall be posted on the company's website.*

The Board Regulations do not contain any paragraphs dealing with the relations of the board of directors with the general meeting and the works council as referred to in paragraph III.1.1 of the Code. The reason the Board Regulations do not contain a paragraph in respect of the latter is that Ferrari has no works council. As regards the relations with the general meeting, Ferrari feels this is sufficiently addressed in its Articles of Association.

- *Best practice provision III.3.6 of the Code: The supervisory board shall draw up a retirement schedule in order to avoid, as far as possible, a situation in which many supervisory board members retire at the same time. The retirement schedule shall be made generally available and shall be posted on the company's website.*

The Articles of Association provide for a term of office of member of the Board of Directors for a period of approximately one year after appointment, such period expiring on the day the first annual General Meeting is held in the following calendar year at the end of the relevant meeting. This approach is in line with the general practice for companies listed in the U.S. As Ferrari is listed at the NYSE, it also relies on certain U.S. governance policies, one of which is the reappointment of its directors at each annual General Meeting. Ferrari does not have a retirement schedule in place.

- *Best practice provision III.5.1 of the Code: The supervisory board shall draw up terms of reference for each committee. The terms of reference shall indicate the role and responsibility of the committee concerned, its composition and the manner in which it discharges its duties. The terms of reference may provide that a maximum of one member of each committee may not be independent within the meaning of best practice provision III.2.2. The terms of reference and the composition of the committees shall be posted on the company's website.*

Ferrari's Governance and Sustainability Committee currently has only one non-independent member as required by paragraph III.5.1. of the Code and although the committee charter allows for the Governance and Sustainability Committee to have no more than two non-independent members, at the moment Ferrari does not intend to make use of this possibility.

- *Best practice provision III.7.1 of the Code: A supervisory board member may not be granted any shares and/or rights to shares by way of remuneration.*

The Code provisions primarily refer to companies with a two-tier board structure (consisting of a management board and a separate supervisory board), while Ferrari has implemented a one-tier board. The best practices reflected in the Code for supervisory board members apply by analogy to non-executive directors. Unlike supervisory board members of companies with a two-tier board to which provision III.7.1 of the Code applies, non-executive directors of Ferrari also have certain management tasks. In view hereof, non-executive directors have the opportunity to elect whether (part of) their annual retainer fee will be made in Common Shares.

- *Best practice provision III.8.3 of the Code: The management board shall apply chapter III.5 of the Code. The committees referred to in chapter III.5 (i.e. Audit, remuneration, and selection and appointment committee) shall consist only of non-executive management board members.*

Sergio Marchionne, being an executive director of the board of directors, has a position on Ferrari's governance and sustainability committee. The position of Sergio Marchionne as executive director in this committee inter alia follows from the duties of Ferrari's Governance and Sustainability Committee, which are more extensive than the duties of a selection and appointment committee to which paragraph III.8.3 of the Code applies and include duties that warrant participation of an executive director.

Disclosure rules

Home member state for purposes of the EU Transparency Directive

The Netherlands is Ferrari's home member state for the purposes of the EU Transparency Directive (Directive 2004/109/EC, as amended). Ferrari will, upon admission of the Common Shares to listing on the MTA, file a notification with the AFM and issue a press release to this effect in line with Directive 2013/50/EU. As a result, upon admission of the Common Shares to listing on the MTA, we will be subject to financial and other reporting obligations under the AFS and the Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*) (**DFRSA**), which both implement the EU Transparency Directive in the Netherlands.

Disclosure of information

Ferrari is required to publish its annual report (consisting of the audited annual accounts, the annual report and the responsibility statement) within four months after the end of each financial year and its half-yearly figures within two months after the end of the first six months of each financial year. It is expected that the two-month period will be extended to three months in the course of 2016, following the implementation of Directive 2013/50/EU into the AFS. In addition, Ferrari is obliged to publish interim management statements (*inter alia* containing an overview of important transactions and their financial consequences and a general description of the financial position) in the period starting ten weeks after and six weeks before the first and second half of each financial year. It is expected this requirement will be abolished in the course of 2016, following the implementation of Directive 2013/50/EU into the AFS.

Dutch Financial Reporting Supervision Act

For a description of the authorities of the AFM under the DFRSA, please see page 157 of the Form F-1 under "*Dutch Financial Reporting Supervision Act*".

Shareholder disclosure and reporting obligations

Upon listing on the MTA, chapter 5.3 AFS will apply, pursuant to which any person who, directly or indirectly, acquires or disposes of a capital interest and/or voting rights in Ferrari must immediately give written notice to the AFM of such acquisition or disposal by means of a standard form if, as a result of such acquisition or disposal, the percentage of capital interest and/or voting rights held by such person reaches or crosses the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must, *inter alia*, be taken into account: (i) shares and/or voting rights directly held (or acquired or disposed of) by any person, (ii) shares and/or voting rights held (or, acquired or disposed of) by such person's controlled entities or by a third party for such person's account, (iii) voting rights held (or acquired or disposed of) by a third party with whom such person has concluded an oral or written voting agreement, (iv) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights in consideration for a payment, and (v) shares which such person, or any controlled entity or third party referred to above, may acquire pursuant to any option or other right to acquire shares.

As a consequence of the above, Special Voting Shares shall be added to Common Shares for the purposes of the above thresholds.

Special rules apply to the attribution of capital interests and/or voting rights which are part of the property of partnership or other form of joint ownership. A holder of a pledge or right of usufruct in respect of shares can also be subject to notification obligations, if such person has, or can acquire, the right to vote on the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger notification obligations as if the pledgee or beneficial owner were the legal holder of the shares and/or voting rights.

Furthermore, when calculating the percentage of capital interest, a person is also considered to be in possession of shares if (i) such person holds a financial instrument the value of which is (in part) determined by the value of the shares or any distributions associated therewith and which does not entitle such person to acquire any shares, (ii) such person may be obliged to purchase shares on the basis of an option, or (iii) such person has concluded another contract whereby such person acquires an economic interest comparable to that of holding a share.

Following the implementation of Directive 2013/50/EU into the AFS, every holder of 3% or more of the Shares or voting rights whose interest has changed compared to his most recent notification, and which holder knows or should know that pursuant to this change his interest reaches or crosses a threshold as a result of certain acts (as described above and including the exchange of a financial instrument or a contract (pursuant to which the holder is deemed to have Shares or voting rights at his disposal)), must notify the AFM of this change.

Ferrari is required to notify the AFM promptly of any change of 1% or more in its issued and outstanding share capital or voting rights since a previous notification. Other changes in Ferrari's issued and outstanding share capital or voting rights must be notified to the AFM within eight days after the end of the quarter in which the change occurred.

Each person whose holding of capital interest or voting rights at the date Common Shares are admitted to listing on the MTA amounts to 3% or more of Ferrari's issued and outstanding share capital, must notify the AFM of such holding immediately. The notification to the AFM should indicate whether the interest is held directly or indirectly, and whether the interest is an actual or a potential interest.

Controlled entities (within the meaning of the AFS) do not themselves have notification obligations under the AFS as the direct and indirect capital interest and / or voting rights held by them are attributed to their (ultimate) parent. If a person who has a 3% or larger interest in Ferrari's share capital or voting rights ceases to be a controlled entity it must immediately notify the AFM and all notification obligations under the AFS will become applicable to such former controlled entity.

In addition to the above described notification obligations pertaining to capital interest or voting rights, pursuant to Regulation (EU) No 236/2012, notification must be made of any net short position of 0.2% in the issued share capital of Ferrari, and of every subsequent 0.1% above this threshold. Notifications starting at 0.5% and every subsequent 0.1% above this threshold will be made public via the short selling register of the AFM.

Furthermore, gross short positions shall be notified in the event that a threshold is reached, exceeded or fallen below. The same subsequent disclosure thresholds as for holders of capital interests and/or voting rights apply.

Furthermore, each member of the Board of Directors must notify the AFM:

- immediately after Common Shares are listed on the MTA, of the number of Shares he/she holds and the number of votes he/she is entitled to cast in respect of Ferrari's issued and outstanding share capital, and
- subsequently of each change in the number of Shares he/she holds and of each change in the number of votes he/she is entitled to cast in respect of Ferrari's issued and outstanding share capital, immediately after the relevant change.

The AFM keeps a public register of all notifications made pursuant to these disclosure obligations and publishes all notifications received by it, which can be accessed via www.afm.nl. The notifications referred to in this paragraph should be made in writing by means of a standard form or electronically through the notification system of the AFM.

Non-compliance with disclosure obligations

Non-compliance with the disclosure obligations set out in the paragraph above is an economic offence and may lead to criminal charges. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. If criminal charges are pressed, it is no longer allowed to impose administrative penalties and vice versa. Furthermore, a civil court can impose measures against any person who fails to notify or incorrectly notifies the AFM of matters required to be correctly notified. A claim requiring that such measures be imposed may be instituted by Ferrari and/or one or more shareholders who alone or together with others represent(s) at least 3% of Ferrari's issued and outstanding share capital. The measures that the civil court may impose include:

(i) an order requiring the person violating the disclosure obligations under the AFS to make appropriate disclosure;

(ii) suspension of voting rights in respect of such person's Shares for a period of up to three years as determined by the court;

(iii) voiding a resolution adopted by a General Meeting, if the court determines that the resolution would not have been adopted but for the exercise of the voting rights of the person who is obliged to notify, or suspension of a resolution until the court makes a decision about such voiding; and

(iv) an order to the person violating the disclosure obligations under the AFS to refrain, during a period of up to five years as determined by the court, from acquiring the Shares and/or voting rights in Ferrari.

Takeover regulations

European Union takeover regulations

The European Directive on Takeover Bids (2004/25/EC) (the **Takeover Directive**) has been implemented in Dutch legislation in the AFS and the Public Takeover Bids Decree (*Besluit openbare biedingen Wft*; the **Takeover Decree**).

Mandatory takeover offers

Under Dutch law any person, acting alone or in concert with others, who, directly or indirectly, acquires 30% or more of Ferrari's voting rights after the date on which Common Shares are admitted to listing on the MTA will be obliged to launch a public offer for all outstanding shares in Ferrari's share capital. An exception is made for Shareholders who, whether alone or acting in concert with others, have an interest of at least 30% of Ferrari's voting rights before the Common Shares are first admitted to listing on the MTA and who still have such an interest after such first listing. It is therefore expected that Exor's interest in Ferrari will be grandfathered and that the exception will apply to it upon such first listing and will continue to apply to it for as long as its holding of shares represents over 30% of Ferrari's voting rights.

Squeeze out procedures

For a description of the squeeze out procedure pursuant to article 2:92a of the Dutch Civil Code, please see page 157 up to and including page 158 of the Form F-1 under "*Compulsory Acquisition*".

Pursuant to article 2:359c of the DCC, the offeror under a public offer is also entitled to start a squeeze out procedure, within three months after the public offer, if following the public offer it holds at least 95% of the Shares and represents at least 95% of the total voting rights attached to the Shares. In the event of a mandatory offer, the mandatory offer price is in principle deemed to be a reasonable price, which has to be accepted by minority Shareholders. In the event of a voluntary public offer, the offer price is considered reasonable if at least 90% of the shares have been acquired.

Pursuant to article 2:359d of the DCC, if the offeror has acquired at least 95% of the Shares representing at least 95% of the total voting rights, each remaining minority Shareholder is entitled to demand a squeeze out. This procedure must be initiated with the Enterprise Chamber of the Amsterdam Court of Appeal (the **Enterprise Chamber**) within three months after the end of the period for tendering Shares in the public offer. With regard to the price per share to be paid by the majority Shareholder, the same procedure as for squeeze out proceedings initiated by the offeror, as set out in the previous paragraph, applies.

Insider trading and market manipulation rules

Reporting of insider transactions

The rules on preventing market abuse set out in the AFS are applicable to Ferrari, the members of the Board of Directors, other insiders and persons performing or conducting transactions in the securities of Ferrari.

Ferrari is required to make inside information public. Inside information is precise information directly or indirectly relating to the issuer or the trade in its securities which has not yet been made public and publication of which could significantly affect the trading price of the securities. Ferrari must also provide the Consob with this inside information at the time of publication. Furthermore, Ferrari must without delay publish the inside information on its website and keep it available on Ferrari's website for at least five years.

Ferrari and its subsidiaries, as well as persons acting on their behalf or for their account, shall draw up, and keep regularly updated, a list of persons who, in the exercise of their employment, profession or duties, have access to inside information related to Ferrari.

It is prohibited for any person to make use of inside information within or from the Netherlands or a non-EU member state by conducting or effecting a transaction in the shares. In addition, it is prohibited for any person to pass on inside information relating to Ferrari or the trade in its securities to a third party or to recommend or induce, on the basis of inside information, any person to conduct a transaction in securities of Ferrari. Furthermore, it is prohibited for any person to manipulate the market, for instance by conducting transactions which could lead to an incorrect or misleading signal of the supply of, the demand for or the price of the securities.

For a description of the persons that are considered insiders and the obligation for such insiders to report insider transactions with the AFM, please see page 158 of the Form F-1 under "*Disclosure of Trades in Listed Securities", "Disclosure under Dutch Law"*.

Non-compliance with the Dutch market abuse rules

Non-compliance with the Dutch market abuse rules set out and incorporated by reference in this Chapter could constitute an economic offense (*economisch delict*) and/or a crime (*misdrijf)* and could lead to the imposement of administrative fines by the AFM. Alternatively, the public prosecutor could press criminal charges resulting in fines or imprisonment. If criminal charges are pressed, it is no longer allowed to impose administrative penalties and vice versa.

The AFM keeps a public register of all notifications made pursuant to the AFS.

Pursuant to the market abuse rules set out in the AFS, Ferrari has adopted a code of conduct in respect of the reporting and regulation of transactions in Ferrari's securities by members of the Board of Directors and Ferrari's employees. Further, Ferrari has drawn up a list of persons working for Ferrari who could have access to inside information on a regular basis and has informed the persons concerned of the rules against insider trading and market manipulation including the sanctions which can be imposed in the event of a violation of those rules.

Shareholder Disclosure and Reporting Obligations under U.S. Law

Holders of Shares are subject to certain U.S. reporting requirements under the Exchange Act for Shareholders owning more than 5 percent of any class of equity securities registered pursuant to Section 12 of the Exchange Act. Among the reporting requirements are disclosure obligations intended to inform the market of significant accumulations of shares that may lead to a change of control of an issuer.

If Ferrari were to fail to qualify as a foreign private issuer in the future, Section 16(a) of the Exchange Act would require Ferrari's directors and executive officers, and persons who own more than ten percent of a registered class of Ferrari's equity securities, to file reports of ownership of, and transactions in, Ferrari's equity securities with the SEC. Such directors, executive officers and ten percent stockholders would also be required to furnish Ferrari with copies of all Section 16 reports they file.

Further disclosure requirements shall apply to Ferrari under Italian law by virtue of the listing of Common Shares on the MTA. Summarized below are the most significant disclosure requirements to be complied with by Ferrari. Further requirements may be imposed by Consob and/or Borsa Italiana upon admission to listing of Common Shares on the MTA.

The breach of the obligations described below may be used in the application of fines and criminal penalties (including, for instance, those provided for insider trading and market manipulation).

Disclosure Requirements under Italian law

Summarized below are the most significant requirements to be complied with by Ferrari in connection with the admission to listing of Common Shares on the MTA. The breach of the obligations described below may result in the application of fines and criminal penalties (including, for instance, those provided for insider trading and market manipulation). Further requirements may be imposed by Consob and/or Borsa Italiana upon admission to listing of Common Shares on the MTA.

In particular, by virtue of the admission to listing of Common Shares on the MTA, the following main disclosure obligations provided for by the Legislative Decree no. 58/1998 (the Italian Financial Act) effective as of the date of this document shall apply to Ferrari, article 92 (equal treatment principle), article 114 (information to be provided to the public), article 114-bis (information to be provided to the market concerning the allocation of financial instruments to corporate officers, employees and collaborators), article 115 (information to be disclosed to Consob), article 115-bis (register of persons having access to inside information) and article 180 and the following (relating to insider trading and market manipulation). In addition to the above, by virtue of the admission to listing of Common Shares on the MTA, the applicable provisions set forth under the Market Rules (including those relating to the timing for the payment of dividends) shall apply to Ferrari.

11 PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Principal Shareholders

The following table sets forth information with respect to the beneficial ownership of each Shareholder, or group of affiliated Shareholders, we know to own 3% or more of Ferrari's issued and outstanding[(1)] share capital as of the date of this Prospectus.

	Amount of share capital Owned		
Shareholder	**Number / class of shares**	**Percentage of share capital**	**Percentage of voting rights**
Exor S.P.A. (**Exor**)[(2)]	44,435,280 Common Shares and 37,580,387 Special Voting Shares	ca. 23.5%	ca. 33.4%
Piero Ferrari[(3)]	18,892,160 Common Shares and 18,892,160 Special Voting Shares	ca. 10%	ca. 15.4%
Public shareholders	125,596,059 Common Shares and 25,071 Special Voting Shares	ca. 66.5%	ca. 51.2%

(1) The percentages of share capital and voting rights set out in this table may slightly differ from the percentages of share capital and voting rights included in the public register held by the AFM of all notifications made pursuant to the disclosure obligations under chapter 5.3 of the AFS, such, inter alia, because any shares held in treasury by Ferrari will be counted also in the relevant numerators for purposes of the AFS disclosure obligations, although such treasury shares cannot be regarded to be part of Ferrari's "outstanding share capital" and therefore have not been taken into consideration for the calculations of the percentages of share capital and voting rights set out in this table.

(2) Exor is in turn controlled by Giovanni Agnelli e C. S.a.p.az, which holds 51.39 percent of its share capital. G.A. is a limited partnership with interests represented by shares (*Societa' in Accomandita per Azioni*), founded by Gianni Agnelli and currently held by members of the Agnelli and Nasi families, descendants of Giovanni Agnelli, founder of Fiat S.p.A.

(3) Exor and Piero Ferrari have informed Ferrari that they have entered into the Shareholders Agreement in respect of their shareholdings in Ferrari, which entered into force upon the Separation becoming effective and prior to the admission to listing and trading of the Common Shares on the MTA. For more information reference is made is made to the section "Shareholders Agreement" below.

All Shareholders have the same voting rights with respect to the Common Shares and the Special Voting Shares.

Related party transactions

For information regarding related party transactions, please see page 145 up to and including page 146 of the Form F-1 under "*Related Party Transactions*" and Note 25 of the Interim Condensed Consolidated Financial Statements and Note 27 of the Annual Consolidated Financial Statements.

Between September 30, 2015 and the date of this Prospectus, neither Ferrari (and its legal predecessors) nor any of its subsidiaries has conducted any significant transaction with related parties, other than in the ordinary course of business as described on page 145 up to and including page 146 of the Form F-1 under "*Related Party Transactions*".

Shareholders Agreement

Exor and Piero Ferrari have informed Ferrari that they have entered into the Shareholders Agreement, which entered into force upon the Separation becoming effective and prior to the admission to listing and trading of the Common Shares on the MTA. Ferrari is not a party to the Shareholders Agreement and does not have any rights or obligations under it. Below is a summary of the main elements of the Shareholders Agreement.

Consultation

For the purposes of forming and exercising, to the extent possible, a common view on the items on the agenda of any General Meeting, Exor and Piero Ferrari will consult with each other prior to each General Meeting. For the purposes of this consultation right and duties, representatives of each of Exor and Piero Ferrari shall meet in order to discuss in good faith whether they have or can find a common view as to the matters on the agenda of the immediately following General Meeting.

AFS mandatory offer rules—acting in concert

Exor and Piero Ferrari acknowledge and agree that the Dutch public offer rules as laid down in the AFS will as of January, 4 2016 i.e. the date that trading in the Common Shares on the MTA commences be applicable to Ferrari and the Shareholders. As – upon the Separation becoming effective – (i) Exor individually, and Exor and Piero Ferrari combined, will pursuant to their shareholding in Ferrari have a voting interest of more than 30% prior to the first trading date on the MTA and (ii) Exor individually, as well as Exor and Piero Ferrari combined, will continue to have a voting interest of more than 30% on the first trading date on the MTA, Exor individually, and Exor and Piero Ferrari combined in light of the agreements described in the section "Consultation" above, will be deemed to then have a controlling influence (*overwegende zeggenschap*, **Controlling Influence**) over Ferrari within the meaning of article 1:1 of the AFS and in this respect both parties have agreed to remain qualified as concert parties (*in overleg handelende personen*) as per the first trading date on the MTA. On this basis, Exor individually and Exor and Piero Ferrari combined, as well as their ultimate controlling persons, will benefit from the exemption from the Dutch mandatory offer requirement as laid down in article 5:71 sub 1(i) of the AFS.

Pre-emption right in favor of Exor and right of first offer of Piero Ferrari

In the event that Piero Ferrari intends to transfer (in whole or in part) his Common Shares or he receives a third party offer for the acquisition of all or part of his Common Shares, he shall promptly deliver to Exor a written sale notice, *inter alia*, specifying the number of Common Shares which he intends to transfer and the price per Common Share of the proposed transaction, and Exor shall have the right to purchase all (but not less than all) of the Common Shares Piero Ferrari intends to transfer at the price specified in Piero Ferrari's written sale notice.

In the event Exor intends to transfer (in whole or in part) its Common Shares to a third party, either solicited or unsolicited, Exor shall give to Piero Ferrari a written notice of the number of Common Shares Exor intends to transfer and Piero Ferrari shall have the right to make a binding, unconditional and irrevocable all cash offer for the purchase of such Common Shares by delivering a written notice to Exor, *inter alia*, indicating the price offered for the purchase of these Common Shares. If Exor does not accept the offer of Piero Ferrari, Exor shall be entitled to pursue the transfer of the relevant Common Shares to any third party, subject to certain conditions. It is noted that if Exor does accept the offer of Piero Ferrari and as a result of such purchase Piero Ferrari will, individually, have a voting interest of 30% or more in Ferrari, the Dutch mandatory offer requirement will not apply to him given that he will have continued to have a Controlling Influence over Ferrari (be it individually instead of combined and in concert with Exor).

The above-mentioned pre-emption right and right of first offer will not apply in case of transfers of Common Shares: (i) with respect to any party to the Shareholders Agreement, to a party which falls within the definition of "Loyalty Transferee" (as defined in the Articles of Association) of any such party, (ii) with respect to Exor, to any affiliate of Giovanni Agnelli e C. S.a.p.az., to a successor in business of Giovanni Agnelli e C. S.a.p.az. and to any affiliate of a successor in business of Giovanni Agnelli e C. S.a.p.az., and (iii) with respect to any party to the Shareholders Agreement that is an individual, to an entity wholly owned and controlled by that same party. In addition, the provisions regarding the pre-emption right in favor of Exor and right of first offer of Piero Ferrari shall not apply in relation to, and Piero Ferrari shall be free and allowed to carry out, market sales to third parties of his Common Shares which in the aggregate do not exceed, during the whole period of validity of the Shareholders Agreement, 0.5% of the number of Common Shares owned by Piero Ferrari upon the Separation becoming effective.

Term

The Shareholders Agreement entered into force on the Separation becoming effective on January 3, 2016, prior to the first trading date of the Common Shares on the MTA and shall remain in full force and effect until the fifth anniversary of the effective date of the Separation, provided that if neither of the parties to the Shareholders Agreement serves on the other a written notice of termination of the Shareholders Agreement, then the Shareholders Agreement shall be renewed automatically for another five year period.

The Shareholders Agreement shall terminate and cease to have any effect as a result of the transfer of all the Common Shares owned by either Exor or Piero Ferrari to a third party.

Governing law and jurisdiction

The Shareholders Agreement is governed by and must be interpreted according to the laws of the Netherlands. Any disputes arising out of or in connection with the Shareholders Agreement are subject to the exclusive jurisdiction of the competent court in Amsterdam, the Netherlands, without prejudice to the right of appeal and appeal to the Supreme Court.

12 ADMISSION TO LISTING AND METHOD OF TRADING

Listings

On October 19, 2015 the NYSE approved the listing of the Common Shares on the NYSE. Common Shares started trading on the NYSE on October 21, 2015 under the symbol "RACE" and with CUSIP code N3167J106.

On November 23, 2015, the application for the admission to listing and trading of the Common Shares on the MTA was submitted to Borsa Italiana. Common Shares were admitted to listing and trading on the MTA (with the ISIN code NL0011585146) through the formal notification of admission no. 8147 issued by Borsa Italiana on December 14, 2015.

This section does not contain any information in connection with the Special Voting Shares which are neither transferable nor tradable (save for what is provided by the Articles of Association) and not admitted to listing. For more information on the Special Voting Shares, see Chapter 10 "Description of Share Capital and Corporate Governance, section "Terms and Conditions of the Special Voting Shares".

Initial Date Of Trading

Ferrari has requested that the AFM provides the Consob and the European Securities and Markets Authority, with a certificate of approval attesting that this Prospectus constitutes a prospectus for the purposes of Article 3 of the Prospectus Directive and has been prepared in accordance with chapter 5.1 of the AFS and the rules promulgated thereunder.

Following receipt of the above mentioned certificate, Borsa Italiana has issued a formal notification setting the initial date for trading of Common Shares on the MTA as of January 4, 2016.

Background and reasons for the admission to listing on the MTA

As described above, the Separation has resulted in the distribution to holders of FCA shares and certain convertible securities of shares of Ferrari representing approximately 80% of Ferrari's share capital. FCA common shares are listed on the MTA, which has historically been the most liquid trading market for FCA common shares. Therefore, in order to facilitate the establishment of a liquid market in Common Shares following the Separation, Ferrari has applied for listing and trading of its common shares on the MTA in addition to its pre-existing listing on the NYSE. Ferrari also believes that the listing on MTA is a recognition of the Italian heritage of the Ferrari business and will contribute to the visibility and strength of the Ferrari brand and capital markets appeal in its home market and the broader European region.

13 SHARES ELIGIBLE FOR FUTURE SALE

Lock-up agreements

Ferrari (at the time known as NBNV) has agreed with the underwriters not to issue, sell, or otherwise dispose of or hedge any Common Shares, subject to certain exceptions, prior to January 18, 2016, without the prior consent of UBS Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated. Ferrari's Chairman, Sergio Marchionne, FCA and Piero Ferrari, have entered into similar lock-up agreements with the underwriters. These lock-up agreements also expire on January 18, 2016. UBS Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, may, at any time, release Ferrari, FCA and/or any of the abovementioned members of the Board of Directors from this lock-up agreement prior to this date. If the consent referred in the lock-up arrangements is requested, full discretion can be exercised by the underwriters as to whether or not such consent will be granted. In addition, the lock-up arrangements do not restrict the consummation of, or any activities by Ferrari or FCA in furtherance of, any of the transactions relating to the Separation. Except as described above, none of the shareholders of FCA acquiring Common Shares in connection with the Separation, other than Mr. Marchionne (as member of the Board of Directors), will enter into lock-up agreements with respect to the Common Shares.

For more information regarding this lock-up agreement, please see page 160 of the Form F-1 under "*Lock-Up Agreements*" and page 200 up to and including 201 of the Form F-1 under "*No Sales of Similar Securities*".

14 TAX CONSEQUENCES

Material Netherlands tax consequences

This section describes solely the material Dutch tax consequences of the acquisition, ownership and disposal of the Common Shares and, if applicable, the Special Voting Shares. It does not consider every aspect of Dutch taxation that may be relevant to a particular holder of Shares in special circumstances or who is subject to special treatment under applicable law. Shareholders and any potential investor should consult their own tax advisors regarding the Dutch tax consequences of acquiring, owning and disposing of Common Shares and, if applicable, Special Voting Shares in their particular circumstances.

Where in this section English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this section the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands. This summary also assumes that Ferrari is organized, and that the business will be conducted, in the manner outlined in this Prospectus. A change to the organizational structure or to the manner in which Ferrari conducts its business may invalidate the contents of this section, which will not be updated to reflect any such change.

This description is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the date of this Prospectus. The law upon which this description is based is subject to change, perhaps with retroactive effect. Any such change may invalidate the contents of this description, which will not be updated to reflect such change.

Where in this Dutch taxation discussion reference is made to "a holder of Common Shares and, if applicable, Special Voting Shares", that concept includes, without limitation:

1. an owner of one or more Common Shares and, if applicable, Special Voting Shares who in addition to the title to such Common Shares and, if applicable, Special Voting Shares, has an economic interest in such Common Shares and, if applicable, Special Voting Shares;

2. a person who or an entity that holds the entire economic interest in one or more Common Shares and, if applicable, Special Voting Shares;

3. a person who or an entity that holds an interest in an entity, such as a partnership or a mutual fund, that is transparent for Dutch tax purposes, the assets of which comprise one or more Common Shares and, if applicable, Special Voting Shares, within the meaning of 1. or 2. above; or

4. a person who is deemed to hold an interest in Common Shares and, if applicable, Special Voting Shares, as referred to under 1. to 3., pursuant to the attribution rules of article 2.14a, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), with respect to property that has been segregated, for instance in a trust or a foundation.

Taxes on income and capital gains

General

The description set out in this section "Taxes on income and capital gains" applies only to a holder of Common Shares and, if applicable, Special Voting Shares, who is a "Dutch Individual holder," a "Dutch Corporate holder" or a "Non-resident holder."

For the purposes of this taxation section a holder is a "Dutch Individual holder" if such holder satisfies the following tests:

a. such holder is an individual;

b. such holder is a resident, or deemed to be a resident, in the Netherlands for Dutch income tax purposes;

c. such holder's Common Shares and, if applicable, Special Voting Shares, and any benefits derived or deemed to be derived therefrom have no connection with such holder's past, present or future employment, if any; and

d. such holder's Common Shares and, if applicable, Special Voting Shares, do not form part of a substantial interest *(aanmerkelijk belang*) or a deemed substantial interest in Ferrari within the meaning of Chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

Generally, if a person holds an interest in Ferrari such interest forms part of a substantial interest, or a deemed substantial interest, in Ferrari if any one or more of the following circumstances is present:

1. Such person—either alone or, in the case of an individual, together with his partner, if any, or pursuant to article 2.14a, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*)—owns or is deemed to own, directly or indirectly, either a number of shares in Ferrari representing five percent or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire, directly or indirectly, shares, whether or not already issued, representing five percent or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of the shares), or profit-participating certificates (*winstbewijzen*) relating to five percent or more of the annual profit or to five percent or more of the liquidation proceeds. The Common Shares and the Special Voting Shares are considered to be separate classes of shares.

2. Such person's shares, rights to acquire shares or profit-participating certificates in Ferrari are held by him or deemed to be held by him following the application of a non-recognition provision.

3. Such person's partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of his partner has a substantial interest (as described under (1) and (2) above) in Ferrari.

For the purposes of circumstances (1), (2) and (3) above, if a holder is entitled to the benefits from shares or profit-participating certificates (for instance if a holder is a holder of a right of usufruct), such holder is deemed to be a holder of shares or profit-participating certificates, as the case may be, and such holder's entitlement to benefits is considered a share or profit-participating certificate, as the case may be.

If a Dutch Individual holder satisfies test (b), but does not satisfy test (c) and/or test (d) above, such holder's Dutch income tax position is not discussed in this Prospectus. If a holder of Common Shares and, if applicable, Special Voting Shares is an individual who does not satisfy test (b), please refer to the section "Non-resident holders".

For the purposes of this taxation section a holder is a "Dutch Corporate holder" if such holder satisfies the following tests:

i. such holder is a corporate entity (*lichaam*), including an association that is taxable as a corporate entity, that is subject to Dutch corporation tax in respect of benefits derived from its Common Shares and, if applicable, Special Voting Shares;

ii. such holder is a resident, or deemed to be resident, in the Netherlands for Dutch corporation tax purposes;

iii. such holder is not an entity that, although subject to Dutch corporation tax, is, in whole or in part, specifically exempt from that tax; and

iv. such holder is not an investment institution (*beleggingsinstelling*) as defined in article 28 of the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

If a holder of Common Shares and, if applicable, Special Voting Shares, is not an individual and if such holder does not satisfy any one or more of these tests, with the exception of test (ii), such holder's Dutch corporation tax position is not discussed in this Prospectus. If a holder of Common Shares and, if applicable, Special Voting Shares, is not an individual and if such holder does not satisfy test (ii), please refer to the section "Non-resident holders".

For the purposes of this taxation section, a holder of Common Shares and, if applicable, Special Voting Shares, is a "Non-resident holder" if such holder satisfies the following tests:

a. such holder is neither resident, nor deemed to be resident, in the Netherlands for purposes of Dutch income tax or corporation tax, as the case may be;

b. such holder's Common Shares and, if applicable, Special Voting Shares, and any benefits derived or deemed to be derived from such shares have no connection with past, present or future employment, management activities and functions or membership of a management board (*bestuurder*) or a supervisory board (*commissaris*);

c. such holder's Common Shares and, if applicable, Special Voting Shares, do not form part of a substantial interest or a deemed substantial interest in Ferrari within the meaning of Chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*); and

d. if such holder is not an individual, no part of the benefits derived from such holder's Common Shares and, if applicable, Special Voting Shares, is exempt from Dutch corporation tax under the participation exemption as laid down in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

See above for a description of the circumstances under which shares form part of a substantial interest or a deemed substantial interest.

If a holder of Common Shares and, if applicable, Special Voting Shares, satisfies test (a), but does not satisfy any one or more of tests (b), (c), and (d), such holder's Dutch income tax position or corporation tax position, as the case may be, is not discussed in this form.

Dutch Individual holders deriving profits or deemed to be deriving profits from an enterprise

If a Dutch Individual holder derives or is deemed to derive any benefits from such holder's Common Shares and, if applicable, Special Voting Shares, including any capital gain realized on the disposal of such Common Shares and, if applicable, Special Voting Shares, that are attributable to an enterprise from which such holder derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of an enterprise, other than as a shareholder, such benefits are generally subject to Dutch income tax at progressive rates.

On receipt of the Special Voting Shares part of the book value for Dutch tax purposes of the Common Shares will have to be attributed to the Special Voting Shares. The book value for Dutch tax purposes of the Common Shares will be reduced accordingly.

Dutch Individual holders deriving benefits from miscellaneous activities

If a Dutch Individual holder derives or is deemed to derive (as outlined below) any benefits from such holder's Common Shares and, if applicable, Special Voting Shares, including any gain realized on the disposal of such Common Shares and, if applicable, Special Voting Shares, that constitute benefits from miscellaneous activities (as outlined below) (*resultaat uit overige werkzaamheden*), such benefits are generally subject to Dutch income tax at progressive rates.

A Dutch Individual holder may, *inter alia*, derive, or be deemed to derive, benefits from Common Shares and, if applicable, Special Voting Shares that are taxable as benefits from miscellaneous activities if such holder's investment activities go beyond the activities of an active portfolio investor, for instance in the case of use of insider knowledge or comparable forms of special knowledge.

On receipt of the Special Voting Shares part of the book value for Dutch tax purposes of the Common Shares will have to be attributed to the Special Voting Shares. The book value for Dutch tax purposes of the Common Shares will be reduced accordingly.

Other Dutch Individual holders

If a Dutch Individual holder's situation has not been discussed before in this section "Taxes on income and capital gains" benefits from such holder's Common Shares and, if applicable, Special Voting Shares will be taxed annually as a benefit from savings and investments (*voordeel uit sparen en beleggen*). Such benefit is deemed to be four percent per annum of the holder's "yield basis" (*rendementsgrondslag*), generally to be determined at the beginning of the relevant year, to the extent that such yield basis exceeds the "exempt net asset amount" (*heffingvrij vermogen*) for the relevant year. The benefit is taxed at the rate of 30 percent. The value of a holder's Common Shares and, if applicable, Special Voting Shares forms part of the holder's yield basis. Under this rule, actual benefits derived from such holder's Common Shares and, if applicable, Special Voting Shares, including any gain realized on the disposal of such Common Shares and, if applicable, Special Voting Shares, are not as such subject to Dutch income tax.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by, and yield basis for benefits from savings and investments of, a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dutch Corporate holders

If a holder of Common Shares and, if applicable, Special Voting Shares is a Dutch Corporate holder, any benefits derived or deemed to be derived by such holder from such holder's Common Shares and, if applicable, Special Voting Shares, including any gain realized on the disposal thereof, are generally subject to Dutch corporation tax, except to the extent that the benefits are exempt under the participation exemption as laid down in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

On receipt of the Special Voting Shares part of the book value for Dutch tax purposes of the Common Shares will have to be attributed to the Special Voting Shares. The book value for Dutch tax purposes of the Common Shares will be reduced accordingly.

Non-resident holders

A Non-resident holder of Common Shares and, if applicable, Special Voting Shares will not be subject to any Dutch taxes on income or capital gains (other than the Dutch dividend withholding tax described below) in respect of any benefits derived or deemed to be derived by such holder from such holder's Common Shares and, if applicable, Special Voting Shares, including any capital gain realized on the disposal thereof, unless:

1. such holder derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, which enterprise either is managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in the Netherlands, and such holder's Common Shares and, if applicable, Special Voting Shares are attributable to such enterprise; or

2. such holder is an individual and such holder derives benefits from Common Shares and, if applicable, Special Voting Shares that are taxable as benefits from miscellaneous activities in the Netherlands.

See above for a description of the circumstances under which the benefits derived from Common Shares and, if applicable, Special Voting Shares may be taxable as benefits from miscellaneous activities, on the understanding that such benefits will be taxable in the Netherlands only if such activities are performed or deemed to be performed in the Netherlands.

On receipt of the Special Voting Shares part of the book value for Dutch tax purposes of the Common Shares will have to be attributed to the Special Voting Shares. The book value for Dutch tax purposes of the Common Shares will be reduced accordingly.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dividend withholding tax

General

Ferrari is generally required to withhold Dutch dividend withholding tax at a rate of 15 percent from dividends distributed by it.

As an exception to this rule, Ferrari may not be required to withhold Dutch dividend withholding tax if it is considered to be a tax resident of both the Netherlands and Italy, or the Netherlands and another jurisdiction in accordance with the domestic tax residency provisions applied by each of these jurisdictions, while an applicable double tax treaty between the Netherlands and such other jurisdiction attributes the tax residency exclusively to that other jurisdiction. This exception does not apply to dividends distributed by Ferrari to a holder who is resident or deemed to be resident in the Netherlands for Dutch income tax purposes or Dutch corporation tax purposes.

The concept of "dividends distributed by Ferrari" as used in this section "Material Dutch Tax Consequences" includes, but is not limited to, the following:

- distributions in cash or in kind, deemed and constructive distributions and repayments of capital not recognized as paid-in for Dutch dividend withholding tax purposes;
- liquidation proceeds and proceeds of repurchase or redemption of Common Shares and, if applicable, Special Voting Shares in excess of the average capital recognized as paid-in for Dutch dividend withholding tax purposes;
- the par value of Common Shares and/or Special Voting Shares issued by Ferrari to a holder of Common Shares and, if applicable, Special Voting Shares or an increase of the par value of Common Shares and/or Special Voting Shares, as the case may be, to the extent that it does not appear that a contribution, recognized for Dutch dividend withholding tax purposes, has been made or will be made; and
- partial repayment of capital, recognized as paid-in for Dutch dividend withholding tax purposes, if and to the extent that there are net profits (zuivere winst), unless (a) the general meeting of shareholders of Ferrari has resolved in advance to make such repayment and (b) the par value of the Common Shares and/or Special Voting Shares concerned has been reduced by an equal amount by way of an amendment to the articles of association of Ferrari.

Dutch Individual holders and Dutch Corporate holders

If a holder is a Dutch Individual holder or a Dutch Corporate holder, such holder can generally credit Dutch dividend withholding tax against its Dutch income tax or Dutch corporation tax liability, as applicable, and such holder is generally entitled to a refund in the form of a negative assessment of Dutch income tax or Dutch corporation tax, as applicable, to the extent such Dutch dividend withholding tax, together with any other creditable domestic and/or foreign taxes, exceeds such holder's aggregate Dutch income tax or aggregate Dutch corporation tax liability.

Pursuant to domestic rules to avoid dividend stripping, Dutch dividend withholding tax will only be credited against Dutch income tax or Dutch corporation tax, as applicable, exempted, reduced or refunded if a holder is the beneficial owner (*uiteindelijk gerechtigde*) of dividends distributed by Ferrari. If a holder receives proceeds from Common Shares and, if applicable, Special Voting Shares, such holder will not be recognized as the beneficial owner of such proceeds if, in connection with the receipt of the proceeds, such holder has given a consideration, in the framework of a composite transaction including, without limitation, the mere acquisition of one or more dividend coupons or the creation of short-term rights of enjoyment of shares (*kortlopende genotsrechten op aandelen*), whereas it may be presumed that (i) such proceeds in whole or in part, directly or indirectly, inure to a person who would not have been entitled to an exemption from, reduction or refund of, or credit for, Dutch dividend withholding tax, or who would have been entitled to a smaller reduction or refund of, or credit for, Dutch dividend withholding tax than such holder, the actual recipient of the proceeds; and (ii) such person acquires or retains, directly or indirectly, an interest in Common Shares and, if applicable, Special Voting Shares or similar instruments, comparable to its interest in Common Shares and, if applicable, Special Voting Shares prior to the time the composite transaction was first initiated.

See "Dividend withholding tax" under "General" for a description of the concept "dividends distributed by Ferrari".

See "Taxes on income and capital gains" under "General" for a description of the terms Dutch Individual holders and Dutch Corporate holders.

Non-resident holders

Relief

If a Non-resident holder is resident in the non- European part of the Kingdom of the Netherlands or in a country that has concluded a double tax treaty with the Netherlands, such holder may be eligible for a full or partial relief from the Dutch dividend withholding tax, provided such relief is timely and duly claimed. Pursuant to domestic rules to avoid dividend stripping, Dutch dividend withholding tax relief will only be available to a holder if such holder is the beneficial owner of dividends distributed by Ferrari.

In addition, a Non-resident holder that is not an individual is entitled to an exemption from Dutch dividend withholding tax, provided that the following tests are satisfied:

1. such holder is, according to the tax law in a Member State of the European Union or a state designated by ministerial decree, that is a party to the Agreement regarding the European Economic Area, resident there and such holder is not transparent for tax purposes according to the tax law of such state;

2. any one or more of the following threshold conditions are satisfied:

    a. at the time the dividend is distributed by Ferrari, such holder holds shares representing at least five percent of Ferrari's nominal paid-up capital; or

    b. such holder has held shares representing at least five percent of Ferrari's nominal paid up capital for a continuous period of more than one year at any time during the four years preceding the time the dividend is distributed by Ferrari; or

c. such holder is connected with Ferrari within the meaning of article 10a, paragraph 4, of the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*); or

d. an entity connected with such holder within the meaning of article 10a, paragraph 4, of the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) holds at the time the dividend is distributed by Ferrari, shares representing at least five percent of Ferrari's nominal paid-up capital;

3. such holder is not considered to be resident outside the Member States of the European Union or the states designated by ministerial decree, that are a party to the Agreement regarding the European Economic Area, under the terms of a double tax treaty concluded with a third State; and

4. such holder does not perform a similar function to an investment institution (*beleggingsinstelling*) as meant by article 6a or article 28 of the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

The exemption from Dutch dividend withholding tax is not available if a holder is a Non-resident holder and pursuant to a provision for the prevention of fraud or abuse included in a double tax treaty between the Netherlands and such holder's country of residence, such holder would not be entitled to the reduction of tax on dividends provided for by such treaty. Furthermore, the exemption from Dutch dividend withholding tax will only be available to a holder if such holder is the beneficial owner of dividends distributed by Ferrari, as described above. If a holder is a Non-resident holder and such holder is resident in a Member State of the European Union with which the Netherlands has concluded a double tax treaty that provides for a reduction of tax on dividends based on the ownership of the number of voting rights, the test under (2)(a) above is also satisfied if such holder owns five percent of the voting rights in Ferrari.

Credit

If a Non-resident holder is subject to Dutch income tax or Dutch corporation tax in respect of any benefits derived or deemed to be derived from such holder's Common Shares and, if applicable, Special Voting Shares, including any capital gain realized on the disposal thereof, such holder can generally credit Dutch dividend withholding tax against Dutch income tax or Dutch corporation tax liability, as applicable, and such holder is generally entitled to a refund pursuant to a negative tax assessment if and to the extent the Dutch dividend withholding tax, together with any other creditable domestic and/or foreign taxes, exceeds such holder's aggregate Dutch income tax or aggregate Dutch corporation tax liability, respectively.

See the section "Dividend withholding tax" under "Dutch Individual holders and Dutch Corporate holders" for a description of the term beneficial owner.

See the section "Dividend withholding tax" under "General" for a description of the concept "dividends distributed by Ferrari."

See "Taxes on income and capital gains" under "General" for a description of the term Non-resident holder.

See the section "Taxes on income and capital gains" under "Non-resident holders" for a description of the circumstances in which a Non-resident holder is subject to Dutch income tax or Dutch corporation tax.

Gift and inheritance taxes

If a holder of Common Shares and, if applicable, Special Voting Shares disposes of Common Shares and/or Special Voting Shares by way of gift, in form or in substance, or if a holder of Common Shares and, if applicable, Special Voting Shares who is an individual dies, no Dutch gift tax or Dutch inheritance tax, as applicable, will be due, unless:

i. the donor is, or the deceased was, resident or deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, as applicable; or

ii. the donor made a gift of Common Shares and/or Special Voting Shares, then became a resident or deemed resident of the Netherlands, and died as a resident or deemed resident of the Netherlands within 180 days of the date of the gift.

For purposes of the above, a gift of Common Shares and/or Special Voting Shares made under a condition precedent is deemed to be made at the time the condition precedent is satisfied.

For example, and without being exhaustive, an individual who has the Dutch nationality is deemed to be resident in the Netherlands at the time of his death or the making of the gift, if he resided in the Netherlands at any time during a period of ten years preceding the time of his death or the time of the gift. In addition, as a further example, and without being exhaustive, any individual who has been resident in the Netherlands and who has made a gift within a period of one year after he has taken up his residence outside the Netherlands, is deemed to be resident in the Netherlands at the time of the gift.

Value added tax

No Dutch value added tax will arise in respect of any payment in consideration for the acquisition, ownership and/or disposal of Common Shares and, if applicable, Special Voting Shares.

Registration taxes and duties

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands by a holder in respect of or in connection with (i) the subscription, issue, placement or allotment of Common Shares and, if applicable, Special Voting Shares, (ii) the enforcement by way of legal proceedings (including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the subscription, issue, placement or allotment of Common Shares and, if applicable, Special Voting Shares or the performance by Ferrari of Ferrari's obligations under such documents, or (iii) the transfer of Common Shares and, if applicable, Special Voting Shares.

Material Italian Income Tax Consequences

This section describes solely the material Italian tax consequences of acquiring, holding, and disposing of Common Shares and, if applicable, Special Voting Shares. It does not consider every aspect of Italian taxation that may be relevant to a particular holder of Common Shares and, if applicable, Special Voting Shares in special circumstances or who is subject to special treatment under applicable law, and it is not intended to be applicable in all respects to all classes of investors.

Shareholders and any potential prospective investor should consult their own tax advisors regarding the Italian tax consequences of acquiring, holding, and disposing of Common Shares and, if applicable, Special Voting Shares in their particular circumstances and should investigate the nature and the origin of the amounts received as distributions in connection with the Common Shares (dividends or reserves).

Where in this section English terms and expressions are used to refer to Italian concepts, the meaning to be given to these terms and expressions shall be the meaning to be given to the equivalent Italian concepts under Italian tax law. This summary assumes that Common Shares will be listed on a regulated market managed and organized by Borsa Italiana. This summary also assumes that Ferrari is organized, and that the business will be conducted, in the manner outlined in this Prospectus. A change to the organizational structure or to the manner in which Ferrari conducts its business may invalidate the contents of this section, which will not be updated to reflect any such change.

This summary is based on the tax laws of the Republic of Italy and case law / practice (unpublished case law / practice is not included) as it stands at the date of this Prospectus. The law upon which this description is based is subject to change, perhaps with retroactive effect. Any such change may invalidate the contents of this description, which will not be updated to reflect this change.

Definitions

In this section, the following terms have the meaning defined below:

- "CITA": Presidential Decree No. 917 of December 22, 1986 (the Consolidated Income Tax Act);
- "Italian White List": the list of countries and territories allowing a satisfactory exchange of information with Italy (i) currently included in the Italian Ministerial Decree of September 4, 1996, as subsequently amended and supplemented or (ii) once effective in any other decree or regulation that will be issued in the future to provide the list of such countries and territories (and that will replace Ministerial Decree of September 4, 1996), including any country or territory that will be deemed listed therein for the purpose of any interim rule;
- "Non-Qualified Holdings": holdings of Common Shares, including rights or securities through which Common Shares may be acquired, other than Qualified Holdings;
- "Qualified Holdings": holdings of Common Shares, including rights or securities through which Common Shares may be acquired, that represent, in case of shares listed on regulated markets, either (i) more than two percent of the overall voting rights exercisable at ordinary shareholders' meetings or (ii) an interest in Ferrari's issued and outstanding capital in excess of five percent; and
- "Transfer of Qualified Holdings": transfers of Common Shares, including rights or securities through which Common Shares may be acquired, that exceed, over a period of 12 (twelve) months, the threshold for qualifying as Qualified Holdings. The twelve-month period starts from the date when the shares, securities and the rights owned represent a percentage of voting rights or interest in Ferrari's capital that exceeds the aforesaid thresholds. In case of rights or securities through which Common Shares may be acquired, the percentage of voting rights or interest in Ferrari's capital potentially attributable to the holding of such rights and securities is taken into account.

Taxation of Dividends

The tax regime summarized in this subsection "Taxation of Dividends" applies only to classes of holders of Common Shares and, if applicable, Special Voting Shares that are described here below.

Dividends paid by Ferrari are subject to the tax regime generally applicable to dividends paid by companies that are resident for tax purposes in the Republic of Italy.

The tax regime may vary as follows.

(A) ITALIAN RESIDENT PERSONS

(i) Individuals not engaged in business activity

Under Decree No. 600 of September 29, 1973 (Decree 600), dividends paid to Italian resident individuals who hold the Common Shares neither in connection with a business activity nor in the context of the discretionary investment portfolio regime (*risparmio gestito*) as defined in subparagraph (A)(ii) below are subject to 26 percent tax withheld at source in Italy if the Common Shares held by such individuals represent Non-Qualified Holdings. In this case, the holders are not required to report the dividends in their income tax returns.

This 26 percent tax is withheld by the Italian resident share depository where the securities are deposited, which have joined the centralized management system managed by Monte Titoli or, through a representative appointed in Italy (in particular, a bank or SIM resident in Italy, a permanent establishment in Italy of non-resident banks or investment firms, or a centralized financial instrument management company authorized pursuant to Article 80 of the Italian Unified Financial Act), by non-resident share depositories which adhere to the Monte Titoli system or to foreign centralized deposit systems in turn adhering to the Monte Titoli system.

Dividends paid to Italian resident individuals who do not hold the Common Shares in connection with a business activity are not subject to any tax withheld at source in Italy if the Common Shares held by such individuals represent Qualified Holdings, provided that, in this case, the holders declare at the time of receipt that the dividends relate to Qualified Holdings. In this case, dividends must be reported in the income tax return, but only 49.72 percent of such dividends are included in the holder's overall income taxable in Italy.

(ii) Individuals not engaged in business activity and holding the Common Shares under the "risparmio gestito" regime

Dividends paid to Italian resident individuals who do not hold the Common Shares in connection with a business activity are not subject to any tax withheld at source in Italy if (a) the Common Shares held by such individuals represent Non-Qualified Holdings, (b) the holder has entrusted the management of the shares to an authorized intermediary under a discretionary asset management contract, and (c) the holder has elected into the discretionary investment portfolio regime (*risparmio gestito*) under Article 7 of Legislative Decree No. 461 of November 21, 1997 (Decree 461). In this case, the dividends are included in the annual accrued management result (*risultato maturato annuo di gestione*), which is subjected to 26 percent substitute tax.

(iii) Sole Proprietors

Dividends paid to Italian resident individuals who hold the Common Shares in connection with a business activity (Sole Proprietors) are not subject to any tax withheld at source in Italy, provided that, in this case, the holders declare at the time of receipt that the profits collected are from holdings connected with their business activity. In this case, dividends must be reported in the income tax return, but only 49.72 percent of such dividends are included in the holder's overall business income taxable in Italy.

(iv) Partnerships (Italian "società in nome collettivo", "società in accomandita semplice", "società semplici" and similar Italian partnerships as referred to in Article 5 CITA), as well as companies and other business entities referred to in Article 73(1)(a)-(b) CITA

No Italian tax is withheld at source on dividends paid to Italian partnerships (such as Italian "*società in nome collettivo*," "*società in accomandita semplice*", *"società semplici*" and similar partnerships as referred to in Article 5 CITA). Only 49.72 percent of such dividends are included in the overall income to be reported by the partnership.

No Italian tax is withheld at source on dividends paid to Italian resident companies and other Italian resident business entities as referred to in Article 73(1)(a)-(b) CITA, including, among others, corporations (*società per azioni*), partnerships limited by shares (*società in accomandita per azioni*), limited liability companies (*società a responsabilità limitata*) and public and private entities whose sole or primary purpose is to carry out business activities. Only five percent of the dividends are included in the overall business income subject to corporate income tax (IRES), unless the Common Shares are booked as shares held for trading by holders that apply IAS / IFRS international accounting standards under Regulation No. 1606/2002 of the European Parliament and Council of July 19, 2002. In this latter case, the full amount of the dividends is included in the holder's overall business income subject to IRES.

For some types of companies and under certain conditions, dividends are also included in the net value of production, which is subject to the regional tax on productive activities (IRAP).

(v) Non-business entities referred to in Article 73(1)(c) CITA

No Italian tax is withheld at source on dividends paid to Italian resident non-business entities referred to in Article 73(1)(c) CITA (including Italian resident trusts that do not carry out a business activity), except for Italian collective investment vehicles (OICR). Only 77.74 percent of the dividends are included in the holder's overall income subject to IRES.

(vi) Persons exempt from IRES and persons outside the scope of IRES

Dividends paid to Italian resident persons that are exempt from IRES are generally subject to 26 percent tax withheld at source by the Italian depository (which has joined the centralized deposit system managed by Monte Titoli) which the Shares are deposited with or, through a representative appointed in Italy, by the non-resident share depository which adheres to the Monte Titoli system or to foreign centralized deposit systems in turn adhering to the Monte Titoli system.

No Italian tax is instead withheld at source on dividends paid to persons that are outside the scope of IRES (*esclusi*) under Article 74(1) CITA.

(vii) Pension funds and OICR (other than Real Estate AIF)

No Italian tax is withheld at source on dividends paid to (a) Italian pension funds governed by Legislative Decree No. 252 of December 5, 2005 (Decree 252) and (b) Italian OICR, other than real estate investment funds and Italian real estate SICAFs (real estate alternative investment funds (Real Estate AIF)).

Dividends received by Italian pension funds are taken into account to compute the pension fund's net annual accrued yield, which is subject to a 20 percent flat tax (*imposta sostitutiva*). A nine percent tax credit may be granted to the pension fund on income from its medium-and long-term financial investments as identified by the decree of the Minister of Finance dated June 19, 2015 published on the Italian *Gazzetta Ufficiale* on July 30, 2015 and subject to the conditions set forth in such decree.

Dividends received by OICR that are set up in, and organized under the laws of, Italy and that are subject to regulatory supervision (other than Real Estate AIF) are not subject to taxation at the level of the OICR.

(viii) Real Estate AIF

No Italian tax is withheld at source on dividends paid to Italian Real Estate AIF. Moreover, dividends are not subject to either IRES or IRAP at the level of the Real Estate AIF. However, income realized by Italian Real Estate AIF is attributed pro rata to Italian resident unitholders / shareholders, irrespective of any actual distribution, on a tax transparency basis if the Italian resident unitholders / shareholders are not institutional investors and hold units / shares in the Real Estate AIF representing more than five percent of the Real Estate AIF's net asset value.

(B) NON-ITALIAN RESIDENT PERSONS

(i) Non-resident persons holding the Common Shares through a permanent establishment in Italy

No Italian tax is withheld at source on dividends paid to non-resident persons that hold the Common Shares through a permanent establishment in Italy to which the Common Shares are effectively connected. Only five percent of the dividends are included in the overall income subject to IRES, unless the Common Shares are booked as shares held for trading by holders that apply IAS / IFRS international accounting standards under Regulation No. 1606/2002 of the European Parliament and the Council of July 19, 2002. In this latter case, the full amount of the dividends is included in the overall business income subject to IRES.

For some types of businesses and under certain conditions, dividends are also included in the net value of production, which is subject to IRAP.

If dividends are paid with respect to Common Shares that are not connected with a permanent establishment in Italy of a non-resident person, please see subparagraph (B)(ii) below.

(ii) Non-resident persons that do not hold the Common Shares through a permanent establishment in Italy

A 26 percent tax withheld at source generally applies on dividends paid to non-resident persons that do not have a permanent establishment in Italy to which the Common Shares are effectively connected.

This 26 percent tax is withheld by the Italian resident share depository where the securities are deposited, which have joined the centralized management system managed by Monte Titoli or, through a representative appointed in Italy (in particular, a bank or SIM resident in Italy, a permanent establishment in Italy of non-resident banks or investment firms, or a centralized financial instrument management company authorized pursuant to Article 80 of the Italian Unified Financial Act), by non-resident share depositories which adhere to the Monte Titoli system or to foreign centralized deposit systems in turn adhering to the Monte Titoli system.

Subject to a specific application that must be submitted to the Italian tax authorities under the terms and conditions provided by law, non-resident holders are entitled to relief (in the form of a refund), which cannot be greater than 11/26 (eleven twenty-sixths) of the tax levied in Italy, if they can demonstrate that they have paid final tax abroad on the same profits. Holders who may be eligible for the relief should consult with their own independent tax advisors to determine whether they are eligible for, and how to obtain, the tax refund.

As an alternative to the relief described above, persons resident in countries that have a double tax treaty in force with Italy may request that the tax withheld at source on dividends be levied at the (reduced) rate provided under the applicable tax treaty. For this purpose, the entities with which the shares are deposited, which have joined the centralized deposit system managed by Monte Titoli, must promptly obtain:

- an affidavit by the non-resident person drafted in compliance with the form approved by the Italian tax authorities (*Provvedimento No. 2013/84404*), stating that (i) it is the beneficial owner of the dividends, (ii) all conditions to which the treaty regime is subject are fulfilled, and indicating its general information, as well as any information that may be necessary to determine the tax rate applicable pursuant to the treaty; and
- a tax residence certificate from the competent tax authority of the State where the beneficial owner of the dividends is resident, proving tax residence in that State. This certificate, included in the form mentioned above, shall be valid for the tax period referred to in the affidavit starting from the issuing date, provided that all requirements remain met.

If such documentation is not submitted to the depositary before payment of the dividend, the tax is generally withheld at the rate of 26% percent. The beneficial owner of the dividends may nevertheless request a refund from the Italian tax authorities for the difference between the tax withheld and the tax that would have applied under the treaty by filing a proper refund application together with the aforementioned documentation. This must be submitted according to the terms and conditions provided by law.

The domestic withholding tax rate on dividends is 1.375 percent (and not 26 percent) if the recipients and beneficial owners of the dividends on Common Shares are companies or entities that are (a) resident for tax purposes in an EU Member State or in a State that is party to the European Economic Area Agreement (EEA Member State) and is included in the Italian White List and (b) subject to corporate income tax in such State. These companies and entities are not entitled to the relief described above.

The domestic withholding tax rate on dividends is 11 percent (and not 26 percent) if the recipients and beneficial owners of the dividends on Common Shares are pension funds that are set up in an EU Member States or an EEA Member State included in the Italian White List. These pension funds are not entitled to the relief described above.

Under Article 27-*bis* of Decree 600, which implemented in Italy Directive 435/90/EEC of July 23, 1990, then recast in EU Directive 2011/96 of November 30, 2011 (the Parent Subsidiary Directive), a company is entitled to a full refund of the tax withheld at source on the dividends if it (a) has one of the legal forms provided for in the appendix to Parent Subsidiary Directive, (b) is resident for tax purposes in an EU Member State without being considered to be resident outside the EU according to a double tax treaty signed with a non-EU country, (c) is subject in the country of residence to one of the taxes indicated in the appendix to the Parent Subsidiary Directive with no possibility of benefiting from optional or exemption regimes that have no territorial or time limitations, and (d) directly holds Common Shares that represent an interest in the issued and outstanding capital of Ferrari of no less than 10 percent for an uninterrupted period of at least one year. If these conditions are met, and as an alternative to submitting a refund request after the dividend distribution, the non-resident company may request that no tax be levied at the time the dividends are paid, provided that *(x)* the 1-year holding period under condition (d) above has already run and *(y)* the non-resident company promptly submits proper documentation. EU resident companies that are controlled directly or indirectly by persons that are not resident in an EU Member State may request the refund or the direct withholding exemption only if the EU resident companies prove that they do not hold the Common Shares for the sole or primary purpose of benefiting from the Parent Subsidiary Directive.

Under the Agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments, the withholding tax refund / exemption regime described above also applies to dividends paid to a company that (a) is resident for tax purposes in Switzerland without being considered to be resident outside Switzerland according to a double tax treaty signed with a non-EU country, (b) is a limited company, (c) is subject to Swiss corporate tax without being exempted or benefiting from preferential tax regimes, and (d) directly holds Common Shares that represent an interest in Ferrari's issued and outstanding capital of no less than 25 percent for an uninterrupted period of at least two years.

Dividends distributed to international entities or bodies that benefit from exemption from taxation in Italy pursuant to international rules or treaties entered into force in Italy will not be subject to any tax withheld at source.

Taxation of Distributions of Equity Reserves

The tax regime summarized in this subsection "Taxation of Distributions of Equity Reserves" applies only to classes of holders of Common Shares and, if applicable, Special Voting Shares that are described here below.

The information provided in this subsection summarizes the Italian tax regime applicable to the distributions by Ferrari—other than in case of reduction of excess capital, withdrawal, exclusion, redemption or liquidation—of equity reserves as referred to under Article 47(5) CITA, such as, for instance, reserves or other funds formed with share premiums, equalizing interests (*interessi di conguaglio*) paid in by the subscribers, equity (other than share capital) contributions (*versamenti a fondo perduto*) or share capital account payments (*versamenti in conto capitale*) made by shareholders and tax-exempt revaluation reserves (the Equity Reserves).

(A) ITALIAN RESIDENT PERSONS

(i) Individuals not engaged in business activity

Regardless of what holders have resolved upon in the shareholders' meeting, the amounts received as distribution out of Equity Reserves of Ferrari by Italian resident individuals who do not hold the Common Shares in connection with a business activity are deemed to be, and treated as, profits for the recipients to the extent that Ferrari has current year profits and retained profits (except for any portion thereof earmarked to a tax-deferred reserve or non-distributable reserves). Amounts treated as profits are subject to the same tax regime described above for dividends. Amounts received as distributions out of Equity Reserves, net of any amount already treated as profits as per the above, reduce the holder's tax basis in Common Shares correspondingly. Distributions out of Equity Reserves that are in excess of the holders' tax basis in the Common Shares are treated as dividends for tax purposes. Special rules may apply if the individual holders have elected with regard to the Common Shares into the discretionary investment portfolio regime (*regime del risparmio gestito*) described in subparagraph (A)(i) of the subsection "Taxation of Capital Gains" below.

(ii) Sole Proprietors, business partnerships (Italian "società in nome collettivo", "società in accomandita semplice" and similar Italian partnerships as referred to in Article 5 CITA), as well as companies and other business entities referred to in Article 73(1)(a)-(b) CITA

Regardless of what holders have resolved upon in the shareholders' meeting, the amounts received as distribution out of Equity Reserves of Ferrari by Italian Sole Proprietors, Italian business partnerships (Italian "*società in nome collettivo*," "*società in accomandita semplice*" and similar Italian partnerships as referred to in Article 5 CITA), and Italian resident companies and other business entities referred to in Article 73(1)(a)-(b) CITA are deemed to be, and are treated as, profits for the recipients to the extent that Ferrari has current year profits and retained profits (except for any portion thereof earmarked to a tax-deferred reserve or non-distributable reserves). Amounts treated as profits should be subject to the same tax regime described above for dividends. Amounts received as distributions out of Equity Reserves, net of any amount already treated as profits as per the above, reduce the holder's tax basis in the Common Shares correspondingly. Distributions out of Equity Reserves that are in excess of the holders' tax basis in the Common Shares are treated as capital gains for tax purposes and should be subject to the same regime described in the subsection "Taxation of Capital Gains" below.

(iii) Non-business entities referred to in Article 73(1)(c) CITA

Amounts received by Italian resident non-business entities referred to in Article 73(1)(c) CITA as distributions out of Equity Reserves, net of any amount already treated as profits as per the rules described in subparagraph (A)(i) above, reduce the holder's tax basis in the Common Shares correspondingly. Distributions out of Equity Reserves that are in excess of the holders' tax basis in the Common Shares are treated as dividends for tax purposes.

(iv) Persons exempt from IRES

Amounts received by Italian resident persons exempt from IRES as distributions out of Equity Reserves, net of any amount already treated as profits as per the rules described in subparagraph (A)(i) above, reduce the holder's tax basis in the Common Shares correspondingly. Distributions out of Equity Reserves that are in excess of the holders' tax basis in the Common Shares are treated as dividends for tax purposes.

(v) Pension funds and OICR (other than Real Estate AIF)

Based on a systematic interpretation of the statute, amounts received by Italian pension funds governed by Article 17 of Decree 252 as distributions out of Equity Reserves should be taken into account to compute the pension fund's net annual accrued yield, which is subject to a 20 percent flat tax (*imposta sostitutiva*). The value of the Common Shares at the end of the same tax year should also be included in the net annual accrued yield.

Conversely, any amounts received by OICR that are set up in, and organized under the laws of, Italy and that are subject to regulatory supervision (other than Real Estate AIF) as distributions out of Equity Reserves are not subject to taxation at the level of the OICR.

(vi) Real Estate AIF

Amounts received by Italian Real Estate AIF as distributions out of Equity Reserves are not subject to IRES or IRAP at the level of the Real Estate AIF. However, income realized by Italian Real Estate AIF is attributed pro rata to the unitholders / shareholders, irrespective of any actual distribution, on a tax transparency basis if the unitholders / shareholders are not institutional investors and hold units / shares in the Real Estate AIF representing more than five percent of the Real Estate AIF's net asset value.

(B) NON-ITALIAN RESIDENT PERSONS

(i) Non-resident persons that do not hold the Common Shares through a permanent establishment in Italy

For non-Italian resident persons (whether individuals or corporations) without a permanent establishment in Italy to which the Common Shares are effectively connected, the amounts received as distributions out of Equity Reserves are subject to the same tax regime as applicable to Italian resident individuals not engaged in business activity. Therefore, the amounts received as distributions out of Equity

Reserves, net of any amount that has already been treated as profits as per the rules described in subparagraph (A)(i) above, reduce the holder's tax basis in the Common Shares correspondingly. Distributions out of Equity Reserves that are in excess of the holders' tax basis in the Common Shares are treated as dividends for tax purposes.

(ii) Non-resident persons holding the Common Shares through a permanent establishment in Italy

For non-Italian resident persons that hold the Common Shares through a permanent establishment in Italy to which the Common Shares are effectively connected, the amounts received as distributions out of Equity Reserves are subject to the same tax regime as applicable to Italian resident companies and other business entities referred to in Article 73(1)(a)-(b) CITA as described in subparagraph (A)(ii) above. If the Equity Reserves distribution relates to Common Shares that are not connected to a permanent establishment in Italy of the non-resident recipient, reference must be made to subparagraph (B)(i) above.

Taxation of Capital Gains

The tax regime summarized in this subsection "Taxation of Capital Gains" applies only to classes of holders of Common Shares and, if applicable, Special Voting Shares that are described here below.

(A) ITALIAN RESIDENT PERSONS

(i) Italian resident individuals not engaged in business activity

The tax regime of capital gains realized by Italian resident individuals upon transfer for consideration of the Common Shares (as well as of securities or rights whereby Common Shares may be acquired), other than capital gains realized in connection with a business activity, depends on whether the transfer is a Transfer of Qualified Holdings.

TRANSFER OF QUALIFIED HOLDINGS. 49.72 percent of the capital gains realized upon Transfers of Qualified Holdings must be included in the individual's overall taxable income and reported in the individual's annual income tax return. If the Transfer of Qualified Holdings gives rise to a capital loss, 49.72 percent of such loss may be offset against 49.72 percent of any capital gain of the same nature that is realized in the following years up to the fourth, provided that this capital loss is reported in the income tax return for the year when the capital loss is realized.

TRANSFER OF NON-QUALIFIED HOLDINGS. Capital gains on Non-Qualified Holdings are subject to a 26 percent substitute tax (CGT). The taxpayer may opt for any of the following three tax regimes:

a. Tax return regime (*regime della dichiarazione*). Under this regime, capital gains and capital losses realized during the tax year must be reported in the income tax return. CGT is computed on capital gains net of capital losses of the same nature and must be paid by the term for paying the balance of the annual income tax. Capital losses in excess of capital gains may be carried forward and offset against capital gains realized in any of the four following tax years. Capital losses may be carried forward and offset against capital gains of the same nature realized after June 30, 2014, but up to the following amount in case of capital losses realized up to June 30, 2014: (i) 48.08 percent of the relevant capital losses realized before January 1, 2012, and (ii) 76.92 percent of the capital losses realized from January 1, 2012 to June 30, 2014. This regime is the default regime if the taxpayer does not elect into any of the two alternative regimes described in (b) and (c) below.

b. Nondiscretionary investment portfolio regime (*risparmio amministrato*) (optional). Under this regime, CGT is applied separately on capital gains realized on each transfer of Common Shares. This regime is allowed subject to (x) the Common Shares being managed or in custody with Italian banks, broker-dealers (*società di intermediazione mobiliare*) or certain authorized financial intermediaries; and (y) an express election for the nondiscretionary investment portfolio regime being made in writing in due time by the relevant holder. Under this regime, the financial intermediary is responsible for accounting for and paying (on behalf of the taxpayer) CGT in respect of capital gains realized on each transfer of the Common Shares (as well as in respect of capital gains realized at revocation of the intermediary's mandate), net of any relevant capital losses of the same nature. Capital losses may be carried forward and offset against capital gains of the same nature realized within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Capital losses may be carried forward and offset against capital gains of the same nature realized after June 30, 2014, but up to the following amount in case of capital losses realized up to June 30, 2014: (i) 48.08 percent of the relevant capital losses realized before January 1, 2012, and (ii) 76.92 percent of the capital losses realized from January 1, 2012 to June 30, 2014. Under this regime, the holder is not required to report capital gains in the annual income tax return.

c. Discretionary investment portfolio regime (*risparmio gestito*) (optional). This regime is allowed for holders who have entrusted the management of their financial assets, including the Common Shares, to an authorized intermediary and have elected in writing into this regime. Under this regime, capital gains accrued on the Common Shares are included in the computation of the annual increase in value of the managed assets accrued (even if not realized) at year end, which is subject to CGT. The managing authorized intermediary applies the tax on behalf of the taxpayer. Any decrease in value of the managed assets accrued at year end may be carried forward and offset against any increase in value of the managed assets accrued in any of the four following tax years. Decreases in value of the managed assets may be carried forward and offset against any subsequent increase in value accrued at July 1, 2014, but up to the following amount in case of decreases in value occurred up to June 30, 2014: (i) 48.08 percent of the relevant decreases in value occurred before January 1, 2012; and (ii) 76.92 percent of the decreases in value occurred from January 1, 2012 to June 30, 2014. Under this regime, the holder is not required to report capital gains in the annual income tax return.

(ii) Sole Proprietors and business partnerships (Italian "società in nome collettivo", "società in accomandita semplice" and similar Italian partnerships as referred to in Article 5 CITA)

Capital gains realized by Italian Sole Proprietors and Italian business partnerships (Italian "*società in nome collettivo*", "*società in accomandita semplice*" and similar Italian partnerships as referred to in Article 5 CITA) upon transfer for consideration of the Common Shares must be fully included in the overall business income and reported in the annual income tax return. Capital losses (or other negative items of income) derived by this class of holders upon transfer for consideration of the Common Shares would be fully deductible from the holder's income.

However, if the conditions under a., b., c. and d. of subparagraph (A)(iii) below are met, only 49.72 percent of the capital gains must be included in the overall business income. Capital losses realized on shares in Ferrari that meet the conditions under a., b., c. and d. of subparagraph (A)(iii) below are only partially deductible (similarly to what is provided for the taxation of capital gains).

For the purpose of determining capital gains and capital losses, the holder's tax basis in the Common Shares is reduced by any write-down that the holder has deducted in previous tax years.

(iii) Companies and other business entities referred to in Article 73(1)(a)-(b) CITA

Capital gains realized by Italian resident companies and other business entities as referred to in Article 73(1)(a)-(b) CITA (including partnerships limited by shares and public and private entities whose sole or primary purpose is carrying out business activity) upon transfer for consideration of the Common Shares must be fully included in the overall taxable business income subject to IRES in the tax year in which the capital gains are realized or, upon election, may be spread in equal instalments over a maximum of five tax years (including the tax year when the capital gain is realized). The election for the instalment computation is only available if the Common Shares have been held for no less than three years and booked as fixed financial assets (*immobilizzazioni finanziarie*) in the last three financial statements.

However, under Article 87 CITA (participation exemption), capital gains realized upon transfer of Common Shares are 95 percent exempt if both the following requirements are met:

a. The Common Shares have been uninterruptedly held as of the first day of the twelfth month prior to the transfer, treating the Common Shares acquired on the most recent date as being transferred first (on a "last in first out" basis); and

b. The Common Shares have been booked as fixed financial assets in the first financial statement closed during the holding period. In case of holders that draft their financial statements according to IAS / IFRS international accounting standards, the Common Shares are deemed as fixed financial assets if they are not accounted as "held for trading.".

c. Ferrari is a tax resident of a country or a territory listed in a decree to be issued by the Italian Ministry of Finance under the authority of Article 168-bis CITA, or, alternatively, proof has been given (by way of a tax ruling) that, as of the beginning of the holding period, there has been no shifting of income to countries or territories other than those identified in the aforesaid decree. Because the Ministry of Finance has not issued this decree yet, reference must currently be made to countries or territories other than those identified as "low tax jurisdictions"; and

d. Ferrari carries on a business activity according to the definition set forth in Article 55 CITA. This requirement is deemed to be met if the shares in Ferrari are traded on regulated markets.

At the time the capital gain is realized requirements under c. and d. must have uninterruptedly been met as of the beginning of the third tax year before the year in which the capital gain is realized.

The transfer of shares booked as fixed financial assets and shares booked as inventory must be considered separately with reference to each class. If the requirements for the participation exemption are met, any capital loss realized on the Common Shares cannot be deducted.

For the purpose of determining capital gains and capital losses, the holder's tax basis in the Common Shares is reduced by any write-down that the holder has deducted in previous tax years.

Capital losses (as well as negative differences between revenues and costs) relating to shares that do not meet the participation exemption requirements are not relevant (and cannot be deducted) to the extent of the non-taxable amount of dividends (or advance dividend) received by the holder in the 36 (thirty-six) months prior to the transfer (dividend washing rule). This anti-avoidance rule applies to shares acquired in the 36-month period preceding the realization of the capital loss (or the negative difference), provided that requirements under Article 87(1)(c)-(d) CITA (i.e., the company is not resident in a "low tax jurisdiction" and carries on a business activity) are met. The anti-avoidance rule does not apply to holders that draft their financial statements according to IAS / IFRS international accounting standards under Regulation (EC) No. 1606/2002 of the European Parliament and the Council of July 19, 2002. When the amount of the aforesaid capital losses (and negative differences) deriving from a transaction (or a series of transactions) on shares traded on regulated markets is greater than €50,000.00, the taxpayer must report the data and the information regarding the transaction to the Italian tax authorities.

Moreover, in case of capital losses greater than €5,000,000.00 deriving from the transfer (or a series of transfers) of shares booked as fixed financial assets, the holder must report the data and the information to the Italian tax authorities. Holders that draft their financial statements according to IAS / IFRS international accounting standards are under no such obligation.

For some types of companies and under certain conditions, capital gains on Common Shares are also included in the net value of production that is subject to IRAP.

(iv) Non-business entities referred to in Article 73(1)(c) CITA and non-business partnerships referred to in Article 5 CITA

Capital gains realized, outside the scope of a business activity, by Italian resident non-business entities referred to in Article 73(1)(c) CITA (other than OICR) and Italian non-business partnerships as referred to in Article 5 CITA are subject to tax under the same rules as provided for capital gains realized by Italian resident individuals who do not hold the Common Shares in connection with a business activity.

(v) Pension funds and OICR (other than Real Estate AIF)

Capital gains on Common Shares held by Italian pension funds governed by Decree 252 must be taken into account to compute the pension fund's net annual accrued yield, which is subject to a 20 percent flat tax (*imposta sostitutiva*). A nine percent tax credit may be granted to the pension fund on income from its medium- and long-term financial investments as identified by the decree of the Minister of Finance dated June 19, 2015 published on the Italian *Gazzetta Ufficiale* on July 30, 2015 and subject to the conditions set forth in such decree.

Capital gains on Common Shares held by OICRs that are set up in, and organized under the laws of, Italy and that are subject to regulatory supervision (other than Real Estate AIF) are not subject to tax at the level of the OICR.

(vi) Real Estate AIF

Capital gains on Common Shares held by Italian Real Estate AIF are not subject to IRES or IRAP at the level of the Real Estate AIF.

(B) NON-ITALIAN RESIDENT PERSONS

(i) Non-resident persons holding the Common Shares through a permanent establishment in Italy

If non-Italian resident persons hold the Common Shares through a permanent establishment in Italy to which the Common Shares are effectively connected, capital gains realized upon disposal of the Common Shares must be included in the permanent establishment's income taxable in Italy according to the tax regime as provided for the capital gains realized by Italian resident companies and other business entities as referred to in Article 73(1)(a)-(b) CITA, which is summarized under subparagraph (A)(iii) above. If the Common Shares are not connected to a permanent establishment in Italy of the non-resident person, reference must be made to subparagraph (B)(ii) below.

(ii) Non-resident persons that do not hold the Common Shares through a permanent establishment in Italy

a. Non-Qualified Holdings. No tax applies in Italy on capital gains realized by non-Italian resident holders without a permanent establishment in Italy upon transfer for consideration of Common Shares that do not qualify as Transfers of Qualified Holdings, even if the Common Shares are held in Italy and regardless of the provisions set forth in any applicable double tax treaty. In such case, in order to benefit from this exemption, non-Italian resident holders who hold the Common Shares with an Italian authorized financial intermediary and either are subject to the nondiscretionary investment portfolio regime or have elected into the discretionary investment portfolio regime may be required to timely submit to the Italian authorized financial intermediary an affidavit whereby they state that they are not resident in Italy for tax purposes.

b. Qualified Holdings. Capital gains realized by non-Italian resident holders without a permanent establishment in Italy upon Transfers of Qualified Holdings are included in the holder's income taxable in Italy according to the same rules as applicable to Italian resident individuals not engaged in business activity. These capital gains must be reported in the annual income tax return and cannot be subject to the nondiscretionary investment portfolio regime or the discretionary investment portfolio regime. However, the provisions of double tax treaties entered into by Italy may apply if more favorable.

Special Voting Shares

No statutory, judicial or administrative authority directly discusses how the receipt, ownership or disposal of Special Voting Shares should be treated for Italian income tax purposes and as a result, the Italian tax consequences are uncertain. Accordingly, we urge Shareholders to consult their tax advisors as to the tax consequences of the receipt, ownership and disposal of Special Voting Shares.

Receipt of Special Voting Shares

A shareholder that receives Special Voting Shares issued by Ferrari should in principle not recognize any taxable income upon the receipt of Special Voting Shares. Under a possible interpretation, the issue of Special Voting Shares can be treated as the issue of bonus shares free of charge to the shareholders out of existing available reserves of Ferrari. Such issue should not have any material effect on the allocation of the tax basis of a shareholder between its Common Shares and its Special Voting Shares. Because the Special Voting Shares are not transferable and their limited economic rights can be enjoyed only at the time of the liquidation of Ferrari, we believe and intend to take the position that the fair market value of each Special Voting Share is minimal. However, because the determination of the fair market value of the Special Voting Shares is not governed by any guidance that directly addresses such a situation and is unclear, the Italian tax authorities could assert that the value of the Special Voting Shares as determined by us is incorrect.

Ownership of Special Voting Shares

Shareholders of Special Voting Shares should not have to recognize income in respect of any amount transferred to the Special Voting Shares dividend reserve, but not paid out as dividends, in respect of the Special Voting Shares.

Disposition of Special Voting Shares

The tax treatment of a Shareholder that has its Special Voting Shares redeemed for no consideration after removing its shares from the Loyalty Register is unclear. It is possible that a shareholder should recognize a loss to the extent of the shareholder's tax basis (if any). The deductibility of such loss depends on individual circumstances and conditions generally required by Italian law. It is also possible that a Shareholder would not be allowed to recognize a loss upon the redemption of its Special Voting Shares and instead should increase its basis in its Common Shares by an amount equal to the tax basis (if any) in its Special Voting Shares.

Transfer tax

Contracts or other legal instruments relating to the transfer of securities (including the transfer of the Common Shares) are subject to registration tax as follows: (i) notary deeds (*atti pubblici*) and private deeds with notarized signatures (*scritture private autenticate*) executed in Italy must mandatorily be registered with the Italian tax authorities and are subject to €200.00 registration tax; and (ii) private deeds (*scritture private*) are subject to €200.00 registration tax only if they are voluntary filed for registration with the Italian tax authorities or if the so-called "*caso d'uso*" or "*enunciazione*" occurs.

Financial Transaction Tax

(i) Transfer of ownership of the Shares

Article 1(491-500) of Law No. 228 of December 24, 2012 introduced a financial transaction tax (FTT) applicable, among others, to the transfers of the ownership of (i) shares issued by Italian resident corporations,

(ii) participating financial instruments (as defined under Article 2346(6) of the Italian Civil Code) issued by Italian resident corporations, and (iii) securities representing equity investments in Italian resident corporations such as American Depositary Receipts and Global Depositary Receipts, regardless of the place of residence of the issuer of such securities and of the place where the contract has been concluded.

The residence of the issuer for the purposes of FTT is the place where the issuer has its registered office.

Since the registered office of Ferrari is not in Italy, transfers of ownership of the shares in Ferrari should not be subject to FTT.

(ii) High-frequency trading

Transactions carried out on the Italian financial markets are subject to a tax on high-frequency trading with regard to financial instruments referred to in subparagraph (*i*) above "*Transfer of ownership of the Shares*."

Transfer of the Shares upon Death or by Gift

Subject to certain exceptions, Italian inheritance and gift tax is generally payable on transfers of assets and rights (including common shares and the Special Voting Shares) (i) by reason of death or gift by Italian resident persons (or other transfers for no consideration and the creation of liens on such assets for a specific purpose, including the segregation of assets into a trust), even if the transferred assets are held outside Italy, and (ii) by reason of death or gift by non-Italian resident persons, but limited to transferred assets held in Italy. Shares in corporations that are resident in Italy for tax purposes (because they have their registered office or their place of effective management or their main business purpose in Italy for the greater part of the tax year) are deemed to be held in Italy.

Subject to certain exceptions, transfers of assets and rights (including the common shares and the Special Voting Shares) on death or by gift are generally subject to inheritance and gift tax as follows:

- At a rate of four percent in case of transfers made to the spouse or relatives in direct line, on the portion of the global net value of the transferred assets, if any, exceeding, for each beneficiary, €1,000,000.00.
- At a rate of six percent in case of transfers made to relatives up to the fourth degree or relatives-in-law up to the third degree on the entire value of the transferred assets (in the case of transfers to brothers or sisters, the six percent rate is applicable only on the portion of the global net value of the transferred assets, if any, exceeding, for each beneficiary, €100,000.00).
- At a rate of eight percent in any other case.

If the transfer is made in favor of persons with severe disabilities, the tax applies on the value exceeding €1,500,000.00 at the rates illustrated above, depending on the type of relationship existing between the deceased or donor and the beneficiary.

Stamp Duty

Under Article 13(2*bis*-2*ter*) of Decree No. 642 of October 26, 1972 (Stamp Duty Act), a 0.20 percent stamp duty generally applies on communications and reports that Italian financial intermediaries periodically send to their clients in relation to the financial products that are deposited with such intermediaries. Shares are included in the definition of financial products for these purposes. Communications and reports are deemed to be sent at least once a year even if the Italian financial intermediary is under no obligation to either draft or send such communications and reports.

The stamp duty cannot exceed €14,000.00 for investors other than individuals.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Finance on May 24, 2012, the 0.20 percent stamp duty does not apply to communications and reports that the Italian financial intermediaries send to investors who do not qualify as "clients" according to the regulations issued by the Bank of Italy on June 20, 2012. Communications and reports sent to this type of investors are subject to the ordinary €2.00 stamp duty for each copy.

The taxable base of the stamp duty is the market value or—in the lack thereof—the nominal value or the redemption amount of any financial product.

Wealth Tax on Financial Products Held Abroad

Under Article 19 of Decree No. 201 of December 6, 2011, Italian resident individuals holding certain financial products outside of Italian territory (including shares) are required to pay a wealth tax at the rate of 0.20 percent. The wealth tax applies on the market value at the end of the relevant year or—in the lack thereof—on the nominal value or the redemption value of such financial products held outside of Italian territory. Taxpayers may deduct from the Italian wealth tax a tax credit equal to any wealth tax paid in the country where the financial products are held (up to the amount of the Italian wealth tax due).

Certain Reporting Obligations for Italian Resident Holders

Under Law Decree No. 167 of June 28, 1990, individuals, non-business entities and non-business partnerships that are resident in Italy for tax purposes and, during the fiscal year, hold financial assets abroad (including possibly the common shares and the Special Voting Shares) must, in certain circumstances, disclose these financial assets to the Italian tax authorities in section RW of their income tax return (or if the income tax return is not due, in a proper form that must be filed within the same term as prescribed for the annual income tax return), regardless of the value of such assets. The requirement applies also if the persons above, being not the direct holder of the financial assets, are the actual economic owners thereof for the purposes of anti-money laundering legislation.

No disclosure requirements exist for financial assets (including the common shares and the Special Voting Shares) under management or administration entrusted to Italian resident intermediaries (Italian banks, broker-dealers (SIM), fiduciary companies or other professional intermediaries as indicated under Article 1 of Decree No. 167 of June 28, 1990) and for contracts concluded through their intervention, provided that the cash flows and the income derived from such assets and contracts have been subjected to Italian withholding tax or substitute tax by such intermediaries.

Material United States Federal Income Tax Consequences

This section describes the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of owning Common Shares and Special Voting Shares. It applies solely to persons that hold Common Shares or Special Voting Shares as capital assets. This section does not apply to holders subject to special rules, including:

1. a dealer in securities or foreign currencies;
2. a regulated investment company;
3. a trader in securities that elects to use a mark-to-market method of accounting for securities holdings;
4. a tax-exempt organization;
5. a bank, financial institution, or insurance company;
6. a person liable for the alternative minimum tax;

7. a person that actually or constructively owns 10 percent or more, by vote or value, of Ferrari;
8. a person that holds Common Shares or Special Voting Shares as part of a straddle or a hedging, conversion, or other risk reduction transaction for U.S. federal income tax purposes;
9. a person that acquired Common Shares or Special Voting Shares pursuant to the exercise of employee stock options or otherwise as compensation; or
10. a person whose functional currency is not the U.S. Dollar.

This section is based on the Internal Revenue Code of 1986, as amended (the Internal Revenue Code), its legislative history, existing and proposed regulations, published rulings and court decisions, as well as on applicable tax treaties, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Common Shares or Special Voting Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in an entity treated as a partnership for U.S. federal income tax purposes holding shares should consult its tax advisors with regard to the U.S. federal income tax treatment of the ownership of Common Shares and Special Voting Shares.

Holders should consult their own tax advisors regarding the U.S. federal, state and local and foreign and other tax consequences of owning and disposing of Common Shares or Special Voting Shares in their particular circumstances.

U.S. Holders

For purposes of this discussion, a "U.S. holder" is a beneficial owner of Common Shares that is:

1. an individual that is a citizen or resident of the United States;
2. a corporation, or other entity taxable as a corporation, created or organized under the laws of the United States;
3. an estate whose income is subject to U.S. federal income tax regardless of its source; or
4. a trust if (i) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust or (ii) the trust has made a valid election under applicable Treasury Regulations to be treated as a U.S. person.

Non-U.S. Holders

For the purposes of this discussion, a "non-U.S. holder" is a beneficial owner of Common Shares that is not a U.S. person for U.S. federal income tax purposes.

Taxation of Dividends

Dividends paid to a non-U.S. holder in respect of Common Shares will not be subject to U.S. federal income tax unless the dividends are "effectively connected" with the non-U.S. holder's conduct of a trade or business within the U.S., and, if required by an applicable income tax treaty as a condition for subjecting the non-U.S. holder to U.S. taxation on a net income basis, the dividends are attributable to a permanent establishment that the non-U.S. holder maintains in the United States. In such cases a non-U.S. holder will be taxed in the same manner as a U.S. holder. If a non-U.S. holder is a corporate non-U.S. holder, "effectively connected" dividends may, under certain circumstances, be subject to an additional "branch profits tax" at a 30 percent rate or at a lower rate if it is eligible for the benefits of an income tax treaty that provides for a lower rate.

Taxation of Capital Gains

A non-U.S. holder will not be subject to U.S. federal income tax on gain recognized on the sale or other disposition of the non-U.S. holder's Common Shares unless:

- the gain is "effectively connected" with the non-U.S. holder's conduct of a trade or business in the United States, and, if required by an applicable income tax treaty as a condition for subjecting the holder to U.S. taxation on a net income basis, the gain is attributable to a permanent establishment that the non-U.S. holder maintains in the United States; or

- the non-U.S. holder is an individual, is present in the United States for 183 or more days in the taxable year of the sale and certain other conditions exist.

If a non-U.S. holder is a corporate non-U.S. holder, "effectively connected" gains it recognizes may, under certain circumstances, be subject to an additional "branch profits tax" at a 30 percent rate or at a lower rate if it is eligible for the benefits of an income tax treaty that provides for a lower rate.

Backup Withholding and Information Reporting

A non-U.S. holder is exempt from backup withholding and information reporting requirements with respect to:

- dividend payments made to the non-U.S. holder outside the United States; and

- other dividend payments and the payment of the proceeds from the sale of Common Shares effected at a U.S. office of a broker, as long as the income associated with such payments is otherwise exempt from U.S. federal income tax, and:

  - the payor or broker does not have actual knowledge or reason to know that the holder is a U.S. person and the non-U.S. holder has furnished the payor or broker:

    - an IRS Form W-8BEN or W-8BEN-E, as applicable, or an acceptable substitute form upon which the non-U.S. holder certifies, under penalties of perjury, that the holder is a non-U.S. person, or

    - other documentation upon which it may rely to treat the payments as made to a non-U.S. person in accordance with Treasury Regulations, or

  - the non-U.S. holder otherwise establishes an exemption.

Payment of the proceeds from the sale of Common Shares effected at a foreign office of a broker will not be subject to information reporting or backup withholding. However, a sale of Common Shares that is effected at a foreign office of a broker will be subject to information reporting and backup withholding if:

- the proceeds are transferred to an account maintained by a non-U.S. holder in the United States;

- the payment of proceeds or the confirmation of the sale is mailed to the non-U.S. holder at a U.S. address; or

- the sale has some other specified connection with the United States as provided in Treasury Regulations, unless the broker does not have actual knowledge or reason to know that the holder is a U.S. person and the documentation requirements described above are met or the holder otherwise establishes an exemption.

In addition, a sale of Common Shares will be subject to information reporting, but not backup withholding, if it is effected at a foreign office of a broker that is:

- a U.S. person;
- a controlled foreign corporation for U.S. federal income tax purposes;
- a foreign person 50 percent or more of whose gross income is effectively connected with the conduct of a U.S. trade or business for a specified three-year period; or
- a foreign partnership, if at any time during its tax year:
  - one or more of its partners are “U.S. persons,” as defined in Treasury Regulations, which in the aggregate hold more than 50 percent of the income or capital interest in the partnership; or
  - such foreign partnership is engaged in the conduct of a U.S. trade or business, unless the broker does not have actual knowledge or reason to know that the person is a U.S. person and the documentation requirements described above are met or the person otherwise establishes an exemption.

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE US FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL AND NON-US TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE OFFER SHARES.

15 GENERAL INFORMATION

Legal and arbitration proceedings

Neither Ferrari nor any of its subsidiaries are, or during the 12 months preceding the date of this Prospectus have been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Ferrari is aware) that may have, or have had in the recent past, significant effects on Ferrari's and/or the Group's financial position or profitability.

Working capital statement

Ferrari is of the opinion that the Group has sufficient working capital for its present requirements, that is, for at least the next twelve months from the date of the publication of this Prospectus.

Significant change in Ferrari's financial position

Other than as described in Chapter 5 "Capitalization and Indebtedness", section "The Restructuring", and Chapter 7 "Management's Discussion and Analysis of Financial Conditions and Results of Operations", section "Recent developments", no significant change in the financial or trading position of the Group has occurred since September 30, 2015.

Legal matters

Certain legal and tax matters in connection with the listing and trading of the Common Shares on the MTA will be passed upon for Ferrari with respect to Dutch law by Loyens & Loeff N.V. Sullivan & Cromwell LLP has advised Ferrari as to certain US legal matters. Legance—Avvocati Associati has advised Ferrari with respect to certain Italian legal matters, and Maisto e Associati has advised Ferrari as to certain Italian tax matters.

Legal structure

Ferrari is the parent company of a group of operating companies. The principal assets of Ferrari include the equity interests it directly or indirectly holds in its operating subsidiaries and joint ventures.

Subsidiaries

For an overview of the subsidiaries of Ferrari, please see Note 3 of the Annual Consolidated Financial Statements under "Scope of consolidation".

Material contracts

Syndicated loan facility

On November 30, 2015, Ferrari, as borrower and guarantor, entered into the Facility. The Facility comprises the Bridge Loan and the Term Loan and the RCF. The proceeds of the Bridge Loan and the Term Loan have principally been used to refinance the FCA Note. Proceeds of the RCF may be used from time to time for general corporate and working capital purposes of the Group. The Bridge Loan has a 12 month maturity with an option for Ferrari to extend once for a six-month period. Ferrari intends to refinance the Bridge Loan prior to its maturity with longer term debt, including through capital markets transactions and bank facilities. The terms and conditions of such refinancing are not known at the date of this Prospectus. The Term Loan and the RCF each have a maturity of five years. The Facility is unsecured and includes events of default and undertakings in a form customary for syndicated loan agreements of investment grade European borrowers. The Facility is limited in recourse to Ferrari and the other members of the Group which borrow under the Facility.

Financial information

The Annual Consolidated Financial Statements have been audited by Reconta Ernst & Young S.p.A, independent auditors. The report of Reconta Ernst & Young S.p.A. with respect to the Annual Consolidated Financial Statements is included on page F-30 of this Prospectus.

Reconta Ernst & Young S.p.A. is authorized and regulated by the Italian Ministry of Economy and Finance (MEF) and registered on the special register of auditing firms held by MEF. The registered office of Reconta Ernst & Young S.p.A. is at Via Po, 32, 00198 Rome, Italy. The auditor who signs on behalf of Reconta Ernst & Young S.p.A is registered on the register of auditors held by MEF.

Statutory auditor

The statutory financial statements of NBNV, the legal predecessor of Ferrari, for the financial year ended December 31, 2014 (the **Annual Report 2014**) and the statutory financial statements of NBNV for the financial year ended December 31, 2013 (the **Annual Report 2013**) have been audited by Ernst & Young Accountants LLP. The address of Ernst & Young Accountants LLP is Boompjes 258, 3011 XZ Rotterdam, the Netherlands. Ernst & Young Accountants LLP is registered with AFM. The auditor who signs on behalf of Ernst & Young Accountants LLP is a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

Availability of documents

Subject to applicable laws and transfer restrictions, the following documents (or copies thereof) may be obtained free of charge from Ferrari's website for at least twelve months following the date of this Prospectus (http://corporate.ferrari.com)*:*

- the Form F-1;
- this Prospectus, including the Interim Condensed Consolidated Financial Statements and the Annual Consolidated Financial Statements;
- the Articles of Association (in Dutch and an unofficial English translation);
- the Terms and Conditions of the Special Voting Shares;
- the Annual Report 2014 and the Annual Report 2013.

Documents incorporated by reference

In accordance with article 28 of Commission Regulation (EC) No 809/2004 (and any amendments thereto) and section 5:17 AFS, certain sections of the Form F-1 tabled in the overview below are incorporated in this Prospectus by reference. The Form F-1 is made available on Ferrari's website (http://corporate.ferrari.com) for at least twelve months following the date of this Prospectus. The non-incorporated parts are either not relevant for the investor or covered elsewhere in this Prospectus.

Information	Source
Risks relating to the business, strategy and operations.	Page 13 up to and including 28 of the Form F-1 under "*Risks Related to Our Business, Strategy and Operations*"
Lock-up agreements.	Page 160 of the Form F-1 under "*Lock-Up Agreements*" and page 200 up to and including 201 of the Form F-1 under "*No Sales of Similar Securities*".

Information	Source
Risks relating to being a recently formed company with a limited separate operating history as a consequence of which Ferrari needs to create separate administrative and governance functions.	Page 33 of the Form F-1 under "*Because we are a recently formed company with a limited separate operating history we need to create separate administrative and governance functions*".
Risks relating to the possibility that, following the Separation, FCA creditors may seek to hold us liable for certain FCA obligations.	Page 33 of the Form F-1 under "*Following the Separation, FCA creditors may seek to hold us liable for certain FCA obligations*".
Risk factors relating to taxation.	Page 33 up to and including 35 of the Form F-1 under "*Risks relating to taxation*".
Overview pertaining to management's discussion and analysis of financial conditions and results of operations.	Page 46 up to and including 47 of the Form F-1 under "*Overview*".
Description of the results of operation – 2014 compared to 2013 and 2013 compared to 2012.	Page 67 up to and including 76 of the Form F-1 under "*Consolidated Results of Operations- 2014 compared to 2013 and 2013 compared to 2012*".
Principal markets in which Ferrari competes.	Page 99 up to and including 102 of the Form F-1 under "*Industry Overview*".
Breakdown of revenues by categories of activities and geographical markets.	Page 57 up to and including 76 of the Form F-1 under "*Results of Operations*".
Description of the cyclical nature of cash flows.	Page 78 of the Form F-1 under "*Cyclical Nature of Our Cash Flows*".
Explanation of the sources, amounts and a narrative description of Ferrari's cash flows for the years ended December 31, 2014, 2013 and 2012.	Page 80 up to and including 83 of the Form F-1 under "*Cash Flows*".
Description of off balance sheet arrangements.	Page 88 of the Form F-1 under "*Off Balance Sheet Arrangements*".
Description of contractual obligations.	Page 89 of the Form F-1 under "*Contractual Obligations*".
Overview of Ferrari's business.	Page 93 up to and including 94 of the Form F-1 under "*Overview*".
Description of Ferrari's history.	Page 94 up to and including 95 of the Form F-1 under "*Our History*".
Description of Ferrari's competitive strengths.	Page 95 up to and including 97 of the Form F-1 under "*Our Competitive Strengths*".
Description of Ferrari's strategies.	Page 97 up to and including 98 of the Form F-1 under "*Our Strategies*".
Information on sales and after-sales.	Page 111 up to and including 114 of the Form F-1 under "*Sales and After-Sales*".
Information on client relations.	Page 114 up to and including 115 of the Form F-1 under "*Client Relations*".

Information	Source
Description of Ferrari's Formula 1 activities.	Page 115 up to and including 117 of the Form F-1 under "Formula 1 Activities".
Information on financial services.	Page 124 up to and including 125 of the Form F-1 under "*Financial Services*".
Information on intellectual property.	Page 127 up to and including 129 of the Form F-1 under "*Intellectual Property*".
Information on employees.	Page 129 up to and including 130 of the Form F-1 under "Employees".
Description of regulatory matters.	Page 130 up to and including 133 of the Form F-1 under "*Regulatory Matters*".
Description of the intra-group restructuring and the separation of Ferrari SpA from FCA.	Page 134 up to and including 137 of the Form F-1 under "*The Restructuring and Separation Transactions*".
Description of the authorities of the AFM under the DFRSA.	Page 157 of the Form F-1 under "*Dutch Financial Reporting Supervision Act*".
Description of the squeeze out procedure pursuant to article 2:92a of the Dutch Civil Code.	Page 157 up to and including page 158 of the Form F-1 under "*Compulsory Acquisition*".
Description of the persons that are considered insiders and the obligation for such insiders to report insider transactions with the AFM.	Page 158 of the Form F-1 under "*Disclosure of Trades in Listed Securities", "Disclosure under Dutch Law*".
Information regarding related party transactions.	Page 145 up to and including page 146 of the For F-1 under "*Related Party Transactions*".

No incorporation of website

The contents of Ferrari's website, including any websites accessible from hyperlinks on Ferrari's website, do not form part of and are not incorporated by reference into this Prospectus.

Governing law and competent courts

This Prospectus is governed by Dutch law. All disputes arising in connection with this Prospectus shall be subject to the non-exclusive jurisdiction of the courts in Amsterdam, the Netherlands.

16 DEFINITIONS

The following definitions are used in this Prospectus:

AFM	The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*)
AFS	Dutch Act on Financial Supervision (*Wet op het financieel toezicht*)
Agent	The bank, depositary or trust appointed by the Board of Directors from time to time and in relation to the relevant jurisdiction in which Common Shares are listed for trading. Computershare Trust Company NA (US) and Computershare S.p.A. (Italy) have each been appointed as the first Agent
Annual Consolidated Financial Statements	The audited consolidated statements of financial position of NBNV (which was renamed Ferrari N.V. on October 17, 2015) as of December 31, 2014, 2013 and 2012, and the related consolidated income statements, statements of comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2014, including the accompanying notes thereto, as included in pages F-29 up to and including F-99 of this Prospectus
Annual Report 2013	The statutory financial statements of NBNV for the financial years ended December 31, 2013
Annual Report 2014	The statutory financial statements of NBNV for the financial years ended December 31, 2014
Articles of Association	The articles of association of Ferrari
Board of Directors	The board of directors of Ferrari
Board Regulations	The regulations regarding the Board of Directors functioning and internal organization and that will be in effect at the latest on the Settlement Date
Borsa Italiana	Borsa Italiana S.p.A., with registered office in Piazza degli Affari 6, Milan, Italy
Bridge Loan	As defined in Chapter 7 "Management's Discussion and Analysis of Financial Conditions and Results of Operations", section "Recent developments"
Chief Executive Officer	The chief executive officer of Ferrari
Code	The Dutch corporate governance code issued on December 9, 2003 and as amended as per January 1, 2009
Common Shares	Common shares in the share capital of Ferrari, having a nominal value of €0.01 each and such definition includes the common shares in the share capital of NBNV if the context so requires
Consob	The Italian authority for the financial markets and issuers (*Commissione Nazionale per le Società e la Borsa*)
DCC	Dutch Civil Code (*Burgerlijk Wetboek*)
DFRSA	Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*)
DTC	The Depository Trust Company, a United States financial services company providing clearing and settlement services to the financial markets

Electing Common Shares	Common shares registered in the Loyalty Register for the purpose of becoming Qualifying Common Shares in accordance with the Articles of Association
Enterprise Chamber	The Enterprise Chamber of the Amsterdam Court of Appeal (*Ondernemingskamer van het Gerechtshof te Amsterdam*)
Exchange Act	The United States Securities Exchange Act of 1934, as amended
Exor	Exor S.p.A.
Facility	The €2.5 billion syndicated loan facility entered into between Ferrari, as borrower and guarantor and a group of ten bookrunner banks, dated November 30, 2015
FCA	Fiat Chrysler Automobiles N.V., with registered office in Amsterdam, the Netherlands, and principal executive office at 25 St. James' Street, London, SW1A 1HG United Kingdom
FCA Note	The note in the original principal amount of €7.9 billion issued by NBNV to FCA in exchange for the transfer by FCA to NBNV of all the issued and outstanding share capital that it previously held in Ferrari SpA (representing 90 percent of the share capital in Ferrari SpA)
FNE Note	The note in the principal amount of £2.8 million issued by NBNV to Ferrari North Europe Limited in exchange for its assets and business of providing sales, after-sales and support services for the Ferrari brand
FE Interim	FE Interim B.V. a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands with registered office in Amsterdam, the Netherlands
FE New	FE New N.V., with registered office in Amsterdam, the Netherlands, and principal executive office at Via Abetone Inferiore n. 4, I-41053 Maranello (MO), Italy upon the Merger having become effective, renamed into Ferrari N.V. on January 3, 2016
Ferrari	Ferrari N.V., with registered office in Amsterdam, the Netherlands, and principal executive office at Via Abetone Inferiore n. 4, I-41053 Maranello (MO), Italy
Ferrari SpA	Ferrari S.p.A. with registered office in Via Abetone Inferiore n. 4, I-41053 Maranello (MO), Italy
First Demerger	The legal demerger under Dutch law pursuant to which *inter alia* shares in NBNV have been split off by FCA to FE Interim
Form F-1	The prospectus which formed part of the form F-1 Registration Statement under the U.S. Securities Act, dated October 20, 2015
General Meeting	The general meeting of shareholders of Ferrari
Group	Ferrari and its subsidiaries
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board and endorsed by the European Union. The designation IFRS also includes International Accounting Standards (IAS) as well as the interpretations of the International Financial Reporting Committee (IFRIC and SIC)

Interim Condensed Consolidated Financial Statements	The unaudited interim condensed consolidated statements of financial position of NBNV (which was renamed Ferrari N.V. on October 17, 2015) at September 30, 2015, and December 31, 2014, and the related consolidated income statements, statements of comprehensive income, cash flows and changes in equity for each of the nine months ended September 30, 2015 and September 2014, including the accompanying notes thereto, as included in pages F-1 up to and including F-27 of this Prospectus
Internal Revenue Code	The Internal Revenue Code of 1986
Large Company	A Dutch public limited liability company, a Dutch private limited liability company and a Dutch foundation which, on two successive balance sheet dates, without subsequent interruption on two successive balance sheet dates, meets at least two of the three criteria referred to in Section 2:397 paragraph 1 DCC, which criteria are: (1) the value of the company's assets according to its balance sheet is, on the basis of the purchase price or manufacturing costs, more than €17.5 million; (2) the net turnover is more than €35.0 million; and (3) the average number of employees is 250 or more
Loyalty Register	The register kept by or on behalf of Ferrari for the registration of any Qualifying Common Shares and any Electing Common Shares that would become Qualifying Common Shares if held in such register after an uninterrupted period of at least three years after registration
Loyalty Voting Program	The special voting share structure, connected with the Special Voting Shares
MCS	7.875% Mandatory Convertible Securities Due 2016 issued by FCA
Merger	The legal merger under Dutch law pursuant to which NBNV (then named Ferrari N.V.), as entity ceasing to exist, merged with and into Ferrari (at that time still named FE New), as the acquiring entity continuing to exist
Monte Titoli	Monte Titoli S.p.A., the authorized CSD (Central Securities Depository) for centralized administration, settlement and ancillary services in the Italian market
MTA	The Mercato Telematico Azionario, organized and managed by Borsa Italiana S.p.A.
NBNV	New Business Netherlands N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands with registered office in Amsterdam, the Netherlands, and principal executive office at Via Abetone Inferiore n. 4, I-41053 Maranello (MO), Italy, renamed into Ferrari N.V. on October 17, 2015. Where in this Prospectus reference is made to NBNV, such reference is to NBNV before as well as after its name change on October 17, 2015 into Ferrari N.V.
NYSE	The New York Stock Exchange, with principal executive offices at 11 Wall St, New York, NY 10005 (USA)
Piero Ferrari	Mr. Piero Ferrari, the son of Ferrari's founder
Prospectus	This prospectus dated January 3, 2016
Prospectus Directive	Directive 2003/71/EC and amendments thereto, including those resulting from Directive 2010/73/EU

Qualifying Common Shares	Common Shares that subject to meeting certain conditions, can be registered in the Loyalty Register and may qualify as qualifying common shares
RCF	As defined in Chapter 7 “Management’s Discussion and Analysis of Financial Conditions and Results of Operations”, section “Recent developments”
Regular Trading System	The system maintained and operated by DTC or the direct registration system maintained by the Agent, as applicable
Restructuring	Has the meaning given thereto in the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements
Restructuring and Separation Transactions	The intra-group restructuring and the separation of Ferrari SpA from FCA, including, inter alia, the First Demerger, Second Demerger and Merger as described in Form F-1 under paragraph “*The Restructuring and Separation Transactions*”
SEC	The United States Securities and Exchange Commission, an agency of the United States federal government, with primary responsibility for enforcing U.S. federal securities laws and regulating the securities industry, the nation’s stock and options exchanges, and other activities and organizations, including the electronic securities markets in the United States
Second Demerger	The legal demerger under Dutch law pursuant to which *inter alia* shares in NBNV have been split off by FE Interim to FE New
Separation	The separation of Ferrari SpA from FCA as part of the Restructuring and Separation Transactions through a series of corporate steps including the First Demerger, the Second Demerger and the Merger
Shareholder	A holder of Shares
Shareholders Agreement	The shareholders’ agreement entered into between Exor and Piero Ferrari, relating to certain matters concerning their shareholding in Ferrari
Shares	The Common Shares and Special Voting Shares collectively
Special Dividend Reserve	a separate special dividend reserve to which a minimum dividend is allocated to which holders of Special Voting Shares are entitled pursuant to the Articles of Association
Special Voting Shares	The special voting shares having a nominal value of €0.01 each to be issued by Ferrari in accordance with the Articles of Association and the Terms and Conditions of the Special Voting Shares and such definition includes the special voting shares in the share capital of NBNV if the context so requires
Stichting FCA	Stichting FCA, a foundation (*stichting*) incorporated under the laws of the Netherlands with registered office in Amsterdam, the Netherlands
Takeover Decree	The Public Takeover Bids Decree (*Besluit openbare biedingen Wft*)
Takeover Directive	The European Directive on Takeover Bids (2004/25/EC)
Term Loan	As defined in Chapter 7 “Management’s Discussion and Analysis of Financial Conditions and Results of Operations”, section “Recent developments”

Terms and Conditions of the Special Voting Shares	The terms and conditions that apply to the issuance, allocation, acquisition, holding, repurchase and transfer of Special Voting Shares
The Netherlands	The part of the Kingdom of the Netherlands located in Europe
Trade Register of the Chamber of Commerce	The trade register of the Dutch Chamber of Commerce (*Kamer van Koophandel*)
Transfer Agent	Computershare Inc and its fully owned subsidiary Computershare Trust Company, N.A., and Computershare S.p.A. (for the Italian branch), Ferrari's branch registrar and transfer agent in New York
Transparency Directive	Directive 2004/109/EC (as amended by Directive 2013/50/EU)
U.S. or **United States**	United States of America
U.S. Securities Act	The United States Securities Act of 1933, as amended

17 INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS OF FERRARI N.V.

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FERRARI N.V.
INTERIM CONSOLIDATED INCOME STATEMENT
for the three and nine months ended September 30, 2015 and 2014
(Unaudited)

	Note	For the three months ended September 30, 2015	For the three months ended September 30, 2014	For the nine months ended September 30, 2015	For the nine months ended September 30, 2014
		(€ thousand)			
Net revenues	6	723,146	662,520	2,109,883	2,011,091
Cost of sales	7	372,277	383,963	1,094,015	1,121,909
Selling, general and administrative costs	8	80,193	81,468	232,293	224,851
Research and development costs	9	129,821	115,729	420,927	391,604
Other (income)/expenses, net		(547)	(7,953)	3,241	(1,636)
EBIT		**141,402**	**89,313**	**359,407**	**274,363**
Net financial income/(expenses)	10	554	4,918	(5,408)	6,427
Profit before taxes		**141,956**	**94,231**	**353,999**	**280,790**
Income tax expense	11	47,554	36,111	118,618	94,755
Profit from continuing operations		**94,402**	**58,120**	**235,381**	**186,035**
Net profit		**94,402**	**58,120**	**235,381**	**186,035**
Net profit attributable to:					
Owners of the parent		*93,965*	*56,617*	*233,599*	*182,397*
Non-controlling interests		*437*	*1,503*	*1,782*	*3,638*
Basic and diluted earnings per ordinary share (in €)	12	0.50	0.30	1.24	0.97

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

FERRARI N.V.
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)
for the three and nine months ended September 30, 2015 and 2014
(Unaudited)

		For the three months ended September 30,		For the nine months ended September 30,	
	Note	2015	2014	2015	2014
		(€ thousand)			
Net profit		**94,402**	**58,120**	**235,381**	**186,035**
Items that will not be reclassified to the consolidated income statement in subsequent periods:					
Losses on remeasurement of defined benefit plans	19	-	(698)	-	(698)
Total items that will not be reclassified to the consolidated income statement in subsequent periods		**-**	**(698)**	**-**	**(698)**
Items that may be reclassified to the consolidated income statement in subsequent periods:					
Gains/(losses) on cash flow hedging instruments	19	39,326	(82,834)	(10,296)	(125,747)
Exchange differences on translating foreign operations	19	(4,929)	23,391	8,836	25,640
Related tax impact	19	(12,341)	26,004	3,220	39,478
Total items that may be reclassified to the consolidated income statement in subsequent periods		**22,056**	**(33,439)**	**1,760**	**(60,629)**
Total other comprehensive income/(loss), net of tax		**22,056**	**(34,137)**	**1,760**	**(61,327)**
Total comprehensive income		**116,458**	**23,983**	**237,141**	**124,708**
Total comprehensive income/(loss) attributable to:					
Owners of the parent		*117,494*	*18,088*	*234,714*	*116,988*
Non-controlling interests		*(1,036)*	*5,895*	*2,427*	*7,720*

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

FERRARI N.V.
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at September 30, 2015 and December 31, 2014
(Unaudited)

	Note	At September 30, 2015	At December 31, 2014
		(€ thousand)	
Assets			
Goodwill		787,178	787,178
Intangible assets	13	285,531	265,262
Property, plant and equipment	14	596,720	585,185
Investments and other financial assets	15	12,863	47,431
Deferred tax assets	11	132,507	111,716
Total non-current assets		**1,814,799**	**1,796,772**
Inventories	16	301,694	296,005
Trade receivables	17	135,620	183,642
Receivables from financing activities	17	1,198,727	1,224,446
Current tax receivables	17	11,248	3,016
Other current assets	17	68,762	52,052
Current financial assets	18	7,950	8,747
Deposits in FCA Group cash management pools	17	1,215,627	942,469
Cash and cash equivalents		190,081	134,278
Total current assets		**3,129,709**	**2,844,655**
Total assets		**4,944,508**	**4,641,427**
Equity and liabilities			
Equity attributable to owners of the parent		2,701,730	2,469,618
Non-controlling interests		5,224	8,695
Total equity	19	**2,706,954**	**2,478,313**
Employee benefits		74,494	76,814
Provisions	20	141,670	134,774
Deferred tax liabilities	11	19,562	21,612
Debt	21	579,154	510,220
Other liabilities	22	631,504	670,378
Other financial liabilities	18	119,418	104,093
Trade payables	23	448,568	535,707
Current tax payables		223,184	109,516
Total equity and liabilities		**4,944,508**	**4,641,427**

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

FERRARI N.V.
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine months ended September 30, 2015 and 2014
(Unaudited)

	For the nine months ended September 30,	
	2015	2014
	(€ thousand)	
Cash and cash equivalents at beginning of the period	**134,278**	**113,786**
Cash flows from operating activities:		
Profit before taxes	353,999	280,790
Amortization and depreciation	202,742	211,147
Provision accruals	34,012	47,813
Other non-cash expense and income	38,485	22,949
Net gains on disposal of property, plant and equipment, intangible assets and investment properties	(6,964)	(742)
Change in inventories	(10,922)	(58,475)
Change in trade receivables	35,026	16,726
Change in trade payables	(100,482)	(68,552)
Change in receivables from financing activities	81,565	(19,709)
Change in other operating assets and liabilities	(66,529)	(120,205)
Income tax paid	(26,878)	(16,314)
Total	**534,054**	**295,428**
Cash flows used in investing activities:		
Investments in property, plant and equipment	(119,092)	(96,001)
Investments in intangible assets	(115,176)	(111,330)
Change in investments and other financial assets	(370)	6
Cash acquired in change in scope of consolidation	-	38,751
Proceeds from the sale of property, plant and equipment and intangible assets	1,370	781
Proceeds from the sale of assets and liabilities related to investment properties	37,130	-
Total	**(196,138)**	**(167,793)**
Cash flows used in financing activities:		
Proceeds from bank borrowings	84,645	70,537
Repayment of bank borrowings	(19,695)	(5,633)
Net change in financial liabilities with FCA Group	(31,065)	65,593
Net change in other debt	(9,496)	(17,651)
Net change in deposits in FCA Group cash management pools	(263,617)	(198,157)
Acquisition of non-controlling interest	(8,500)	-
Dividends paid to non-controlling interest	(40,766)	-
Total	**(288,494)**	**(85,311)**
Translation exchange differences	6,381	8,093
Total change in cash and cash equivalents	**55,803**	**50,417**
Cash and cash equivalents at end of the period	**190,081**	**164,203**

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

FERRARI N.V.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
for the nine months ended September 30, 2015 and 2014
(Unaudited)

	Attributable to owners of the parent						
	Share capital	Retained earnings and other reserves	Cash flow hedge reserve	Currency translation differences	Remeasurement of defined benefit plans	Non-controlling interests	Total
				(€ thousand)			
At December 31, 2013	**3,778**	**2,242,315**	**43,196**	**4,477**	**(4,260)**	**26,776**	**2,316,282**
Dividends declared	-	-	-	-	-	(72,704)	(72,704)
Transaction with non-controlling interest	-	(1,263)	-	-	-	54,024	52,761
Net profit	-	182,397	-	-	-	3,638	186,035
Other comprehensive (loss)/income	-	-	(86,269)	21,558	(698)	4,082	(61,327)
Reclassification(1)	-	1,191	-	-	(1,191)	-	-
At September 30, 2014	**3,778**	**2,424,640**	**(43,073)**	**26,035**	**(6,149)**	**15,816**	**2,421,047**

	Attributable to owners of the parent						
	Share capital	Retained earnings and other reserves	Cash flow hedge reserve	Currency translation differences	Remeasurement of defined benefit plans	Non-controlling interests	Total
				(€ thousand)			
At December 31, 2014	**3,778**	**2,503,614**	**(58,557)**	**29,912**	**(9,129)**	**8,695**	**2,478,313**
Transaction with non-controlling interest	-	(2,602)	-	-	-	(5,898)	(8,500)
Net profit	-	233,599	-	-	-	1,782	235,381
Other comprehensive (loss)/income	-	-	(7,076)	8,191	-	645	1,760
Reclassification(1)	-	(2,117)	-	-	2,117	-	-
At September 30, 2015	**3,778**	**2,732,494**	**(65,633)**	**38,103**	**(7,012)**	**5,224**	**2,706,954**

(1) Relates to the reclassification of the actuarial gain/(loss) recognized on the remeasurement of the defined benefit pension plans

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

FERRARI N.V.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BACKGROUND AND GENERAL INFORMATION

Fiat S.p.A., (merged with and into Fiat Chrysler Automobiles N.V. in October 2014, Fiat S.p.A. and Fiat Chrysler Automobiles are defined as "FCA" as the context requires and together with their subsidiaries the "FCA Group") acquired 50 percent of Ferrari S.p.A. in 1969, and over time expanded this shareholding to 90 percent ownership. The 90 percent shareholding was held by FCA until October 17, 2015, while the remaining 10 percent non-controlling interest was owned by Piero Ferrari until October 17, 2015.

On October 29, 2014, FCA announced its intention to separate Ferrari S.p.A. from FCA. The separation is expected to occur through a series of transactions (together defined as the "Separation") including (i) an intra-group restructuring which resulted in our acquisition of the assets and business of Ferrari North Europe Limited and the transfer by FCA of its 90 percent shareholding in Ferrari S.p.A. to Ferrari N.V. (herein referred to as "Ferrari" or the "Company" and together with Ferrari S.p.A. and its subsidiaries the "Group"), (ii) the transfer of Piero Ferrari's 10 percent shareholding in Ferrari S.p.A. to the Company, (iii) the initial public offering of common shares of the Company, and (iv) the distribution, following the initial public offering, of FCA's remaining interest in Ferrari to its shareholders. After the Separation, Ferrari will operate as an independent, publicly traded company.

The transactions described above in (i) and (ii) (which are referred collectively to as the "Restructuring") were completed on October 17, 2015 through the following steps:

- The Company acquired from Ferrari North Europe Limited its assets and business of providing sales, after-sales and support services for the Ferrari brand and in exchange the Company issued to Ferrari North Europe Limited a note in the principal amount of £2.8 million (the "FNE Note").
- FCA transferred to the Company all of the issued and outstanding share capital that it previously held in Ferrari S.p.A. (representing 90 percent of the share capital of Ferrari S.p.A.), and in exchange the Company issued to FCA a note in the principal amount of €7.9 billion (the "FCA Note").
- FCA contributed cash of €5.1 billion to the Company in consideration of the issue to FCA of 156,917,727 common shares and 161,917,727 special voting shares of the Company. Following a subsequent transaction with Piero Ferrari, FCA owns 170,029,440 common shares and special voting shares, equal to 90 percent of the Company's common shares outstanding. €5.1 billion of the proceeds received from FCA were applied to settle a portion of the FCA Note, following which the principal outstanding on the FCA Note is €2.8 billion, which is expected to be refinanced through third party debt.
- Piero Ferrari transferred his 10 percent interest in Ferrari S.p.A. to the Company and in exchange the Company issued to Piero Ferrari 27,003,873 of its common shares and the same number of special voting shares. Following a subsequent transaction with FCA, Piero Ferrari owns 18,892,160 common shares and special voting shares, equal to 10.0 percent of the Company's common shares outstanding. The Company did not receive any cash consideration as part of this transaction.

The Restructuring comprised: (i) a capital reorganization of the group under the Company, and (ii) the issuance of the FCA Note which is expected to be subsequently refinanced. In preparing these interim condensed consolidated financial statements at and for the nine months ended September 30, 2015 (the "Interim Condensed Consolidated Financial Statements"), the Company has retrospectively applied FCA's basis of accounting for the Restructuring based on the following:

(i) The capital reorganization:

- The Company was formed by FCA solely to effect the Separation and will be controlled by FCA until completion of the Separation. Therefore, the capital reorganization does not meet the definition of a business combination in the context of IFRS 3—"Business Combinations" but rather a combination of entities under common control and as such is excluded from the scope of IFRS 3. IFRS (as defined below) has no applicable guidance in accounting for such transactions. IAS 8—"Accounting Policies, Changes in Accounting Estimates and Errors" states that in the absence of an IFRS which specifically applies to a transaction, the Company may consider the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards or other accounting literature and accepted industry practices, to the extent that these do not conflict with the requirements in IFRS for dealing with similar and related issues or the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the IFRS Conceptual Framework for Financial Reporting (the "Framework"). Accordingly, the Company has considered the guidance in ASC 805-50-30-5 on common control transactions, which indicates that the receiving entity (the Company) is able to reflect the transferred assets and liabilities in its own accounting records at the carrying amount in the accounting records of the transferring entity (FCA). As a result, these consolidated financial statements include FCA's recorded goodwill relating to Ferrari S.p.A. in the amount of €780,542 thousand.
- The retrospective accounting for the capital reorganization is consistent with the principles underlying paragraph 64 of IAS 33—"Earnings per Share" which requires calculation of basic and diluted earnings per share for all periods presented to be adjusted retrospectively if changes occur to the capital structure after the reporting period but before the financial statements are authorized for issue. SAB Topic 4C also requires that such changes be given retroactive effect in the balance sheet where they occur after the reporting period but before the financial statements are authorized for issue. The capital reorganization has been accounted for as though it had occurred effective January 1, 2014. In particular:
    - The issuance of 156,917,727 common shares and 161,917,727 special voting shares in the Company to FCA has been reflected as share capital and share premium in the amounts of €3.2 million and €5,098.0 million, respectively, with an offset to retained earnings of €5.1 billion.
    - The issuance of 27,003,873 common shares and the same number of special voting shares in the Company to Piero Ferrari has been reflected as share capital and share premium in the amounts of €0.6 million and €877.4 million, respectively, with an offset to retained earnings of €878.0 million.
    - The historical number of common shares, nominal value per share, basic and diluted earnings per common share amounts and other per share disclosures retrospectively reflect the capital structure of the Company post Restructuring for all periods presented, with the required disclosures presented in Notes 12 and 19.

The Restructuring has been performed based on an independent appraisal performed for Dutch legal requirements.

(ii) The issuance of the FCA Note:

- The FCA Note and subsequent refinancing have not been reflected in the Interim Condensed Consolidated Financial Statements. The acquisition of the Ferrari North Europe Limited assets and business and the FNE Note eliminate on consolidation.

The transaction described above in (iii) was completed on October 21, 2015, when the Company's shares were admitted to listing on the New York Stock Exchange, as a result of which FCA now has 80 percent ownership.

The transaction described in (iv) relating to the distribution is expected to take place in January 2016.

2. AUTHORIZATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

These Interim Condensed Consolidated Financial Statements of Ferrari N.V. were authorized for issuance on November 4, 2015, and have been prepared in accordance with IAS 34—Interim Financial Reporting. The Interim Condensed Consolidated Financial Statements should be read in conjunction with the Group's consolidated financial statements at and for the year ended December 31, 2014 (the "Consolidated Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IFRS") and IFRS as endorsed by the European Union. The designation IFRS also includes International Accounting Standards ("IAS") as well as all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC" and "SIC"). The accounting policies adopted are consistent with those used at December 31, 2014, except as described in the following paragraph "—New standards and amendments effective from January 1, 2015."

3. BASIS OF PREPARATION FOR INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The preparation of the Interim Condensed Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgment at the date of these Interim Condensed Consolidated Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. Reference should be made to the section "—Use of estimates" in the Consolidated Financial Statements for a detailed description of the more significant valuation procedures used by the Group.

Moreover, in accordance with IAS 34, certain valuation procedures, in particular those of a more complex nature regarding matters such as any impairment of non-current assets, are only carried out in full during the preparation of the annual financial statements, when all the information required is available, other than in the event that there are indications of impairment, when an immediate assessment is necessary. In the same way, the actuarial valuations that are required for the determination of employee benefit provisions are also usually carried out during the preparation of the annual consolidated financial statements, unless in the event of significant market fluctuation, plan amendments or curtailments and settlements.

The recognition of income taxes is based upon the best estimate of the actual tax rate expected for the full financial year for each entity included in the scope of consolidation.

The Group's presentation currency is Euro, which is also the functional currency of the Company, and unless otherwise stated information is presented in thousands of Euro.

Format of the Interim Condensed Consolidated Financial Statements

The Interim Condensed Consolidated Financial Statements include the interim consolidated income statement, interim consolidated statement of comprehensive income/(loss), interim consolidated statement of financial position, interim consolidated statement of cash flows, interim consolidated statement of changes in equity and notes thereto.

New standards and amendments effective from January 1, 2015

The following new standards and amendments that are applicable from January 1, 2015 were adopted by the Group for the purpose of the preparation of the Interim Condensed Consolidated Financial Statements.

- The Group adopted the narrow scope amendments to *IAS 19—Employee benefits entitled "Defined Benefit Plans: Employee Contributions"* which apply to contributions from employees or third parties to defined benefit plans in order to simplify their accounting in specific cases. There was no effect from the adoption of these amendments.
- The Group adopted the IASB's Annual Improvements to IFRSs 2010—2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in *IFRS 2—Share-based Payments*, the disclosure on judgment used in the aggregation of operating segments in *IFRS 8—Operating Segments*, the identification and disclosure of a related party transaction that arises when a management entity provides key management personnel service to a reporting entity in *IAS 24—Related Party Disclosures*, the extension of the exclusion from the scope of *IFRS 3—Business Combinations* to all types of joint arrangements and to clarify the application of certain exceptions in *IFRS 13—Fair Value Measurement*. There was no significant effect from the adoption of these amendments.

Amendments issued in 2015

On September 11, 2015 the IASB issued an amendment to the revenue standard, *IFRS 15—Revenue from Contracts with Customers*, formalizing the deferral of the effective date by one year to 2018.

At the date of these Interim Condensed Consolidated Financial Statements the IASB had not issued any new standards, amendments or interpretations in addition to those described in the Consolidated Financial Statements at December 31, 2014. Reference should be made to the section "New standards, amendments and interpretations not yet effective in the Consolidated Financial Statements" for a detailed description of new standards not yet effective at September 30, 2015.

Scope of consolidation

On September 23, 2015, the Group entered into an agreement to sell a group of assets related to its investment properties, including its participation in Ferrari GE.D. S.p.A. to the tenant, Maserati S.p.A.. Further details of the transaction are provided in Note 15.

On July 28, 2015, the Group acquired the remaining 10% of non-controlling interest of its subsidiary Ferrari Financial Services S.p.A. from Aldasa GmbH, and as a result owns 100% of the share capital of the company.

Other than as set forth above, there has been no change in the scope of consolidation.

4. FINANCIAL RISK FACTORS

The Group is exposed to various operational financial risks, including credit risk, liquidity risk, financial market risk (relating mainly to foreign currency exchange rates and interest rates). The Interim Condensed Consolidated Financial Statements do not include all the information and notes on financial risk management required in the preparation of the annual consolidated financial statements. For a detailed description of this information for the Group, reference should be made to Note 29 to the Consolidated Financial Statements.

There have been no changes in the risk management policies as compared to those disclosed in Note 29 to the Consolidated Financial Statements.

5. OTHER INFORMATION

The principal foreign currency exchange rates used to translate other currencies into Euro were as follows:

	2015		2014		
	Average for the nine months ended September 30,	At September 30,	Average for the nine months ended September 30,	At September 30,	At December 31,
U.S. Dollar	1.1142	1.1203	1.3550	1.2583	1.2141
Pound Sterling	0.7272	0.7385	0.8119	0.7773	0.7789
Swiss Franc	1.0620	1.0915	1.2180	1.2063	1.2024
Japanese Yen	134.7506	134.6900	139.4968	138.1100	145.2300
Chinese Yuan	6.9628	7.1206	8.3558	7.7262	7.5358
Australian Dollar	1.4629	1.5939	1.4760	1.4442	1.4829
Singapore Dollar	1.5198	1.5921	1.7041	1.6063	1.6058

6. NET REVENUES

Net revenues are as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
	(€ thousand)			
Revenues from:				
Cars and spare parts	537,696	462,139	1,544,999	1,411,600
Engines	50,769	75,974	171,911	228,467
Sponsorship, commercial and brand	109,725	103,600	322,006	309,252
Other	24,956	20,807	70,967	61,772
Total net revenues	**723,146**	**662,520**	**2,109,883**	**2,011,091**

Other primarily includes interest income generated by the Ferrari Financial Services group and net revenues from the management of the Mugello racetrack.

7. COST OF SALES

Cost of sales for the three months ended September 30, 2015 and 2014 amounted to €372,277 thousand and €383,963 thousand, respectively, and for the nine months ended September 30, 2015 and 2014 amounted to €1,094,015 thousand and €1,121,909 thousand, respectively, comprising mainly of expenses incurred in the manufacturing and distribution of cars and spare parts, including the engines sold to Maserati and rented to other Formula 1 racing teams, cost of materials, components and labor costs are the most significant portion. The remaining costs principally include depreciation, amortization, insurance and transportation costs. Cost of sales also includes warranty and product-related costs, which are estimated and recorded at the time of shipment of the car.

Interest and other financial expenses from financial services companies included within cost of sales for the three months ended September 30, 2015 and 2014 amounted to €5,489 thousand and €585 thousand, respectively and for the nine months ended September 30, 2015 and 2014 amounted to €13,789 thousand and €11,338 thousand, respectively.

8. SELLING, GENERAL AND ADMINISTRATIVE COSTS

General and administrative costs for the three months ended September 30, 2015 and 2014 amounted to €28,913 thousand and €42,628 thousand, respectively, and for the nine months ended September 30, 2015 and 2014 amounted to €113,431 thousand and €134,275 thousand, respectively, consisting mainly of administration expenses and other general expenses that are not directly attributable to sales, manufacturing or research and development functions.

Selling costs which mainly consist of marketing and sales personnel costs, amounted to €51,280 thousand and €38,840 thousand for the three months ended September 30, 2015 and 2014, respectively, and for the nine months ended September 30, 2015 and 2014 amounted to €118,862 thousand and €90,576 thousand respectively. Marketing and events expenses consist primarily of costs in connection with trade and auto shows, media and customer events for the launch of new models and sponsorship and indirect marketing costs incurred through the Formula 1 racing team, Scuderia Ferrari.

In the nine months ended September 30, 2105, general and administrative costs include €11,166 thousand in costs related to the initial public offering process completed in October 2015.

In the nine months ended September 30, 2104, general and administrative costs include €15,027 thousand in costs related to the resignation of the former Chairman of the Group.

9. RESEARCH AND DEVELOPMENT COSTS

Research and development costs are as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
	(€ thousand)			
Amortization of capitalized development costs	30,668	31,219	86,526	92,925
Research and development costs expensed during the period	99,153	84,510	334,401	298,679
Total research and development costs	**129,821**	**115,729**	**420,927**	**391,604**

The main component of research and development costs expensed relates to the research and development activities performed for the Formula 1 racing car, which included initiatives to maximize the performance, efficiency and safety of the car, which are expensed as incurred.

The U.S. National Highway Traffic Safety Administration ("NHTSA") recently published guidelines for driver distraction. These guidelines focus on, among other things, the need to modify the design of car devices and other driver interfaces to minimize driver distraction. We are in the process of evaluating these guidelines and their potential impact on our results of operations and financial position and determining what steps, if any, we will need to take to comply with the new requirements.

10. NET FINANCIAL INCOME/(EXPENSES)

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
	(€ thousand)			
Financial income				
Related to:				
Industrial companies (A)	880	764	4,480	3,356
Financial services companies (reported within net revenues)	15,864	11,692	45,097	32,507
Financial expenses and expenses from derivative financial instruments and foreign currency exchange rate differences				
Related to:				
Industrial companies (B)	(326)	4,154	(9,888)	3,071
Financial services companies (reported within cost of sales)	(5,489)	(585)	(13,789)	(11,338)
Net financial income/(expenses) relating to industrial companies (A—B)	**554**	**4,918**	**(5,408)**	**6,427**

11. INCOME TAX EXPENSE

Income tax expense is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
	(€ thousand)			
Current tax expense	50,577	43,492	144,938	114,868
Deferred tax income	(3,045)	(7,384)	(26,361)	(20,224)
Taxes relating to prior periods	22	3	41	111
Total income tax expense	**47,554**	**36,111**	**118,618**	**94,755**

Income tax expense of €47,554 thousand for the three months ended September 30, 2015 compared to €36,111 thousand for the three months ended September 30, 2014, and €118,618 thousand for the nine months ended September 30, 2015, compared to €94,755 thousand for the nine months ended September 30, 2014, increased primarily as a result of an increase in profit before tax.

Income tax expense recorded in the Interim Condensed Consolidated Financial Statements has been calculated based on the tax rate expected for the full financial year. The tax rate net of Italian Regional Income Tax ("IRAP"), used for the nine months ended September 30, 2015 is 29.3 percent (28.9 percent for the nine months ended September 30, 2014). IRAP (current and deferred) for the nine months ended September 30, 2015 and 2014 amounted to €14,799 thousand and €13,565 thousand, respectively.

IRAP is only applicable to Italian entities and is calculated on a measure of income defined by the Italian Civil Code as the difference between operating revenues and costs, before financial income and expense, and in particular before the cost of fixed-term employees, credit losses and any interest included in lease payments. IRAP is calculated using financial information prepared under Italian accounting standards. IRAP is applied on the tax base at 3.9 percent for each of the three and nine months ended September 30, 2015 and 2014, respectively.

The Group recognizes in its interim consolidated statement of financial position within deferred tax assets, the amount of deferred tax assets less the deferred tax liabilities of the individual consolidated companies, where these may be offset.

The increase from the net deferred tax assets balance at December 31, 2014 to the balance at September 30, 2015 was primarily due to the combined effects of i) additional provisions made for warranties, legal proceedings and disputes, inventory and doubtful accounts; ii) foreign currency translation; iii) depreciation; and iv) losses from our cash flow hedging instruments.

12. EARNINGS PER SHARE

As discussed in Note 1, the Restructuring has been retrospectively reflected in these Interim Condensed Consolidated Financial Statements in determining the number of shares outstanding as though the Restructuring had occurred effective January 1, 2014. Share amounts have been adjusted retrospectively to reflect this change. Following the Restructuring, the Company has 188,921,600 common shares outstanding.

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of Ferrari by the weighted average number of common shares in issue. The following table provides the amounts used in the calculation of basic earnings per share for the periods presented:

		For the three months ended September 30,		For the nine months ended September 30,	
		2015	**2014**	**2015**	**2014**
Profit attributable to owners of the Ferrari	€ thousand	93,965	56,617	233,599	182,397
Weighted average number of ordinary shares	thousand	188,922	188,922	188,922	188,922
Basic and diluted earnings per common share	**€**	**0.50**	**0.30**	**1.24**	**0.97**

Diluted earnings per share

Diluted earnings per share is equal to basic earnings per share as there were no potentially dilutive instruments for the periods presented.

13. INTANGIBLE ASSETS

	Balance at December 31, 2014	Additions	Disposals	Amortization	Translation differences	Balance at September 30, 2015
			(€ thousand)			
Intangible assets	**265,262**	**115,176**	**-**	**(94,854)**	**(53)**	**285,531**

Additions of €115,176 thousand in the nine months ended September 30, 2015 primarily relate to externally acquired and internally generated development costs for the development of new models and investments to develop existing models.

For the nine months ended September 30, 2015, the Group capitalized borrowing costs of €595 thousand. Those costs will be amortized over the useful life of the category of assets to which they relate.

14. PROPERTY, PLANT AND EQUIPMENT

	Balance at December 31, 2014	Additions	Disposals	Depreciation	Translation differences	Balance at September 30, 2015
			(€ thousand)			
Property, plant and equipment	**585,185**	**119,092**	**(207)**	**(106,955)**	**(395)**	**596,720**

Additions of €119,092 thousand for the nine months ended September 30, 2015 were mainly comprised of additions to plant, machinery and equipment, advances and assets under construction.

For the nine months ended September 30, 2015, the Group capitalized borrowing costs of €250 thousand. Those costs will be depreciated over the useful life of the category of assets to which they relate.

At September 30, 2015, the Group had contractual commitments for the purchase of property, plant and equipment amounting to €57,883 thousand (€52,389 thousand at December 31, 2014).

15. INVESTMENTS AND OTHER FINANCIAL ASSETS

The composition of investments and other financial assets is as follows:

	At September 30, 2015	At December 31, 2014
	(€ thousand)	
Investment properties	-	35,565
Delta Top Co option	10,730	10,546
Other securities and other financial assets	2,133	1,320
Total investments and other financial assets	**12,863**	**47,431**

On September 23, 2015, the Group signed an agreement to sell a group of assets related to its investment properties in Modena, Italy, to the tenant, Maserati S.p.A., an FCA Group company. The total sale price (as determined by an independent valuation) amounted to €37,130 thousand and was received in the third quarter of 2015. At the transaction date the net book value of the assets and liabilities disposed of was €31,328 thousand. The gain on the sale of €5,802 thousand was recorded as other income.

16. INVENTORIES

	At September 30, 2015	At December 31, 2014
	(€ thousand)	
Raw materials	63,835	91,035
Semi-finished goods	78,259	59,771
Finished goods	159,600	145,199
Total inventories	**301,694**	**296,005**

The amount of inventory writedowns recognized as an expense within cost of sales for the nine months ended September 30, 2015 was €11,475 thousand (€2,883 thousand for the nine months ended September 30, 2014). The increase in inventory writedowns was primarily attributable to raw materials related to the 458 Italia and 458 Spider, which are being phased out in 2015.

17. CURRENT RECEIVABLES, OTHER CURRENT ASSETS AND DEPOSITS IN FCA GROUP CASH MANAGEMENT POOLS

The composition of the current receivables, other current assets and deposits in FCA Group cash management pools is as follows:

	At September 30, 2015	At December 31, 2014
	(€ thousand)	
Trade receivables	135,620	183,642
Deposits in FCA Group cash management pools	1,215,627	942,469
Receivables from financing activities	1,198,727	1,224,446
Current tax receivables	11,248	3,016
Other current assets	68,762	52,052
Total	**2,629,984**	**2,405,625**

Following the Separation, the arrangements related to the Deposits in FCA Group cash management pools will be terminated and we will manage our liquidity and treasury function on a standalone basis.

Receivables from financing activities

Receivables from financing activities are as follows:

	At September 30, 2015	At December 31, 2014
	(€ thousand)	
Client financing	1,140,759	939,284
Financial receivables from FCA Group companies	-	161,303
Factoring receivables	31,269	89,821
Dealer financing	23,314	33,611
Other	3,385	427
Total	**1,198,727**	**1,224,446**

The decrease in financial receivables from FCA Group companies primarily relates to the full reimbursement of the financing of inventory related to the establishment of the Maserati standalone business in China.

18. CURRENT FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITIES

	At September 30, 2015		At December 31, 2014	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
	(€ thousand)			
Cash flow hedge:				
Foreign currency forwards	6,041	(118,933)	8,004	(100,620)
Total cash flow hedges	**6,041**	**(118,933)**	**8,004**	**(100,620)**
Other foreign exchange derivatives	1,909	(485)	743	(3,473)
Other financial assets/(liabilities)	**7,950**	**(119,418)**	**8,747**	**(104,093)**

Other foreign exchange derivatives relate to foreign currency forwards entered into for hedging purposes that do not qualify for hedge accounting treatment.

19. EQUITY

As discussed in Note 1, with the exception of the FCA Note and subsequent refinancing (as detailed herein), the Restructuring has been retrospectively reflected in these Interim Condensed Consolidated Financial Statements in determining the number of shares outstanding as though the Restructuring had occurred effective January 1, 2014.

Share capital

Following the Restructuring, the fully paid up share capital of the Company is €3,778 thousand at September 30, 2015 and December 31, 2014, respectively, consisting of 188,921,600 common shares and the same number of special voting shares, all with a nominal value of €0.01.

The Company did not issue new common shares or special voting shares in the initial public offering and did not receive any of the proceeds. Additionally, following the initial public offering 18,892,150 special voting shares will be held until investors elect and qualify to participate in the loyalty voting program.

The loyalty voting structure

FCA and Piero Ferrari participate in our loyalty voting program and, therefore, effectively hold two votes for each of the common shares they hold. FCA shareholders that participate in FCA's loyalty voting program will be entitled to participate on the same basis in our loyalty voting program effective upon the Separation. Investors who purchase common shares in the initial public offering may elect to participate in our loyalty voting program by registering their common shares in our loyalty share register and holding them for three years. The loyalty voting program will be effected by means of the issue of special voting shares to eligible holders of common shares. Each special voting share entitles the holder to exercise one vote at the Company's shareholders meeting. Only a minimal dividend accrues to the special voting shares allocated to a separate special dividend reserve, and the special voting shares do not carry any entitlement to any other reserve of the Group. The special voting shares have only immaterial economic entitlements and, as a result, do not impact the Company's earnings per share calculation.

Share premium

Retained earnings and other reserves includes the share premium reserve of €5,975,434 thousand at September 30, 2015 and December 31, 2014, respectively, which resulted from the issuance of common shares pursuant to the Restructuring.

Other comprehensive income/(loss)

The following table presents other comprehensive income/(loss):

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
	(€ thousand)			
Items that will not be reclassified to the consolidated income statement in subsequent periods				
Losses on remeasurement of defined benefit plans	-	(698)	-	(698)
Total items that will not be reclassified to the consolidated income statement in subsequent periods	**-**	**(698)**	**-**	**(698)**
Items that may be reclassified to the consolidated income statement in subsequent periods:				
Gains/(losses) on cash flow hedging instruments arising during the period	17,060	(90,210)	(124,199)	(109,758)
(Gains)/losses on cash flow hedging instruments reclassified to the consolidated income statement	22,266	7,376	113,903	(15,989)
Gains/(losses) on cash flow hedging instruments	**39,326**	**(82,834)**	**(10,296)**	**(125,747)**
Exchange differences on translating foreign operations arising during the period	(4,929)	23,391	8,836	25,640
Total items that may be reclassified to the consolidated income statement in subsequent periods	**34,397**	**(59,443)**	**(1,460)**	**(100,107)**
Total other comprehensive income/(loss)	**34,397**	**(60,141)**	**(1,460)**	**(100,805)**
Related tax impact	(12,341)	26,004	3,220	39,478
Total other comprehensive income/(loss), net of tax	**22,056**	**(34,137)**	**1,760**	**(61,327)**

Losses on cash flow hedging instruments arising during the nine months ended September 30, 2015 and 2014 relate to losses recognized on the fair value measurement of derivative financial instruments used for cash flow hedging purposes.

The tax effect relating to other comprehensive loss are as follows:

	For the three months ended September 30,					
	2015			2014		
	Pre-tax balance	Tax income/ (expense)	Net balance	Pre-tax balance	Tax income/ (expense)	Net balance
	(€ thousand)					
Losses on remeasurement of defined benefit plans	-	-	-	(698)	-	(698)
Gains/(losses) on cash flow hedging instruments	39,326	(12,341)	26,985	(82,834)	26,004	(56,830)
Exchange (losses)/gains on translating foreign operations	(4,929)	-	(4,929)	23,391	-	23,391
Total other comprehensive income/(loss)	**34,397**	**(12,341)**	**22,056**	**(60,141)**	**26,004**	**(34,137)**

	For the nine months ended September 30,					
	2015			2014		
	Pre-tax balance	Tax income/ (expense)	Net balance	Pre-tax balance	Tax income/ (expense)	Net balance
	(€ thousand)					
Losses on remeasurement of defined benefit plans	-	-	-	(698)	-	(698)
(Losses)/gains on cash flow hedging instruments	(10,296)	3,220	(7,076)	(125,747)	39,478	(86,269)
Exchange gains on translating foreign operations	8,836	-	8,836	25,640	-	25,640
Total other comprehensive (loss)/income	**(1,460)**	**3,220**	**1,760**	**(100,805)**	**39,478**	**(61,327)**

Transaction with non-controlling interest for the nine months ended September 30, 2015

Transaction with non-controlling interest for the nine months ended September 30, 2015 relates to the purchase of the remaining 10% of NCI of the subsidiary FFS from Aldasa GmbH. The purchase price for the FFS shares was €8,500 thousand (based on an independent valuation) and the carrying value of the 10% interest at the time of purchase was €5,898 thousand. In accordance with IAS 27, the difference of €2,602 thousand was recorded as a reduction to equity.

Transaction with non-controlling interest for the nine months ended September 30, 2014

	For the nine months ended September 30,	
	2014	
	Group	NCI
	(€ thousand)	
Transaction with non-controlling interest		
Ferrari International Cars Trading (Shanghai) Co.L.t.d. ("FICTS")	-	-
Capital reduction and change in ownership percentage of FCITS from 59% to 80%	3,832	(5,050)
Expiration and renegotiation of FCITS constitution and change in operations	(5,095)	59,074
Total transaction with non-controlling interest	**(1,263)**	**54,024**

Capital reduction and change in ownership percentage of FICTS from 59 percent to 80 percent**—**In June 2014, the Board of Directors of FICTS agreed to perform a capital reduction, returning all of the capital investment to two of the non-controlling interests in FICTS, and reducing the interest of the third non-controlling interest. As a result of the capital reductions, Ferrari's proportional shareholding in FICTS increased from 59 percent to 80 percent. The carrying value of the non-controlling interest, and Ferrari's interest in FICTS was adjusted to reflect the change in shareholding structure.

Expiration and renegotiation of FICTS constitution and change in operations**—**In 2014, the agreement between Ferrari and the non-controlling interests expired. Also in 2014, the agreement between Ferrari and Maserati, which governed how FICTS imported and sold Maserati cars in China, and how Maserati was compensated for such transactions expired. Maserati incorporated a new Chinese entity to distribute Maserati vehicles in China. Accordingly, Ferrari no longer accounted for FICTS as a Joint Operation, but rather as a subsidiary. Such change resulted in the recognition of additional assets and liabilities, previously excluded from the scope of consolidation, and the derecognition of certain assets, which are now accounted for as intercompany transactions.

Dividends declared

FICTS shareholders' declared dividends to non-controlling interests of €72,704 thousand, representing the aggregate distributable profits at September 30, 2014. No dividends were paid to the non-controlling interests in the nine months ended September 30, 2014. The dividends payable balance at September 30, 2014, has been recorded as other liabilities.

20. PROVISIONS

The Group's provisions are as follows:

	At September 30, 2015	At December 31, 2014
	(€ thousand)	
Warranty provision	77,183	68,512
Legal proceedings and disputes	48,007	44,544
Other risks	16,480	21,718
Total provisions	**141,670**	**134,774**

The provision for other risks are related to disputes and matters which are not subject to legal proceedings, including contract related disputes with suppliers, employees and other parties.

Movements in provisions are as follows:

	At December 31, 2014	Additional provisions	Utilization	Translation differences	At September 30, 2015
			(€ thousand)		
Warranty provision	68,512	21,424	(13,158)	405	77,183
Legal proceedings and disputes	44,544	8,034	(4,571)	-	48,007
Other risks	21,718	4,554	(10,268)	476	16,480
Total provisions	**134,774**	**34,012**	**(27,997)**	**881**	**141,670**

21. DEBT

	At September 30, 2015	At December 31, 2014
	(€ thousand)	
Financial liabilities with FCA	389,453	378,542
Borrowings from banks	176,621	109,105
Other debt	13,080	22,573
Total debt	**579,154**	**510,220**

Changes in total debt are as follows:

(€ thousands)	
Balance at December 31, 2014	**510,220**
Proceeds from bank borrowings	84,645
Repayment of bank borrowings	(19,695)
Net change in financial liabilities with FCA Group	(31,065)
Net change in other debt	(9,496)
Translation differences and other	44,545
Balance at September 30, 2015	**579,154**

Proceeds from bank borrowings primarily relate to an increase and draw down of the facility with Sumitomo Bank by Ferrari Financial Services Inc. to finance the financial services portfolio in the United States.

22. OTHER LIABILITIES

An analysis of other liabilities is as follows:

	At September 30, 2015	At December 31, 2014
	(€ thousand)	
Deferred income	312,460	234,536
Advances	76,290	187,222
Accrued expenses	76,382	85,624
Security deposits	24,786	33,117
Payables to personnel	23,949	28,713
Social security payables	12,079	13,251
Other	105,558	87,915
Total other liabilities	**631,504**	**670,378**

Deferred income at September 30, 2015 primarily includes amounts received under the scheduled maintenance program as defined in the Consolidated Financial Statements (€121,814 thousand at September 30, 2015 and €111,589 thousand at December 31, 2014), which are deferred and recognized as net revenues over the length of the maintenance program. Deferred income also includes amounts collected under various other agreements, which are dependent upon the future performance of a service or other act of the Group.

Advances at September 30, 2015 and December 31, 2014 primarily includes advances from clients received for the purchase of limited edition and supercars. On shipment of such cars, the advances are recognized as revenue, and as such, the decrease in advances is primarily related to the shipments of limited edition and supercars during the nine months ended September 30, 2015.

The classification 'Other' within other liabilities at September 30, 2015 includes €31,053 thousand (€64,319 thousand at December 31, 2014) related to dividends payable to the non-controlling interest in Ferrari International Cars Trading (Shanghai) Co. Ltd.

23. TRADE PAYABLES

Trade payables of €448,568 thousand at September 30, 2015 (€535,707 thousand at December 31, 2014) are entirely due within one year. The carrying amount of trade payables is considered to be equivalent to their fair value.

24. FAIR VALUE MEASUREMENT

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs to the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

Levels used in the hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the Group can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 inputs are unobservable inputs for the assets and liabilities.

Assets and liabilities that are measured at fair value on a recurring basis

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at September 30, 2015 and at December 31, 2014:

		At September 30, 2015			
	Note	Level 1	Level 2	Level 3	Total
			(€ thousand)		
Cash and cash equivalents		190,081	-	-	190,081
Investments and other financial assets-Delta Top Co option	15	-	-	10,730	10,730
Current financial assets	18	-	7,950	-	7,950
Total assets		**190,081**	**7,950**	**10,730**	**208,761**
Other financial liabilities	18	-	119,418	-	119,418
Total liabilities		**-**	**119,418**	**-**	**119,418**

		At December 31, 2014			
	Note	Level 1	Level 2	Level 3	Total
			(€ thousand)		
Cash and cash equivalents		134,278	-	-	134,278
Investments and other financial assets-Delta Top Co option	15	-	-	10,546	10,546
Current financial assets	18	-	8,747	-	8,747
Total assets		**134,278**	**8,747**	**10,546**	**153,571**
Other financial liabilities	18	-	104,093	-	104,093
Total liabilities		**-**	**104,093**	**-**	**104,093**

In the nine months ended September 30, 2015 and in the same period in 2014 there were no transfers between levels in the fair value hierarchy.

The fair value of current financial assets and other financial liabilities is related to derivative financial instruments and is measured by taking into consideration market parameters at the balance sheet date, using valuation techniques widely accepted in the financial business environment. In particular, the fair value of forward contracts and currency swaps is determined by taking the prevailing foreign currency exchange rate and interest rates at the balance sheet date.

The par value of cash and cash equivalents usually approximates fair value due to the short maturity of these instruments, which consist primarily of bank current accounts.

The following table presents the changes in the fair value of the Delta Top Co option (which is the only asset categorized in level 3) from December 31, 2014 to September 30, 2015.

	Investments and other financial assets-Delta Top Co option
	(€ thousand)
At December 31, 2014	**10,546**
Gains recognized in net financial income/(expenses)	184
At September 30, 2015	**10,730**

Assets and liabilities not measured at fair value on a recurring basis

For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from carrying value, the Group assumes that carrying value is a reasonable approximation of the fair value. In particular, the carrying amount of current receivables and other current assets and of trade payables and other liabilities approximates their fair value.

The following table represents carrying amount and fair value for the most relevant categories of financial assets and liabilities not measured at fair value on a recurring basis:

		At September 30, 2015		At December 31, 2014	
	Note	Carrying amount	Fair Value	Carrying amount	Fair Value
		(€ thousand)			
Deposits in FCA Group cash management pools	17	1,215,627	1,215,627	942,469	942,469
Receivables from financing activities	17	1,198,727	1,199,681	1,224,446	1,225,931
Customer financing		*1,140,759*	*1,141,713*	*939,284*	*940,769*
Financial receivables from FCA Group companies		-	-	*161,303*	*161,303*
Factoring receivables		*31,269*	*31,269*	*89,821*	*89,821*
Dealer financing		*23,314*	*23,314*	*33,611*	*33,611*
Other		*3,385*	*3,385*	*427*	*427*
Total		**2,414,354**	**2,415,308**	**2,166,915**	**2,168,400**
Debt	21	**579,154**	**578,527**	**510,220**	**509,355**

25. RELATED PARTY TRANSACTIONS

Pursuant to IAS 24, the related parties of the Group are entities and individuals capable of exercising control, joint control or significant influence over the Group and its subsidiaries, companies belonging to the FCA Group and Exor Group, and unconsolidated subsidiaries of the Group. In addition, members of Ferrari Group Board of Directors, Board of Statutory Auditors and executives with strategic responsibilities and their families are also considered related parties.

The Group carries out transactions with related parties on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved. Transactions carried out by the Group with these related parties are primarily of those a commercial nature, which have had an effect on revenues, cost of sales, and trade receivables and payables; in particular, these transactions relate to:

Transactions with FCA Group companies

- On September 23, 2015, the Group signed an agreement to sell a group of assets related to its investment properties in Modena, Italy, to the tenant, Maserati S.p.A.. The total sale price (as determined by an independent valuation) amounted to €37,130 thousand and was received in the third quarter of 2015. At the transaction date the net book value of the assets and liabilities disposed of was €31,328 thousand. The gain on the sale of €5,802 thousand was recorded as other income;
- the sale of engines and car bodies to Maserati S.p.A. and Officine Maserati Grugliasco S.p.A. (together "Maserati") which are controlled by the FCA Group;
- the purchase of engines components for the use in the production of Maserati engines from FCA US LLC, which is controlled by FCA Group;
- the purchase of automotive lighting and automotive components from Magneti Marelli S.p.A., Magneti Marelli Espana S.A. and Automotive Lighting Italia S.p.A. (which form part of "Magneti Marelli"), which is controlled by the FCA Group;
- transactions with other FCA Group companies, mainly relating to the services provided by FCA Group companies, including human resources, payroll, tax, customs, procurement of insurance coverage, accounting and treasury services and sponsorship revenues for the display of FCA Group company logos on the Formula 1 cars.

The Group also has the following financial transactions with the FCA Group:

- the Group sells a portion of its trade and financial receivables to the FCA Bank Group, which is a joint venture between FCA Group and Credit Agricole, on derecognition of the asset, the difference between the carrying amount and the consideration received or receivable is recognized in cost of sales;
- certain Ferrari financing companies obtain financing from FCA Group companies. Debt from FCA Group companies relate to the amounts owed under such facilities at the dates presented. See Note 21;
- Ferrari Group companies participate in the FCA group-wide cash management system where the operating cash management, main funding operations and liquidity investment of the Group are centrally coordinated by dedicated treasury companies of the FCA Group. Deposits in FCA Group cash management pools represent the Group's participation in such pools. Deposits with FCA Group earn EURIBOR +15bps. See Note 17. Following the Separation, these arrangements will be terminated and we will manage our liquidity and treasury function on a standalone basis;
- the Group has purchased trade receivables from the FCA Group on a non-recourse basis. The interest earned on such receivables is recorded in net revenues;
- the Group had financial receivables with Maserati and Automotive Lighting LLC ("Automotive Lighting"), which at December 31, 2014, were settled in the ordinary course of business. See Note 17.

Transactions with Exor Group companies

- the Group incurs rental costs from Iveco Finanziaria S.p.A. related to the rental of trucks used by the Formula 1 racing team;

- the Group earns sponsorship revenue from Iveco S.p.A.

Transactions with other related parties

- the purchase of leather goods from Poltrona Frau S.p.A. ("Poltrona Frau"). The former Chairman had significant influence over Poltrona Frau until March 25, 2014 when he sold his interest;
- the purchase of components for Formula 1 racing cars from COXA S.p.A., controlled by Piero Ferrari; and
- consultancy services provided by HPE S.r.l., controlled by Piero Ferrari.

In accordance with IAS 24, transactions with related parties also include compensation payable to Directors, Statutory Auditors and managers with strategic responsibilities.

The amounts of the transactions with related parties recognized in the consolidated income statement are as follows:

	For the nine months ended September 30,					
	2015			2014		
	Net revenues	Cost(1)	Financial income/ (expenses)	Net revenues	Cost(1)	Financial income/ (expenses)
	(€ thousand)					
FCA Group Companies						
Maserati	142,183	1,899	-	189,694	1,598	-
FCA US LLC	540	15,738	-	-	21,125	-
Magneti Marelli	1,152	22,825	-	777	16,058	-
Other FCA Group Companies	4,819	34,482	(13,629)	4,148	32,729	5,930
Total FCA Group Companies	**148,694**	**74,944**	**(13,629)**	**194,619**	**71,510**	**5,930**
Exor Group companies (excluding the FCA Group)						
Exor Group companies	275	264		206	600	-
Other related parties						
Poltrona Frau	-	-	-	57	14,822	-
COXA S.p.A.	161	5,354	-	142	6,802	-
HPE S.r.l.	-	2,059	-	-	2,134	-
Other related parties	-	-	-	-	64	-
Total other related parties	**161**	**7,413**	**-**	**199**	**23,822**	**-**
Total transactions with related parties	**149,130**	**82,621**	**(13,629)**	**195,024**	**95,932**	**5,930**
Total for the Group	**2,109,883**	**1,326,308**	**(5,408)**	**2,011,091**	**1,122,715**	**6,427**

(1) Costs include cost of sales and selling, general and administrative costs.

Non-financial assets and liabilities originating from related party transactions are as follows:

	At September 30, 2015				At December 31, 2014			
	Trade receivables	Trade payables	Other current assets	Other liabilities	Trade receivables	Trade payables	Other current assets	Other liabilities
	(€ thousand)							
FCA Group companies								
Maserati	39,190	4,437	18	35,781	68,224	5,368	-	50,736
FCA US LLC	1,660	3,343	-	-	1,062	8,250	-	-
Magneti Marelli	862	4,116	-	-	516	6,239	-	-
Other FCA Group Companies	7	5,869	1,456	204,102	172	2,766	2,181	105
Total FCA Group Companies	**41,719**	**17,765**	**1,474**	**239,883**	**69,974**	**22,623**	**2,181**	**50,841**
Exor Group companies (excluding the FCA Group)								
Exor Group companies	54	24	-	51	-	28	-	-
Other related parties								
Poltrona Frau	-	-	-	-	1,763	8,564	-	-
COXA S.p.A.	42	209	-	-	308	1,448	-	-
HPE S.r.l.	-	-	-	-	-	686	-	-
Other related parties	-	113	-	-	1,647	251	-	-
Total other related parties	**42**	**322**	**-**	**-**	**3,718**	**10,949**	**-**	**-**
Total transactions with related parties	**41,815**	**18,111**	**1,474**	**239,934**	**73,692**	**33,600**	**2,181**	**50,841**
Total for the Group	**135,620**	**448,568**	**68,762**	**631,504**	**183,642**	**535,707**	**52,052**	**670,378**

Financial assets and liabilities originating from related party transactions are as follows:

	At September 30, 2015			At December 31, 2014		
	Deposits in FCA Group cash management pools	Receivables from financing activities	Debt	Deposits in FCA Group cash management pools	Receivables from financing activities	Debt
	(€ thousand)					
FCA Group finance companies	1,215,627	3,088	389,453	942,469	-	378,542
Maserati	-	-	-	-	147,071	-
Automotive Lighting LLC	-	-	-	-	14,232	-
Total transactions with related parties	**1,215,627**	**3,088**	**389,453**	**942,469**	**161,303**	**378,542**
Total for the Group	**1,215,627**	**1,198,727**	**579,154**	**942,469**	**1,224,446**	**510,220**

FERRARI N.V.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

26. ENTITY-WIDE DISCLOSURES

The following table presents an analysis of net revenues by geographic location of the Group's customers for the three and nine months ended September 30, 2015 and 2014:

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
	(€ thousand)			
Italy	56,234	109,682	172,028	337,602
Other EMEA	283,339	255,334	874,394	877,096
Americas (1)	255,709	150,530	692,042	436,366
Greater China (2)	62,377	113,083	163,540	220,837
Rest of APAC (3)	65,487	33,891	207,879	139,190
Total net revenues	**723,146**	**662,520**	**2,109,883**	**2,011,091**

(1) Includes United States of America, Canada, Mexico and the rest of Central and South America
(2) Includes mainland China, Hong Kong and Taiwan
(3) Mainly relates to Japan and Australia

27. SUBSEQUENT EVENTS

The Group has evaluated subsequent events through November 4, 2015, which is the date the Interim Condensed Consolidated Financial Statements were authorized for issuance, and identified the following matters:

- The Restructuring, as described in Note 1, was completed on October 17, 2015.
- The Company's shares were admitted to listing on the New York Stock Exchange and commenced trading on October 21, 2015.
- The F12tdf, a limited edition sports car derived directly from the F12berlinetta, was announced on October 22, 2015.
- The Initial Public Offering closed on October 26, 2015.

Independent auditors' report

To the shareholders of
Ferrari N.V.

We have audited the accompanying consolidated financial statements of Ferrari N.V. and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as of December 31, 2014, 2013 and 2012, and the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group at December 31, 2014. 2013 and 2012, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

/s/ Reconta Ernst & Young S.p.A.

Turin, Italy

October 19, 2015

Ferrari N.V.
CONSOLIDATED INCOME STATEMENT
for the years ended December 31, 2014, 2013 and 2012

	Note	For the years ended December 31, 2014	2013	2012
			(€ thousand)	
Net revenues	4	2,762,360	2,335,270	2,225,207
Cost of sales	5	1,505,889	1,234,643	1,198,901
Selling, general and administrative costs	6	300,090	259,880	242,819
Research and development costs	7	540,833	479,294	431,456
Other expenses/(income), net	8	26,080	(2,096)	16,534
EBIT		**389,468**	**363,549**	**335,497**
Net financial income/(expenses)	9	8,765	2,851	(898)
Profit before taxes		**398,233**	**366,400**	**334,599**
Income tax expense	10	133,218	120,301	101,109
Net profit		**265,015**	**246,099**	**233,490**
Net profit attributable to:				
Owners of the parent		*261,371*	*240,774*	*225,403*
Non-controlling interests	3	*3,644*	*5,325*	*8,087*
Basic and diluted earnings per common share (in €)	12	1.38	1.27	1.19

The accompanying notes are an integral part of the Consolidated Financial Statements.

Ferrari N.V.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the years ended December 31, 2014, 2013 and 2012

	Note	2014	2013	2012
		For the years ended December 31, (€ thousand)		
Net profit		**265,015**	**246,099**	**233,490**
Items that will not be reclassified to the consolidated income statement in subsequent periods:				
Losses on remeasurement of defined benefit plans	20	(4,739)	(2,412)	(1,595)
Related tax impact	20	1,061	1,799	-
Total items that will not be reclassified to the consolidated income statement in subsequent periods		**(3,678)**	**(613)**	**(1,595)**
Items that may be reclassified to the consolidated income statement in subsequent periods:				
(Losses)/gains on cash flow hedging instruments	20	(148,341)	54,603	76,786
Exchange differences on translating foreign operations	20	27,836	(7,467)	(5,551)
Related tax impact	20	46,588	(17,146)	(24,111)
Total items that may be reclassified to the consolidated income statement in subsequent periods		**(73,917)**	**29,990**	**47,124**
Total other comprehensive (loss)/income, net of tax		**(77,595)**	**29,377**	**45,529**
Total comprehensive income		**187,420**	**275,476**	**279,019**
Total comprehensive income attributable to:				
Owners of the parent		*181,375*	*270,790*	*271,075*
Non-controlling interests		*6,045*	*4,686*	*7,944*

The accompanying notes are an integral part of the Consolidated Financial Statements.

Ferrari N.V.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at December 31, 2014, 2013 and 2012

		At December 31,		
	Note	2014	2013	2012
			(€ thousand)	
Assets				
Goodwill	13	787,178	787,178	787,178
Intangible assets	14	265,262	242,167	265,066
Property, plant and equipment	15	585,185	567,814	544,606
Investments and other financial assets	16	47,431	37,911	41,032
Deferred tax assets	10	111,716	41,543	34,793
Total non-current assets		**1,796,772**	**1,676,613**	**1,672,675**
Inventories	17	296,005	237,496	215,556
Trade receivables	18	183,642	205,925	135,641
Receivables from financing activities	18	1,224,446	862,764	803,205
Current tax receivables	18	3,016	1,297	1,003
Other current assets	18	52,052	39,163	50,567
Current financial assets	19	8,747	74,759	29,120
Deposits in FCA Group cash management pools	18	942,469	683,672	457,161
Cash and cash equivalents		134,278	113,786	100,063
Total current assets		**2,844,655**	**2,218,862**	**1,792,316**
Total assets		**4,641,427**	**3,895,475**	**3,464,991**
Equity and liabilities				
Equity attributable to owners of the parent		*2,469,618*	*2,289,506*	*2,018,992*
Non-controlling interests		*8,695*	*26,776*	*22,121*
Total equity	20	**2,478,313**	**2,316,282**	**2,041,113**
Employee benefits	21	76,814	65,479	79,429
Provisions	22	134,774	103,785	119,135
Deferred tax liabilities	10	21,612	27,958	18,087
Debt	23	510,220	317,304	261,347
Other liabilities	24	670,378	470,325	333,988
Other financial liabilities	19	104,093	4,485	23,186
Trade payables	25	535,707	485,948	479,974
Current tax payables		109,516	103,909	108,732
Total equity and liabilities		**4,641,427**	**3,895,475**	**3,464,991**

The accompanying notes are an integral part of the Consolidated Financial Statements.

Ferrari N.V.
CONSOLIDATED STATEMENT OF CASH FLOWS
for the years ended December 31, 2014, 2013 and 2012

	For the years ended December 31,		
	2014	2013	2012
		(€ thousand)	
Cash and cash equivalents at beginning of the year	**113,786**	**100,063**	**94,025**
Cash flows from operating activities:			
Profit before taxes	398,233	366,400	334,599
Amortization and depreciation	288,982	270,250	237,540
Provision accruals	66,274	24,095	41,932
Other non-cash expense and income	53,348	31,818	37,007
Net gains on disposal of property, plant and equipment and intangible assets	(742)	(1,259)	(1,166)
Change in inventories	(65,548)	(19,549)	(18,940)
Change in trade receivables	824	(81,386)	8,857
Change in trade payables	12,986	14,260	24,770
Change in receivables from financing activities	(201,692)	(56,531)	(148,422)
Change in other operating assets and liabilities	14,322	44,700	80,665
Income tax paid	(140,920)	(138,784)	(134,322)
Total	**426,067**	**454,014**	**462,520**
Cash flows used in investing activities:			
Investments in property, plant and equipment	(169,363)	(161,653)	(161,380)
Investments in intangible assets	(160,635)	(109,250)	(96,972)
Cash acquired in change in scope of consolidation	38,751	-	-
Proceeds from the sale of property, plant and equipment and intangible assets	1,828	1,939	2,664
Change in investments and other financial assets	(358)	1,622	(1,960)
Total	**(289,777)**	**(267,342)**	**(257,648)**
Cash flows used in financing activities:			
Proceeds from bank borrowings	80,745	15,208	10,495
Repayment of bank borrowings	(1,715)	(10,010)	(916)
Net change in financial liabilities with FCA Group	89,075	50,638	(292,588)
Net change in other debt	(27,638)	8,189	22,877
Net change in deposits in FCA Group cash management pools	(247,034)	(227,495)	72,887
Dividends paid to non-controlling interest	(15,050)	-	(7,148)
Total	**(121,617)**	**(163,470)**	**(194,393)**
Translation exchange differences	5,819	(9,479)	(4,441)
Total change in cash and cash equivalents	**20,492**	**13,723**	**6,038**
Cash and cash equivalents at end of the year	**134,278**	**113,786**	**100,063**

The accompanying notes are an integral part of the Consolidated Financial Statements.

Ferrari N.V.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
for the years ended December 31, 2014, 2013 and 2012

	Attributable to owners of the parent						
	Share capital	**Retained earnings and other reserves**	**Cash flow hedge reserve**	**Currency translation differences**	**Remeasurement of defined benefit plans**	**Non-controlling interests**	**Total**
				(€ thousand)			
At January 1, 2012	**3,778**	**1,776,414**	**(46,936)**	**16,713**	**(2,052)**	**21,326**	**1,769,243**
Dividends declared	-	-	-	-	-	(7,149)	(7,149)
Net profit	-	225,403	-	-	-	8,087	233,490
Other comprehensive income/(loss)	-	-	52,675	(5,408)	(1,595)	(143)	45,529
At December 31, 2012	**3,778**	**2,001,817**	**5,739**	**11,305**	**(3,647)**	**22,121**	**2,041,113**
Net profit	-	240,774	-	-	-	5,325	246,099
Other comprehensive income/(loss)	-	-	37,457	(6,828)	(613)	(639)	29,377
Other changes	-	(276)	-	-	-	(31)	(307)
At December 31, 2013	**3,778**	**2,242,315**	**43,196**	**4,477**	**(4,260)**	**26,776**	**2,316,282**
Dividends declared	-	-	-	-	-	(79,369)	(79,369)
Transaction with non-controlling interest	-	(1,263)	-	-	-	55,243	53,980
Net profit	-	261,371	-	-	-	3,644	265,015
Other comprehensive (loss)/income	-	-	(101,753)	25,435	(3,678)	2,401	(77,595)
Reclassification(1)	-	1,191	-	-	(1,191)	-	-
At December 31, 2014	**3,778**	**2,503,614**	**(58,557)**	**29,912**	**(9,129)**	**8,695**	**2,478,313**

(1) Relates to the reclassification of the actuarial gain recognized on the remeasurement of the defined benefit pension plan of the former Chairman of the Group.

The accompanying notes are an integral part of the Consolidated Financial Statements.

Ferrari N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At December 31, 2014, 2013 and 2012

1. BACKGROUND AND BASIS OF PRESENTATION

Background

Ferrari is among the world's leading luxury brands. The activities of Ferrari S.p.A. and its subsidiaries are focused on the design, engineering, production and sale of luxury performance sports cars. The cars are designed, engineered and produced in Maranello and Modena, Italy and sold in more than 60 markets worldwide through a network of 180 independent dealers. The Ferrari brand is licensed to a select number of producers and retailers of luxury and lifestyle goods, with Ferrari branded merchandise also sold through a network of 32 Ferrari stores and on our website. To facilitate the sale of new and used cars, we provide various forms of financing, through our financial services entities, to both clients and dealers. We also participate in the Formula 1 World Championship through Scuderia Ferrari. The activities of Scuderia Ferrari are the core element of our marketing and promotion activities and an important source of innovation supporting the technological advancement of our sport and street cars.

Fiat S.p.A., subsequently merged with and into Fiat Chrysler Automobiles N.V. (Fiat S.p.A. and Fiat Chrysler Automobiles are defined as "FCA" as the context requires and together with their subsidiaries the "FCA Group") acquired 50 percent of Ferrari S.p.A. in 1969, and over time expanded this shareholding to 90 percent ownership. The 90 percent shareholding was held by FCA until October 17, 2015, while the remaining 10 percent non-controlling interest was owned by Piero Ferrari until October 17, 2015.

On October 29, 2014, FCA announced its intention to separate Ferrari S.p.A. from FCA. The separation is expected to occur through a series of transactions (together defined as the "Separation") including (i) an intra-group restructuring which will result in our acquisition of the assets and business of Ferrari North Europe Limited and the transfer by FCA of its 90 percent shareholding in Ferrari S.p.A. to Ferrari N.V., formerly New Business Netherlands N.V. (herein referred to as "Ferrari" or the "Company" and together with Ferrari S.p.A. and its subsidiaries the "Group"), (ii) the transfer of Piero Ferrari's 10 percent shareholding in Ferrari S.p.A. to the Company, (iii) the initial public offering of common shares of the Company, and (iv) the distribution, following the initial public offering, of FCA's remaining interest in Ferrari to its shareholders. After the Separation, Ferrari will operate as an independent, publicly traded company.

The transactions described above in (i) and (ii) (which are referred collectively to as the "Restructuring") were completed on October 17, 2015 through the following steps:

- The Company acquired from Ferrari North Europe Limited its assets and business of providing sales, after-sales and support services for the Ferrari brand and in exchange the Company issued to Ferrari North Europe Limited a note in the principal amount of £2.8 million (the "FNE Note").
- FCA transferred to the Company all of the issued and outstanding share capital that it previously held in Ferrari S.p.A. (representing 90 percent of the share capital of Ferrari S.p.A.), and in exchange the Company issued to FCA a note in the principal amount of €7.9 billion (the "FCA Note").
- FCA contributed €5.1 billion to the Company in consideration of the issue to FCA of 156,917,727 common shares and 161,917,727 special voting shares of the Company. Following a subsequent transaction with Piero Ferrari, FCA will own 170,029,440 common shares and special voting shares, equal to 90 percent of the Company's common shares outstanding. €5.1 billion of the proceeds received from FCA were applied to settle a portion of the FCA Note, following which the principal outstanding on the FCA Note is €2.8 billion, which is expected to be refinanced through third party debt.
- Piero Ferrari transferred his 10 percent interest in Ferrari S.p.A. to the Company and in exchange the Company issued to Piero Ferrari 27,003,873 of its common shares and the same number of special

voting shares. Following a subsequent transaction with FCA, Piero Ferrari will own 18,892,160 common shares and special voting shares, equal to 10.0 percent of the Company's common shares outstanding. The Company did not receive any cash consideration as part of this transaction.

The Restructuring comprises: (i) a capital reorganization of the group under the Company, and (ii) the issuance of the FCA Note which is expected to be subsequently refinanced. In preparing these consolidated financial statements, the Company has retrospectively applied FCA's basis of accounting for the Restructuring based on the following:

(i) The capital reorganization:

- The Company was formed by FCA solely to effect the Separation and will be controlled by FCA until completion of the Separation. Therefore, the capital reorganization does not meet the definition of a business combination in the context of IFRS 3—"Business Combinations" but rather a combination of entities under common control and as such is excluded from the scope of IFRS 3. IFRS (as defined below) has no applicable guidance in accounting for such transactions. IAS 8—"Accounting Policies, Changes in Accounting Estimates and Errors" states that in the absence of an IFRS which specifically applies to a transaction, the Company may consider the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards or other accounting literature and accepted industry practices, to the extent that these do not conflict with the requirements in IFRS for dealing with similar and related issues or the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the IFRS Conceptual Framework for Financial Reporting (the "Framework"). Accordingly, the Company has considered the guidance in ASC 805-50-30-5 on common control transactions, which indicates that the receiving entity (the Company) is able to reflect the transferred assets and liabilities in its own accounting records at the carrying amount in the accounting records of the transferring entity (FCA). As a result, these consolidated financial statements include FCA's recorded goodwill relating to Ferrari S.p.A. in the amount of €780,542 thousand.
- The retrospective accounting for the capital reorganization is consistent with the principles underlying paragraph 64 of IAS 33—"Earnings per Share" which requires calculation of basic and diluted earnings per share for all periods presented to be adjusted retrospectively if changes occur to the capital structure after the reporting period but before the financial statements are authorized for issue. The capital reorganization has been accounted for as though it had occurred effective January 1, 2012. In particular:
  - The issuance of 156,917,727 common shares and 161,917,727 special voting shares in the Company to FCA has been reflected as an increase in share capital and share premium in the amounts of €3.2 million and €5,098.0 million, respectively, with an offset to retained earnings of €5.1 billion.
  - The issuance of 27,003,873 common shares and the same number of special voting shares in the Company to Piero Ferrari has been reflected as an increase in share capital and share premium in the amounts of €0.6 million and €877.4 million, respectively, with an offset to retained earnings of €878.0 million.
  - The historical number of common shares, nominal value per common share, basic and diluted earnings per common share amounts and other per share disclosures retrospectively reflect the capital structure of the Company post Restructuring for all periods presented, with the required disclosures presented in Notes 12 and 20.

The Restructuring has been performed based on an independent appraisal performed for Dutch legal requirements.

(ii) The issuance of the FCA Note:

- The FCA Note and subsequent refinancing have not been reflected in the consolidated financial statements. The acquisition of the Ferrari North Europe Limited assets and business and the FNE Note eliminate on consolidation.

Basis of preparation

Authorization of consolidated financial statements and compliance with International Financial Reporting Standards

These consolidated financial statements of Ferrari N.V. were authorized for on issuance on October 19, 2015.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board and endorsed by the European Union ("IFRS"). The designation IFRS also includes International Accounting Standards ("IAS") as well as all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC" and "SIC").

The consolidated financial statements are prepared under the historical cost method, modified as required for the measurement of certain financial instruments, as well as on a going concern basis.

The Group's presentation currency is Euro, which is also the functional currency of the Company, and unless otherwise stated information is presented in thousands of Euro.

Transactions with FCA

The Group generates a portion of its net revenues from sale of goods to other FCA Group companies. In particular, net revenues generated from FCA Group companies amounted to €266,641 thousand, €207,519 thousand and €86,123 thousand for the years ended December 31, 2014, 2013 and 2012, respectively. See Note 27 for further details.

The Group enters into commercial transactions with the FCA Group in the ordinary course of business. Receivables and payables are settled in the ordinary course of business and are recorded as assets and liabilities on the consolidated statement of financial position.

The Group receives various services, including human resources, payroll, financial reporting and tax, customs, accounting and treasury, institutional and industrial relations, procurement of insurance coverage, internal audit, IT and systems, risk, corporate security, executive compensation, legal and corporate affairs from the FCA Group. The costs associated with the services totaled €10,486 thousand, €10,773 thousand and €11,331 thousand for the years ended December 31, 2014, 2013 and 2012, respectively. Historically, these costs have been re-charged by the FCA Group based on the actual costs incurred for the services provided to the Group and are reflected as expenses according to their nature in the consolidated financial statements.

With respect to the general corporate costs that are incurred by FCA on behalf of its entire group, which include the costs of the executive officers of the FCA Group, costs of the corporate functions including treasury, human resources, finance and legal, business development, tax, headquarter costs and other related corporate costs, FCA allocates these costs to the Group based on the Group's proportion of FCA's consolidated revenues.

During the years ended December 31, 2014, 2013 and 2012, corporate costs re-charged to the Group from FCA, amounted to €2,952 thousand, €3,328 thousand and €3,254 thousand, respectively and are reflected in the consolidated financial statements.

Historically the Group has participated in a group-wide cash management system at FCA Group, where the operating cash management, main funding operations and liquidity investment of the Group are centrally coordinated by dedicated treasury companies. The Group accesses funds deposited in these accounts on a daily basis, has the contractual right to withdraw these funds on demand and terminate these cash management arrangements depending on FCA's ability to pay at the relevant time. The deposits with FCA Group relating to the cash management are recorded in the consolidated statement of financial position as "Deposits in FCA Group cash management pools" and the finance income earned on such deposits is recorded in net financial income/ expenses in the consolidated income statement. Certain entities of the Group have also entered into credit lines with FCA Group entities, these financial liabilities have been provided primarily to finance the activities of the Group's financial services portfolio in North America and have been recorded as "Debt" in the consolidated statement of financial position. The finance expense associated with such financial liabilities is recorded in "Cost of sales" in the consolidated income statement.

Management believes that the assumptions underlying the consolidated financial statements, including the re-charges of expenses from FCA, are reasonable. Nevertheless, the consolidated financial statements may not include all of the actual expenses that would have been incurred by the Group and may not reflect the consolidated results of operations, financial position and cash flows had Ferrari been a stand-alone company during the periods presented. Actual costs that would have been incurred if Ferrari had been a stand-alone company would depend on multiple factors, including organizational structure and strategic decisions made in various areas.

2. SIGNIFICANT ACCOUNTING POLICIES

Format of the financial statements

The consolidated financial statements include the consolidated income statement, consolidated statement of comprehensive income/(loss), consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and notes thereto, (the "Consolidated Financial Statements").

For presentation of the consolidated income statement, the Group uses a classification based on the function of expenses, as it is more representative of the format used for internal reporting and management purposes and is consistent with international practice.

In the consolidated income statement, the Group also presents a subtotal for Earnings Before Interest and Taxes (EBIT). EBIT distinguishes between the profit before taxes arising from operating items and those arising from financing activities. EBIT is the primary measure used by the Group's Chief Operating Decision Maker ("CODM"), to assess performance.

For the consolidated statement of financial position, a mixed format has been selected to present current and non-current assets and liabilities, as permitted by IAS 1 paragraph 60. More specifically, the Consolidated Financial Statements include both industrial companies and financial services companies. The investment portfolios of the financial services companies are included in current assets, as the investments will be realized in their normal operating cycle. However, the financial services companies obtain only a portion of their funding from the market; the remainder has historically been obtained mainly through funding from certain of the Group's operating companies and, to a lesser extent, intercompany funding from FCA Group, which provides funding to the financial services entities as the need arises. This financial service structure within the Group does not allow the separation of financial liabilities funding the financial services operations (whose assets are reported within current assets) and those funding the industrial operations. Presentation of financial liabilities as current or non-current based on their date of maturity would not facilitate a meaningful comparison with financial assets, which are categorized on the basis of their normal operating cycle. Disclosure as to the due date of the debt is provided in Note 23.

The consolidated statement of cash flows is presented using the indirect method.

New standards and amendments effective from January 1, 2014

The following new standards and amendments that are applicable from January 1, 2014 were adopted by the Group for the purpose of the preparation of the Consolidated Financial Statements. Their adoption had no significant impact on the Consolidated Financial Statements.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32—Financial Instruments: Presentation)

The Group adopted the amendments to IAS 32—*Financial Instruments: Presentation* effective January 1, 2014. The amendments clarify the application of certain offsetting criteria for financial assets and financial liabilities and are required to be applied retrospectively. The Group has no applicable netting agreements, accordingly these amendments had no impact on the Consolidated Financial Statements.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36—Impairment of Assets)

The Group adopted the amendments to IAS 36—*Recoverable Amount Disclosures for Non-Financial Assets* addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal effective January 1, 2014, without reporting any effect on the Consolidated Financial Statements. The application of these amendments will result in expanded disclosure in the notes to future annual consolidated financial statements in case of an impairment that is based on fair value less cost of disposal. No effect arose on the Consolidated Financial Statements from the application of these amendments.

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39—Financial Instruments: Recognition and Measurement)

These amendments, which were adopted from January 1, 2014, allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. No effect arose on the Consolidated Financial Statements from the application of these amendments.

Accounting for an obligation to pay a levy that is not income tax (IFRIC Interpretation 21—Levies an interpretation of IAS 37—Provisions, Contingent Liabilities and Contingent Assets)

The interpretation, effective from January 1, 2014, sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. No effect arose on the Consolidated Financial Statements from the application of this interpretation.

New standards, amendments and interpretations not yet effective

The standards, amendments and interpretations issued by the IASB that will have mandatory application in 2015 or subsequent years are listed below:

In November 2013, the IASB published narrow scope amendments to IAS 19—Employee Benefits entitled "Defined Benefit Plans: Employee Contributions." These amendments apply to contributions from employees or third parties to defined benefit plans in order to simplify their accounting in specific cases. The amendments are effective, retrospectively, for annual periods beginning on or after July 1, 2014 with earlier application permitted. No effect is expected from the first time adoption of these amendments.

In December 2013, the IASB issued the Annual Improvements to IFRSs 2010—2012 Cycle and Annual Improvements to IFRSs 2011—2013 Cycle. The most important topics addressed in these amendments for the Group are the definition of vesting conditions in IFRS 2—Share-Based Payments, the disclosure on judgment used in the aggregation of operating segments in IFRS 8—Operating Segments, the identification and disclosure of a related party transaction that arises when a management entity provides key management personnel service to a reporting entity in IAS 24—Related Party Disclosures, the extension of the exclusion from the scope of IFRS 3—Business Combinations to all types of joint arrangements and to clarify the application of certain exceptions in IFRS 13—Fair Value Measurement. The improvements are effective for annual periods beginning on or after January 1, 2015. No significant effect is expected from the first time adoption of these amendments.

In May 2014, the IASB issued amendments to IFRS 11—Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations, clarifying the accounting for acquisitions of an interest in a joint operation that constitutes a business. The amendments are effective, retrospectively, for annual periods beginning on or after January 1, 2016 with earlier application permitted. No effect is expected from the adoption of these amendments.

In May 2014, the IASB issued an amendment to IAS 16—Property, Plant and Equipment and to IAS 38—Intangible Assets. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. These amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted. The Group is currently evaluating the impact of this standard on its Consolidated Financial Statements.

In May 2014, the IASB issued IFRS 15—Revenue from Contracts with Customers. The standard requires a company to recognize revenue upon transfer of control of goods or services to a customer at an amount that reflects the consideration it expects to receive. This new revenue recognition model defines a five step process to achieve this objective. The updated guidance also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. The standard is effective for annual periods beginning on or after January 1, 2017, and requires either a full or modified retrospective application. The Group is currently evaluating the method of implementation and impact of this standard on its Consolidated Financial Statements.

In July 2014, the IASB issued IFRS 9—Financial Instruments. The improvement package introduced by the new standard includes a logical approach for classification and measurement of financial instruments driven by cash flow characteristics and the business model in which an asset is held, a single "expected loss" impairment model for financial assets and a substantially reformed approach for hedge accounting. The standard is effective, retrospectively with limited exceptions, for annual periods beginning on or after January 1, 2018 with earlier application permitted. The Group is currently evaluating the impact of this standard on its Consolidated Financial Statements.

In September 2014, the IASB issued narrow amendments to IFRS 10—Consolidated Financial Statements and IAS 28—Investments in Associates and Joint Ventures (2011). The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be effective, prospectively, for annual periods commencing on or after January 1, 2016. The Group is currently evaluating the impact of these amendments on its Consolidated Financial Statements.

In September 2014, the IASB issued the Annual Improvements to IFRSs 2012—2014 cycle, a series of amendments to IFRSs in response to issues raised mainly on IFRS 5—Non-Current Assets Held for Sale and Discontinued Operations, on the changes of method of disposal, on IFRS 7—Financial Instruments: Disclosures on the servicing contracts, and on IAS 19—Employee Benefits, on the discount rate determination. The effective date of the amendments is January 1, 2016. The Group is currently evaluating the impact of these amendments on its Consolidated Financial Statements.

In December 2014, the IASB issued amendments to IAS 1—Presentation of Financial Statements as part of its major initiative to improve presentation and disclosure in financial reports. The amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures. The amendments are effective for annual periods beginning on or after January 1, 2016 with early application permitted. The Group is currently evaluating the impact of these amendments on its Consolidated Financial Statements.

Basis of consolidation

Subsidiaries

Subsidiaries are entities over which the Group has control. Control is achieved when the Group has power over the investee, when it is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns. Subsidiaries are consolidated on a line by line basis from the date on which the Group achieves control. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The Group recognizes any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's share of the recognized amounts of the acquiree's identifiable net assets. Net profit or loss and each component of other comprehensive income/(loss) are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income/(loss) of subsidiaries is attributed to owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All significant intra-group balances and transactions and any unrealized gains and losses arising from intra-group transactions are eliminated in preparing the Consolidated Financial Statements.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

When the Group undertakes its activities under joint operations, it recognizes in relation to its interest in the joint operation: (i) its assets, including its share of any assets held jointly, (ii) its liabilities, including its share of any liabilities incurred jointly, (iii) its revenue from the sale of its share of the output arising from the joint operation, (iv) its share of the revenue from the sale of the output by the joint operation, and (v) its expenses, including its share of any expenses incurred jointly.

Foreign currency transactions

The functional currency of the Group's entities is the currency of their primary economic environment. In individual companies, transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign currency exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the consolidated income statement.

Consolidation of foreign entities

All assets and liabilities of foreign consolidated companies with a functional currency other than the Euro are translated using the closing rates at the date of the consolidated statement of financial position. Income and expenses are translated into Euro at the average foreign currency exchange rate for the period. Translation differences resulting from the application of this method are classified as currency translation differences within other comprehensive income/(loss) until the disposal of the investment. Average foreign currency exchange rates for the period are used to translate the cash flows of foreign subsidiaries in preparing the consolidated statement of cash flows.

Goodwill, assets acquired and liabilities assumed arising from the acquisition of entities with a functional currency other than the Euro are recognized in the Consolidated Financial Statements in the functional currency and translated at the foreign currency exchange rate at the acquisition date. These balances are translated at subsequent balance sheet dates at the relevant foreign currency exchange rate.

The principal foreign currency exchange rates used to translate other currencies into Euro were as follows:

	2014		2013		2012	
	Average	**At December 31,**	**Average**	**At December 31,**	**Average**	**At December 31,**
U.S. Dollar	1.3287	1.2141	1.3279	1.3791	1.2848	1.3194
Pound Sterling	0.8062	0.7789	0.8492	0.8337	0.8109	0.8161
Swiss Franc	1.2146	1.2024	1.2310	1.2276	1.2053	1.2072
Japanese Yen	140.3146	145.2300	129.6283	144.7200	102.4919	113.6100
Chinese Yuan	8.1874	7.5358	8.1638	8.3491	8.1058	8.2207
Australian Dollar	1.4720	1.4829	1.3771	1.5423	1.2407	1.2712
Singapore Dollar	1.6826	1.6058	1.6616	1.7414	1.6055	1.6111

Intangible assets

Goodwill

Goodwill is not amortized, but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Development costs

Development costs for car project production and related components, engines and systems are recognized as an asset if, and only if, both of the following conditions under IAS 38—*Intangible Assets* are met: that development costs can be measured reliably and that the technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalized development costs include all direct and indirect costs that may be directly attributed to the development process.

Capitalized development costs are amortized on a straight-line basis from the start of production over the estimated lifecycle of the model and the useful life of the components (generally between four and eight years). All other research and development costs are expensed as incurred.

In particular the Group incurs significant research and development costs through the Formula 1 racing activities. These costs are considered fundamental to the development of the sports and street car models and prototypes. The model for the Formula 1 racing activities continually evolves and as such these costs are expensed as incurred.

Patents, concessions and licenses

Separately acquired patents, concessions and licenses are initially recognized at cost. Patents, concessions and licenses acquired in a business combination are initially recognized at fair value. Patents, concessions and licenses are amortized on a straight-line basis over their useful economic lives, which is generally between three and five years.

Other intangible assets

Other intangible assets mainly relate to the registration of trademarks and have been recognized in accordance with IAS 38—*Intangible Assets*, where it is probable that the use of the asset will generate future economic benefits for the Group and where the cost of the asset can be measured reliably. Other intangible assets are measured at cost less any impairment losses and amortized on a straight-line basis over their estimated life, which is generally between three and five years.

Property, plant and equipment

Cost

Property, plant and equipment is initially recognized at cost which comprises the purchase price, any costs directly attributable to bringing the assets to the location and condition necessary to be capable of operating in the manner intended by management, capitalized borrowing costs and any initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Self-constructed assets are initially recognized at production cost. Subsequent expenditures and the cost of replacing parts of an asset are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalized, the carrying amount of the parts that are replaced is recognized as a loss in the period of replacement in the consolidated income statement.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

	Depreciation rates
Industrial buildings	3% - 20%
Plant, machinery and equipment	5% - 22%
Other assets	12% - 25%

Land is not depreciated.

If the asset being depreciated consists of separately identifiable components whose useful lives differ from that of the other parts making up the asset, depreciation is charged separately for each of its component parts through application of the 'component approach'.

Investment property

Investment property is defined as property held by the Group to earn rental income or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in supply of goods or services or for administrative purposes and includes investment property under construction. Investment property is measured initially at cost including transaction costs. Subsequent to initial recognition, the Group elected to measure investment property at cost less accumulated depreciation and accumulated impairment losses, if any. Investment property is depreciated on a straight-line basis over 33 years.

The rental income generated by investment properties is recognized within net revenues in the consolidated income statement.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are expensed in net financial expenses if related to the Group's industrial activities or cost of sales if related to the Group's financial services activities in the consolidated income statement, as incurred.

Impairment of assets

The Group continuously monitors its operations to assess whether there is any indication that its intangible assets (including development costs) and its property, plant and equipment may be impaired. Goodwill is tested for impairment annually or more frequently, if there is an indication that an asset may be impaired.

If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount, which is the higher of fair value less costs of disposal and its value in use. The recoverable amount is determined for the individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of the cash-generating unit ("CGU") to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In assessing the value in use of an asset or CGU, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the recoverable amount is lower than the carrying amount.

Where an impairment loss for assets other than goodwill, subsequently no longer exists or has decreased, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. The reversal of an impairment loss is recognized in the consolidated income statement immediately.

Financial instruments

Presentation

Financial instruments held by the Group are presented in the Consolidated Financial Statements as described in the following paragraphs.

Investments and other financial assets include investment properties, investments in unconsolidated companies and other non-current financial assets.

Current financial assets, as defined in IAS 39—*Financial Instruments: Recognition and Measurement*, include trade receivables, receivables from financing activities and current financial assets (which include derivative financial instruments stated at fair value), deposits in FCA Group cash management pools and cash and cash equivalents.

Financial liabilities comprise debt (which include bank borrowings and financial liabilities with FCA Group) and other financial liabilities (which mainly include derivative financial instruments stated at fair value), trade payables and other liabilities.

Measurement

Non-current financial assets other than investments, as well as current financial assets and financial liabilities, are accounted for in accordance with IAS 39.

Current financial assets are recognized on the basis of the settlement date and, on initial recognition, are measured at acquisition cost. Subsequent to initial recognition, current financial assets are measured at fair value. When market prices are not directly available, the fair value of current financial assets are measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).

Loans and receivables which are not held by the Group for trading (loans and receivables originating in the ordinary course of business) and equity investments whose fair value cannot be determined reliably, are measured, to the extent that they have a fixed term, at amortized cost, using the effective interest rate method. When the financial assets do not have a fixed term, they are measured at acquisition cost. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates. Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is included in the consolidated income statement for the period within net financial income/(expenses).

Except for derivative instruments, financial liabilities are measured at amortized cost using the effective interest rate method.

Derivative financial instruments

Derivative financial instruments are used for economic hedging purposes, in order to reduce currency risks. In accordance with IAS 39, derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.

All derivative financial instruments are measured at fair value.

When derivative financial instruments qualify for hedge accounting, the following accounting treatments apply:

- *Cash flow hedges*—Where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognized asset or liability or a highly probable forecasted transaction and could affect the consolidated income statement, the effective portion of any gain or loss on the derivative financial instrument is recognized directly in other comprehensive income/(loss). The cumulative gain or loss is reclassified from other comprehensive income/(loss) to the consolidated income statement at the same time as the economic effect arising from the hedged item affects the consolidated income statement. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the consolidated income statement immediately within net financial income/(expense). When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income/(loss) and is recognized in the consolidated income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in other comprehensive income/(loss) is recognized in the consolidated income statement immediately.

The Group did not use fair value hedges or hedges of a net investment in the period covered by these Consolidated Financial Statements.

For further information on the effects reflected on the consolidated income statement from derivative financial instruments refer to Note 19.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately in the consolidated income statement within net financial income/(expenses).

Trade receivables

Trade receivables are amounts due from clients for goods sold or services provided in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less any provision for allowances.

Inventories

Inventories of raw materials, semi-finished products and finished goods are stated at the lower of cost and net realizable value, cost being determined on a first in-first-out (FIFO) basis. The measurement of inventories includes the direct costs of materials, labor and indirect costs (variable and fixed). Purchase costs include ancillary costs. Prototypes are recognized at their estimated realizable value, if lower than production cost. Provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.

Transfers of financial assets

The Group sells a significant part of its trade and financial receivables to external parties outside of the FCA Group through factoring transactions. Factoring transactions of the Group are all without recourse.

The Group derecognizes financial assets when, and only when, the contractual rights and risks to the cash flows arising from the asset are no longer held or if it transfers the financial asset. In case of a transfer of financial asset, if the Group transfers substantially all the risks and rewards of ownership of the financial asset, it derecognizes the financial asset and recognizes separately as assets or liabilities any rights and obligations created or retained in the transfer.

On derecognition of financial assets, the difference between the carrying amount of the asset and the consideration received or receivable for the transfer of the asset is recognized in the consolidated income statement in cost of sales.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents do not include deposits in FCA Group cash management pools.

Employee benefits

Defined contribution plans

Costs arising from defined contribution plans are expensed as incurred.

Defined benefit plans

The Group's net obligations are determined separately for each plan by estimating the present value of future benefits that employees have earned in the current and prior periods, and deducting the fair value of any plan assets. The present value of the defined benefit obligation is measured using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible and attributes benefits to periods in which the obligation to provide post-employment benefits arise by using the Projected Unit Credit Method.

The components of the defined benefit cost are recognized as follows:

- the service costs are recognized in the consolidated income statement by function and presented in the relevant line items (cost of sales, selling, general and administrative costs, research and development costs, etc.);
- the net interest on the defined benefit liability is recognized in the consolidated income statement as net financial income /(expenses), and is determined by multiplying the net liability/(asset) by the discount rate used to discount obligations taking into account the effect of contributions and benefit payments made during the year; and

- the remeasurement components of the net obligations, which comprise actuarial gains and losses and any change in the effect of the asset ceiling are recognized immediately in other comprehensive income/(loss). These remeasurement components are not reclassified in the consolidated income statement in a subsequent period.

Other long-term employee benefits

The Group's obligations represent the present value of future benefits that employees have earned in return for their service during the current and prior periods. Remeasurement components on other long-term employee benefits are recognized in the consolidated income statement in the period in which they arise.

Provisions

Provisions are recognized when the Group has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Warranty provision

All cars are sold with warranty coverage. The warranty coverage generally applies to defects that may become apparent within a certain period from the purchase of the car.

The warranty provision is recognized at the time of the sale of the car, based on the present value of management's estimate of the expected cost to fulfill the obligations over the contractual warranty period, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the warranty provision. Estimates are principally based on the Group's historical claims or costs experience and the cost of parts and services to be incurred in the activities. The costs related to these provisions are recognized within cost of sales.

Deferred income

Deferred income relates to amounts received by the Group under various agreements, which are reliant on the future performance of a service or other act of the Group. Deferred income is recognized as net revenues when the Group has fulfilled its obligations under the terms of the various agreements.

Range models (models belonging to our product portfolio, excluding special series, limited edition and one-off (*fuori-serie)* models) are sold with a scheduled maintenance program to ensure that the cars are maintained to the highest standards to meet the Group's strict requirements for performance and safety. Amounts attributable to the maintenance program are not recognized as income immediately, but are deferred over the maintenance program term. The amount of the deferred income related to this program, is based on the estimated fair value of the service to be provided.

Advances

Advances relate to amounts received from or billed to clients in advance of having provided the related supplies or in advance of having begun the supply of the related services.

Revenue recognition

Revenues from shipments of cars are recognized if it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue can be reliably measured. Revenues are recognized when the risks and rewards of ownership are transferred to our dealers, the sales price is agreed or determinable and collectability is reasonably assured; for cars this generally corresponds to the date when the cars are released to the carrier responsible for transporting cars to dealers.

Revenues are recognized net of discounts including but not limited to, sales incentives and performance based bonuses.

Revenues from separately-priced extended warranty contracts are recognized over the contract period in proportion to the costs expected to be incurred based on historical information. A loss on these contracts is recognized if the sum of the expected costs for services under the contract exceeds unearned revenues. The Group offers a scheduled maintenance program on range models, which is not separately priced. The Group allocates revenue between the car and the maintenance program based on their relative estimated fair values. Amounts paid and attributed to the maintenance program are deferred and recognized as net revenues over the maintenance program period.

Revenues from sponsorship and licensing agreements are recognized on a straight-line basis over the contract term. Certain of the sponsorship agreements contain performance related conditions while certain of the licensing agreements contain minimum guaranteed payments. Performance related sponsorship revenues and licensing revenues in excess of the minimum guaranteed payment are recognized when certain, which is typically when the related conditions have been achieved.

Revenues also include operating lease rentals in conjunction with the rental of engines to other Formula 1 racing teams. Revenues from operating leases are recognized on a straight-line basis over the relevant term of the lease.

Interest income earned in conjunction with the provision of client and dealer financing are reported within the line item “Finance income from financial services companies” using the effective interest rate method.

Revenues from commercial activities relate to the revenues received from participating in the Formula 1 World Championship. The revenues attributable to each racing team are governed by a specific agreement and depend upon, among other factors, the prior year ranking of each of the racing teams. Revenues of the commercial activities are recognized pro-rata over the year.

Cost of sales

Cost of sales comprises expenses incurred in the manufacturing and distribution of cars and parts, including the engines rented to other Formula 1 racing teams, of which, cost of materials, components and labor costs are the most significant portion. The remaining costs principally include depreciation, amortization, insurance and transportation costs. Cost of sales also includes warranty and product-related costs, which are estimated and recorded at the time of sale of the car.

Expenses which are directly attributable to the financial services companies, including the interest expenses related to their financing as a whole and provisions for risks and write-downs of assets, are also reported in cost of sales.

Taxes

Income taxes include all taxes based upon the taxable profits of the Group. Current and deferred taxes are recognized as income or expense and are included in the consolidated income statement for the period, except tax arising from (i) a transaction or event which is recognized, in the same or a different period, either in other comprehensive income/(loss) or directly in equity, or (ii) a business combination.

Deferred taxes are accounted using the full liability method. Deferred tax liabilities are recognized for all taxable temporary differences between the carrying amounts of assets or liabilities and their tax base, except to the extent that the deferred tax liabilities arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, unless the deferred tax assets arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to the period when the asset is realized or liability is settled.

The recoverability of deferred tax assets is dependent on the Group's ability to generate sufficient future taxable income in the period in which it is assumed that the deductible temporary differences reverse and tax losses carried forward can be utilized. In making this assessment, the Group considers future taxable income arising on the most recent budgets and plans, prepared by using the same criteria described for testing the impairment of assets and goodwill, moreover, it estimates the impact of the reversal of taxable temporary differences on earnings and it also considers the period over which these assets could be recovered. The carrying amount of deferred tax assets is reduced to the extent that it is not probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax assets to be utilized.

The Group recognizes deferred tax liabilities associated with the existence of a subsidiary's undistributed profits, except when it is able to control the timing of the reversal of the temporary difference; and it is probable that this temporary difference will not reverse in the foreseeable future. The Group recognizes deferred tax assets associated with the deductible temporary differences on investments in subsidiaries only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Current income taxes and deferred taxes are offset when they relate to the same taxation authority and there is a legally enforceable right of offset.

Italian Regional Income Tax (IRAP) is recognized within income tax expense. IRAP is calculated on a measure of income defined by the Italian Civil Code as the difference between operating revenues and costs, before financial income and expense, and in particular before cost of employees, credit losses and any interest included in lease payments. IRAP is applied on the tax base at 3.9 percent for the years ended December 31, 2014, 2013 and 2012.

Other taxes not based on income, such as property taxes and capital taxes, are included in other expenses/(income), net.

Dividends

Dividends payable by the Group are reported as a change in equity in the period in which they are approved by shareholders.

Segment reporting

The Group has determined that it has one operating and one reportable segment based on the information reviewed by its CODM in making decisions regarding allocation of resources and to assess performance.

Use of estimates

The Consolidated Financial Statements are prepared in accordance with IFRS which require the use of estimates, judgments and assumptions that affect the carrying amount of assets and liabilities, the disclosure of contingent assets and liabilities and the amounts of income and expenses recognized. The estimates and associated assumptions are based on elements that are known when the financial statements are prepared, on historical experience and on any other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed periodically and continuously by the Group. If the items subject to estimates do not perform as assumed, then the actual results could differ from the estimates, which would require adjustment accordingly. The effects of any changes in estimate are recognized in the consolidated income statement in the period in which the adjustment is made, or prospectively in future periods.

The items requiring estimates for which there is a risk that a material difference may arise in respect of the carrying amounts of assets and liabilities in the future are discussed below.

Allowance for doubtful accounts

The allowances for doubtful accounts reflect management's estimate of losses inherent in the dealer and end-client credit portfolio. The allowances for doubtful accounts are based on management's estimation of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, and careful monitoring of portfolio credit quality.

At December 31, 2014, the Group had gross receivables from financing activities of €1,238,647 thousand (€873,629 thousand and €813,490 thousand at December 31, 2013 and December 31, 2012, respectively), and allowances for doubtful accounts of €14,201 thousand at December 31, 2014 or 1.1 percent of the gross balance (€10,865 thousand or 1.2 percent of the gross balance at December 31, 2013 and €10,285 thousand or 1.3 percent at December 31, 2012). Provisions for doubtful accounts charged to the consolidated income statement as cost of sales were €6,769 thousand for the year ended December 31, 2014 (€3,997 thousand for the year ended December 31, 2013 and €7,923 thousand for year ended December 31, 2012).

At December 31, 2014, the Group had gross trade receivables of €198,306 thousand (€236,123 thousand and €160,567 thousand at December 31, 2013 and December 31, 2012, respectively), and allowances for doubtful accounts of €14,664 thousand, or 7.4 percent of the gross trade receivable balance (€30,198 thousand or 12.8 percent of the gross trade receivable balance at December 31, 2013 and €24,926 thousand or 15.5 percent at December 31, 2012). Provisions for doubtful accounts charged to the consolidated income statement as selling, general and administrative costs were €6,356 thousand for the year ended December 31, 2014 (€10,521 thousand for the year ended December 31, 2013 and €9,540 thousand for year ended December 31, 2012).

Should economic conditions worsen resulting in an increase in default risk, or if other circumstances arise, the estimates of the recoverability of amounts due to the Group could be overstated, and additional allowances could be required, which could have an adverse impact on the Group's results.

Recoverability of non-current assets with definite useful lives

Non-current assets with definite useful lives include property, plant and equipment and intangible assets. Intangible assets with definite useful lives mainly consist of capitalized development costs.

The Group periodically reviews the carrying amount of non-current assets with definite useful lives when events and circumstances indicate that an asset may be impaired. Impairment tests are performed by comparing the carrying amount and the recoverable amount of the cash-generating unit ("CGU"). The recoverable amount is the higher of the CGU's fair value less costs of disposal and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

For the period covered by these Consolidated Financial Statements, the Group has not recognized any impairment charges for non-current assets with definite useful lives.

Development costs

Development costs are capitalized if the conditions under IAS 38—*Intangible Assets* have been met. The starting point for capitalization is based upon the technological and commercial feasibility of the project, which is usually when a product development project has reached a defined milestone according to the Group's established product development model. Feasibility is based on management's judgment which is formed on the basis of estimated future cash flows. Capitalization ceases and amortization of capitalized development costs begins on start of production of the relevant project.

The amortization of development costs requires management to estimate the lifecycle of the related model. Any changes in such assumptions would impact the amortization charge recorded and the carrying amount of capitalized development costs. The periodic amortization charge is derived after determining the expected lifecycle of the related model and, if applicable any expected residual value at the end of its life. Increasing an asset's expected lifecycle or its residual value would result in a reduced amortization charge in the consolidated income statement.

The useful lives and residual values of the Group's models are determined by management at the time of capitalization and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology. Historically changes in useful lives and residual values have not resulted in material changes to the Group's depreciation charge.

For the year ended December 31, 2014, the Group capitalized development costs of €144,757 thousand (€93,486 thousand for the year ended December 31, 2013 and €84,494 thousand for the year ended December 31, 2012).

Recoverability of goodwill

In accordance with IAS 36—Impairment of Assets, goodwill is not amortized and is tested for impairment annually or more frequently if facts or circumstances indicate that the asset may be impaired.

As the Group is composed of one operating segment, goodwill is tested at Group level, which represents the lowest level within the Group at which goodwill is monitored for internal management purposes in accordance with IAS 36. The impairment test is performed by comparing the carrying amount (which mainly comprises property, plant and equipment, goodwill and capitalized development costs) and the recoverable amount of the CGU, to which goodwill has been allocated. The recoverable amount of the CGU is the higher of its fair value less costs of disposal and its value in use.

Product warranties and liabilities

The Group establishes reserves for product warranties at the time the sale is recognized. The Group issues various types of product warranties under which the performance of products delivered is generally guaranteed for a certain period or term, which is generally defined by the legislation in the country where the car is sold. The reserve for product warranties includes the expected costs of warranty obligations imposed by law or contract, as well as the expected costs for policy coverage. The estimated future costs of these actions are principally based on assumptions regarding the lifetime warranty costs of each car line and each model year of that car line, as well as historical claims experience for the Group's cars. In addition, the number and magnitude of additional service actions expected to be approved, and policies related to additional service actions, are taken into consideration. Due to the uncertainty and potential volatility of these estimated factors, changes in the assumptions used could materially affect the results of operations.

The Group periodically initiates voluntary service actions to address various client satisfaction, safety and emissions issues related to cars sold. Included in the reserve is the estimated cost of these services and recall actions. The estimated future costs of these actions are based primarily on historical claims experience for the Group's cars. Estimates of the future costs of these actions are inevitably imprecise due to several uncertainties, including the number of cars affected by a service or recall action. It is reasonably possible that the ultimate cost of these service and recall actions may require the Group to make expenditures in excess of (or less than) established reserves over an extended period of time. The estimate of warranty and additional service obligations is periodically reviewed during the year.

In addition, the Group makes provisions for estimated product liability costs arising from property damage and personal injuries including wrongful death, and potential exemplary or punitive damages alleged to be the result of product defects. By nature, these costs can be infrequent, difficult to predict and have the potential to vary significantly in amount. Costs associated with these provisions are recorded in the consolidated income statement and any subsequent adjustments are recorded in the period in which the adjustment is determined.

Other contingent liabilities

The Group makes provisions in connection with pending or threatened disputes or legal proceedings when it is considered probable that there will be an outflow of funds and when the amount can be reasonably estimated. If an outflow of funds becomes possible but the amount cannot be estimated, the matter is disclosed in the notes to the Consolidated Financial Statements. The Group is the subject of legal and tax proceedings covering a wide range of matters in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the outflow of funds that could result from such disputes with any certainty. Moreover, the cases and claims against the Group often derive from complex legal issues which are subject to a differing degree of uncertainty, including the facts and circumstances of each particular case and the manner in which applicable law is likely to be interpreted and applied to such fact and circumstances, and the jurisdiction and the different laws involved. The Group monitors the status of pending legal proceedings and consults with experts on legal and tax matters on a regular basis. It is therefore possible that the provisions for the Group's legal proceedings and litigation may vary as the result of future developments in pending matters.

Litigation

Various legal proceedings, claims and governmental investigations are pending against the Group on a wide range of topics, including car safety; emissions and fuel economy, early warning reporting; dealer, supplier and other contractual relationships; intellectual property rights and product warranties matters. Some of these proceedings allege defects in specific component parts or systems (including airbags, seat belts, brakes, transmissions, engines and fuel systems) in various car models or allege general design defects relating to car handling and stability, sudden unintended movement or crashworthiness. These proceedings seek recovery for damage to property, personal injuries or wrongful death and in some cases could include a claim for exemplary or punitive damages. Adverse decisions in one or more of these proceedings could require the Group to pay substantial damages, or undertake service actions, recall campaigns or other costly actions.

Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. An accrual is established in connection with pending or threatened litigation if a loss is probable and a reliable estimate can be made. Since these accruals represent estimates, it is reasonably possible that the resolution of some of these matters could require the Group to make payments in excess of the amounts accrued. It is also reasonably possible that the resolution of some of the matters for which accruals could not be made may require the Group to make payments in an amount or range of amounts that could not be reasonably estimated.

The term "reasonably possible" is used herein to mean that the chance of a future transaction or event occurring is more than remote but less than probable. Although the final resolution of any such matters could have a material effect on the Group's operating results for the particular reporting period in which an adjustment of the estimated reserve is recorded, it is believed that any resulting adjustment would not materially affect the consolidated financial position of the Group.

3. SCOPE OF CONSOLIDATION

The Consolidated Financial Statements at December 31, 2014, 2013 and 2012 include Ferrari N.V., Ferrari S.p.A. and its subsidiaries. The Group had the following subsidiaries at December 31, 2014:

Name	Country	Nature of business	Shares held by the Group	Shares held by non-controlling interests (NCI)
Directly held interests				
Ferrari North America Inc.	USA	Importer and distributor	100%	-%
Ferrari Japan KK	Japan	Importer and distributor	100%	-%
Ferrari Australasia Pty Limited	Australia	Importer and distributor	100%	-%
Ferrari International Cars Trading (Shanghai) Co. L.t.d.(1)	China	Importer and distributor	80%	20%
Ferrari Far East Pte Limited	Singapore	Service company	100%	-%
Ferrari Management Consulting (Shanghai) Co. L.t.d.	China	Service company	100%	-%
Ferrari South West Europe S.a.r.l.	France	Service company	100%	-%
Ferrari Central East Europe GmbH	Germany	Service company	100%	-%
G.S.A. S.A.	Switzerland	Service company	100%	-%
Ferrari North Europe L.t.d.	UK	Service company	100%	-%
Ferrari GED S.p.A.	Italy	Investment property	100%	-%
Mugello Circuit S.p.A.	Italy	Racetrack management	100%	-%
Ferrari Financial Services S.p.A.	Italy	Financial services	90%	10%
Indirectly held interests				
Ferrari Financial Services A.G.(2)	Germany	Financial services	90%	10%
Ferrari Financial Services Inc.(2)	USA	Financial services	90%	10%
Ferrari Financial Services Japan KK(2)	Japan	Financial services	90%	10%
410, Park Display Inc.(3)	USA	Company holding real estate	100%	-%

(1) In August 2014 the Group's shareholding in Ferrari International Cars Trading (Shanghai) Co. L.t.d. increased from 59 percent to 80 percent. See "Non-controlling interests" for further information.
(2) Shareholding held by Ferrari Financial Services S.p.A.
(3) Shareholding held by Ferrari North America Inc.

The proportion of voting rights in the subsidiaries held directly by Ferrari S.p.A. does not differ from the proportion of common shares held. Ferrari S.p.A. does not have any shareholdings in preference shares of subsidiaries.

As permitted by IFRS, certain subsidiaries (mainly dormant companies or entities with insignificant operations) are excluded from consolidation on a line-by-line basis and are accounted for at cost. Their aggregate assets and revenues represent less than 1 percent of the Group's respective amounts for each period and at each date presented by these Consolidated Financial Statements.

Non-controlling interests

The non-controlling interests arise from the Group's holdings in Ferrari International Cars Trading (Shanghai) Co. Ltd ("FICTS") and Ferrari Financial Services S.p.A. and its subsidiaries (the "FFS Group"):

	At December 31,		
	2014	2013	2012
		(€ thousand)	
Equity attributable to non-controlling interests	**8,695**	**26,776**	**22,121**
Of which attributable to FICTS	*4,109*	23,102	18,998
Of which attributable to FFS Group	*4,586*	3,674	3,123

	For the years ended December 31,		
	2014	2013	2012
		(€ thousand)	
Net profit attributable to non-controlling interests	**3,644**	**5,325**	**8,087**
Of which attributable to FICTS	*3,059*	*4,497*	*6,999*
Of which attributable to FFS Group	*585*	*828*	*1,088*

The non-controlling interests in the FFS Group and FICTS are not considered to be significant to the Group.

Restrictions

The Group may be subject to restrictions which limit its ability to use cash in relation to its interest in FICTS. In particular, cash held in China is subject to certain repatriation restrictions (and may only be repatriated as dividends). Based on the Group's review, it does not believe that such transfer restrictions have any adverse impacts on its ability to meet liquidity requirements.

4. NET REVENUES

Net revenues are as follows:

	For the years ended December 31,		
	2014	2013	2012
		(€ thousand)	
Cars and spare parts	1,943,729	1,655,185	1,695,285
Engines	311,155	187,915	76,535
Sponsorship, commercial and brand	416,673	412,004	384,793
Other	90,803	80,166	68,594
Total net revenues	**2,762,360**	**2,335,270**	**2,225,207**

Other primarily includes interest income generated by the Ferrari Financial Services group and net revenues from the management of the Mugello racetrack.

5. COST OF SALES

Cost of sales in 2014, 2013 and 2012 amounted to €1,505,889 thousand, €1,234,643 thousand and €1,198,901 thousand, respectively, comprising mainly of expenses incurred in the manufacturing and distribution of cars and parts, including the engines rented to other Formula 1 racing teams, of which, cost of materials, components and labor costs are the most significant portion. The remaining costs principally include depreciation, amortization, insurance and transportation costs. Cost of sales also includes warranty and product-related costs, which are estimated and recorded at the time of shipment of the car.

Cost of sales in 2014, 2013 and 2012 includes €15,992 thousand, €16,855 thousand and €18,681 thousand, respectively, of interest cost and other financial expenses from financial services companies.

6. SELLING, GENERAL AND ADMINISTRATIVE COSTS

General and administrative costs in 2014, 2013 and 2012 amounted to €167,843 thousand, €136,687 thousand and €128,787 thousand, respectively, and mainly consist of administration expenses and other general expenses that are not directly attributable to sales, manufacturing or research and development functions.

Selling costs in 2014, 2013 and 2012 amounted to €132,247 thousand, €123,193 thousand and €114,032 thousand, respectively, and mainly consist of marketing and sales personnel costs. Marketing and events expenses consist primarily of costs in connection with trade and auto shows, media and client events for the launch of new models and sponsorship and indirect marketing costs incurred through the Formula 1 racing team, Scuderia Ferrari.

In 2014, general and administrative costs include €15,027 thousand in costs related to the resignation of the former Chairman of the Group.

7. RESEARCH AND DEVELOPMENT COSTS

Research and development costs are as follows:

	For the years ended December 31,		
	2014	2013	2012
		(€ thousand)	
Amortization of capitalized development costs	125,497	120,444	97,949
Research and development costs expensed during the year	415,336	358,850	333,507
Total research and development costs	**540,833**	**479,294**	**431,456**

The main component of research and development costs expensed related to the research and development performed for the Formula 1 racing car, which included initiatives to maximize the performance, efficiency and safety of the car, which are expensed as incurred. See Note 14 for information on development costs capitalized.

The U.S. National Highway Traffic Safety Administration ("NHTSA") recently published guidelines for driver distraction. These guidelines focus, among other things, on the need to modify the design of car devices and other driver interfaces to minimize driver distraction. We are in the process of evaluating these guidelines and their potential impact on our results of operations and financial position and determining what steps, if any, we will need to take to comply with the new requirements.

8. OTHER EXPENSES/(INCOME), NET

Other expenses/(income), net include other expenses of €39,190 thousand in 2014 (€15,218 thousand in 2013 and €29,079 thousand in 2012), net of other income of €13,110 thousand in 2014 (€17,314 thousand in 2013 and €12,545 thousand in 2012).

Other expenses/(income), net mainly relate to accruals to provisions for legal proceedings and disputes and other risks, indirect taxes and other miscellaneous expenses, partially offset by reversal of provisions for legal proceedings and disputes and other risks and other miscellaneous income.

Other expenses/(income), net in 2014 include €21,372 thousand of accruals to provisions of which €12,783 thousand relates to legal proceedings and disputes, and €8,589 thousand primarily relates to disputes with suppliers, employees and other parties relating to contracts. The most significant accruals to the provision for legal proceedings and disputes recognized in 2014, relate to litigation with a former distributor.

9. NET FINANCIAL INCOME/(EXPENSES)

The following table sets out details of financial income and expenses, including the amounts reported in the consolidated income statement within the financial income/(expenses) line item, as well as interest income from financial services activities, recognized under net revenues, and interest cost and other financial charges from financial services companies, recognized under cost of sales:

	For the years ended December 31,		
	2014	**2013**	**2012**
		(€ thousand)	
Financial income:			
Interest income from bank deposits	*2,333*	*447*	*665*
Other interest income and financial income	*4,774*	*1,981*	*2,916*
Interest income and other financial income:	7,107	2,428	3,581
Finance income from financial services companies	45,760	38,047	39,481
Total financial income	**52,867**	**40,475**	**43,062**
Total financial income relating to:			
Industrial companies (A)	7,107	2,428	3,581
Financial services companies (reported within net revenues)	45,760	38,047	39,481
Financial expenses:			
Interest expenses on financial liabilities with FCA Group	*(6,141)*	*(5,129)*	*(5,047)*
Capitalized borrowing costs	*1,588*	*1,981*	*2,042*
Other interest cost and financial expenses	*(985)*	*(718)*	*(940)*
Interest expense and other financial expenses	(5,538)	(3,866)	(3,945)
Interest expenses from banks	(817)	(315)	(1,490)
Write-downs of financial receivables	(6,769)	(3,997)	(7,923)
Net interest expenses on employee benefits provisions	(400)	(603)	(906)
Other financial expenses	(2,007)	(7,769)	(3,961)
Total financial expenses	**(15,531)**	**(16,550)**	**(18,225)**
Net income/(expenses) from derivative financial instruments and foreign currency exchange rate differences	1,197	118	(4,935)
Total financial expenses and net expenses from derivative financial instruments and foreign currency exchange rate differences	**(14,334)**	**(16,432)**	**(23,160)**
Total financial expenses and net income/(expenses) from derivative financial instruments and foreign currency exchange rate differences relating to:			
Industrial companies (B)	1,658	423	(4,479)
Financial services companies (reported in cost of sales)	(15,992)	(16,855)	(18,681)
Net financial income/(expenses) relating to industrial companies (A+B)	**8,765**	**2,851**	**(898)**

10. INCOME TAXES

Income tax expense is as follows:

	For the years ended December 31,		
	2014	2013	2012
		(€ thousand)	
Current tax expense	137,468	132,904	135,533
Deferred tax (income)	(4,600)	(12,067)	(36,458)
Taxes relating to prior periods	350	(536)	2,034
Total income tax expense	**133,218**	**120,301**	**101,109**

The reconciliation between the income tax expense recorded in the Consolidated Financial Statements and the theoretical tax charge, calculated on the basis of the theoretical tax rates in effect in Italy, is as follows:

	For the years ended December 31,		
	2014	2013	2012
		(€ thousand)	
Theoretical income tax expense	109,514	100,760	91,741
Tax effect on:			
Recognition and utilization of previously unrecognized deferred tax assets	-	-	(8,170)
Permanent differences	(3,061)	(4,411)	(3,639)
Differences between foreign tax rates and the theoretical Italian tax rate and tax holidays	680	642	982
Taxes relating to prior years	350	(536)	2,034
Withholding tax on earnings	6,607	6,358	2,457
Total income tax expense, excluding IRAP	**114,090**	**102,813**	**85,405**
Effective tax rate	*28.6%*	*28.1%*	*25.6%*
IRAP (current and deferred)	19,128	17,488	15,704
Total income tax expense	**133,218**	**120,301**	**101,109**

Theoretical income taxes have been calculated at a rate of 27.5 percent for each of the years ended December 31, 2014, 2013 and 2012, which is the theoretical corporate rate of taxation in Italy.

In order to facilitate the understanding of the tax rate reconciliation presented above, IRAP has been presented separately. IRAP is calculated on a measure of income defined by the Italian Civil Code as the difference between operating revenues and costs, before financial income and expense, and in particular before cost of employees, credit losses and any interest included in lease payments. IRAP is applied on the tax base at 3.9 percent for each of the years ended December 31, 2014, 2013 and 2012.

The analysis of deferred tax assets and deferred tax liabilities at December 2014, 2013 and 2012, is as follows:

	At December 31,		
	2014	2013	2012
		(€ thousand)	
Deferred tax assets :			
Deferred tax assets to be recovered after 12 months	63,935	24,807	12,988
Deferred tax assets to be recovered within 12 months	47,781	16,736	21,805
	111,716	**41,543**	**34,793**
Deferred tax liabilities			
Deferred tax liability to be recovered after 12 months	(5,368)	(5,581)	(14,938)
Deferred tax liability to be recovered within 12 months	(16,244)	(22,377)	(3,149)
	(21,612)	**(27,958)**	**(18,087)**
Net deferred tax assets	**90,104**	**13,585**	**16,706**

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	At December 31, 2011	Recognized in consolidated income statement	Charged to equity	Changes in the scope of consolidation	Translation differences and other changes	At December 31, 2012
			(€ thousand)			
Deferred tax assets arising on:						
Provisions	49,841	7,129	-	-	1,366	58,336
Deferred income	5,705	8,240	-	-	2,829	16,774
Employee benefits	263	(43)	-	-	-	220
Cash flow hedge reserve	21,532	-	(21,532)		-	-
Foreign currency exchange rate differences	4,311	1,341	-	-	-	5,652
Inventory obsolescence	14,079	1,530	-	-	(68)	15,541
Allowances for doubtful accounts	6,103	833	-	-	-	6,936
Depreciation	8,869	8,916	-	-	-	17,785
Board of Directors compensation	1,053	-	-	-	-	1,053
Other	7,197	571	-	-	(4,478)	3,290
Total assets	**118,953**	**28,517**	**(21,532)**	**-**	**(351)**	**125,587**
Deferred tax liabilities arising on:						
Depreciation	(13,019)	2,276	-	-	32	(10,711)
Capitalization of development costs	(83,314)	4,378	-	-	-	(78,936)
Employee benefits	(1,456)	(70)	-	-	-	(1,526)
Foreign currency exchange rate differences	(5,729)	1,208	-	-	-	(4,521)
Cash flow hedge reserve	-	-	(2,579)	-	-	(2,579)
Lease accounting	(12,021)	(805)	-	-	-	(12,826)
Total liabilities	**(115,539)**	**6,987**	**(2,579)**	**-**	**32**	**(111,099)**
Deferred tax asset arising on tax loss carry-forward	1,264	954	-	-	-	2,218
Total net deferred tax assets	**4,678**	**36,458**	**(24,111)**	**-**	**(319)**	**16,706**

	At December 31, 2012	Recognized in consolidated income statement	Charged to equity	Changes in the scope of consolidation	Translation differences and other changes	At December 31, 2013
			(€ thousand)			
Deferred tax assets arising on:						
Provisions	58,336	(1,291)	-	-	(1,243)	55,802
Deferred income	16,774	6,125	-	-	3,264	26,163
Employee benefits	220	268	1,799	-	(342)	1,945
Foreign currency exchange rate differences	5,652	(4,562)	-	-	-	1,090
Inventory obsolescence	15,541	907	-	-	(122)	16,326
Allowances for doubtful accounts	6,936	2,170	-	-	-	9,106
Depreciation	17,785	1,643	-	-	-	19,428
Board of Directors compensation	1,053	(28)	-	-	-	1,025
Other	3,290	159	-	-	(1,833)	1,616
Total assets	**125,587**	**5,391**	**1,799**	**-**	**(276)**	**132,501**
Deferred tax liabilities arising on:						
Depreciation	(10,711)	1,135	-	-	121	(9,455)
Capitalization of development costs	(78,936)	8,597	-	-	-	(70,339)
Employee benefits	(1,526)	(107)	-	-	342	(1,291)
Foreign currency exchange rate differences	(4,521)	3,717	-	-	-	(804)
Cash flow hedge reserve	(2,579)	-	(17,146)	-	-	(19,725)
Lease accounting	(12,826)	277	-	-	-	(12,549)
Withholding tax on undistributed earnings	-	(6,075)	-	-	-	(6,075)
Total liabilities	**(111,099)**	**7,544**	**(17,146)**	**-**	**463**	**(120,238)**
Deferred tax asset arising on tax loss carry-forward	2,218	(868)	-	-	(28)	1,322
Total net deferred tax assets	**16,706**	**12,067**	**(15,347)**	**-**	**159**	**13,585**

	At December 31, 2013	Recognized in consolidated income statement	Charged to equity	Changes in the scope of consolidation	Translation differences and other changes	At December 31, 2014
			(€ thousand)			
Deferred tax assets arising on:						
Provisions	55,802	5,597	-	13,178	(1,814)	72,763
Deferred income	26,163	9,096	-	-	(220)	35,039
Employee benefits	1,945	367	1,061	-	-	3,373
Cash flow hedge reserve	-	-	26,864	-	5	26,869
Foreign currency exchange rate differences	1,090	-	-	-	-	1,090
Inventory obsolescence	16,326	(338)	-	-	435	16,423
Allowances for doubtful accounts	9,106	(1,587)	-	-	(2,227)	5,292
Depreciation	19,428	2,791	-	-	-	22,219
Board of Directors compensation	1,025	2,391	-	-	-	3,416
Other	1,616	(7,899)	-	8,631	9,498	11,846
Total assets	**132,501**	**10,418**	**27,925**	**21,809**	**5,677**	**198,330**
Deferred tax liabilities arising on:						
Depreciation	(9,455)	(2,014)	-	-	(518)	(11,987)
Capitalization of development costs	(70,339)	(3,536)	-	-	(2,695)	(76,570)
Employee benefits	(1,291)	(284)	-	-	-	(1,575)
Foreign currency exchange rate differences	(804)	(1,546)	-	-	-	(2,350)
Cash flow hedge reserve	(19,725)	-	19,724	-	-	(1)
Lease accounting	(12,549)	(76)	-	-	-	(12,625)
Withholding tax on undistributed earnings	(6,075)	847	-	-	-	(5,228)
Total liabilities	**(120,238)**	**(6,609)**	**19,724**	**-**	**(3,213)**	**(110,336)**
Deferred tax asset arising on tax loss carry-forward	1,322	791	-	-	(3)	2,110
Total net deferred tax assets	**13,585**	**4,600**	**47,649**	**21,809**	**2,461**	**90,104**

The decision to recognize deferred tax assets is made for each company in the Group by assessing critically whether the conditions exist for the future recoverability of such assets by taking into account the basis of the most recent forecasts from budgets and plans.

Deferred taxes on the undistributed earnings of subsidiaries have not been recognized, except in cases where it is probable the distribution will occur in the foreseeable future.

11. OTHER INFORMATION BY NATURE

Personnel costs in 2014, 2013 and 2012 amounted to €279,680 thousand, €246,207 thousand and €232,575 thousand, respectively. These amounts include costs that were capitalized mainly in connection to product development activities.

In 2014, the Group had an average number of employees of 2,843 (2,774 employees in 2013 and 2,708 employees in 2012).

12. EARNINGS PER SHARE

As discussed in Note 1, the Restructuring has been retrospectively reflected in these Consolidated Financial Statements in determining the number of shares outstanding as though the Restructuring had occurred effective January 1, 2012. Following the Restructuring, the Company has 188,921,600 common shares outstanding. The December 31, 2014, 2013 and 2012 share amounts have been adjusted to retrospectively reflect this change.

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of Ferrari by the weighted average number of common shares in issue. The following table provides the amounts used in the calculation of basic earnings per share for the years ended December 31, 2014, 2013 and 2012:

		For the years ended December 31,		
		2014	2013	2012
Profit attributable to owners of Ferrari	€ thousand	261,371	240,774	225,403
Weighted average number of common shares	thousand	188,922	188,922	188,922
Basic earnings per common share	**€**	**1.38**	**1.27**	**1.19**

Diluted earnings per share

Diluted earnings per share is equal to basic earnings per share as there were no potentially dilutive instruments for the years presented**.**

13. GOODWILL

At December 31, 2014, goodwill amounted to €787,178 thousand (€787,178 thousand at December 31, 2013 and December 31, 2012).

In accordance with IAS 36, goodwill is not amortized and is tested for impairment annually, or more frequently if facts or circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the carrying amount and the recoverable amount of the CGU. The recoverable amount of the CGU is the higher of its fair value less costs to sell and its value in use.

The assumptions used in this process represent management's best estimate for the period under consideration. The estimate of the value in use of the CGU for purposes of performing the annual impairment test was based on the following assumptions:

- The expected future cash flows covering the period from 2015 through 2019 have been derived from the Ferrari business plan. In particular the estimate considers expected EBITDA adjusted to reflect the expected capital expenditure. These cash flows relate to the CGU in its condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Volumes and sales mix used for estimating the future cash flows are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends for the CGU over the period considered.
- The expected future cash flows include a normalized terminal period used to estimate the future results beyond the time period explicitly considered, which were calculated by using the specific medium/long-term growth rate for the sector equal to 1.0 percent (1.0 percent in 2013 and 2.0 percent in 2012).

- The expected future cash flows have been estimated in Euro, and discounted using a post-tax discount rate appropriate for that currency, determined by using a base WACC of 8.2 percent (8.4 percent in 2013 and 8.1 percent in 2012). The WACC used reflects the current market assessment of the time value of money for the period being considered and the risks specific to the CGU under consideration.

The recoverable amount of the CGU was significantly higher than its carrying amount. Furthermore, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that the carrying amount of the goodwill will continue to be recoverable, even in the event of difficult economic and market conditions.

14. INTANGIBLE ASSETS

	Externally acquired development costs	Development costs internally generated	Patents, concessions and licenses	Other intangible assets	Total
			(€ thousand)		
Gross carrying amount					
Balance at January 1, 2012	**555,428**	**239,163**	**90,184**	**28,404**	**913,179**
Additions	55,380	29,114	8,498	3,980	96,972
Divestitures	-	-	(367)	(2)	(369)
Translation differences	-	-	(59)	(243)	(302)
Balance at December 31, 2012	**610,808**	**268,277**	**98,256**	**32,139**	**1,009,480**
Additions	63,777	29,709	12,770	2,994	109,250
Divestitures	-	-	(1,356)	-	(1,356)
Translation differences	-	-	(164)	(142)	(306)
Balance at December 31, 2013	**674,585**	**297,986**	**109,506**	**34,991**	**1,117,068**
Additions	42,788	101,969	13,270	2,608	160,635
Divestitures	-	-	(645)	-	(645)
Translation differences	-	-	(9)	(88)	(97)
Balance at December 31, 2014	**717,373**	**399,955**	**122,122**	**37,511**	**1,276,961**
Accumulated amortization and impairment losses					
Balance at January 1, 2012	**379,106**	**148,068**	**81,405**	**28,023**	**636,602**
Amortization	64,396	33,553	8,077	2,410	108,436
Divestitures	-	-	(366)	-	(366)
Translation differences	-	-	(21)	(237)	(258)
Balance at December 31, 2012	**443,502**	**181,621**	**89,095**	**30,196**	**744,414**
Amortization	80,980	39,464	9,036	2,082	131,562
Divestitures	-	-	(940)	-	(940)
Translation differences	-	-	(46)	(89)	(135)
Balance at December 31, 2013	**524,482**	**221,085**	**97,145**	**32,189**	**874,901**
Amortization	87,564	37,933	10,091	2,057	137,645
Divestitures	-	-	(630)	-	(630)
Translation differences	-	-	(6)	(211)	(217)
Balance at December 31, 2014	**612,046**	**259,018**	**106,600**	**34,035**	**1,011,699**
Carrying amount at					
January 1, 2012	**176,322**	**91,095**	**8,779**	**381**	**276,577**
December 31, 2012	**167,306**	**86,656**	**9,161**	**1,943**	**265,066**
December 31, 2013	**150,103**	**76,901**	**12,361**	**2,802**	**242,167**
December 31, 2014	**105,327**	**140,937**	**15,522**	**3,476**	**265,262**

Additions of €160,635 thousand in 2014 (€109,250 thousand in 2013, and €96,972 thousand in 2012) primarily relate to externally acquired and internally generated development costs for the development of new models and investments to develop existing models.

In the year ended December 31, 2014 the Group capitalized borrowing costs of €892 thousand (€1,127 thousand in the year ended December 31, 2013 and €1,589 thousand in the year ended December 31, 2012). Those costs will be amortized over the useful life of the category of assets to which they relate.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Industrial buildings	Plant, machinery and equipment	Other assets	Advances and assets under construction	Total
			(€ thousand)			
Gross carrying amount						
Balance at January 1, 2012	**20,200**	**248,428**	**1,232,084**	**107,521**	**19,216**	**1,627,449**
Additions	2,187	10,395	88,846	8,486	51,466	161,380
Divestitures	-	(41)	(6,787)	(3,998)	(10)	(10,836)
Translation differences	(5)	(96)	(47)	(304)	-	(452)
Reclassification	-	-	16,295	-	(16,295)	-
Balance at December 31, 2012	**22,382**	**258,686**	**1,330,391**	**111,705**	**54,377**	**1,777,541**
Additions	98	9,882	129,253	11,536	10,884	161,653
Divestitures	-	(645)	(20,147)	(4,367)	(2)	(25,161)
Translation differences	(10)	(211)	(109)	(720)	(13)	(1,063)
Reclassification	-	3,729	46,149	1,684	(51,562)	-
Balance at December 31, 2013	**22,470**	**271,441**	**1,485,537**	**119,838**	**13,684**	**1,912,970**
Additions	-	4,371	76,918	11,974	76,100	169,363
Divestitures	-	(2)	(11,985)	(3,097)	-	(15,084)
Translation differences	30	636	(892)	(482)	-	(708)
Balance at December 31, 2014	**22,500**	**276,446**	**1,549,578**	**128,233**	**89,784**	**2,066,541**
Accumulated amortization and impairment losses						
Balance at January 1, 2012	**-**	**89,466**	**943,614**	**81,821**	**-**	**1,114,901**
Depreciation	-	8,128	111,815	7,721	-	127,664
Divestitures	-	(38)	(6,559)	(2,738)	-	(9,335)
Translation differences	-	(71)	(47)	(177)	-	(295)
Balance at December 31, 2012	**-**	**97,485**	**1,048,823**	**86,627**	**-**	**1,232,935**
Depreciation	-	9,558	119,586	8,135	-	137,279
Divestitures	-	(379)	(19,853)	(4,272)	-	(24,504)
Translation differences	-	(160)	(118)	(276)	-	(554)
Balance at December 31, 2013	**-**	**106,504**	**1,148,438**	**90,214**	**-**	**1,345,156**
Depreciation	-	9,712	131,303	8,938	-	149,953
Divestitures	-	(1)	(11,848)	(2,499)	-	(14,348)
Translation differences	-	503	189	(97)	-	595
Balance at December 31, 2014	**-**	**116,718**	**1,268,082**	**96,556**	**-**	**1,481,356**
Carrying amount at						
January 1, 2012	**20,200**	**158,962**	**288,470**	**25,700**	**19,216**	**512,548**
December 31, 2012	**22,382**	**161,201**	**281,568**	**25,078**	**54,377**	**544,606**
December 31, 2013	**22,470**	**164,937**	**337,099**	**29,624**	**13,684**	**567,814**
December 31, 2014	**22,500**	**159,728**	**281,496**	**31,677**	**89,784**	**585,185**

Additions of €169,363 thousand in 2014 were mainly comprised of additions of €76,918 thousand to plant, machinery and equipment and additions of €76,100 thousand related to advances and assets under construction. Additions to plant, machinery and equipment in 2014 mainly related to investments in engine assembly lines, engine testing equipment and machinery and related to upgrade works performed on the wind tunnel. Additions to advances and assets under construction in 2014 mainly related to the construction of the new building to house the Formula 1 racing team, inaugurated in 2015 and the construction of a new assembly line of V6 engines to be used in the Formula 1 World Championship.

Additions of €161,653 thousand in 2013 were mainly comprised of additions of €129,253 thousand primarily related to plant, machinery and engine testing equipment and amounts related to the construction of a new assembly line for the V12 hybrid engine for use in the LaFerrari which entered into production in 2013.

Additions of €161,380 thousand in 2012 were mainly comprised of additions of €88,846 thousand of plant, machinery and equipment, including investments in engine assembly lines and upgrade and improvement to wind tunnel and additions of €51,466 thousand of advances and assets under construction primarily related to investments in car production lines.

Reclassifications relate mainly to the completion of industrial plant and machinery put into use during the year (and classified as assets in progress at the beginning of the year) in connection with the production launch of new models.

In the year ended December 31, 2014, the Group capitalized borrowing costs of €696 thousand (€854 thousand in the year ended December 31, 2013 and €453 thousand in the year ended December 31, 2012). Those costs will be amortized over the useful life of the category of assets to which they relate.

At December 31, 2014, the Group had contractual commitments for the purchase of property, plant and equipment amounting to €52,389 thousand (€39,776 thousand at December 31, 2013 and €48,728 thousand at December 31, 2012).

16. INVESTMENTS AND OTHER FINANCIAL ASSETS

	At December 31,		
	2014	**2013**	**2012**
		(€ thousand)	
Investment properties	35,565	36,640	37,906
Delta Top Co option	10,546	-	-
Other securities and other financial assets	1,320	1,271	3,126
Total investments and other financial assets	**47,431**	**37,911**	**41,032**

Investment properties

Investment properties relate to two buildings the Group owns in Modena, Italy, which are held for the purpose of earning rental income. The properties are leased to Maserati S.p.A., an FCA Group company. The fair value of the investment properties approximate the carrying amount. The fair value of the investment properties are considered to be the value of the individual assets on the reporting date, assuming that they were to be sold in arms-length transactions between market operators at market conditions. The movement in the net book value is as follows:

	At January 1, 2012	Movements	At December 31, 2012	Movements	At December 31, 2013	Movements	At December 31, 2014
				€ thousand)			
Gross carrying amount	53,086	92	53,178	143	53,321	309	53,630
Accumulated depreciation	(13,832)	(1,440)	(15,272)	(1,409)	(16,681)	(1,384)	(18,065)
Carrying amount	**39,254**		**37,906**		**36,640**		**35,565**

The rental income of €3,179 thousand in 2014 (€3,170 thousand in 2013 and €3,158 thousand in 2012) was recognized in the consolidated income statement within net revenues.

Delta Top Co option

The Group has been granted an option by Delta Top Co, a company belonging to the Formula 1 Group (the entity responsible for the promotion of the Formula 1 World Championship).

The option allows Ferrari to purchase a fixed number of shares in Delta Top Co for a fixed price on the occurrence of certain events.

The option was granted from 2014 until 2020, is renewable, has been subject to an independent valuation and has been measured at fair value. For additional information, see Note 26.

17. INVENTORIES

	At December 31,		
	2014	2013	2012
		(€ thousand)	
Raw materials	91,035	77,947	82,522
Semi-finished goods	59,771	58,277	39,103
Finished goods	145,199	101,272	93,931
Total inventories	**296,005**	**237,496**	**215,556**

The amount of inventory write-downs recognized as an expense within cost of sales during 2014 was €3,091 thousand (€2,451 thousand in 2013 and €7,218 thousand in 2012).

Changes in the provision for slow moving and obsolete inventories were as follows:

	2014	2013	2012
		(€ thousand)	
At January 1,	**53,566**	**51,177**	**44,019**
Provision	3,091	2,451	7,218
Use and other changes	(1,964)	(62)	(60)
At December 31,	**54,693**	**53,566**	**51,177**

18. CURRENT RECEIVABLES, OTHER CURRENT ASSETS AND DEPOSITS IN FCA GROUP CASH MANAGEMENT POOLS

	At December 31,		
	2014	2013	2012
		(€ thousand)	
Trade receivables	183,642	205,925	135,641
Deposits in FCA Group cash management pools	942,469	683,672	457,161
Receivables from financing activities	1,224,446	862,764	803,205
Current tax receivables	3,016	1,297	1,003
Other current assets	52,052	39,163	50,567
Total	**2,405,625**	**1,792,821**	**1,447,577**

Trade receivables

The following table sets forth a breakdown of trade receivables by nature:

	At December 31,		
	2014	2013	2012
		(€ thousand)	
Trade receivables due from:			
FCA Group companies	69,974	105,148	55,281
Dealers	46,421	32,772	30,388
Sponsors	25,474	20,921	6,279
Brand activities	15,383	16,181	25,918
Other	26,390	30,903	17,775
Total	**183,642**	**205,925**	**135,641**

Trade receivables due from dealers relate to receivables for the sale of cars across the dealer network and are generally settled within 15 to 60 days from the date of invoice.

Trade receivables due from FCA Group companies mainly relate to the sale of engines and car bodies to Maserati S.p.A. and Officine Maserati Grugliasco S.p.A. (together "Maserati") which are controlled by the FCA Group. For additional information, see Note 27.

Trade receivables due from sponsors relate to amounts receivable from sponsors of the Group's Formula 1 activities.

Trade receivables due from brand activities relate to amounts receivable for licensing and merchandising activities.

The Group is not exposed to concentration of third party credit risk.

The following table sets forth a breakdown of trade receivables by currency:

	At December 31,		
	2014	2013	2012
		(€ thousand)	
Trade receivables denominated in:			
Euro	160,582	180,316	100,189
U.S. Dollar	18,485	19,759	18,375
Pound Sterling	1,456	1,402	3,838
Chinese Yuan	1,292	2,717	5,613
Japanese Yen	1,271	591	1,946
Other	556	1,140	5,680
Total	**183,642**	**205,925**	**135,641**

Trade receivables are shown net of an allowance for doubtful accounts determined on the basis of insolvency risk and historical experience. Accruals to the allowance for doubtful accounts are recorded in selling, general and administrative costs in the consolidated income statement. Changes in the allowance for doubtful accounts during the year were as follows:

	2014	2013	2012
		(€ thousand)	
At January 1,	**30,198**	**24,926**	**17,929**
Provision	6,356	10,521	9,540
Use and other changes	(21,890)	(5,249)	(2,543)
At December 31,	**14,664**	**30,198**	**24,926**

Deposits in FCA Group cash management pools

Deposits in FCA Group cash management pools represent the Group's participation in a group-wide cash management system at FCA Group, where the operating cash management, main funding operations and liquidity investment of the Group are centrally coordinated by dedicated treasury companies with the objective of ensuring effective and efficient management of funds. Deposits with FCA Group earned Euro Interbank Offered Rate ("EURIBOR") + 15 bps throughout the period covered by these Consolidated Financial Statements. FCA Group invests the deposits in highly rated, highly liquid money market instruments or bank deposits. The Group accesses funds deposited in these accounts on a daily basis and has the contractual right to withdraw these funds on demand and terminate these cash management arrangements depending on FCA's ability to pay at the relevant time. The carrying value of current accounts with FCA Group approximates fair value based on the short maturity of these investments. For additional information on deposits in FCA Group cash management pools, see Note 27. Following the Separation, these arrangements will be terminated and we will manage our liquidity and treasury function on a standalone basis.

Receivables from financing activities

Receivables from financing activities are as follows:

	At December 31,		
	2014	2013	2012
		(€ thousand)	
Client financing	939,284	666,947	607,104
Financial receivables from FCA Group companies	161,303	59,108	25,650
Factoring receivables	89,821	67,349	100,546
Dealer financing	33,611	65,981	68,912
Other	427	3,379	993
Total receivables from financing activities	**1,224,446**	**862,764**	**803,205**

Receivables from financing activities are shown net of an allowance for doubtful accounts determined on the basis of insolvency risks. Accruals to the allowance for doubtful accounts are recorded in cost of sales in the consolidated income statement. Changes in the allowance accounts during the year are as follows:

	2014	2013	2012
		(€ thousand)	
At January 1,	**10,865**	**10,285**	**5,961**
Provision	6,769	3,997	7,923
Use and other changes	(3,433)	(3,417)	(3,599)
At December 31,	**14,201**	**10,865**	**10,285**
Of which:			
Client financing	*11,903*	*9,983*	*10,285*
Factoring receivables	*2,150*	*882*	-
Dealer financing	*148*	-	-
Total	**14,201**	**10,865**	**10,285**

Client financing

Client financing relates to financing provided by the Group to Ferrari clients to finance their car acquisition. The average duration of such contracts is approximately 47 months and the weighted average interest rate ranges from 5.6 percent to 6.3 percent. Receivables for client financing are generally secured on the titles of cars or other personal guarantees.

The following table sets forth a breakdown of client financing by geography:

	At December 31,		
	2014	2013	2012
		(€ thousand)	
United States	482,782	304,914	265,844
United Kingdom	207,238	163,718	132,045
Germany	74,167	43,657	55,298
Switzerland	52,971	52,463	54,978
Italy	45,817	50,748	52,161
France	38,323	35,122	34,758
Japan	28,864	6,307	-
Belgium	9,122	10,018	12,020
Total client financing	**939,284**	**666,947**	**607,104**

Financial receivables from FCA Group companies

Financial receivables from FCA Group companies includes €147,071 thousand, €55,515 thousand and €22,730 thousand due from Maserati at December 31, 2014, 2013 and 2012, respectively.

The remaining receivables are due from Automotive Lighting LLC and Fiat Powertrain Technologies (Shanghai) R&D Co. Ltd. See Note 27 for further details.

Factoring receivables

Factoring receivables relate to the purchase of trade receivables from the FCA Group. Such receivables are purchased on a non-recourse basis and the Group generally earns interest of EURIBOR or London Interbank Offered Rate ("LIBOR") + 350 (LIBOR + a spread of between 325 bps to 375 bps for 2012). The interest earned amounted to €534 thousand for 2014 (€326 thousand for 2013, and €647 thousand for 2012) and is recorded in net revenues, within interest income of financial services activities.

Dealer financing

Receivables for dealer financing are typically generated by sales of cars managed under dealer network financing programs as a component of the portfolio of the financial services companies. These receivables are interest bearing at a rate between 1.5 percent and 3.6 percent, with the exception of an initial limited, non-interest bearing period. The contractual terms governing the relationships with the dealer network vary from country to country, although payment terms generally range from one to six months. The Group provides dealer financing in Japan and the United States. Until the end of 2014, the Group also provided dealer financing in the UK, Germany, Belgium and Switzerland. Receivables on dealer financing are generally secured by the title of the car or other collateral.

The following table sets forth a breakdown of dealer financing by geography:

	At December 31,		
	2014	2013	2012
		(€ thousand)	
Europe	952	49,892	54,106
United States	21,965	8,848	5,783
Japan	10,694	7,241	9,023
Total dealer financing	**33,611**	**65,981**	**68,912**

Other current assets

Other current assets are as follows:

	At December 31,		
	2014	2013	2012
		(€ thousand)	
Prepayments	14,191	8,670	8,703
Italian and foreign VAT credits	17,205	11,778	24,804
Due from personnel	1,382	587	635
Security deposits	895	708	950
Other receivables	18,379	17,420	15,475
Total other current assets	**52,052**	**39,163**	**50,567**

At December 31, 2014, the Group had provided guarantees through third parties, amounting to €126,677 thousand (€118,853 thousand at December 31, 2013 and €98,479 thousand at December 31, 2012), principally to the relevant tax authorities in relation to (i) the validity of value added tax ("VAT") and duties for which the Group requested reimbursement from the relevant tax authorities and (ii) the VAT related to temporary import of classic cars for restoration activities which would become due if the car is not exported.

The analysis of current receivables, other current assets and deposits in FCA Group cash management pools by due date (excluding the prepayments) is as follows:

	At December 31, 2014				
	Due within one year	Due between one and five years	Due beyond five years	Overdue	Total
			(€ thousand)		
Trade receivables	177,607	1,882	-	4,153	183,642
Deposits in FCA Group cash management pools	942,469	-	-	-	942,469
Receivables from financing activities	429,179	729,360	53,875	12,032	1,224,446
Client financing	*159,361*	*714,534*	*53,875*	*11,514*	939,284
Financial receivables from FCA Group companies	*161,303*	-	-	-	161,303
Factoring receivables	*89,821*	-	-	-	89,821
Dealer financing	*18,267*	*14,826*	-	*518*	33,611
Other	*427*	-	-	-	427
Current tax receivables	3,016	-	-	-	3,016
Other current receivables	37,163	692	6	-	37,861
Total	**1,589,434**	**731,934**	**53,881**	**16,185**	**2,391,434**

	At December 31, 2013				
	Due within one year	Due between one and five years	Due beyond five years	Overdue	Total
			(€ thousand)		
Trade receivables	175,119	-	-	30,806	205,925
Deposits in FCA Group cash management pools	683,672	-	-	-	683,672
Receivables from financing activities	345,025	470,865	32,167	14,707	862,764
Client financing	*149,208*	*470,865*	*32,167*	*14,707*	666,947
Financial receivables from FCA Group companies	*59,108*	-	-	-	*59,108*
Factoring receivables	*67,349*	-	-	-	*67,349*
Dealer financing	*65,981*	-	-	-	*65,981*
Other	*3,379*	-	-	-	*3,379*
Current tax receivables	1,297	-	-	-	1,297
Other current receivables	28,762	1,025	6	700	30,493
Total	**1,233,875**	**471,890**	**32,173**	**46,213**	**1,784,151**

	At December 31, 2012				
	Due within one year	Due between one and five years	Due beyond five years	Overdue	Total
			(€ thousand)		
Trade receivables	116,472	503	-	18,666	135,641
Deposits in FCA Group cash management pools	457,161	-	-	-	457,161
Receivables from financing activities	335,941	427,395	27,662	12,207	803,205
Client financing	*139,840*	*427,395*	*27,662*	*12,207*	607,104
Financial receivables from FCA Group companies	*25,650*	-	-	-	*25,650*
Factoring receivables	*100,546*	-	-	-	*100,546*
Dealer financing	*68,912*	-	-	-	*68,912*
Other	*993*	-	-	-	*993*
Current tax receivables	1,003	-	-	-	1,003
Other current receivables	40,356	1,101	6	401	41,864
Total	**950,933**	**428,999**	**27,668**	**31,274**	**1,438,874**

Total receivables from financing activities includes €1,059,592 thousand (€799,872 thousand at December 31, 2013 and €773,908 thousand at December 31, 2012) which relate to the financial services portfolio and such receivables are generally secured on the titles of cars or with other guarantees.

Overdue trade receivables at December 31, 2013 included €25,237 thousand related to the rental of engines to other Formula 1 racing teams, of which €19,345 thousand was collected and €4,000 thousand was written-off in 2014.

Overdue trade receivables at December 31, 2012 included €10,931 thousand which was written-off in 2013.

19. CURRENT FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITIES

	At December 31,					
	2014		2013		2012	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
	(€ thousand)					
Cash flow hedge:						
Foreign currency forwards	8,004	(100,620)	73,314	(2,776)	28,148	(23,053)
Total cash flow hedges	**8,004**	**(100,620)**	**73,314**	**(2,776)**	**28,148**	**(23,053)**
Other foreign exchange derivatives	743	(3,473)	1,445	(1,709)	972	(133)
Other financial assets/(liabilities)	**8,747**	**(104,093)**	**74,759**	**(4,485)**	**29,120**	**(23,186)**

Other foreign exchange derivatives relate to foreign currency forwards which do not meet the requirements to be recognized as cash flow hedges.

The following tables provide an analysis by foreign currency and due date of outstanding derivative financial instruments based on their fair value and notional amounts:

	At December 31, 2014					
	Fair value due within one year	Fair value due between one and two years	Total fair value	Notional amount due within one year	Notional amount due between one and two years	Total notional amount
	(€ thousand)					
Currencies:						
U.S. Dollar	(46,896)	(29,555)	(76,451)	513,373	304,934	818,307
Pound Sterling	(7,909)	(2,177)	(10,086)	299,304	51,263	350,567
Chinese Yuan	(8,755)	(4,126)	(12,881)	136,573	38,920	175,493
Swiss Franc	(1,144)	(406)	(1,550)	129,246	32,332	161,578
Japanese Yen	5,962	893	6,855	73,499	35,110	108,609
Other(1)	(1,073)	(160)	(1,233)	47,012	12,167	59,179
Total amount	**(59,815)**	**(35,531)**	**(95,346)**	**1,199,007**	**474,726**	**1,673,733**

(1) Other mainly includes Australian Dollar and Hong Kong Dollar

	At December 31, 2013					
	Fair value due within one year	Fair value due between one and two years	Total fair value	Notional amount due within one year	Notional amount due between one and two years	Total notional amount
	(€ thousand)					
Currencies:						
U.S. Dollar	28,399	13,715	42,114	453,976	303,466	757,442
Pound Sterling	(1,191)	(1,252)	(2,443)	234,833	53,559	288,392
Chinese Yuan	771	56	827	77,757	63,718	141,475
Swiss Franc	1,382	(207)	1,175	123,239	44,731	167,970
Japanese Yen	16,223	5,506	21,729	67,128	44,379	111,507
Other(1)	4,784	2,088	6,872	51,529	21,863	73,392
Total amount	**50,368**	**19,906**	**70,274**	**1,008,462**	**531,716**	**1,540,178**

(1) Other mainly includes Australian Dollar and Hong Kong Dollar

	At December 31, 2012					
	Fair value due within one year	Fair value due between one and five years	Total fair value	Notional amount due within one year	Notional amount due between one and five years	Total notional amount
	(€ thousand)					
Currencies:						
U.S. Dollar	(6,613)	9,086	2,473	524,363	347,127	871,490
Pound Sterling	(3,051)	(105)	(3,156)	208,670	46,502	255,172
Chinese Yuan	(1,070)	569	(501)	90,625	61,309	151,934
Swiss Franc	425	250	675	114,521	42,081	156,602
Japanese Yen	3,445	4,905	8,350	74,075	40,797	114,872
Other(1)	(1,649)	(258)	(1,907)	49,531	23,128	72,659
Total amount	**(8,513)**	**14,447**	**5,934**	**1,061,785**	**560,944**	**1,622,729**

(1) Other mainly includes Australian Dollar and Hong Kong Dollar

Cash flow hedges

The effects recognized in the consolidated income statement mainly relate to currency risk management and in particular the exposure to Euro / U.S. Dollar for sales in U.S. Dollar in the United States of America, Canada and Mexico and other markets where the U.S. Dollar is the reference currency.

The policy of the Group for managing currency risk normally requires that projected future cash flows from trading activities which will occur within the following 24 months, and from orders acquired (or contracts in progress), whatever their due dates, be hedged. It is considered reasonable that the hedging effect arising from this and recorded in the cash flow hedge reserve will be recognized in the consolidated income statement, mainly during the following two years.

Derivatives relating to currency risk management are treated as cash flow hedges where the derivative qualifies for hedge accounting. The amount recorded in the cash flow hedge reserve will be recognized in the consolidated income statement according to the timing of the flows of the underlying transaction.

The Group reclassified gains and losses, net of the tax effect, from other comprehensive income/(loss) to the consolidated income statement as follows:

	For the years ended December 31,		
	2014	2013	2012
	(€ thousand)		
Net revenues	20,111	7,636	(43,184)
Net financial (expenses)/income	(16,788)	10,982	2,688
Income tax (expense)/income	(1,043)	(5,846)	12,716
Total recognized in the consolidated income statement	**2,280**	**12,772**	**(27,780)**

The ineffectiveness of cash flow hedges was not material for the years 2014, 2013 and 2012.

20. EQUITY

As discussed in Note 1, with the exception of the FCA Note and subsequent refinancing (as defined herein), the Restructuring has been retrospectively reflected in these Consolidated Financial Statements in determining the number of shares outstanding as though the Restructuring had occurred effective January 1, 2012.

Share capital

Following the Restructuring, the fully paid up share capital of the Company is €3,778 thousand, at December 31, 2014, 2013 and 2012, respectively, consisting of 188,921,600 common shares and the same number of special voting shares, all with a nominal value of €0.01.

The Company will not issue new common shares or special voting shares in the anticipated initial public offering and will not receive any of the proceeds. Additionally, following the initial public offering, 18,892,150 special voting shares will be held in treasury until investors elect and qualify to participate in the loyalty voting program.

The loyalty voting structure

We expect that FCA and Piero Ferrari will participate in our loyalty voting program and, therefore, will effectively hold two votes for each of the common shares they hold. FCA shareholders that participate in FCA's loyalty voting program will be entitled to participate on the same basis in our loyalty voting program effective upon the Separation. Investors who purchase common shares in the initial public offering may elect to participate in our loyalty voting program by registering their common shares in our loyalty share register and holding them for three years. The loyalty voting program will be effected by means of the issue of special voting shares to eligible holders of common shares. Each special voting share entitles the holder to exercise one vote at the Company's shareholders meeting. Only a minimal dividend accrues to the special voting shares allocated to a separate special dividend reserve, and the special voting shares do not carry any entitlement to any other reserve of the Group. The special voting shares have only immaterial economic entitlements and, as a result, do not impact the Company's earnings per share calculation.

Share premium

Retained earnings and other reserves includes share premium reserve of €5,975,434 thousand at December 31, 2014, 2013 and 2012, respectively, which resulted from the issuance of common shares pursuant to the Restructuring.

Other comprehensive income/(loss)

The following table presents other comprehensive income/(loss):

	For the years ended December 31, 2014	2013	2012
	(€ thousand)		
Items that will not be reclassified to the consolidated income statement in subsequent periods:			
Losses on remeasurement of defined benefit plans	(4,739)	(2,412)	(1,595)
Total items that will not be reclassified to the consolidated income statement in subsequent periods	**(4,739)**	**(2,412)**	**(1,595)**
Items that may be reclassified to the consolidated income statement in subsequent periods:			
(Losses)/gains on cash flow hedging instruments arising during the period	(145,018)	73,221	36,290
(Gains)/losses on cash flow hedging instruments reclassified to the consolidated income statement	(3,323)	(18,618)	40,496
(Losses)/gains on cash flow hedging instruments	**(148,341)**	**54,603**	**76,786**
Exchange differences on translating foreign operations arising during the period	27,836	(7,467)	(5,551)
Total items that may be reclassified to the consolidated income statement in subsequent periods	**(120,505)**	**47,136**	**71,235**
Total other comprehensive (loss)/income	**(125,244)**	**44,724**	**69,640**
Related tax impact	47,649	(15,347)	(24,111)
Total other comprehensive (loss)/income, net of tax	**(77,595)**	**29,377**	**45,529**

Losses on remeasurement of defined benefit plans mainly include actuarial gains and losses arising during the period. These gains and losses are offset against the related net defined benefit liabilities.

The tax effect relating to other comprehensive income/(loss) are as follows:

	2014 Pre-tax balance	2014 Tax income/ (expense)	2014 Net balance	2013 Pre-tax balance	2013 Tax income/ (expense)	2013 Net balance	2012 Pre-tax balance	2012 Tax income/ (expense)	2012 Net balance
	(€ thousand)								
(Losses)/gains on remeasurement of defined benefit plans	(4,739)	1,061	(3,678)	(2,412)	1,799	(613)	(1,595)	-	(1,595)
(Losses)/gains on cash flow hedging instruments	(148,341)	46,588	(101,753)	54,603	(17,146)	37,457	76,786	(24,111)	52,675
Exchange gains/(losses) on translating foreign operations	27,836	-	27,836	(7,467)	-	(7,467)	(5,551)	-	(5,551)
Total other comprehensive (loss)/income	**(125,244)**	**47,649**	**(77,595)**	**44,724**	**(15,347)**	**29,377**	**69,640**	**(24,111)**	**45,529**

Transactions with non-controlling interests and dividends declared

Transaction with non-controlling interests

	For the year ended December 31, 2014	
	Group	**NCI**
	(€ thousand)	
Transactions with non-controlling interests		
FICTS		
Capital reduction and change in ownership percentage of FICTS from 59% to 80%	3,832	(5,050)
Expiration and renegotiation of FICTS constitution and change in operations	(5,095)	59,074
FFS Inc.		
Capital increase	-	1,219
Total change in scope of consolidation	**(1,263)**	**55,243**

Capital reduction and change in ownership percentage of FICTS from 59 percent to 80 percent—In June 2014, the Board of Directors of FICTS agreed to perform a capital reduction, returning all of the capital investment to two of the non-controlling interests in FICTS, and reducing the interest of the third non-controlling interest. As a result of the capital reductions, Ferrari's proportional shareholding in FICTS increased from 59 percent to 80 percent. The carrying value of the non-controlling interest, and Ferrari's interest in FICTS was adjusted to reflect the change in shareholding structure.

Expiration and renegotiation of FICTS constitution and change in operations—In 2014, the agreement between Ferrari and the non-controlling interests expired. Also in 2014, the agreement between Ferrari and Maserati, which governed how FICTS imported and sold Maserati cars in China, and how Maserati was compensated for such transactions expired. Maserati incorporated a new Chinese entity to distribute Maserati vehicles in China. Accordingly, Ferrari no longer accounted for FICTS as a Joint Operation, but rather as a subsidiary. Such change resulted in the recognition of additional assets and liabilities, previously excluded from the scope of consolidation, and the derecognition of certain assets, which are now accounted for as intercompany transactions.

Dividends declared

FICTS shareholders' declared dividends to non-controlling interests of €79,369, representing the aggregate distributable profits at December 31, 2014. An amount of €15,050 was paid to the non-controlling interests in 2014 and the remaining balance at December 31, 2014, equivalent to €64,319 thousand, has been recorded as other liabilities and will be paid in 2015. See Note 24.

In 2012, FICTS paid a dividend to the non-controlling interests of €7,149 thousand.

The amounts stated above have been translated into Euro using the foreign currency exchange rate at the date the transactions were performed.

Policies and processes for managing capital

The Group's objectives when managing capital are to create value for shareholders as a whole, safeguard business continuity and support the growth of the Group. As a result, the Group endeavors to maintain a satisfactory economic return for its shareholders and guarantee economic access to external sources of funds.

21. EMPLOYEE BENEFITS

The Group's provisions for employee benefits are as follows:

	At December 31,		
	2014	2013	2012
		(€ thousand)	
Present value of defined benefit obligations:			
Italian employee severance indemnity (TFR)	25,837	24,423	23,353
Pension plans	10,492	12,955	11,371
Total present value of defined benefit obligations	**36,329**	**37,378**	**34,724**
Other provisions for employees	40,485	28,101	44,705
Total provisions for employee benefits	**76,814**	**65,479**	**79,429**

Defined contribution plan

The Group recognizes the cost for defined contribution plans over the period in which the employee renders service and classifies this by function in cost of sales, selling, general and administrative costs and research and development costs. The total income statement expense for defined contributions plans in the years ended December 31, 2014, 2013 and 2012 was €13,986 thousand, €8,939 thousand and €8,480 thousand, respectively.

Defined benefit obligations

Italian employee severance indemnity (TFR)

Trattamento di fine rapporto or "TFR" relates to the amounts that employees in Italy are entitled to receive when they leave the company and is calculated based on the period of employment and the taxable earnings of each employee. Under certain conditions the entitlement may be partially advanced to an employee during the employee's working life.

The Italian legislation regarding this scheme was amended by Law 296 of 27 December 2006 and subsequent decrees and regulations issued in the first part of 2007. Under these amendments, companies with at least 50 employees are obliged to transfer the TFR to the "Treasury fund" managed by the Italian state-owned social security body ("INPS") or to supplementary pension funds. Prior to the amendments, accruing TFR for employees of all Italian companies could be managed by the company itself. Consequently, the Italian companies' obligation to INPS and the contributions to supplementary pension funds take the form, under IAS 19 revised, of "Defined contribution plans" whereas the amounts recorded in the provision for employee severance pay retain the nature of "Defined benefit plans". Accordingly, the provision for employee severance indemnity in Italy consists of the residual obligation for TFR until December 31, 2006. This is an unfunded defined benefit plan as the benefits have already been almost entirely earned, with the sole exception of future revaluations. Since 2007 the scheme has been classified as a defined contribution plan, and the Group recognizes the associated cost, being the required contributions to the pension funds, over the period in which the employee renders service.

Pension plans

Group companies, primarily in Germany sponsor non-contributory defined benefit pension plans, for which the Group meets the benefit payment obligation when it falls due. Benefits provided depends on the employee's length of service and their salary in the final years leading up to retirement.

The expected benefit payments for defined benefit obligations are as follows:

	Expected benefit payments	
	TFR	Pension plans
	(€ thousand)	
2015	1,612	87
2016	1,648	98
2017	1,650	65
2018	1,705	182
2019	1,562	206
2020-2024	9,310	427
Total	**17,487**	**1,065**

The following table summarizes the changes in the defined benefit obligations:

	TFR Liability	Pension plans	Total
		(€ thousand)	
Amounts at December 31, 2011	**22,241**	**9,772**	**32,013**
Included in the consolidated income statement	569	1,444	2,013
Included in other comprehensive income/loss			
Actuarial (gains)/losses from:			
- Demographic assumptions	(390)	(462)	(852)
- Financial assumptions	1,822	90	1,912
- Other	681	(146)	535
Other			
Benefits paid	(1,708)	(33)	(1,741)
Other changes	138	706	844
Amounts at December 31, 2012	**23,353**	**11,371**	**34,724**
Included in the consolidated income statement	350	1,266	1,616
Included in other comprehensive income/loss			
Actuarial (gains)/losses from:			
- Demographic assumptions	(297)	12	(285)
- Financial assumptions	1,415	1,422	2,837
- Other	964	(1,104)	(140)
Other			
Benefits paid	(1,529)	(24)	(1,553)
Other changes	167	12	179
Amounts at December 31, 2013	**24,423**	**12,955**	**37,378**
Included in the consolidated income statement	195	5,319	5,514
Included in other comprehensive income/loss			
Actuarial (gains)/losses from:			
- Demographic assumptions	(67)	-	(67)
- Financial assumptions	2,516	1,380	3,896
- Other	186	724	910
Other			
Benefits paid	(1,675)	(9,830)	(11,505)
Other changes	259	(56)	203
Amounts at December 31, 2014	**25,837**	**10,492**	**36,329**

Amounts recognized in the consolidated income statement are as follows:

	For the years ended December 31,								
	2014			2013			2012		
	TFR	Pension plans	Total	TFR	Pension plans	Total	TFR	Pension plans	Total
	(€ thousand)								
Current service cost	7	5,120	5,127	18	1,016	1,034	20	1,120	1,140
Interest expense	188	199	387	332	250	582	549	324	873
Total recognized in the consolidated income statement	**195**	**5,319**	**5,514**	**350**	**1,266**	**1,616**	**569**	**1,444**	**2,013**

The discount rates used for the measurement of the Italian TFR obligation are based on yields of high-quality (AA rated) fixed income securities for which the timing and amounts of payments match the timing and amounts of the projected benefit payments. For this plan, the single weighted average discount rate that reflects the estimated timing and amount of the scheme future benefit payments for 2014 is equal to 1.9 percent (3.0 percent in 2013 and 3.6 percent in 2012). The average duration of the Italian TFR is approximately 9 years. Retirement or employee leaving rates are developed to reflect actual and projected Group experience and legal requirements for retirement in Italy.

The discount rates are used in measuring the pension plan obligation (excluding TFR) and the interest expense/(income) of net period cost. The Group selects these rates on the basis of the rate on return on high-quality (AA rated) fixed income investments for which the timing and amounts of payments match the timing and amounts of the projected pension defined benefit plan which for 2014 was equal to approximately 2.1 percent (3.0 percent in 2013 and 3.6 percent in 2012). The average duration of the obligations is approximately 5 years.

Current service cost is recognized by function in cost of sales, selling, general and administrative costs or research and development costs.

Other provisions for employees

Other provisions for employees consist of the expected future amounts payable to employees in connection with other remuneration schemes, which are not subject to actuarial valuation, including long-term bonus plans.

At December 31, 2014, other provisions for employees comprised long term bonus benefits amounting to €38,582 thousand (€26,457 thousand at December 31, 2013 and €43,225 thousand at December 31, 2012), jubilee benefits granted to certain employees by the Group in the event of achieving 30 years of service amounting to €1,856 thousand (€1,643 thousand at December 31, 2013 and €1,480 thousand at December 31, 2012), and other provisions for employees amounting to €47 thousand (€1 thousand at December 31, 2013 and nil at December 31, 2012). Interest expense on other provisions for employees amounted to €13 thousand for the year ended December 31, 2014 (€21 thousand and €33 thousand for the years ended December 31, 2013 and 2012, respectively).

22. PROVISIONS

Changes in provisions were as follows:

	At December 31, 2013	Additional provisions	Utilization	Translation differences	At December 31, 2014
			(€ thousand)		
Warranty provision	70,849	26,997	(29,900)	566	68,512
Legal proceedings and disputes	23,347	24,283	(3,086)	-	44,544
Other risks	9,589	14,994	(3,624)	759	21,718
Total provisions	**103,785**	**66,274**	**(36,610)**	**1,325**	**134,774**

The warranty provision represents the best estimate of commitments given by the Group for contractual, legal, or constructive obligations arising from product warranties given for a specified period of time. Such provisions are recognized on shipment of the car to the dealer.

The warranty provision is estimated on the basis of the Group's past experience and contractual terms, related costs are recognized within cost of sales. The additional provisions recognized in 2014 were related to an increase in shipment volumes from 2013 to 2014 and to a reassessment of the estimated cost assumptions used to determine the provision performed in 2014.

The provision for legal proceedings and disputes represents management's best estimate of the expenditures expected to be required to settle or otherwise resolve legal proceedings and disputes. The most significant accruals to the provision for legal proceedings and disputes recognized in 2014, relate to ongoing disputes with a former commercial partner previously responsible for operating certain Ferrari stores in Italy, and litigation with a former distributor. This class of claims relate to allegations by contractual counterparties that we have violated the terms of our arrangements, including by terminating the applicable relationships. Judgments in these proceedings may be issued before the end of 2015 or in 2016, although any such judgment may remain subject to judicial review. While the outcome of such proceedings is uncertain, any losses in excess of the provisions recorded are not expected to be material to our financial condition or results of operations.

The utilization related to reversal of accruals for legal proceedings and disputes resolved in 2014. Accruals to the provision for legal proceedings and disputes are recognized within other expenses/(income), net, with the exception of the provision relating to the former commercial partner previously responsible for operating certain Ferrari stores in Italy, which have been recognized within selling, general and administrative costs.

The provision for other risks are related to disputes and matters which are not subject to legal proceeding including disputes with suppliers, employees and other parties relating to contracts.

The following table sets forth total other risks recognized for the years ended December 31, 2014, 2013 and 2012.

	For the years ended December 31,		
	2014	2013	2012
		(€ thousand)	
Recorded in the consolidated income statement within:			
Cost of sales	5,088	2,239	2,458
Other expenses/(income), net	8,589	296	952
Selling, general and administrative costs	1,317	347	93
	14,994	2,882	3,503

23. DEBT

The breakdown of debt by nature and by maturity is as follows:

	At December 31,											
	2014				2013				2012			
	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
	(€ thousand)											
Financial liabilities with FCA	378,542	-	-	378,542	241,577	-	-	241,577	196,373	-	-	196,373
Borrowings from banks	91,982	16,197	926	109,105	7,325	15,746	2,470	25,541	9,928	4,015	8,881	22,824
Other debt	20,796	1,777	-	22,573	47,883	2,086	217	50,186	39,333	2,080	737	42,150
Total debt	**491,320**	**17,974**	**926**	**510,220**	**296,785**	**17,832**	**2,687**	**317,304**	**245,634**	**6,095**	**9,618**	**261,347**

Financial liabilities with FCA Group

At December 31, 2014, financial liabilities with FCA Group consisted of a credit line held with Fiat Chrysler Finance North America of €378,542 thousand (€241,577 thousand at December 31, 2013 and €196,373 thousand at December 31, 2012). The facility is denominated in U.S. Dollar and bears interest at 30-day LIBOR + 100 bps. The purpose of which is to finance our financial services portfolio in the Americas.

Borrowing from banks

The following table details the maturity dates and interest rates (or range of maturity dates and interest rates) of borrowings from banks:

	Third party bank	Principal			Currency	Interest rate	Maturity date
		2014	2013	2012			
		(€ thousand)					
Ferrari Financial Services Inc.	Sumitomo Bank (UK)	62,009	-	-	U.S. Dollar	LIBOR + 175bps	July 2015
Ferrari Financial Services Japan KK	The Chiba Bank Ltd.	13,771	12,438	-	Japanese Yen	TIBOR* + 100bps	November 2016
Ferrari Financial Services Japan KK	Shinsei Bank, Limited	6,886	-	-	Japanese Yen	TIBOR* + 90bps	March 2015
Ferrari Financial Services Japan KK	Intesa Sanpaolo S.p.A.	13,771	-	-	Japanese Yen	162bps	January 2015
Ferrari Financial Services Japan KK	Mizuho Corporate Bank Ltd.	-	-	8,802	Japanese Yen	TIBOR* + 50bps	January 2013
Ferrari S.p.A.	Various	12,668	13,103	14,022	Euro	Various	From August 2015 to June 2020
Total borrowings from banks		**109,105**	**25,541**	**22,824**			

* TIBOR is defined as the Tokyo Interbank Offered Rate

Other debt

At December 31, 2014 other debt, mainly related to the financial services entities, amounted to €22,573 thousand (€50,186 thousand at December 31, 2013 and €42,150 thousand at December 31, 2012).

24. OTHER LIABILITIES

An analysis of other liabilities is as follows:

	At December 31,		
	2014	2013	2012
	(€ thousand)		
Deferred income	234,536	194,321	112,506
Advances	187,222	139,671	128,938
Accrued expenses	85,624	31,028	26,205
Security deposits	33,117	24,965	3,926
Payables to personnel	28,713	20,438	19,632
Social security payables	13,251	13,134	12,819
Other	87,915	46,768	29,962
Total other liabilities	**670,378**	**470,325**	**333,988**

Deferred income at December 31, 2014, 2013 and 2012 primarily includes amounts received under the scheduled maintenance program (€111,589 thousand, €83,319 thousand and €53,419 thousand at December 31, 2014, 2013 and 2012, respectively), which are deferred and recognized as net revenues over the maintenance program term. Deferred income also includes amounts collected under various other agreements, which are reliant on the future performance of a service or other act of the Group.

Advances at December 31, 2014,2013 and 2012 primarily includes advances from clients received for the purchase of special series, limited edition and supercars.

Other liabilities at December 31, 2014 includes €64,319 thousand related to dividends payable to the non-controlling interest in FICTS.

An analysis of other liabilities (excluding accrued expenses and deferred income) by due date is as follows:

	At December 31, 2014			
	Due within one year	Due between one and five years	Due beyond five years	Total
	(€ thousand)			
Total other liabilities (excluding accrued expenses and deferred income)	306,630	35,982	7,606	350,218

	At December 31, 2013			
	Due within one year	Due between one and five years	Due beyond five years	Total
	(€ thousand)			
Total other liabilities (excluding accrued expenses and deferred income)	243,486	1,390	100	244,976

	At December 31, 2012			
	Due within one year	Due between one and five years	Due beyond five years	Total
	(€ thousand)			
Total other liabilities (excluding accrued expenses and deferred income)	194,007	1,264	6	195,277

25. TRADE PAYABLES

Trade payables of €535,707 thousand at December 31, 2014 (€485,948 thousand at December 31, 2013 and €479,974 thousand at December 31, 2012) are entirely due within one year. The carrying amount of trade payables is considered to be equivalent to their fair value.

26. FAIR VALUE MEASUREMENT

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs to the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

Levels used in the hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the Group can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the assets and liabilities.

Assets and liabilities that are measured at fair value on a recurring basis

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2014 and 2013:

	Note	At December 31, 2014			
		Level 1	Level 2	Level 3	Total
		(€ thousand)			
Cash and cash equivalents		134,278	-	-	134,278
Investments and other financial assets—Delta Top Co option	16	-	-	10,546	10,546
Current financial assets	19	-	8,747	-	8,747
Total assets		**134,278**	**8,747**	**10,546**	**153,571**
Other financial liabilities	19	-	104,093	-	104,093
Total liabilities		**-**	**104,093**	**-**	**104,093**

	Note	At December 31, 2013			
		Level 1	Level 2	Level 3	Total
		(€ thousand)			
Cash and cash equivalents		113,786	-	-	113,786
Current financial assets	19	-	74,759	-	74,759
Total assets		**113,786**	**74,759**	**-**	**188,545**
Other financial liabilities	19	-	4,485	-	4,485
Total liabilities		**-**	**4,485**	**-**	**4,485**

	Note	At December 31, 2012			
		Level 1	Level 2	Level 3	Total
		(€ thousand)			
Cash and cash equivalents		100,063	-	-	100,063
Current financial assets	19	-	29,120	-	29,120
Total assets		**100,063**	**29,120**	**-**	**129,183**
Other financial liabilities	19	-	23,186	-	23,186
Total liabilities		**-**	**23,186**	**-**	**23,186**

In 2014, 2013 and 2012 there were no transfers between levels in the fair value hierarchy.

The fair value of current financial assets and other financial liabilities is related to derivative financial instruments and is measured by taking into consideration market parameters at the balance sheet date, using valuation techniques widely accepted in the financial business environment. In particular, the fair value of forward contracts and currency swaps is determined by taking the prevailing foreign currency exchange rate and interest rates at the balance sheet date.

The par value of cash and cash equivalents usually approximates fair value due to the short maturity of these instruments, which consist primarily of bank current accounts.

The following table provides a reconciliation from the opening balances to the closing balances for fair value measurements categorized in level 3 in 2014 and 2013:

	Other non-current securities	Other financial assets/(liabilities)
	(€ thousand)	
At December 31, 2013	-	-
Gains/(losses) recognized in consolidated income statement	-	-
Gains/(losses) recognized in other comprehensive income	-	-
Issues/(settlements)	10,546	-
At December 31, 2014	10,546	-

Assets and liabilities not measured at fair value on a recurring basis

For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from carrying value, the Group assumes that carrying value is a reasonable approximation of the fair value. In particular, the carrying amount of current receivables and other current assets and of trade payables and other liabilities approximates their fair value.

The following table represents carrying amount and fair value for the most relevant categories of financial assets and liabilities not measured at fair value on a recurring basis:

		At December 31,					
		2014		2013		2012	
	Note	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
		(€ thousand)					
Deposits in FCA Group cash management pools	18	942,469	942,469	683,672	683,672	457,161	457,161
Receivables from financing activities		1,224,446	1,225,931	862,764	863,407	803,205	805,257
Client financing	18	*939,284*	*940,769*	*666,947*	*667,590*	*607,104*	*609,156*
Financial receivables from FCA Group companies	18	*161,303*	161,303	*59,108*	59,108	*25,650*	*25,650*
Factoring receivables	18	*89,821*	*89,821*	*67,349*	*67,349*	*100,546*	*100,546*
Dealer financing	18	*33,611*	*33,611*	*65,981*	*65,981*	*68,912*	*68,912*
Other	18	*427*	*427*	*3,379*	*3,379*	*993*	*993*
Total		**2,166,915**	**2,168,400**	**1,546,436**	**1,547,079**	**1,260,366**	**1,262,418**
Debt	23	**510,220**	**509,355**	**317,304**	**315,806**	**261,347**	**261,347**

27. RELATED PARTY TRANSACTIONS

Pursuant to IAS 24, the related parties of the Group are entities and individuals capable of exercising control, joint control or significant influence over the Group and its subsidiaries, companies belonging to the FCA Group and Exor Group, and unconsolidated subsidiaries of the Group. In addition, members of Ferrari Group Board of Directors, Board of Statutory Auditors and executives with strategic responsibilities and their families are also considered related parties.

The Group carries out transactions with related parties on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved. Transactions carried out by the Group with these related parties are primarily of those a commercial nature, which have had an effect on revenues, cost of sales, and trade receivables and payables; in particular, these transactions relate to:

Transactions with FCA Group companies

- the sale of engines and car bodies to Maserati S.p.A. and Officine Maserati Grugliasco S.p.A. (together "Maserati") which are controlled by the FCA Group;
- the purchase of engine components for the use in the production of Maserati engines from FCA US LLC, which is controlled by FCA Group;
- the purchase of automotive lighting and automotive components from Magneti Marelli S.p.A., Magneti Marelli Espana S.A. and Automotive Lighting Italia S.p.A. (which form part of "Magneti Marelli"), which is controlled by the FCA Group;
- transactions with other FCA Group companies, mainly relating to the services provided by FCA Group companies, including human resources, payroll, tax, customs, procurement of insurance coverage, accounting and treasury services and sponsorship revenues for the display of FCA Group company logos on the Formula 1 cars.

The Group also has the following financial transactions with the FCA Group:

- the Group sells a portion of its trade and financial receivables to the FCA Bank Group, which is jointly controlled by FCA Group and a third party, on derecognition of the asset, the difference between the carrying amount and the consideration received or receivable is recognized in cost of sales;
- certain Ferrari financing companies obtain financing from FCA Group companies. Debt from FCA Group companies relate to the amounts owed under such facilities at the dates presented. See Note 23;
- Ferrari Group companies participate in the FCA group-wide cash management system where the operating cash management, main funding operations and liquidity investment of the Group are centrally coordinated by dedicated treasury companies of the FCA Group. Deposits in FCA Group cash management pools represent the Group's participation in such pools. Deposits with FCA Group earn EURIBOR +15bps. See Note 18. Following the Separation, these arrangements will be terminated and we will manage our liquidity and treasury function on a standalone basis;
- the Group has purchased trade receivables from the FCA Group on a non-recourse basis. The interest earned on such receivables is recorded in net revenues. See Note 18;
- the Group has financial receivables with Maserati and Automotive Lighting LLC ("Automotive Lighting"), which will be settled in the ordinary course of business. See Note 18.

Transactions with Exor Group companies

- the Group incurs rental costs from Iveco Finanziaria S.p.A. related to the rental of trucks used by the Formula 1 racing team;
- the Group earns sponsorship revenue from Iveco S.p.A.

Transactions with other related parties

- the purchase of leather goods from Poltrona Frau S.p.A. ("Poltrona Frau"). The former Chairman had significant influence over Poltrona Frau until March 25, 2014 when he sold his interest;

- the purchase of components for Formula 1 racing cars from COXA S.p.A., controlled by Piero Ferrari; and
- consultancy services provided by HPE S.r.l., controlled by Piero Ferrari.

In accordance with IAS 24, transactions with related parties also include compensation payable to Directors, Statutory Auditors and managers with strategic responsibilities.

The amounts of the transactions with related parties recognized in the consolidated income statement are as follows:

	For the years ended December 31,								
	2014			2013			2012		
	Net revenues	Costs(1)	Net financial income / (expenses)	Net revenues	Costs(1)	Net financial income / (expenses)	Net revenues	Costs(1)	Net financial income / (expenses)
					(€ thousand)				
FCA Group companies									
Maserati	259,143	31,381	1,274	194,760	38,254	-	78,405	18,136	-
FCA US LLC	1,110	33,898	-	-	14,997	-	-	1,143	-
Magneti Marelli	1,190	24,233	-	970	20,666	-	801	22,391	-
Other FCA Group companies	5,198	38,706	2,793	11,789	19,069	(53)	6,917	19,964	(4,142)
Total FCA Group companies	**266,641**	**128,218**	**4,067**	**207,519**	**92,986**	**(53)**	**86,123**	**61,634**	**(4,142)**
Exor Group companies (excluding the FCA Group)									
Exor Group companies	**279**	**404**	**-**	**281**	**387**	**-**	**282**	**402**	**-**
Other related parties									
Poltrona Frau	98	20,115	-	177	22,073	-	190	21,427	-
COXA S.p.A.	279	8,774	-	1	5,732	-	16	4,674	-
HPE S.r.l.	-	3,461	-	-	3,175	-	-	2,634	-
Other related parties	-	120	-	-	543	-	2	1,082	-
Total other related parties	**377**	**32,470**	**-**	**178**	**31,523**	**-**	**208**	**29,817**	**-**
Total transactions with related parties	**267,297**	**161,092**	**4,067**	**207,978**	**124,896**	**(53)**	**86,613**	**91,853**	**(4,142)**
Total for the Group	**2,762,360**	**1,805,979**	**8,765**	**2,335,270**	**1,494,523**	**2,851**	**2,225,207**	**1,441,720**	**(898)**

(1) Costs include cost of sales and selling, general and administrative costs.

Non-financial assets and liabilities originating from related party transactions are as follows:

	At December 31, 2014			
	Trade receivables	Trade payables	Other current assets	Other liabilities
	(€ thousand)			
FCA Group companies				
Maserati	68,224	5,368	-	50,736
FCA US LLC	1,062	8,250	-	-
Magneti Marelli	516	6,239	-	-
Other FCA Group companies	172	2,766	2,181	105
Total FCA Group companies	**69,974**	**22,623**	**2,181**	**50,841**
Exor Group companies (excluding the FCA Group)				
Exor Group companies	**-**	**28**	**-**	**-**
Other related parties				
Poltrona Frau	1,763	8,564	-	-
COXA S.p.A.	308	1,448	-	-
HPE S.r.l.	-	686	-	-
Other related parties	1,647	251	-	-
Total other related parties	**3,718**	**10,949**	**-**	**-**
Total transactions with related parties	**73,692**	**33,600**	**2,181**	**50,841**
Total for the Group	**183,642**	**535,707**	**52,052**	**670,378**

	At December 31, 2013			
	Trade receivables	Trade payables	Other current assets	Other liabilities
	(€ thousand)			
FCA Group companies				
Maserati	104,334	5,002	-	87,510
FCA US LLC	-	8,069	-	-
Magneti Marelli	628	6,286	-	-
Other FCA Group companies	186	2,302	48	-
Total FCA Group companies	**105,148**	**21,659**	**48**	**87,510**
Exor Group companies (excluding the FCA Group)				
Exor Group companies	**-**	**61**	**-**	**-**
Other related parties				
Poltrona Frau	1,665	6,293	-	-
COXA S.p.A.	29	1,173	-	-
HPE S.r.l.	1	557	-	-
Other related parties	1,647	29	-	-
Total other related parties	**3,342**	**8,052**	**-**	**-**
Total transactions with related parties	**108,490**	**29,772**	**48**	**87,510**
Total for the Group	**205,925**	**485,948**	**39,163**	**470,325**

	At December 31, 2012			
	Trade receivables	Trade payables	Other current assets	Other liabilities
	(€ thousand)			
FCA Group companies				
Maserati	54,624	5,129	2,544	47,536
FCA US LLC	-	520	-	-
Magneti Marelli	450	5,330	-	-
Other FCA Group companies	207	5,150	-	1
Total FCA Group companies	**55,281**	**16,129**	**2,544**	**47,537**
Exor Group companies (excluding the FCA Group)				
Exor Group companies	**4**	**85**	**-**	**-**
Other related parties				
Poltrona Frau	1,441	8,304	-	-
COXA S.p.A.	17	678	-	-
HPE S.r.l.	-	402	-	-
Other related parties	1,653	658	-	-
Total other related parties	**3,111**	**10,042**	**-**	**-**
Total transactions with related parties	**58,396**	**26,256**	**2,544**	**47,537**
Total for the Group	**135,641**	**479,974**	**50,567**	**333,988**

Financial assets and liabilities originating from related party transactions are as follows:

	At December 31, 2014		
	Deposits in FCA Group cash management pools	Receivables from financing activities	Debt
	(€ thousand)		
FCA Group finance companies	942,469	-	378,542
Maserati	-	147,071	-
Automotive Lighting LLC	-	14,232	-
Total transactions with related parties	**942,469**	**161,303**	**378,542**
Total for the Group	**942,469**	**1,224,446**	**510,220**

	At December 31, 2013		
	Deposits in FCA Group cash management pools	Receivables from financing activities	Debt
	(€ thousand)		
FCA Group finance companies	683,672	-	241,577
Maserati	-	55,515	-
Fiat Powertrain Technologies (Shanghai) R&D Co. Ltd	-	3,593	-
Total transactions with related parties	**683,672**	**59,108**	**241,577**
Total for the Group	**683,672**	**862,764**	**317,304**

	At December 31, 2012		
	Deposits in FCA Group cash management pools	Receivables from financing activities	Debt
		(€ thousand)	
FCA Group finance companies	457,161	-	196,373
Maserati	-	22,730	-
Comau Shanghai Co. Ltd		1,460	
Fiat Powertrain Technologies (Shanghai) R&D Co. Ltd	-	1,460	-
Total transactions with related parties	**457,161**	**25,650**	**196,373**
Total for the Group	**457,161**	**803,205**	**261,347**

Emoluments to Directors and Statutory Auditors

The fees of the Directors and Statutory Auditors of Ferrari S.p.A. for carrying out their respective functions, including those in other consolidated companies, are as follows:

	For the years ended December 31,		
	2014	2013	2012
		(€ thousand)	
Directors	20,676	8,198	9,217
Statutory auditors	164	139	139
Total emoluments	**20,840**	**8,337**	**9,356**

The aggregate compensation payable to directors was €20,676 thousand for 2014 (€8,198 thousand in 2013 and €9,217 thousand in 2012). This is inclusive of the following:

- an amount of €4,132 thousand in 2014 (€7,566 thousand in 2013 and €7,781 thousand in 2012) for salary;
- an amount of €15,027 thousand in 2014 for compensation costs related to the resignation of the former Chairman of the Group. At December 31, 2014, the total payable to the former Chairman amounted to €22,083 thousand, and included the amount due for the post-employment benefit plan; and
- an amount of €1,517 thousand in 2014 (€632 thousand in 2013 and €1,436 thousand in 2012) as the Group's contribution to defined benefit obligations and long-term bonus plans.

28. COMMITMENTS

Arrangements with Key Suppliers

From time to time, in the ordinary course of our business, the Group enters into various arrangements with key third party suppliers in order to establish strategic and technological advantages. A limited number of these arrangements contain unconditional purchase obligations to purchase a fixed or minimum quantity of goods and/or services with fixed and determinable price provisions. Future minimum purchase obligations under these arrangements at December 31, 2014 were as follows:

	At December 31, 2014				
	Due within one year	Due between one and three years	Due between three and five years	Due beyond five years	Total
			(€ thousand)		
Minimum purchase obligations	56,261	40,500	7,434	5,953	110,148

Operating lease agreements

The future aggregate minimum lease payments under non-cancellable operating leases, mainly relating to the lease of property and cars, are as follows:

	At December 31, 2014				
	Due within one year	Due between one and three years	Due between three and five years	Due beyond five years	Total
			(€ thousand)		
Future minimum lease payments under operating lease agreements	9,181	12,848	3,149	486	25,664

During 2014, the Group's operating lease expenses amounted to €14,881 thousand (€15,349 thousand in 2013 and €14,813 thousand in 2012).

29. QUALITATIVE AND QUANTITATIVE INFORMATION ON FINANCIAL RISKS

The Group is exposed to the following financial risks connected with its operations:

- credit risk, arising both from its normal commercial relations with final clients and dealers, and its financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit market, should the Group require, and to financial instruments in general;
- financial market risk (principally relating to foreign currency exchange rates, and to a much lesser extent, interest rates), as the Group operates internationally in different currencies.

These risks could significantly affect the Group's financial position and results of operations, and for this reason the Group identifies and monitors these risks, in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group. The quantitative data reported in the following section does not have any predictive value, in particular the sensitivity analysis on finance market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Credit risk

Credit risk is the risk of economic loss arising from the failure to collect a receivable. Credit risk encompasses the direct risk of default and the risk of a deterioration of the creditworthiness of the counterparty.

The maximum credit risk to which the Group is theoretically exposed at December 31, 2014 is represented by the carrying amounts of the financial assets stated in the consolidated statement of financial position sheet and the nominal value of the guarantees provided.

Dealers and clients are subject to a specific evaluation of their creditworthiness. Additionally, it is Group practice to obtain financial guarantees against risks associated with credit granted for the purchase of cars and parts. These guarantees are further strengthened, where possible, by retaining title on cars subject to financing agreement.

Credit positions of material significance are evaluated on an individual basis. Where objective evidence exists that they are uncollectible, in whole or in part, specific write-downs are recognized. The amount of the write-down is based on an estimate of the recoverable cash flows, timing of those cash flows, the cost of recovery and the fair value of any guarantees received.

Receivables from financing activities amounting to €1,224,446 thousand at December 31, 2014 (€862,764 thousand at December 31, 2013 and €803,205 thousand at December 31, 2012) are shown net of the allowance for doubtful accounts amounting to €14,201 thousand (€10,865 thousand at December 31, 2013 and €10,285 thousand at December 31, 2012). After considering the allowance for doubtful accounts, €12,032 thousand of receivables were overdue (€14,707 thousand at December 31, 2013 and €12,207 thousand at December 31, 2012). Therefore, overdue receivables represent a minor portion of our receivables from financing activities.

In addition, of the total receivables from financing activities, €1,059,592 thousand (€799,872 thousand at December 31, 2013 and €773,908 thousand at December 31, 2012) relate to the financial services portfolio and such receivables are generally secured on the titles of cars or with other guarantees.

Trade receivables amounting to €183,642 thousand at December 31, 2014 (€205,925 thousand at December 31, 2013 and €135,641 thousand at December 31, 2012) are shown net of the allowance for doubtful accounts amounting to €14,664 thousand (€30,198 thousand at December 31, 2013 and €24,926 thousand at December 31, 2012). After considering the allowance for doubtful accounts, €4,153 thousand of receivables were overdue (€30,806 thousand at December 31, 2013 and €18,666 thousand at December 31, 2012). The overdue receivables at December 31, 2013 included €25,237 thousand related to the rental of engines to other Formula 1 racing teams, of which €19,345 thousand was collected during 2014. Overdue trade receivables at December 31, 2012 included €10,931 thousand which was written-off in 2013.

Liquidity risk

Liquidity risk arises if the Group is unable to obtain the funds needed to carry out its operations under economic conditions. The main determinant of the Group's liquidity position is the cash generated by or used in operating and investing activities.

Intercompany financing between Group entities is not restricted other than through the application of covenants requiring that transactions with related parties be conducted at arm's length terms.

Details on the maturity profile of the Group's financial assets and liabilities and on the structure of derivative financial instruments are provided in Notes 19 and 23. Details of the repayment of derivative financial instruments are provided in Note 19.

The Group believes that the funds currently available to it, in addition to those that will be generated from operating activities, will enable Ferrari to satisfy the requirements of its investing activities and working capital needs, fulfill its obligations to repay its debt and ensure an appropriate level of operating and strategic flexibility. The Group, therefore believes there is no significant risk of a lack of liquidity. As a consequence, potential fluctuations in interest rates would not have a material impact on the consolidated income statement and, therefore, an interest rate sensitivity analysis has not been conducted.

Financial market risks

The Group's primary market risk is exposure to foreign currency, which arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.

Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the consolidated income statement within the net financial income/(expenses) line item or as cost of sales for charges arising from financial services companies.

The impact of foreign currency exchange rate differences recorded within financial income/(expenses) for the year ended December 31, 2014, except for those arising on financial instruments measured at fair value, amounted to net income of €15,663 thousand (net expenses of €9,110 thousand and €704 thousand for the years ended December 31, 2013 and 2012, respectively).

The impact of foreign currency exchange rate differences arising from financial services companies, recognized under cost of sales, for the year ended December 31, 2014 amounted to net income of €14,575 thousand (net expenses of €4,107 thousand and €148 thousand for the years ended December 31, 2013 and 2012, respectively).

The Group's exposure to interest rate risk, though less significant, arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing the Group's net profit/(loss), thereby indirectly affecting the costs and returns of financing and investing transactions.

These financial market risks could significantly affect the Group's financial position and results of operations, and for this reason these risks are identified and monitored, in order to detect potential negative effects in advance and take the necessary actions to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments.

As part of the FCA Group, the Group has applied the FCA Group policy, which foresees the use of derivative financial instruments to hedge foreign currency exchange rate risk. In particular, the Group has used derivative financial instruments as cash flow hedges for the purpose of fixing the foreign currency exchange rate at which a predetermined proportion of forecasted transactions denominated in foreign currencies will be accounted for. Accordingly, as a result of applying the FCA Group policies with respect to foreign currency exchange exposure, the Group's results of operations have not been fully exposed to fluctuations in foreign currency exchange rates.

The foreign currency exchange rate exposure on forecasted commercial flows is hedged by derivative financial instruments. Despite these hedging transactions, sudden adverse movements in foreign currency exchange rates could have a significant effect on the Group's earnings and cash flows.

Information on the fair value of derivative financial instruments held is provided in Note 19.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have. The quantitative data reported below does not have any predictive value, in particular the sensitivity analysis on financial market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Quantitative information on foreign currency exchange rate risk

The Group is exposed to risk resulting from changes in foreign currency exchange rates, which can affect its earnings and equity. In particular:

- where a Group company incurs costs in a currency different from that of its revenues, any change in foreign currency exchange rates can affect the operating results of that company. In 2014, the total trade flows exposed to foreign currency exchange rate risk amounted to the equivalent of 44 percent of the Group's turnover (45 percent in 2013 and 50 percent in 2012).
- The main foreign currency exchange rate to which the Group is exposed is the Euro/U.S. Dollar for sales in U.S. Dollar in the United States, Canada and Mexico and other markets where the U.S. Dollar is the reference currency. In 2014, the value of commercial activity exposed to changes in the Euro/U.S. Dollar exchange rate accounted for about 63 percent (63 percent in 2013 and 61 percent in 2012) of the total currency risk from commercial activity. Other significant exposures included the exchange rate between the Euro and the following currencies: Swiss Franc, Pound Sterling, Australian Dollar, Japanese Yen, Chinese Yuan and Hong Kong Dollar. None of these exposures, taken individually, exceeded 10 percent of the Group's total foreign currency exchange rate exposure for commercial activity in 2014, with the exception of the Pound Sterling, which represented approximately 12 percent (13 percent in 2013 and 12 percent in 2012). It is the Group's policy to use derivative financial instruments to hedge a certain percentage of the exposure, on average between 50 percent and 90 percent. Until 2014, some exposures were covered over a 24-month rolling period, and since 2015 such timeframe has been reduced to 12 months for all currencies. For firm commitments, the policy is to fully hedge the exposure.
- Several subsidiaries are located in countries that are outside the Eurozone, in particular the United States, the United Kingdom, Switzerland, China, Hong Kong, Japan, Australia and Singapore. As the Group's reporting currency is the Euro, the income statements of those companies are converted into Euro using the average exchange rate for the period and, even if revenues and margins are unchanged in local currency, changes in exchange rates can impact the amount of revenues, costs and profit as restated in Euro.
- The amount of assets and liabilities of consolidated companies that report in a currency other than the Euro may vary from period to period as a result of changes in exchange rates. The effects of these changes are recognized directly in equity as a component of other comprehensive income/(loss) under gains/(losses) from currency translation differences.

The Group monitors its principal exposure to conversion exchange risk, although there was no specific hedging in this respect at the reporting date.

There have been no substantial changes in 2014 in the nature or structure of exposure to foreign currency exchange rate risk or in the Group's hedging policies.

The potential decrease in fair value of derivative financial instruments held by the Group at December 31, 2014 to hedge against foreign currency exchange rate risk, which would arise in the case of a hypothetical, immediate and adverse change of 10 percent in the exchange rates of the major foreign currencies with the Euro, would be approximately €177,704 thousand (€147,312 thousand at December 31, 2013 and €162,273 thousand at December 31, 2012). Receivables, payables and future trade flows for which hedges have been put in place were not included in the analysis. It is reasonable to assume that changes in foreign currency exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Information on interest rate risk

Our exposure to interest rate risk, though less significant, arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing our net profit/(loss), thereby indirectly affecting the costs and returns of financing and investing transactions.

These financial market risks could significantly affect our financial position and results of operations, and for this reason these risks are identified and monitored, in order to detect potential negative effects in advance and take the necessary actions to mitigate them, primarily through our operating and financing activities and if required, through the use of derivative financial instruments. The Company did not enter into any interest rate derivatives in the periods covered by the Consolidated Financial Statements.

Our most significant floating rate financial assets are our deposits in FCA Group cash management pools, cash and cash equivalents and certain receivables from financing activities (mainly financial receivables from FCA Group companies, factoring receivables, dealer financing and some client financing receivables) while our debt generally bears floating rates of interest. At December 31, 2014, a 10 basis point decrease in interest rates on such floating rate financial assets and debt, with all other variables held constant, would have resulted in a decrease in profit before taxes of €598 thousand on an annual basis (€481 thousand at December 31, 2013 and €340 thousand at December 31, 2012). The analysis is based on the assumption that floating rate financial assets and debt which expires during the projected 12 month period will be renewed or reinvested in similar instruments, bearing the hypothetical short-term interest rates.

30. ENTITY-WIDE DISCLOSURES

The following table presents an analysis of net revenues by geographic location of the Group's clients:

	For the years ended December 31,		
	2014	**2013**	**2012**
		(€ thousand)	
Italy	514,277	372,817	216,331
Other EMEA	1,113,823	1,008,015	1,049,188
Americas(1)	635,507	536,483	505,940
Greater China(2)	289,069	235,399	239,589
Rest of APAC(3)	209,684	182,556	214,159
Total net revenues	**2,762,360**	**2,335,270**	**2,225,207**

(1) Includes United States, Canada, Mexico and the rest of Central and South America

(2) Includes mainland China, Hong Kong and Taiwan
(3) Mainly relates to Japan and Australia

The following table presents an analysis of non-current assets other than financial instruments and deferred tax assets by geographic location:

	At December 31, 2014			
	Property, plant and equipment	Investment properties	Goodwill	Intangible assets
	(€ thousand)			
Italy	576,388	35,565	787,178	260,990
Other EMEA	3,194	-	-	2,205
Americas(1)	3,696	-	-	1,035
Greater China(2)	711	-	-	1
Rest of APAC(3)	1,196	-	-	1,031
Total	**585,185**	**35,565**	**787,178**	**265,262**

(1) Includes United States, Canada, Mexico and the rest of Central and South America
(2) Includes mainland China, Hong Kong and Taiwan
(3) Mainly relates to Japan and Australia

	At December 31, 2013			
	Property, plant and equipment	Investment properties	Goodwill	Intangible assets
	(€ thousand)			
Italy	559,007	36,640	787,178	238,324
Other EMEA	3,373	-	-	2,288
Americas(1)	3,366	-	-	657
Greater China(2)	1,589	-	-	229
Rest of APAC(3)	479	-	-	669
Total	**567,814**	**36,640**	**787,178**	**242,167**

(1) Includes United States, Canada, Mexico and the rest of Central and South America
(2) Includes mainland China, Hong Kong and Taiwan
(3) Mainly relates to Japan and Australia

	At December 31, 2012			
	Property, plant and equipment	Investment properties	Goodwill	Intangible assets
	(€ thousand)			
Italy	536,190	37,906	787,178	263,576
Other EMEA	3,597	-	-	1,039
Americas(1)	3,592	-	-	123
Greater China(2)	564	-	-	5
Rest of APAC(3)	663	-	-	323
Total	**544,606**	**37,906**	**787,178**	**265,066**

(4) Includes United States, Canada, Mexico and the rest of Central and South America
(5) Includes mainland China, Hong Kong and Taiwan
Mainly relates to Japan and Australia

31. SUBSEQUENT EVENTS

The Group has evaluated subsequent events through October 19, 2015, which is the date the consolidated financial statements were authorized for issuance.

On July 14, 2015, we issued a safety recall report with the NHTSA, after being notified by Takata Corporation that certain driver's side airbags manufactured by Takata, installed in certain model year 2015 cars, were defective. The recall impacts 814 of our model year 2015 cars sold in the United States and also relates to up to an additional 1,600 model year 2015 cars in other regions. The defect, caused by pre-assembled airbags supplied by Takata, relates to insufficient gluing of the airbag cover and a possible incorrect installation of the driver's airbag cushion. The replacement component has been produced with improved gluing methods as well as improved airbag assembly measures. We have implemented a recall to remedy this safety defect. The estimated costs associated with this recall are not expected to be material.

On September 23, 2015, the Group signed an agreement to sell a group of assets related to its investment properties in Modena, Italy, to the tenant, Maserati S.p.A., an FCA Group company. The total sale price amounted to €37 million and reflects the market value of the assets, as determined by an independent valuation. At June 30, 2015, the net book value of the assets and liabilities disposed of was €31 million.