UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2018

Commission File No. 001-37596

FERRARI N.V.
(Translation of Registrant's Name Into English)

Via Abetone Inferiore n.4
I-41053 Maranello (MO)
Italy
Tel. No.: +39 0536 949111
(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F ☑ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule101(b)(7): ☐

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☑

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

EXPLANATORY NOTE

The following exhibit is furnished herewith:

Exhibit 99.1	Ferrari N.V. Interim Report for the three months ended March 31, 2018.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 3, 2018

FERRARI N.V.

By: /s/ Alessandro Gili

Name: Alessandro Gili

Title: Chief Financial Officer

INDEX OF EXHIBITS

Exhibit Number	Description of Exhibit
99.1	Ferrari N.V. Interim Report for the three months ended March 31, 2018.

Exhibit 99.1

Ferrari N.V.

Interim Report
At and for the three months ended March 31, 2018

CONTENTS

BOARD OF DIRECTORS

Chairman and Chief Executive Officer

Sergio Marchionne

Directors

John Elkann
Piero Ferrari

Delphine Arnault
Louis C. Camilleri
Giuseppina Capaldo
Eddy Cue
Sergio Duca
Lapo Elkann
Amedeo Felisa
Maria Patrizia Grieco
Adam Keswick
Elena Zambon

INDEPENDENT AUDITORS

Ernst & Young S.p.A.

CERTAIN DEFINED TERMS

In this report (the "Interim Report"), unless otherwise specified, the terms "we," "our," "us," the "Group," the "Company" and "Ferrari" refer to Ferrari N.V., individually or together with its subsidiaries, as the context may require. References to "FCA" or "FCA Group" refer to Fiat Chrysler Automobiles N.V., together with its subsidiaries as the context may require.

INTRODUCTION

The interim condensed consolidated financial statements at and for the three months ended March 31, 2018 (the "Interim Condensed Consolidated Financial Statements") included in this Interim Report have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and in accordance with IFRS as endorsed by the European Union, and in particular, in compliance with IAS 34 - Interim Financial Reporting. The accounting principles applied are consistent with those used for the preparation of the annual consolidated financial statements at and for the year ended December 31, 2017 (the "Annual Consolidated Financial Statements"), except as otherwise stated in "New standards and amendments effective from January 1, 2018" in the notes to the Interim Condensed Consolidated Financial Statements.

The Group's financial information in this Interim Report is presented in Euro except that, in some instances, information is presented in U.S. Dollars. All references in this report 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. Dollar," "U.S.$" and "$" refer to the currency of the United States of America (or "United States").

Certain totals in the tables included in this Interim Report may not add due to rounding.

The financial data in "Results of Operations" is presented in millions of Euro, while the percentages presented are calculated using the underlying figures in thousands of Euro.

This Interim Report is unaudited.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Highlights

Consolidated Income Statement Data

	For the three months ended March 31,	
	2018	**2017**
Net revenues	831	821
EBIT	210	177
Profit before taxes	206	173
Net profit	149	124
Net profit attributable to:		
Owners of the parent	*148*	*124*
Non-controlling interests	*1*	—
Basic and diluted earnings per common share (€) [(1)]	0.78	0.65

(1) See Note 13 "Earnings per share" 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 March 31, 2018	At December 31, 2017
	(€ million)	
Cash and cash equivalents	743	648
Total assets	4,361	4,141
Debt	1,822	1,806
Total equity	898	784
Equity attributable to owners of the parent	*894*	*779*
Non-controlling interests	*4*	*5*
Share capital	3	3
Common shares issued and outstanding (in thousands of shares)	188,646	188,954

Other Statistical Information

Shipments

(Number of cars and % of total cars)	For the three months ended March 31,			
	2018	**%**	**2017**	**%**
EMEA				
UK	281	13.2 %	254	12.7 %
Germany	204	9.6 %	196	9.8 %
Italy	119	5.6 %	103	5.1 %
France	101	4.7 %	92	4.6 %
Switzerland	97	4.6 %	94	4.7 %
Middle East (1)	58	2.7 %	114	5.7 %
Rest of EMEA (2)	243	11.5 %	181	9.0 %
Total EMEA	**1,103**	**51.9%**	**1,034**	**51.6%**
Americas (3)	569	26.7 %	545	27.2 %
China, Hong Kong and Taiwan (on a combined basis)	183	8.6 %	161	8.0 %
Rest of APAC (4)	273	12.8 %	263	13.2 %
Total	**2,128**	**100.0%**	**2,003**	**100.0%**

(1) Middle East mainly 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 United States of America, Canada, Mexico, the Caribbean and Central and South America.
(4) Rest of APAC mainly includes Japan, Australia, Singapore, Indonesia and South Korea.

Average number of employees for the period

	For the three months ended March 31,	
	2018	**2017**
Average number of employees for the period	3,472	3,317

Share buyback program

On February 9, 2018 the Company announced its intention to launch a share buyback program. The Company expects the program to involve the repurchase from time to time of up to €100 million in common shares. The program is intended to optimize the capital structure of the Company. Shares repurchased may be used to meet the Company's obligations arising from the equity incentive plan approved in 2017. Under the program, as of March 31, 2018, the Company purchased an aggregate of 190,600 common shares on the New York Stock Exchange (NYSE) and an aggregate of 117,256 common shares on the Italian Stock Exchange (MTA), for an aggregate of 307,856 common shares purchased and a total aggregate consideration of €30,056,649. As of March 31, 2018 the Company held 5,277,481 common shares in treasury, and in total the Company held 2.11 percent of the total issued share capital in treasury, including the common shares and the special voting shares.

See *Note 20 "Equity"* to the Interim Condensed Consolidated Financial Statements for additional details.

Forward-Looking Statements

Statements contained in this report, particularly those regarding our possible or assumed future performance 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 involve significant risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements. These factors include, without limitation:

- *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;*
- *the challenges and costs of integrating hybrid technology more broadly into our car portfolio over time;*
- *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, including changes in some of the markets in which we operate, 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;*
- *our ability to service and refinance our debt;*
- *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, including possible future bans of combustion engine cars in cities and the potential advent of self-driving technologies;*

- *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;*
- *our ability to maintain the functional and efficient operation of our information technology systems, including our ability to defend from the risk of cyberattacks on our in-vehicle technology; and*
- *other factors discussed elsewhere in this document.*

We expressly disclaim and do not assume any liability in connection with any inaccuracies in any of the forward-looking statements in this document or in connection with any use by any third party of such forward-looking statements. Actual results could differ materially from those anticipated in such forward-looking statements. We do not undertake an obligation to update or revise publicly any forward-looking statements.

Non-GAAP Financial Measures

We monitor and evaluate our operating and financial performance using several non-GAAP financial measures including: EBITDA, Adjusted EBITDA, Adjusted EBIT, Adjusted Net Profit, Adjusted Basic and Diluted Earnings per Common Share, Net Debt, Net Industrial Debt, Free Cash Flow and Free Cash Flow from Industrial Activities, as well as a number of financial metrics measured on a constant currency basis. We believe that these non-GAAP financial measures provide useful and relevant information regarding our performance and our ability to assess our financial performance and financial position. They also provide us 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 we operate, the financial measures we use 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 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 months ended March 31, 2018 and 2017, 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 March 31,	
	2018	**2017**
	(€ million)	
Net profit	149	124
Income tax expense	57	49
Net financial expenses	4	4
Amortization and depreciation	62	65
EBITDA	**272**	**242**
Adjusted EBITDA	**272**	**242**

Adjusted EBIT

Adjusted EBIT represents EBIT as adjusted for income and costs, which are significant in nature, but expected to occur infrequently. We present 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 months ended March 31, 2018 and 2017.

	For the three months ended March 31,	
	2018	**2017**
	(€ million)	
EBIT	**210**	**177**
Adjusted EBIT	**210**	**177**

Adjusted Net Profit

Adjusted Net Profit represents net profit as adjusted for income and costs (net of tax effect), which are significant in nature, but expected to occur infrequently. We present 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 Net Profit for the three months ended March 31, 2018 and 2017.

	For the three months ended March 31,	
	2018	**2017**
	(€ million)	
Net profit	**149**	**124**
Adjusted Net Profit	**149**	**124**

Adjusted Basic and Diluted Earnings per Common Share

Adjusted Basic and Diluted Earnings per Common Share represents earnings per share, as adjusted for income and costs (net of tax effect), which are significant in nature, but expected to occur infrequently. We present 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 Basic and Diluted Earnings per Common Share for the three months ended March 31, 2018 and 2017.

		For the three months ended March 31,	
		2018	**2017**
		(€ million)	
Net profit attributable to owners of the Company	**€ million**	**148**	**124**
Adjusted profit attributable to owners of the Company	**€ million**	**148**	**124**
Weighted average number of common shares	thousand	188,846	188,948
Adjusted basic earnings per common share	**€**	**0.78**	**0.65**
Weighted average number of common shares for diluted earnings per common share	thousand	189,651	189,758
Adjusted diluted earnings per common share [(1)]	**€**	**0.78**	**0.65**

(1) *For the three months ended March 31, 2018, the weighted average number of shares for diluted earnings per share was increased to take into consideration the theoretical effect of the potential common shares that would be issued for the equity incentive program.*

For the three months ended March 31, 2017, the weighted average number of shares for diluted earnings per share was increased to take into consideration the theoretical effect of (i) the potential common shares that would be issued for the equity incentive program and (ii) the potential common shares that would be issued for the Non-Executive Directors' compensation agreement.

Net Debt and Net Industrial Debt

Net Industrial Debt is the primary measure used by us to analyze our financial leverage and capital structure, and is one of the key indicators, together with Net Debt, we use to measure our financial position. These measures are presented by management to aid investors in their analysis of the Group's financial position and financial performance and to compare the Group's financial position and financial performance with that of other companies. Net Industrial Debt is defined as total debt less cash and cash equivalents (Net Debt), further adjusted to exclude the funded portion of the self-liquidating financial receivables portfolio, which is the portion of our receivables from financing activities that we fund with external debt or intercompany loans.

The following table sets forth a reconciliation of Net Debt and Net Industrial Debt at March 31, 2018 and December 31, 2017.

	At March 31,	**At December 31,**
	2018	**2017**
	(€ million)	
Cash and cash equivalents	743	648
Financial liabilities with third parties	(1,822)	(1,806)
Net Debt	**(1,079)**	**(1,158)**
Funded portion of the self-liquidating financial receivables portfolio	666	685
Net Industrial Debt	**(413)**	**(473)**

Free Cash Flow and Free Cash Flow from Industrial Activities

Free Cash Flow and Free Cash Flow from Industrial Activities are two of our primary key performance indicators to measure the Group's performance. These measures are presented by management to aid investors in their analysis of the Group's financial performance and to compare the Group's financial performance with that of other companies. Free Cash Flow is defined as cash flows from operating activities less cash flows used in investing activities. Free Cash Flow from Industrial Activities is defined as Free Cash Flow adjusted for the change in the self-liquidating financial receivables portfolio, which is the change in our receivables from financing activities. The following table sets forth our Free Cash Flow and Free Cash Flow from Industrial Activities for the three months ended March 31, 2018 and 2017.

	For the three months ended March 31,	
	2018	**2017**
	(€ million)	
Cash flows from operating activities	210	142
Cash flows used in investing activities	(121)	(64)
Free Cash Flow	**89**	**78**
Change in the self-liquidating financial receivables portfolio	6	(2)
Free Cash Flow from Industrial Activities	**95**	**76**

Cash flows used in investing activities for the three months ended March 31, 2017 are net of €8 million proceeds from exercising the Delta Topco option.

Constant Currency Information

The "Results of Operations" discussion below includes information about our net revenues on a constant currency basis. We use this information to assess how the underlying business has performed independent of fluctuations in foreign currency exchange rates. We calculate 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 5 "Other Information" to the Interim Condensed

Consolidated Financial Statements included in this Interim Report for information on the foreign currency exchange rates applied). Although we do not believe that these measures are a substitute for GAAP measures, we do believe that such results excluding the impact of currency fluctuations 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 the three months ended March 31, 2018 and 2017, we would have reported €81.4 million in net revenues for the three months ended March 31, 2018 (using the average exchange rate of 1.2292 for the three months ended March 31, 2018), or a €12.5 million decrease over €93.9 million in net revenues reported for three months ended March 31, 2017 (using the average exchange rate of 1.0648 for the three months ended March 31, 2017). The constant currency presentation would translate the net revenues for the three months ended March 31, 2018 using the foreign currency exchange rates for the three months ended March 31, 2017, and therefore indicate that the underlying net revenues on a constant currency basis were unchanged from period to period.

Results of Operations

Three months ended March 31, 2018 compared to three months ended March 31, 2017

The following is a discussion of the results of operations for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. The presentation includes line items as a percentage of net revenues for the respective periods presented to facilitate period-to-period comparisons.

	For the three months ended March 31,			
	2018	Percentage of net revenues	2017	Percentage of net revenues
	(€ million, except percentages)			
Net revenues	831	100.0 %	821	100.0 %
Cost of sales	391	47.0 %	398	48.5 %
Selling, general and administrative costs	66	8.0 %	73	8.8 %
Research and development costs	173	20.8 %	172	21.0 %
Other (income)/expenses, net	(9)	(1.1)%	2	0.2 %
Result from investments	—	— %	1	0.1 %
EBIT	**210**	**25.3 %**	**177**	**21.6%**
Net financial expenses	4	0.6 %	4	0.4 %
Profit before taxes	**206**	**24.7 %**	**173**	**21.2%**
Income tax expense	57	6.9 %	49	6.0 %
Net profit	**149**	**17.8 %**	**124**	**15.1%**

Net revenues

	For the three months ended March 31,				Increase/(Decrease)	
	2018	Percentage of net revenues	2017	Percentage of net revenues	2018 vs. 2017	
	(€ million, except percentages)					
Cars and spare parts[1]	612	73.6 %	581	70.8 %	31	5.2 %
Engines[2]	77	9.2 %	104	12.7 %	(27)	(26.5)%
Sponsorship, commercial and brand[3]	125	15.1 %	123	14.9 %	2	2.3 %
Other[4]	17	2.1 %	13	1.6 %	4	34.9 %
Total net revenues	**831**	**100.0%**	**821**	**100.0%**	**10**	**1.3 %**

(1) Includes the net revenues generated from shipments of our cars, including any personalization net revenues 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 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 activities and net revenues from the management of the Mugello racetrack.

Net revenues for the three months ended March 31, 2018 were €831 million, an increase of €10 million, or 1.3 percent (an increase of 6.3 percent on a constant currency basis), from €821 million for the three months ended March 31, 2017.

The increase in net revenues, including the negative impact of foreign currency, was attributable to the combination of (i) a €31 million increase in cars and spare parts net revenues, (ii) a €4 million increase in other net revenues, and (iii) a €2 million increase in sponsorship, commercial and brand net revenues, partially offset by (iv) a €27 million decrease in engines net revenues.

Cars and spare parts

Net revenues generated from cars and spare parts were €612 million for the three months ended March 31, 2018, an increase of €31 million, or 5.2 percent, from €581 million for the three months ended March 31, 2017. The increase was attributable to a €36 million increase in net revenues from range and special series cars and spare parts, partially offset by a €5 million decrease in net revenues from supercars and limited edition cars.

The €36 million increase in net revenues from range and special series cars and spare parts was principally attributable to an increase in shipments of approximately 130 cars (excluding the LaFerrari Aperta) and positive mix, along with a positive contribution from personalization programs and pricing increases, partially offset by negative foreign currency exchange impact. Shipments of V12 range and special series models increased by approximately 27 percent, primarily attributable to shipments of the 812Superfast, which commenced in the third quarter of 2017, partially offset by a decrease in shipments of the F12tdf, which finished its limited series run in 2017, and the F12berlinetta, which was phased-out in 2017. Shipments of V8 models were substantially in line with prior year, mainly due to an increase in shipments of the 488 family and the GTC4Lusso T, partially offset by the phase out of the California T.

The €36 million increase in net revenues from range and special series cars and spare parts was due to an increase of (i) €39 million in EMEA, (ii) €6 million in China, Hong Kong and Taiwan (on a combined basis), and (iii) €1 million in Rest of APAC, partially offset by a (iv) €10 million decrease in Americas.

The €39 million increase in EMEA net revenues was primarily due to increases of €19 million in Italy, €19 million in Other EMEA, €8 million in the UK, €5 million in Germany, €2 million in France, and €1 million in Switzerland, partially offset by a decrease of €15 million in the Middle East due to a reallocation of shipments triggered by tough market conditions. The increase was primarily attributable to an increase in shipments, including double-digit growth in shipments in Rest of EMEA and Italy, primarily driven by the 812Superfast and the 488 family, and in the UK, primarily driven by the 488 and GTC4Lusso families, along with a greater contribution from personalization programs and pricing increases.

The €6 million increase in China, Hong Kong and Taiwan (on a combined basis) net revenues was primarily attributable to an increase in shipments and positive mix, partially offset by negative foreign currency exchange impact. In particular, the increase in shipments was driven by the 812Superfast as well as the 488 and GTC4Lusso families.

The €1 million increase in Rest of APAC net revenues was attributable to an increase in net revenues in Australia and Japan, partially offset by a decrease in net revenues in other Rest of APAC. The increase in Japan and Australia was driven by positive volume and mix, as well as positive contribution from our personalization programs, partially offset by negative foreign currency exchange impact.

The €10 million decrease in Americas net revenues was primarily attributable to negative foreign currency exchange impact partially offset by positive mix, driven by the 812Superfast, as well as our personalization programs.

The decrease in net revenues from supercars and limited edition cars was attributable to a decrease in shipments of the LaFerrari Aperta, which is about to finish its limited series run.

Engines

Net revenues generated from engines were €77 million for the three months ended March 31, 2018, a decrease of €27 million, or 26.5 percent, from €104 million for the three months ended March 31, 2017. The decrease of €27 million was mainly attributable to a decrease in net revenues generated from the sale of engines to Maserati, driven by a decrease in the number of engines shipped in the first quarter of 2018 compared to the first quarter of 2017 due to lower engine volumes and a different production schedule.

Sponsorship, commercial and brand

Net revenues generated from sponsorship, commercial agreements and brand management activities were €125 million for the three months ended March 31, 2018, an increase of €2 million, or 2.3 percent, from €123 million for the three months ended March 31, 2017. The increase was primarily related to an increase in net revenues from sponsorship revenues and a higher 2017 championship ranking compared to 2016, partially offset by negative foreign exchange impact.

Other

Other net revenues were €17 million for the three months ended March 31, 2018, an increase of €4 million, or 34.9 percent, from €13 million for the three months ended March 31, 2017, primarily due to financial services.

Cost of sales

	For the three months ended March 31,				Increase/(Decrease)	
	2018	Percentage of net revenues	2017	Percentage of net revenues	2018 vs. 2017	
	(€ million, except percentages)					
Cost of sales	391	47.0%	398	48.5%	(7)	(1.7)%

Cost of sales for the three months ended March 31, 2018 was €391 million, a decrease of €7 million, or 1.7 percent from €398 million for the three months ended March 31, 2017. As a percentage of net revenues, cost of sales was 47.0 percent for the three months ended March 31, 2018 compared to 48.5 percent for the three months ended March 31, 2017.

The decrease in cost of sales was primarily attributable to a decrease in costs of €17 million driven by lower engine volumes and a different production schedule with Maserati, as well as supporting activities, partially offset by increased costs of €10 million driven by an increase in volumes and personalization programs.

Selling, general and administrative costs

	For the three months ended March 31,				Increase/(Decrease)	
	2018	Percentage of net revenues	2017	Percentage of net revenues	2018 vs. 2017	
	(€ million, except percentages)					
Selling, general and administrative costs	66	8.0%	73	8.8%	(7)	(8.5)%

Selling, general and administrative costs for the three months ended March 31, 2018 were €66 million, a decrease of €7 million, or 8.5 percent, from €73 million for the three months ended March 31, 2017. As a percentage of net revenues, selling, general and administrative costs were 8.0 percent for the three months ended March 31, 2018 compared to 8.8 percent for the three months ended March 31, 2017.

The decrease in selling, general and administrative costs was primarily attributable to a decrease in share-based compensation expense related to equity incentive plan recognized for the three months ended March 31, 2017.

Research and development costs

	For the three months ended March 31,				Increase/(Decrease)	
	2018	Percentage of net revenues	2017	Percentage of net revenues	2018 vs. 2017	
	(€ million, except percentages)					
Research and development costs expensed during the period	149	17.9 %	146	17.8 %	3	2.0 %
Amortization of capitalized development costs	24	2.9 %	26	3.2 %	(2)	(9.3)%
Research and development costs	**173**	**20.8%**	**172**	**21.0%**	**1**	**0.3 %**

Research and development costs for the three months ended March 31, 2018 were €173 million, an increase of €1 million, or 0.3 percent, from €172 million for the three months ended March 31, 2017. As a percentage of net revenues, research and development costs were 20.8 percent for the three months ended March 31, 2018 compared to 21.0 percent for three months ended March 31, 2017.

The increase in research and development costs during the period was driven by development costs incurred to support product range and components innovation for hybrid technology, partially offset by lower research and development costs for Formula 1 activities.

Other (income)/expenses

	For the three months ended March 31,		Increase/(Decrease)	
	2018	2017	2018 vs. 2017	
	(€ million, except percentages)			
Other (income)/expenses, net	(9)	2	(11)	n.m.

Other (income)/expenses, net for the three months ended March 31, 2018 included (i) other income of €11 million, mainly due to a pronouncement on a prior year's legal dispute and (ii) other expenses of €2 million, mainly related to indirect taxes and other miscellaneous expenses.

Other (income)/expenses, net for the three months ended March 31, 2017 included (i) other expenses of €4 million, mainly related to provision and indirect taxes, partially offset by (ii) other income of €2 million, mainly related to rental income, gains on disposal of property, plant and equipment and other miscellaneous income.

EBIT

	For the three months ended March 31,				Increase/(Decrease)	
	2018	Percentage of net revenues	2017	Percentage of net revenues	2018 vs. 2017	
	(€ million, except percentages)					
EBIT	210	25.3%	177	21.6%	33	18.5%

EBIT for the three months ended March 31, 2018 was €210 million, an increase of €33 million, or 18.5 percent, from €177 million for the three months ended March 31, 2017. As a percentage of net revenues, EBIT was 25.3 percent for the three months ended March 31, 2018 compared to 21.6 percent for the three months ended March 31, 2017.

The increase in EBIT was primarily attributable to (i) positive volume impact of €24 million, (ii) favorable product mix of €15 million, (iii) a decrease of €7 million in selling, general and administrative costs and (iv) €26 million of positive contribution from other supporting activities, which were partially offset by (v) negative net foreign currency exchange impact of €38 million and (vi) an increase in research and development costs of €1 million.

The positive volume impact of €24 million was attributable to an increase in shipments of approximately 130 cars (excluding the LaFerrari Aperta), driven by the 812Superfast and the 488 and GTC4Lusso families, as well as a positive contribution from our personalization programs. The positive product mix of €15 million was primarily attributable to strong performance of our V12 models and pricing increases.

Net financial expenses

	For the three months ended March 31,		Increase/(Decrease)	
	2018	2017	2018 vs. 2017	
	(€ million, except percentages)			
Net financial expenses	4	4	—	n.m.

Net financial expenses for the three months ended March 31, 2018 and 2017 were €4 million. Net financial expenses for the three months ended March 31, 2018, were primarily attributable to interest expenses on debt, and in particular interest expenses on bonds, as well as net foreign exchange losses.

Income tax expense

	For the three months ended March 31,		Increase/(Decrease)	
	2018	2017	2018 vs. 2017	
	(€ million, except percentages)			
Income tax expense	57	49	8	15.9%

Income tax expense for the three months ended March 31, 2018 was €57 million, an increase of €8 million, or 15.9 percent, from €49 million for the three months ended March 31, 2017. The increase in income tax expense was primarily attributable to an increase in profit before taxes, partially offset by additional deductions due to an increase in the cap for eligible research and development costs as well as additional deductions for the depreciation of fixed assets, in accordance with Italian tax legislation.

The effective tax rate (net of IRAP) was 23.3 percent for the three months ended March 31, 2018 compared to 23.7 percent for the three months ended March 31, 2017.

Liquidity and Capital Resources

Liquidity Overview

We require liquidity in order to meet our obligations and fund our 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 our general working capital and operational needs, we expect to use cash for capital expenditures to support our existing and future products. We make capital investments mainly in Italy, for initiatives to introduce new products, enhance manufacturing efficiency, improve capacity, and for maintenance and environmental compliance. Our capital expenditure in 2018 is expected to be approximately €550 million, primarily to support continuous product range renewal and research and development expenditure to transition our product portfolio to hybrid technology. We plan to fund our capital expenditure primarily with cash from our operating activities.

Our business and results of operations depend on our ability to achieve certain minimum car shipment volumes. We have significant fixed costs and therefore, changes in our car shipment volumes can have a significant effect on profitability and liquidity. We centrally manage our operating cash management, liquidity and cash flow requirements with the objective of ensuring effective and efficient management of our funds. We believe that our cash generation together with our current liquidity will be sufficient to meet our obligations and fund our business and capital expenditures.

See the *"Net Debt and Net Industrial Debt"* section below for further details relating to the Group's liquidity.

Cyclical Nature of Our Cash Flows

Our working capital is subject to month to month fluctuations due to, among others, production volumes, activity of our financial services portfolio, timing of tax payments and capital expenditure. In particular, our inventory levels increase in the periods leading up to launches of new models, during the phase-out of prior models and at the end of the second quarter when our inventory levels are higher to support the summer plant shutdown.

The payment of taxes also affects our working capital. We pay our taxes in two advances. In 2017, we paid the remaining balance of 2016 taxes as well as the first advance in relation to 2017 taxes in the second quarter, and we paid the second advance in relation to 2017 taxes in the fourth quarter. In 2018, we expect to pay the remaining balance of 2017 taxes as well as the first advance in relation to 2018 taxes in the second quarter, and to pay the second advance of 2018 taxes in the fourth quarter (excluding any positive effects from the outcome of the Group's application to the patent box tax regime in Italy).

Our capital expenditure requirements are, among others, influenced by the timing of the launch of new models and, in particular, our development costs peak in periods when we develop a significant number of new models to renew or refresh our product range. Going forward, our capital expenditure will also be influenced by research and development expenditure to support product range expansion. In 2018 and future periods we expect that our levels of capital expenditure will increase as we continue our investment in hybrid technology. Capital expenditure is also influenced by the timing of research and development costs for our Formula 1 activities, for which expenditure is generally higher in the first and last quarter of the year.

We tend to generally receive payment for cars between 30 and 40 days after the car is shipped (except when we provide dealer financing or sell invoices to a factor), while we tend to pay most suppliers between 90 and 105 days after we receive the raw materials or components. Additionally, we also receive advance payments from our customers, mainly for our supercars and limited edition cars. We maintain sufficient inventory of raw materials and components to ensure continuity of our production lines but delivery of most raw materials and components takes place monthly or more frequently in order to minimize inventories. The manufacture of one of our cars typically takes between 30 and 45 days, depending on the level of automation of the relevant production line, and the car is generally shipped to our dealers three to six days following the completion of production, although to ensure prompt deliveries in certain regions we may warehouse cars in local markets for longer periods of time. As a result, we tend to receive payment for cars shipped before we are required to make payment for the raw material and components used in manufacturing the cars.

Cash Flows

The following table summarizes the cash flows from/(used in) operating, investing and financing activities for the three months ended March 31, 2018 and 2017. For additional details of our cash flows, see our Interim Condensed Consolidated Financial Statements included elsewhere in this Interim Report.

	For the three months ended March 31,	
	2018	**2017**
	(€ million)	
Cash and cash equivalents at the beginning of the period	**648**	**458**
Cash flows from operating activities	210	142
Cash flows used in investing activities	(121)	(64)
Cash flows from financing activities	7	35
Translation exchange differences	(1)	(2)
Total change in cash and cash equivalents	**95**	**111**
Cash and cash equivalents at the end of the period	**743**	**569**

Operating Activities - Three Months Ended March 31, 2018

Our cash flows from operating activities for the three months ended March 31, 2018 were €210 million, primarily the result of:

(i) profit before taxes of €206 million adjusted for €62 million for depreciation and amortization expense, €9 million related to other net non-cash expenses and provisions as well as €4 million of net finance costs.

These cash inflows were partially offset by:

(i) €30 million related to cash absorbed from the net change in inventories, trade receivables and trade payables, primarily driven by an increase in inventories of €38 million and an increase in trade receivables of €16 million, partially offset by an increase in trade payables of €24 million;

(ii) €18 million relating to cash absorbed by the net change in other operating assets and liabilities, primarily attributable to the payment of employee bonuses;

(iii) €8 million related to cash absorbed from receivables from financing activities;

(iv) €12 million of net finance costs paid; and

(v) €3 million of income taxes paid.

Operating Activities - Three Months Ended March 31, 2017

Our cash flows from operating activities for the three months ended March 31, 2017 were €142 million, primarily the result of:

(i) profit before taxes of €173 million adjusted for €65 million for depreciation and amortization expense, €27 million related to other net non-cash expenses, result from investments and net gains on disposals of property, plant and equipment and intangible assets, €4 million of net finance costs and €1 million in provisions recognized; and

(ii) €2 million related to cash generated by the decrease in receivables from financing activities.

These cash inflows were partially offset by:

(i) €58 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;

(ii) €53 million related to cash absorbed from the net change in inventories, trade receivables and trade payables, primarily driven by an increase in trade receivables of €34 million and an increase in inventories of €36 million, partially offset by an increase in trade payables of €17 million;

(iii) €11 million of net finance costs paid; and

(iv) €8 million of income taxes paid.

Investing Activities - Three Months Ended March 31, 2018

Our cash flows used in investing activities for the three months ended March 31, 2018 were €121 million and were comprised of (i) €62 million of additions to property, plant and equipment, primarily related to the plant and machinery for new models, and (ii) €59 million of additions to intangible assets, mainly related to externally acquired and internally generated development costs. For a detailed analysis of additions to property, plant and equipment and intangible assets see *"Capital Expenditures."*

Investing Activities - Three Months Ended March 31, 2017

Our cash flows used in investing activities for the three months ended March 31, 2017 were €64 million and were comprised of (i) €41 million of additions to property, plant and equipment, primarily related to the plant and machinery for new models, and (ii) €32 million of additions to intangible assets, mainly related to externally acquired and internally generated development costs, partially offset by (iii) €8 million of proceeds from exercising the Delta Topco option and (iv) €1 million of proceeds from disposal of property, plant and equipment. For a detailed analysis of additions to property, plant and equipment and intangible assets see *"Capital Expenditures."*

Financing Activities - Three Months Ended March 31, 2018

Our cash flows from financing activities for the three months ended March 31, 2018 were €7 million, primarily the result of:

(i) €31 million of proceeds net of repayments related to our revolving securitization programs in the U.S.; and

(ii) €6 million related to the net change in other debt; partially offset by

(iii) €30 million paid to repurchase common shares under the Company's share buyback program.

Financing Activities - Three Months Ended March 31, 2017

Our cash flows from financing activities for the three months ended March 31, 2017 were €35 million, primarily the result of:

(i) €28 million of proceeds net of repayments related to our revolving securitization programs in the U.S.; and

(ii) €9 million related to net change in borrowings from banks; partially offset by

(iii) €2 million related to net change in other debt.

Capital Expenditures

Capital expenditures are defined as cash outflows that result in additions to property, plant and equipment and intangible assets. Capital expenditures for the three months ended March 31, 2018 were €121 million and €73 million for the three months ended March 31, 2017.

The following table sets forth a breakdown of capital expenditures by category for each of the three months ended March 31, 2018 and 2017:

	For the three months ended March 31,	
	2018	**2017**
	(€ million)	
Intangible assets		
Externally acquired and internally generated development costs	57	30
Patents, concessions and licenses	2	2
Total intangible assets	**59**	**32**
Property, plant and equipment		
Industrial buildings	1	1
Plant, machinery and equipment	14	12
Other assets	—	2
Advances and assets under construction	47	26
Total property, plant and equipment	**62**	**41**
Total capital expenditures	**121**	**73**

Intangible assets

Our capital expenditures in intangible assets were €59 million and €32 million for the three months ended March 31, 2018 and 2017, respectively, the most significant component of which relates to externally acquired and internally generated development costs and information technologies 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 luxury performance sports cars market.

The increase in externally acquired and internally generated development costs reflects the gradual introduction of hybrid technology in both our sports and GT cars. We believe hybrid technology will be key to providing continuing performance upgrades to our sports car customers, and will also help us capture the preferences of the urban, affluent purchasers of GT cars whom we are increasingly targeting.

For the three months ended March 31, 2018 we invested €57 million in externally acquired and internally generated development costs, of which €41 million related to the development of models to be launched in future years, €10 million related to components and €6 million related to the development of models in our current product portfolio.

For the three months ended March 31, 2017 we invested €30 million in externally acquired and internally generated development costs, of which €22 million related to the development of models to be launched in future years, €5 million related to the development of models in our current product portfolio and €3 million related to components.

Property, plant and equipment

Our capital expenditures in property, plant and equipment were €62 million and €41 million for the three months ended March 31, 2018 and 2017, respectively.

Our most significant investments generally relate to plant, machinery and equipment, and in particular to our car production and engine assembly lines. Investments in plant, machinery and equipment amounted to €14 million and €12 million for the three months ended March 31, 2018 and 2017, respectively.

For the three months ended March 31, 2018 investments in plant, machinery and equipment of €14 million were composed of €9 million principally related to industrial tools needed for the production of cars, €2 million related to the investments in car production lines, €2 million of investments related to our personalization programs and €1 million related to engine assembly lines.

For the three months ended March 31, 2017 investments in plant, machinery and equipment of €12 million were composed of €7 million principally related to industrial tools needed for the production of cars, €2 million related to the investments in car production lines, €2 million of investments related to our personalization programs, and €1 million related to engine assembly lines.

Advances and assets under construction, which amounted to €47 million and €26 million for the three months ended March 31, 2018 and 2017 respectively, primarily related to investments in industrial tools needed for the production of new models as well as investments for the new Ferrari Design Centre.

Net Debt and Net Industrial Debt

Net Industrial Debt is the primary measure used by us to analyze our financial leverage and capital structure, and is one of the key indicators, together with Net Debt, we use to measure our financial position. These measures are presented by management to aid investors in their analysis of the Group's financial position and financial performance and to compare the Group's financial position and financial performance with that of other companies. Net Industrial Debt is defined as total debt less cash and cash equivalents (Net Debt), further adjusted to exclude the funded portion of the self-liquidating financial receivables portfolio, which is the portion of our receivables from financing activities that we fund with external debt or intercompany loans.

The following table sets forth a reconciliation of Net Debt and Net Industrial Debt at March 31, 2018 and December 31, 2017.

	At March 31, 2018	**At December 31, 2017**
	(€ million)	
Cash and cash equivalents	743	648
Total liquidity	**743**	**648**
Bonds	(1,189)	(1,194)
Securitizations	(573)	(556)
Borrowings from banks	(37)	(38)
Other debt	(23)	(18)
Total debt	**(1,822)**	**(1,806)**
Net Debt	**(1,079)**	**(1,158)**
Funded portion of the self-liquidating financial receivables portfolio	666	685
Net Industrial Debt	**(413)**	**(473)**

Cash and cash equivalents

Cash and cash equivalents amounted to €743 million at March 31, 2018 compared to €648 million at December 31, 2017. The increase in cash and cash equivalents was primarily driven by Free Cash Flow from Industrial Activities and proceeds from our securitization programs, partially offset by consideration paid to repurchase common shares under the share buyback program. See *"Free Cash Flow from Industrial Activities"* and *"Cash Flows"* for further details.

Approximately 76% of our cash and cash equivalents were denominated in Euro at March 31, 2018 (approximately 67% at December 31, 2017). Our cash and cash equivalents denominated in currencies other than the Euro are available mostly to Ferrari S.p.A. and certain subsidiaries which operate in areas other than Europe. Cash held in certain countries may be subject to transfer restrictions depending on the jurisdictions in which these subsidiaries operate. In particular, cash held in China (including in foreign currencies), which amounted to €82 million at March 31, 2018 (€66 million at December 31, 2017), is subject to certain

repatriation restrictions and may only be repatriated as dividends. Based on our review, we do not currently believe that such transfer restrictions have an adverse impact on our ability to meet our liquidity requirements.

The following table sets forth an analysis of the currencies in which our cash and cash equivalents were denominated at the dates presented.

	At March 31, 2018	At December 31, 2017
	(€ million)	
Euro	565	435
Chinese Yuan	78	62
U.S. Dollar	61	88
Japanese Yen	10	26
Other currencies	29	37
Total	**743**	**648**

Cash collected from the settlement of receivables or lines of credit pledged as collateral is subject to certain restrictions regarding its use and is principally applied to repay principal and interest of the funding. Such cash amounted to €26 million at March 31, 2018 (€28 million at December 31, 2017).

Total available liquidity

Our total available liquidity (defined as cash and cash equivalents plus undrawn committed credit lines) at March 31, 2018 was €1,243 million (€1,148 million at December 31, 2017).

The following table summarizes our total available liquidity:

	At March 31, 2018	At December 31, 2017
	(€ million)	
Cash and cash equivalents	743	648
Undrawn committed credit lines	500	500
Total available liquidity	**1,243**	**1,148**

The undrawn committed credit lines relates to a revolving credit facility. See *"The Facility"* below for further details.

Borrowings from banks

Borrowings from banks at March 31, 2018 mainly relate to financial liabilities of FFS Inc to support the financial services operations, and in particular (i) €28 million (€29 million at December 31, 2017) relating to a U.S. Dollar denominated credit facility for up to $50 million (drawn down for $35 million at March 31, 2018) and bearing interest at LIBOR plus a range of between 65 and 75 basis points; (ii) other borrowings from banks of €9 million (€9 million at December 31, 2017) relating to various short and medium term credit facilities.

The Facility

On November 30, 2015, the Company, as borrower and guarantor, and certain other members of the Group, as borrowers, entered into a €2.5 billion facility with a syndicate of banks (the "Facility"). At inception, the Facility comprised a bridge loan of €500 million (the "Bridge Loan"), a term loan of €1,500 million (the "Term Loan") and a revolving credit facility of €500 million (the "RCF").

In December 2015 the Bridge Loan and Term Loan were fully drawn down for the purposes of repaying financial liabilities with FCA, including the FCA Note that originated as a result of the Restructuring.

In March 2016, the Bridge Loan was fully repaid, primarily using the proceeds from the 2023 Bond (see "Bonds" below).

In 2016 and 2017 the Company made scheduled payments and voluntary prepayments, funded in part with the proceeds of the 2021 Bond, described under "Bonds" below, to fully repay the Term Loan.

At March 31, 2018 and at December 31, 2017 the RCF was undrawn. Proceeds of the RCF may be used from time to time for general corporate and working capital purposes of the Group. The RCF has a maturity of five years from inception of the Facility.

Bonds

2023 Bond

On March 16, 2016, the Company issued 1.5 percent coupon notes due March 2023, having a principal of €500 million. The bond was issued at a discount for an issue price of 98.977 percent, resulting in net proceeds of €490.7 million after the debt discount and issuance costs. The net proceeds were used, together with additional cash held by the Company, to fully repay the €500 million Bridge Loan under the Facility. The bond is unrated and was admitted to trading on the regulated market of the Irish Stock Exchange. The amount outstanding at March 31, 2018 of €493.6 million includes accrued interest of €0.3 million (€498.9 million including €5.9 million of accrued interest at December 31, 2017).

2021 Bond

On November 16, 2017, the Company issued 0.25 percent coupon notes due January 2021, having a principal of €700 million. The bond was issued at a discount for an issue price of 99.557 percent, resulting in net proceeds of €694.2 million after the debt discount and issuance costs. The net proceeds were primarily used to repay the Term Loan. The bond is unrated and was admitted to trading on the regulated market of the Irish Stock Exchange. The amount outstanding at March 31, 2018 of €695.2 million includes accrued interest of €0.4 million (€694.6 million including €0.2 million of accrued interest at December 31, 2017).

Securitizations

Starting in 2016, FFS Inc has pursued a strategy of self-financing, further reducing dependency on intercompany funding and increasing the portion of self-liquidating debt with various securitization transactions.

On January 19, 2016, FFS Inc entered into a revolving securitization program for funding of up to $250 million by pledging retail financial receivables in the United States as collateral. In 2016, proceeds from the first sale of financial receivables were $242 million and were primarily used to repay intercompany loans. The funding limit of the program has been progressively increased over time, including to $275 million on December 16, 2016, to $325 million on July 14, 2017, to $350 million on December 15, 2017, and to $375 million on March 14, 2018. The notes bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 65 basis points. At March 31, 2018 total proceeds from the sales of financial receivables under the program were $368 million ($325 million at December 31, 2017). The securitization agreement requires the maintenance of an interest rate cap.

On October 20, 2016, FFS Inc entered into a revolving securitization program for funding of up to $200 million by pledging leasing financial receivables in the United States as collateral. In 2016, proceeds from the first sale of financial receivables were $175 million and were primarily used to repay U.S. Dollar denominated bank borrowings. On April 21, 2017 the funding limit of the program was increased to $225 million and this amount remained unchanged in the renewal of the program in September 2017. The notes bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 65 basis points. At March 31, 2018, total proceeds from the sales of financial receivables under the program were $219 million ($222 million at December 31, 2017).The securitization agreement requires the maintenance of an interest rate cap.

On December 28, 2016, FFS Inc entered into a revolving securitization program for funding of up to $120 million by pledging credit lines to Ferrari customers secured by personal vehicle collections and personal guarantees in the United States as collateral. In 2016, proceeds from the first sale of financial receivables were $64 million and were primarily used to repay U.S. Dollar denominated bank borrowings. On December 20, 2017, the funding limit was increased to $135 million. The notes bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 120 basis points. At March 31, 2018 total proceeds from the sales of financial receivables under the program were $119 million ($120 million at December 31, 2017). The securitization agreement does not require an interest rate cap.

Cash collected from the settlement of receivables or lines of credit pledged as collateral is subject to certain restrictions regarding its use and is principally applied to repay principal and interest of the funding. Such cash amounted to €26 million at March 31, 2018 (€28 million at December 31, 2017).

Other debt

Other debt mainly relates to funding for operating activities of the Group.

Free Cash Flow and Free Cash Flow from Industrial Activities

Free Cash Flow and Free Cash Flow from Industrial Activities are two of our primary key performance indicators to measure the Group's performance. These measures are presented by management to aid investors in their analysis of the Group's financial performance and to compare the Group's financial performance with that of other companies. Free Cash Flow is defined as cash flows from operating activities less cash flows used in investing activities. Free Cash Flow from Industrial Activities is defined as Free Cash Flow adjusted for the change in the self-liquidating financial receivables portfolio, which is the change in our receivables from financing activities. The following table sets forth our Free Cash Flow and Free Cash Flow from Industrial Activities for the three months ended March 31, 2018 and 2017.

	For the three months ended March 31,	
	2018	**2017**
	(€ million)	
Cash flows from operating activities	210	142
Cash flows used in investing activities	(121)	(64)
Free Cash Flow	**89**	**78**
Change in the self-liquidating financial receivables portfolio	6	(2)
Free Cash Flow from Industrial Activities	**95**	**76**

Cash flows used in investing activities for the three months ended March 31, 2017 are net of €8 million proceeds from exercising the Delta Topco option.

Free Cash Flow for the three months ended March 31, 2018 was €89 million, an increase of €11 million compared to €78 million for the three months ended March 31, 2017. For an explanation of the drivers in Free Cash Flow see *"Cash Flows"* above.

Free Cash Flow from Industrial Activities for the three months ended March 31, 2018 was €95 million, an increase of €19 million compared to €76 million for the three months ended March 31, 2017. The increase in Free Cash Flow from Industrial Activities was primarily attributable to an increase in Adjusted EBITDA and a decrease in cash absorbed from net working capital, partially offset by an increase in capital expenditures.

Outlook

2018 Outlook confirmed:

- Shipments > 9,000 including supercars
- Net revenues > €3.4 billion
- Adjusted EBITDA ≥ €1.1 billion
- Net Industrial Debt < €400 million including a dividend distribution to the holders of common shares and excluding potential share repurchases
- Capital Expenditures ~ €550 million

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2018

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FERRARI N.V.
INTERIM CONSOLIDATED INCOME STATEMENT
for the three months ended March 31, 2018 and 2017
(Unaudited)

	Note	For the three months ended March 31,	
		2018	2017
		(€ thousand)	
Net revenues	6	831,004	820,600
Cost of sales	7	390,778	397,693
Selling, general and administrative costs	8	66,374	72,577
Research and development costs	9	172,643	172,163
Other (income)/expenses, net	10	(8,808)	1,630
Result from investments		(87)	602
EBIT		**209,930**	**177,139**
Net financial expenses	11	4,338	3,538
Profit before taxes		**205,592**	**173,601**
Income tax expense	12	57,258	49,395
Net profit		**148,334**	**124,206**
Net profit attributable to:			
Owners of the parent		*147,635*	*123,666*
Non-controlling interests		*699*	*540*
Basic and diluted earnings per common share (in €)	13	0.78	0.65

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

FERRARI N.V.
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the three months ended March 31, 2018 and 2017
(Unaudited)

	Note	For the three months ended March 31,	
		2018	2017
		(€ thousand)	
Net profit		**148,334**	**124,206**
Items that may be reclassified to the consolidated income statement in subsequent periods:			
(Losses)/Gains on cash flow hedging instruments	20	(5,370)	13,632
Exchange differences on translating foreign operations	20	(1,638)	(827)
Related tax impact	20	1,498	(3,803)
Total items that may be reclassified to the consolidated income statement in subsequent periods		**(5,510)**	**9,002**
Total other comprehensive (losses)/income, net of tax	20	**(5,510)**	**9,002**
Total comprehensive income		**142,824**	**133,208**
Total comprehensive income attributable to:			
Owners of the parent		*142,100*	*132,698*
Non-controlling interests		*724*	*510*

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements.

FERRARI N.V.
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at March 31, 2018 and at December 31, 2017
(Unaudited)

	Note	At March 31, 2018	At December 31, 2017
		(€ thousand)	
Assets			
Goodwill		785,182	785,182
Intangible assets	14	472,320	440,456
Property, plant and equipment	15	736,436	710,260
Investments and other financial assets	16	29,427	30,038
Deferred tax assets		93,050	94,091
Total non-current assets		**2,116,415**	**2,060,027**
Inventories	17	426,049	393,765
Trade receivables	18	253,953	239,410
Receivables from financing activities	18	721,443	732,947
Current tax receivables	18	6,390	6,125
Other current assets	18	78,428	45,441
Current financial assets	19	14,977	15,683
Cash and cash equivalents		743,030	647,706
Total current assets		**2,244,270**	**2,081,077**
Total assets		**4,360,685**	**4,141,104**
Equity and liabilities			
Equity attributable to owners of the parent		894,170	778,678
Non-controlling interests		3,943	5,258
Total equity	20	**898,113**	**783,936**
Employee benefits		85,225	84,159
Provisions	22	183,546	197,392
Deferred tax liabilities		10,011	10,977
Debt	23	1,822,421	1,806,181
Other liabilities	24	649,000	620,350
Other financial liabilities	19	3,374	1,444
Trade payables	25	628,045	607,505
Current tax payables		80,950	29,160
Total equity and liabilities		**4,360,685**	**4,141,104**

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 three months ended March 31, 2018 and 2017
(Unaudited)

	For the three months ended March 31,	
	2018	**2017**
	(€ thousand)	
Cash and cash equivalents at beginning of the period	**647,706**	**457,784**
Cash flows from operating activities:		
Profit before taxes	205,592	173,601
Amortization and depreciation	62,444	64,758
Provision (releases) / accruals	(3,754)	953
Net finance costs	4,338	3,538
Other non-cash expenses	12,742	26,893
Net gains on disposal of property, plant and equipment and intangible assets	—	(373)
Change in inventories	(37,624)	(36,249)
Change in trade receivables	(15,604)	(33,891)
Change in trade payables	23,587	16,890
Change in receivables from financing activities	(8,030)	2,474
Change in other operating assets and liabilities	(18,551)	(58,468)
Finance income received	679	3,135
Finance costs paid	(12,700)	(13,880)
Income tax paid	(3,426)	(8,375)
Total	**209,693**	**141,006**
Cash flows used in investing activities:		
Investments in property, plant and equipment	(62,096)	(40,523)
Investments in intangible assets	(58,923)	(32,136)
Proceeds from the sale of property, plant and equipment and intangible assets	448	383
Proceeds from exercising the Delta Topco option	—	8,307
Total	**(120,571)**	**(63,969)**
Cash flows from financing activities:		
Net change in borrowings from banks	(84)	9,309
Proceeds from securitizations, net of repayments	31,292	27,769
Net change in other debt	5,577	(1,791)
Share buyback	(30,131)	—
Total	**6,654**	**35,287**
Translation exchange differences	(452)	(781)
Total change in cash and cash equivalents	**95,324**	**111,543**
Cash and cash equivalents at end of the period	**743,030**	**569,327**

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 three months ended March 31, 2018 and 2017
(Unaudited)

	Share capital	Retained earnings and other reserves	Cash flow hedge reserve	Currency translation differences	Remeasurement of defined benefit plans	Equity attributable to owners of the parent	Non-controlling interests	Total
				(€ thousand)				
At December 31, 2016	**2,504**	**302,336**	**(18,780)**	**46,823**	**(7,888)**	**324,995**	**4,810**	**329,805**
Net profit	—	123,666	—	—	—	123,666	540	124,206
Other comprehensive income/ (loss)	—	—	9,829	(797)	—	9,032	(30)	9,002
Share-based compensation	—	17,959	—	—	—	17,959	—	17,959
At March 31, 2017	**2,504**	**443,961**	**(8,951)**	**46,026**	**(7,888)**	**475,652**	**5,320**	**480,972**

	Share capital	Retained earnings and other reserves	Cash flow hedge reserve	Currency translation differences	Remeasurement of defined benefit plans	Equity attributable to owners of the parent	Non-controlling interests	Total
				(€ thousand)				
At December 31, 2017	**2,504**	**746,341**	**6,434**	**31,814**	**(8,415)**	**778,678**	**5,258**	**783,936**
Net profit	—	147,635	—	—	—	147,635	699	148,334
Other comprehensive income/ (loss)	—	—	(3,872)	(1,663)	—	(5,535)	25	(5,510)
Dividends	—	—	—	—	—	—	(2,039)	(2,039)
Share-based compensation	—	3,523	—	—	—	3,523	—	3,523
Share buyback[(1)]	—	(30,131)	—	—	—	(30,131)	—	(30,131)
At March 31, 2018	**2,504**	**867,368**	**2,562**	**30,151**	**(8,415)**	**894,170**	**3,943**	**898,113**

(1) Relates to the share buyback program implemented by the Group. See Note 21 "Equity" for additional details.

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
AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND MARCH 31, 2017

1. BACKGROUND AND BASIS OF PRESENTATION

Background

Ferrari is among the world's leading luxury brands. The activities of Ferrari N.V. (herein referred to as "Ferrari" or the "Company" and together with its subsidiaries the "Group") 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 165 authorized dealers operating 187 points of sale. The Ferrari brand is licensed to a selected number of producers and retailers of luxury and lifestyle goods, with Ferrari branded merchandise also sold through a network of 18 Ferrari-owned stores and 26 franchised stores (including 6 Ferrari Store Junior), as well as on the Group's website. To facilitate the sale of new and used cars, the Group provides various forms of financing, through cooperation and other agreements, to both clients and dealers. Ferrari also participates in the Formula 1 World Championship through Scuderia Ferrari. The activities of Scuderia Ferrari are the core element of Ferrari marketing and promotional activities and an important source of innovation supporting the technological advancement of Ferrari sport and street cars.

References to the Company in these interim condensed consolidated financial statements refer to Ferrari N.V. (formerly named FE New N.V.) following the Separation and to Ferrari N.V.'s predecessor (formerly named New Business Netherlands N.V.), prior to the completion of the Separation.

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 May 3, 2018, 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, 2017 (the "Consolidated Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") 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, 2017, except as described in the section "New standards and amendments effective from January 1, 2018".

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.

New standards and amendments effective from January 1, 2018

The following new standards and amendments effective from January 1, 2018 were adopted by the Group.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 applies to all revenues arising from contracts with customers (unless those contracts are in the scope of other standards) and replaces *IAS 18 - Revenue*, *IAS 11 - Construction Contracts* and related interpretations. The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. The new standard establishes a five step model to recognize revenue in accordance with this core principle. The Group adopted IFRS 15 and related amendments using the modified retrospective approach with the cumulative effect of initial adoption (if any) recognized at the date of initial application of January 1, 2018. The Group analyzed each of its revenue streams by applying the five-step model and concluded that its accounting for revenue under IFRS 15 did not result in the recognition of a cumulative adjustment to opening retained earnings under the modified retrospective approach, nor did it have a material effect on the Company's financial position or results of operations The Group's updated revenue accounting policy is provided below.

Revenue recognition

The Group adopted IFRS 15 using the modified retrospective method as applied to customer contracts that were not completed as of January 1, 2018. As a result, financial information for reporting periods beginning after January 1, 2018 are presented under IFRS 15, while comparative financial information has not been adjusted and continues to be reported in accordance with the Group's historical accounting policy for revenue recognition prior to the adoption of IFRS 15.

Revenue is recognized when control over a product or service is transferred to a customer. Revenue is measured at the transaction price which is based on the amount of consideration that the Group expects to receive in exchange for transferring the promised goods or services to the customer and excludes any sales incentives as well as taxes collected from customers that are remitted to government authorities. The transaction price will include estimates of variable consideration to the extent it is probable that a significant reversal of revenue recognized will not occur. The Group enters into contracts that may include both products and services, which are generally capable of being distinct and accounted for as separate performance obligations.

The Group generates revenue from the sale of cars, spare parts and engines as well as from sponsorship, commercial and brand activities. The Group accounts for a contract with a customer when there is a legally enforceable contract between the Group and the customer, the rights of the parties are identified, the contract has commercial substance, and collectability of the contract consideration is probable. Payments from customers are typically due within 30 and 40 days of invoicing.

The Group does not recognize any assets associated with the incremental costs of obtaining a contract with a customer that are expected to be recovered. The majority of revenue is recognized at a point-in-time or over a period of one year or less, and the Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that would otherwise be recognized is one year or less.

Cars, spare parts and engines

The sales of cars, spare parts and engines have multiple performance obligations that include products, services, or a combination of products and services as contracts may include maintenance programs and extended warranties that are separately priced or not separately priced. Contracts may also include variable consideration for discounts such as sales incentives and performance based bonuses and product returns. The cost of incentives is estimated at the inception of a contract at the expected amount that will ultimately be paid and is recognized as a reduction to revenue at the time of the sale. Revenues recognized are limited to the amount of consideration the Group expects to receive. The Group allocates the transaction price to the performance obligations based on the stand alone selling prices (SSP) for each obligation. When the SSP does not exist, the Group estimates the SSP based on the adjusted market approach.

Revenues for the sale of cars, spare parts and engines are recognized at a point in time when control of the cars, spare parts or engines are transferred to the customer based on shipping terms, which generally corresponds to the date when the cars, spare parts and engines are released to the carrier responsible for transporting to dealers or Maserati. Revenues relating to the maintenance program or extended warranty are recognized over time as the maintenance program or extended warranty is

provided. Revenues from the supply of engines and related services to other Formula 1 racing teams are recognized over time on a time and materials basis when the services are provided.

Management has exercised judgment in determining performance obligations, variable consideration, allocation of transaction price and the timing of revenue recognition.

Sponsorship, commercial and brand activities

Revenues from sponsorship agreements are generally recognized ratably over the contract term as the customer benefits from the service throughout the service period. For sponsorship agreements that contain variable consideration based on performance of the racing team, the related revenues are estimated and recognized over the relevant period to the extent that it is highly probable that a significant reversal in the amount of the cumulative revenue recognized will not occur, which is typically when it is considered highly probable that the related conditions associated with the variable consideration will be achieved.

Revenues from commercial activities primarily relate to the revenues 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 ratably over the contract term.

Revenues from brand licensing agreements where the customer has a right to access the Group's brands or the contract includes minimum guaranteed payments are recognized on a straight-line basis over the contract term. Licensing revenues in excess of the minimum guaranteed payments are recognized when the related conditions are satisfied. Revenues from sales-based licensing agreements are recognized when the sales occur.

Management has exercised judgment in determining variable consideration.

Other revenues

Interest income generated by our financial service activities from the provision of client and dealer financing is reported within revenues using the effective interest rate method and not within net financial income/expenses.

IFRS 9 - Financial Instruments

The Group adopted *IFRS 9 - Financial Instruments*, the new standard includes a logical approach for:

- the 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 Group analyzed each of its classes of financial assets, financial liabilities and derivative instruments and concluded that its accounting for financial instruments under IFRS 9 does not result in material changes compared to its accounting for financial instruments under IAS 39, therefore, there was no impact on the Group's consolidated financial statements upon initial adoption of the standard and related amendments. The Group's updated financial instruments accounting policy is provided below.

Financial instruments

Presentation

Current financial assets include trade receivables, receivables from financing activities, derivative financial instruments, other current financial assets and cash and cash equivalents.

Investments and other financial assets include investments accounted for using the equity method as well as other securities and non-current financial assets.

Financial liabilities include debt (which primarily includes bonds, securitizations and borrowings from banks), trade payables and other financial liabilities, which mainly include derivative financial instruments.

Measurement

Financial assets, other than investments accounted for using the equity method, and financial liabilities are measured in accordance with IFRS 9.

Except for investments accounted for using the equity method, the Group initially measures financial assets at fair value plus, in the case of financial assets not measured at fair value through profit or loss, transaction costs.

Equity instruments held by the Group are recognized at fair value through profit or loss. When market prices are not directly available, the fair value is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).

Trade receivables and receivables from financing activities are originated in the ordinary course of business and held within a business model with the objective to hold the receivables in order to collect contractual cash flows that meet the 'solely payments of principal and interest' criterion under IFRS 9, therefore they are measured at amortized cost using the effective interest rate method. Receivables with maturities greater than one year are discounted to present value. Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of financial assets may be impaired. Under IFRS 9, a forward-looking expected credit loss model must be applied when assessing impairment. In making impairment assessments, the Group applies the standard simplified approach to estimate the lifetime expected credit losses and considers its historical credit loss experience, adjusted for forward-looking factors specific to the nature of the Group's receivables and economic environment. If any such evidence exists, an impairment loss is recognized within financial expenses.

Financial liabilities, with the exception of derivative financial instruments, are measured at amortized cost using the effective interest rate method.

Derivative financial instruments

Derivative financial instruments are used for economic hedging purposes only in order to reduce currency risks. 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 does not use fair value hedges or hedges of a net investment.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately within financial expenses.

Transfers of financial assets

The Group sells certain of its trade receivables through factoring transactions without recourse. In addition, the Group sells certain of its receivables from financing activities under securitization programs. Securitization transactions involve the sale, on a non-recourse basis, of a financial receivables portfolio to a special purpose vehicle, which in turn finances the purchase of such financial receivables by issuing asset-backed securities in the form of notes whose repayment of principal and interest depends on the cash flows generated by the related financial receivables.

The Group derecognizes the financial assets when, and only when, the contractual rights and risks to the cash flows arising from the related financial assets are no longer held or the Group has transferred the financial assets. In the case of a transfer of financial assets, if the Group transfers substantially all the risks and rewards of ownership of the financial assets, it derecognizes such assets and separately recognizes 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 assets and the consideration received or receivable for the transfer of the assets is recognized within cost of sales in the consolidated income statement.

Amendments to IFRS 2 - Share-Based Payment

The Group adopted the *Amendments to IFRS 2 - Share-Based Payment*. The amendments provide requirements on the accounting for (i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; (ii) share-based payment transactions with a net settlement feature for withholding tax obligations; and (iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018 with early application permitted. The Group has applied the amendments to share-based payment transactions under the Group's equity incentive plan that contains a net settlement feature for withholding tax obligations, resulting in such transactions being classified in their entirety as equity-settled. There were no other effects from the adoption of these amendments.

IFRIC Interpretation 22 - Foreign Currency Transactions and Advance Consideration

The Group adopted the *IFRIC Interpretation 22 - Foreign Currency Transactions and Advance Consideration*. The interpretation addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. The interpretation is effective on or after January 1, 2018. There was no effect from the adoption of this interpretation.

Annual Improvements to IFRSs 2014-2016 Cycle

The Group adopted the *Annual Improvements to IFRSs 2014-2016 Cycle*. The improvements has amended two standards with effective date of January 1, 2018: *i) IFRS 1 - First-time Adoption of International Financial Reporting Standards* and *ii) IAS 28 - Investments in Associates and Joint Ventures*. The amendments clarify, correct or remove redundant wording in the related IFRS Standards. There was no effect from the adoption of these amendments.

New standards, amendments and interpretations not yet effective

The standards, amendments and interpretations issued by the International Accounting Standards Board ("IASB") that will have mandatory application in 2019 or subsequent years are listed below:

In January 2016 the IASB issued *IFRS 16 - Leases* which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous leases standard, *IAS 17 - Leases*. IFRS 16, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. IFRS 16 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by IAS 17 and, instead, introduces a single lessee accounting model whereby a lessee is required to recognize assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognize depreciation of lease assets separately from interest on lease liabilities in the income statement. As IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently. IFRS 16 is effective from January 1, 2019 with early adoption allowed only

if *IFRS 15 - Revenue from Contracts with Customers is* also applied. The Group will not early adopt the standard and is currently evaluating the method of implementation and impact of adoption.

In May 2017 the IASB issued *IFRS 17 - Insurance Contracts* which establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued as well as guidance relating to reinsurance contracts held and investment contracts with discretionary participation features issued. IFRS 17 is effective on or after January 1, 2021 with early adoption allowed if IFRS 15 - Revenue from Contracts with Customers and IFRS 9 - Financial Instruments are also applied. The Group does not expect any impact from the adoption of this standard.

In June 2017 the IASB issued *IFRIC Interpretation 23 - Uncertainty over Income Tax Treatments* which provides requirements regarding how to reflect uncertainties in accounting for income taxes. The interpretation is effective on or after January 1, 2019. The Group is currently evaluating the impact of adoption of this interpretation.

In October 2017 the IASB issued *Amendments to IFRS 9 - Financial Instruments* that allow, under certain conditions, for a prepayable financial asset with negative compensation payments to be measured at amortized cost or at fair value through other comprehensive income. The final amendments also contain a clarification relating to the accounting for a modification or exchange of a financial liability measured at amortized cost that does not result in the derecognition of the financial liability. The amendments are effective on or after January 1, 2019. The Group does not expect any impact from the adoption of these amendments.

In October 2017 the IASB issued amendments to *IAS 28 - Long Term Interests in Associates and Joint Ventures* to clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The amendment is effective on or after January 1, 2019. The Group does not expect a material impact from the adoption of these amendments.

In December 2017 the IASB issued *Annual Improvements to IFRSs 2015 - 2017 Cycle*, which has amendments to the following four Standards: IFRS 3 - Business Combinations, in relation to obtaining control of a business which was previously accounted for as an interest in a joint operation, IFRS 11- Joint Arrangements, in relation to obtaining joint control of a business which was previously accounted for as a joint operation, IAS 12 - Income Taxes, clarifying the treatment of taxes in relation to dividend payments and IAS 23 - Borrowing Costs, clarifying the treatment of borrowings which were previously capitalized when the related asset is ready for its intended use or sale. The amendments are effective on or after January 1, 2019. The Group is currently evaluating the impact of adoption of these amendments.

In February 2018 the IASB issued amendments to *IAS 19 - Employee Benefits*. When there is a change to a defined benefit plan (an amendment, curtailment or settlement) the amendments require that a company use the updated assumptions from the remeasurement of a net defined benefit liability or asset to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. These amendments are effective on or after January 1, 2019. The Group does not expect a material impact from the adoption of these amendments.

Review of the Conceptual Framework for Financial Reporting

In March 2018 the IASB revised the *Conceptual Framework for Financial Reporting,* effective immediately for the IASB and the IFRS Interpretations Committee when setting future standards, and effective for annual reporting periods on or after January 1, 2020 for companies that use the *Conceptual Framework* to develop accounting policies when no IFRS Standard applies to a particular transaction, with early application permitted. Key changes include (i) increasing the prominence of stewardship in the objective of financial reporting; (ii) reinstating prudence as a component of neutrality, defined as the exercise of caution when making judgements under conditions of uncertainty; (iii) defining a reporting entity; (iv) revising the definitions of an asset and a liability; (v) removing the probability threshold for recognition, and adding guidance on derecognition; (vi) adding guidance on the information provided by different measurement bases, and explaining factors to consider when selecting a measurement basis; and (vii) stating that profit or loss is the primary performance indicator and income and expenses in other comprehensive income should be recycled where the relevance or faithful representation of the financial statements would be enhanced. The Group does not expect a material impact from the adoption of the revised *Conceptual Framework*.

Scope of consolidation

There were no changes to the scope of consolidation during the three months ended March 31, 2018.

On July 30, 2017 the liquidation process of Ferrari North Europe Limited was completed.

4. FINANCIAL RISK FACTORS

The Group is exposed to various operational financial risks, including financial market risk (relating mainly to foreign currency exchange rates and interest rates) and liquidity risk and credit risk. 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 31 of the Consolidated Financial Statements at and for the year ended December 31, 2017.

5. OTHER INFORMATION

The principal foreign currency exchange rates used to translate other currencies into Euro were as follows:

	2018		2017		
	Average for the three months ended March 31,	At March 31,	Average for the three months ended March 31,	At March 31,	At December 31,
U.S. Dollar	1.2292	1.2321	1.0648	1.0691	1.1993
Pound Sterling	0.8834	0.8749	0.8601	0.8555	0.8872
Swiss Franc	1.1653	1.1779	1.0694	1.0696	1.1702
Japanese Yen	133.1662	131.1500	121.0138	119.5500	135.0100
Chinese Yuan	7.8154	7.7468	7.3353	7.3642	7.8044
Australian Dollar	1.5632	1.6036	1.4056	1.3982	1.5346
Canadian Dollar	1.5540	1.5895	1.4101	1.4265	1.5039
Singapore Dollar	1.6210	1.6158	1.5080	1.4940	1.6024
Hong Kong Dollar	9.6216	9.6696	8.2641	8.3074	9.3720

6. NET REVENUES

Net revenues are as follows:

	For the three months ended March 31,	
	2018	2017
	(€ thousand)	
Revenues from:		
Cars and spare parts	611,747	581,237
Engines	76,355	103,826
Sponsorship, commercial and brand	125,474	122,615
Other	17,428	12,922
Total net revenues	**831,004**	**820,600**

Other net revenues primarily includes interest income generated by financial services activities and net revenues from the management of the Mugello racetrack.

7. COST OF SALES

Cost of sales for the three months ended March 31, 2018 and 2017 amounted to €390,778 thousand and €397,693 thousand, respectively, comprising mainly of expenses incurred in the manufacturing and distribution of cars and spare parts, including the engines sold to Maserati and supplied to other Formula 1 racing teams, of which the costs of materials, components and labor are the most significant elements. 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 March 31, 2018 and 2017 amounted to €7,177 thousand and €4,560 thousand, respectively.

8. SELLING, GENERAL AND ADMINISTRATIVE COSTS

General and administrative costs for the three months ended March 31, 2018 and 2017 amounted to €37,391 thousand and €41,690 thousand, respectively, consisting mainly of administrative expenses and other general expenses that are not directly attributable to sales, manufacturing or research and development functions.

Selling costs for the three months ended March 31, 2018 and 2017 amounted to €28,983 thousand and €30,887 thousand, respectively, and mainly consist of costs for marketing and events, sales personnel and retail stores. 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, as well as sponsorship and indirect marketing costs incurred through the Formula 1 racing team, Scuderia Ferrari.

9. RESEARCH AND DEVELOPMENT COSTS

Research and development costs are as follows:

	For the three months ended March 31,	
	2018	**2017**
	(€ thousand)	
Research and development costs expensed during the period	148,785	145,854
Amortization of capitalized development costs	23,858	26,309
Total research and development costs	**172,643**	**172,163**

The main component of research and development costs expensed during the period related to research and development expenses to support the innovation of our product range and components, in particular, in relation to hybrid technology and Formula 1 developments. Research and development costs also include amortization of capitalized development costs.

10. OTHER (INCOME)/EXPENSES, NET

Other (income)/expenses, net for the three months ended March 31, 2018 include other expenses of €2,506 thousand (€3,570 thousand for the three months ended March 31, 2017) mainly related to indirect taxes and other miscellaneous expenses, and other income of €11,314 thousand (€1,940 thousand for for the three months ended March 31, 2017) mainly due to a pronouncement on a prior year's legal dispute as well as rental income and other miscellaneous income.

11. NET FINANCIAL EXPENSES

	For the three months ended March 31,	
	2018	2017
	(€ thousand)	
Financial income		
Related to:		
Industrial companies (A)	11,258	10,769
Financial services companies (reported within net revenues)	12,553	9,211
Financial expenses and expenses from derivative financial instruments and foreign currency exchange rate differences		
Related to:		
Industrial companies (B)	(15,596)	(14,307)
Financial services companies (reported within cost of sales)	(7,177)	(4,560)
Net financial expenses relating to industrial companies (A - B)	**(4,338)**	**(3,538)**

Net financial expenses primarily related to interest expenses on debt, and in particular interest expenses on bonds, as well as net foreign exchange losses.

12. INCOME TAX EXPENSE

Income tax expense is as follows:

	For the three months ended March 31,	
	2018	2017
	(€ thousand)	
Current tax expense	55,988	68,567
Deferred tax expense/(income)	1,146	(18,964)
Taxes relating to prior periods	124	(208)
Total income tax expense	**57,258**	**49,395**

Income tax expense amounted to €57,258 thousand for the three months ended March 31, 2018 compared to €49,395 thousand for the three months ended March 31, 2017, primarily attributable to an increase in profit before taxes, partially offset by additional deductions due to an increase in the cap for eligible research and development costs as well as additional deductions for the depreciation of fixed assets, in accordance with Italian tax legislation.

Income tax expense has been calculated based on the tax rate expected for the full financial year. The effective tax rate (net of IRAP) used for the three months ended March 31, 2018 is 23.3 percent compared to 23.7 percent for the three months ended March 31, 2017.

IRAP (current and deferred) for the three months ended March 31, 2018 and 2017 amounted to €9,254 thousand and €8,258 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 the three months ended March 31, 2018 and 2017.

Deferred tax assets and liabilities of the individual consolidated companies are offset within the interim consolidated statement of financial position where these may be offset.

13. EARNINGS PER SHARE

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 March 31,	
		2018	**2017**
Profit attributable to owners of the Company	€ thousand	147,635	123,666
Weighted average number of common shares	thousand	188,846	188,948
Basic earnings per common share	**€**	**0.78**	**0.65**

Diluted earnings per share

For the three months ended March 31, 2018, the weighted average number of shares for diluted earnings per share was increased to take into consideration the theoretical effect of the potential common shares that would be issued for the equity incentive program. For the three months ended March 31, 2017, the weighted average number of shares for diluted earnings per share was increased to take into consideration the theoretical effect of (i) the potential common shares that would be issued for the equity incentive program and (ii) the potential common shares that would be issued for the Non-Executive Directors' compensation agreement. See Note 21 for additional details on the equity incentive plan.

The following table provides the amounts used in the calculation of diluted earnings per share for the three months ended March 31, 2018 and 2017:

		For the three months ended March 31,	
		2018	**2017**
Profit attributable to owners of the Company	€ thousand	147,635	123,666
Weighted average number of common shares for diluted earnings per common share	thousand	189,651	189,758
Diluted earnings per common share	**€**	**0.78**	**0.65**

14. INTANGIBLE ASSETS

	Balance at December 31, 2017	Additions	Disposals	Amortization	Translation differences	Balance at March 31, 2018
			(€ thousand)			
Intangible assets	**440,456**	**58,923**	**—**	**(27,053)**	**(6)**	**472,320**

Additions of €58,923 thousand for the three months ended March 31, 2018, primarily related to externally acquired and internally generated development costs to support the innovation of our product range and components, and in particular, in relation to hybrid technology.

15. PROPERTY, PLANT AND EQUIPMENT

	Balance at December 31, 2017	Additions	Disposals	Depreciation	Translation differences	Balance at March 31, 2018
	(€ thousand)					
Property, plant and equipment	**710,260**	**62,096**	**(448)**	**(35,391)**	**(81)**	**736,436**

Additions of €62,096 thousand for the three months ended March 31, 2018 were mainly comprised of assets under construction and plant and machinery and equipment.

At March 31, 2018, the Group had contractual commitments for the purchase of property, plant and equipment amounting to €46,682 thousand (€37,844 thousand at December 31, 2017).

16. INVESTMENTS AND OTHER FINANCIAL ASSETS

The composition of investments and other financial assets is as follows:

	At March 31, 2018	At December 31, 2017
	(€ thousand)	
Investments accounted for using the equity method	23,219	23,340
Other securities and financial assets	6,208	6,698
Total investments and other financial assets	**29,427**	**30,038**

Investments accounted for using the equity method

Investments accounted for using the equity method relate to the Group's investment in FFS GmbH and changes were as follows:

	(€ thousand)
Balance at January 1, 2018	23,340
Proportionate share of net loss for the period from January 1, 2018 to March 31, 2018	(87)
Other changes	(34)
Balance at March 31, 2018	**23,219**

Other securities and financial assets

Other securities and financial assets primarily include the Liberty Shares obtained as a result of exercising the Delta Topco option (as explained below). The Liberty Shares are measured at fair value and amounted to €5,205 thousand at March 31, 2018 (€5,705 thousand at December 31, 2017).

The Group was granted an option to purchase a fixed number of shares in Delta Topco for a fixed price on the occurrence of certain events. Delta Topco was a company belonging to the Formula 1 Group (the group responsible for the promotion of the Formula 1 World Championship). The Group exercised the Delta Topco option as a result of the sale of Delta Topco to Liberty Media Corporation, which was completed on January 23, 2017. On February 22, 2017, the Group received (i) €10,878 thousand in cash (including €2,571 thousand of previously undistributed dividends), (ii) approximately 145 thousand Liberty Shares, which were initially recognized at cost of €2,887 thousand (based on the original underlying agreement), and (iii) €851

thousand of Liberty Media exchangeable notes in relation to the Delta Topco option. The Liberty Media exchangeable notes were subsequently converted into Liberty Media shares in November 2017.

17. INVENTORIES

	At March 31, 2018	At December 31, 2017
	(€ thousand)	
Raw materials	104,174	99,225
Semi-finished goods	95,502	87,678
Finished goods	226,373	206,862
Total inventories	**426,049**	**393,765**

The accrual to the provision for slow moving and obsolete inventories recognized within cost of sales was €3,823 thousand and €1,694 thousand for the three months ended March 31, 2018 and 2017, respectively.

18. CURRENT RECEIVABLES AND OTHER CURRENT ASSETS

	At March 31, 2018	At December 31, 2017
	(€ thousand)	
Trade receivables	253,953	239,410
Receivables from financing activities	721,443	732,947
Current tax receivables	6,390	6,125
Other current assets	78,428	45,441
Total	**1,060,214**	**1,023,923**

Receivables from financing activities

Receivables from financing activities are as follows:

	At March 31, 2018	At December 31, 2017
	(€ thousand)	
Client financing	693,851	704,014
Dealer financing	27,592	28,933
Total	**721,443**	**732,947**

19. CURRENT FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITIES

	At March 31, 2018	At December 31, 2017
	(€ thousand)	
Financial derivatives	7,756	11,686
Other financial assets	7,221	3,997
Current financial assets	**14,977**	**15,683**

Current financial assets and other financial liabilities mainly relate to foreign exchange derivatives. The following table provides the analysis of derivative assets and liabilities at March 31, 2018 and December 31, 2017.

	At March 31, 2018		At December 31, 2017	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
	(€ thousand)			
Cash flow hedge:				
Foreign currency forwards	4,996	(2,689)	8,848	(1,136)
Total cash flow hedges	**4,996**	**(2,689)**	**8,848**	**(1,136)**
Other foreign exchange derivatives	316	(685)	1,729	(308)
Interest rate caps	2,444	—	1,109	—
Financial derivatives	**7,756**	**(3,374)**	**11,686**	**(1,444)**

Other foreign exchange derivatives relate to foreign currency forwards which do not meet the requirements to be recognized as cash flow hedges. Interest rate caps relate to derivative instruments we are required to enter into as part of certain of our securitization agreements.

20. EQUITY

Share capital

At March 31, 2018 and December 31, 2017 the fully paid up share capital of the Company was €2,504 thousand, consisting of 193,923,499 common shares and 56,497,618 special voting shares, all with a nominal value of €0.01. At March 31, 2018, the Company had 5,277,481 common shares and 4,674 special voting shares held in treasury, while at December 31, 2017 the Company had 4,969,625 common shares and 4,099 special voting shares held in treasury. The increase in common shares held in treasury reflects the repurchase of shares by the Company through its share buyback program.

The following table summarizes the changes in the number of outstanding common shares and special voting shares of the Company for the three months ended March 31, 2018:

	Common Shares	Special Voting Shares	Total
Balance at December 31, 2017	**188,953,874**	**56,493,519**	**245,447,393**
Shares repurchased under share buyback program[1]	(307,856)	—	(307,856)
Other changes[2]	—	(575)	(575)
Balance at March 31, 2018	**188,646,018**	**56,492,944**	**245,138,962**

(1) Includes shares repurchased between January 1, 2018 and March 31, 2018 based on the transaction trade date.

(2) Relates to the deregistration of special voting shares from the loyalty register.

The loyalty voting structure

The purpose of the loyalty voting structure is to reward ownership of the Company's common shares and to promote stability of the Company's shareholder base by granting long-term shareholders of the Company with special voting shares. Exor N.V. ("Exor") and Piero Ferrari participate in the Company's loyalty voting program and, therefore, effectively hold two votes for each of the common shares they hold. Investors who purchased common shares in the initial public offering may elect to participate in the loyalty voting program by registering their common shares in the 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.

Retained earnings and other reserves

Retained earnings and other reserves includes the share premium reserve of €5,768,544 thousand at March 31, 2018 and December 31, 2017.

At March 31, 2018, the Company has recognized a cumulative amount of €31,702 thousand as an increase to other reserves for the PSU awards and RSU awards under the Group's equity incentive plan (€28,179 thousand at December 31, 2017). See Note 21.

Equity-settled Non-Executive Directors' compensation of €347 thousand was recognized as an increase to other reserves for the three months ended March 31, 2017.

On February 9, 2018, the Company announced its intention to launch a share buyback program. The Company expects the program to involve the repurchase from time to time of up to €100 million in common shares. The program is intended to optimize the capital structure of the Company. Shares repurchased may be used to meet the Company's obligations arising from the equity incentive plan approved in 2017. As of March 31, 2018, the Company had repurchased 307,856 common shares for a total consideration of €30,131 thousand under the program.

Other comprehensive (loss)/income

The following table presents other comprehensive (loss)/income:

	For the three months ended March 31,	
	2018	**2017**
Gains on cash flow hedging instruments arising during the period	151	4,543
(Losses)/Gains on cash flow hedging instruments reclassified to the consolidated income statement	(5,521)	9,089
(Losses)/Gains on cash flow hedging instruments	**(5,370)**	**13,632**
Exchange differences on translating foreign operations arising during the period	(1,638)	(827)
Total items that may be reclassified to the consolidated income statement in subsequent periods	**(7,008)**	**12,805**
Total other comprehensive (loss)/income	**(7,008)**	**12,805**
Related tax impact	1,498	(3,803)
Total other comprehensive (loss)/income, net of tax	**(5,510)**	**9,002**

Losses on cash flow hedging instruments arising during the three months ended March 31, 2018 and gains arising during the three months ended March 31, 2017 relate to changes in the fair value of derivative financial instruments used for cash flow hedging purposes.

The tax effect relating to other comprehensive income/(loss) are as follows:

	For the three months ended March 31,					
	2018			**2017**		
	Pre-tax balance	**Tax income/ (expense)**	**Net balance**	**Pre-tax balance**	**Tax income/ (expense)**	**Net balance**
	(€ thousand)					
(Losses)/gains on cash flow hedging instruments	(5,370)	1,498	(3,872)	13,632	(3,803)	9,829
Exchange losses on translating foreign operations	(1,638)	—	(1,638)	(827)	—	(827)
Total other comprehensive (loss)/income	**(7,008)**	**1,498**	**(5,510)**	**12,805**	**(3,803)**	**9,002**

21. SHARE-BASED COMPENSATION

Following the approval of the equity incentive plan by the Board of Directors on March 1, 2017, on April 14, 2017 the Shareholders approved an award to the Chief Executive Officer under the Company's equity incentive plan applicable to all GEC members and key leaders of the Company. Under the Company's equity incentive plan, a total number of approximately 687 thousand performance share units ("PSUs") and a total number of approximately 119 thousand restricted share units ("RSUs") have been awarded. The grants of the PSUs and the RSUs, which each represent the right to receive one common share of the Company, cover a five-year performance period from 2016 to 2020, consistent with the Company's strategic horizon.

At March 31, 2018, the Company recognized a cumulative amount of €31,702 thousand as an increase to other reserves in equity for the PSU awards and RSU awards, and had unrecognized compensation expense of approximately €22,528 thousand. This expense will be recognized over the remaining vesting period until 2020.

None of the PSU awards or RSU awards were forfeited and none of the outstanding PSU awards or RSU awards had vested at March 31, 2018.

22. PROVISIONS

The Group's provisions are as follows:

	At March 31, 2018	At December 31, 2017
	(€ thousand)	
Warranty and recall campaigns provision	123,270	123,136
Legal proceedings and disputes	34,916	50,375
Other risks	25,360	23,881
Total provisions	**183,546**	**197,392**

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:

	Balance at December 31, 2017	Additional provisions	Utilization	Translation differences	Balance at March 31, 2018
			(€ thousand)		
Warranty and recall campaigns provision	123,136	5,531	(5,304)	(93)	123,270
Legal proceedings and disputes	50,375	1,143	(16,604)	2	34,916
Other risks	23,881	2,025	(197)	(349)	25,360
Total provisions	**197,392**	**8,699**	**(22,105)**	**(440)**	**183,546**

Utilization of provisions for legal proceedings mainly relates to a pronouncement on a prior year's legal dispute.

23. DEBT

	Balance at December 31, 2017	Proceeds from borrowings	Repayments of borrowings	Interest accrued/(paid) and other	Translation differences	Balance at March 31, 2018
			(€ thousand)			
Borrowings from banks	38,059	—	(84)	66	(779)	**37,262**
Bonds	1,193,517	—	—	(4,712)	—	**1,188,805**
Securitizations	556,276	55,504	(24,212)	128	(14,882)	**572,814**
Other debt	18,329	13,767	(8,190)	—	(366)	**23,540**
Total debt	**1,806,181**	**69,271**	**(32,486)**	**(4,518)**	**(16,027)**	**1,822,421**

Borrowings from banks

Borrowings from banks at March 31, 2018 mainly relate to financial liabilities of FFS Inc to support the financial services operations, and in particular (i) €28,477 thousand (€29,189 thousand at December 31, 2017) relating to a U.S. Dollar denominated credit facility for up to $50 million (drawn down for $35 million at March 31, 2018) and bearing interest at LIBOR plus a range of between 65 and 75 basis points; (ii) other borrowings from banks of €8,785 thousand (€8,870 thousand at December 31, 2017) relating to various short and medium term credit facilities.

The Facility

On November 30, 2015, the Company, as borrower and guarantor, and certain other members of the Group, as borrowers, entered into a €2.5 billion facility with a syndicate of banks (the "Facility"). At inception, the Facility comprised a bridge loan of €500 million (the "Bridge Loan"), a term loan of €1,500 million (the "Term Loan") and a revolving credit facility of €500 million (the "RCF").

In December 2015 the Bridge Loan and Term Loan were fully drawn down for the purposes of repaying financial liabilities with FCA, including the FCA Note that originated as a result of the Restructuring.

In March 2016, the Bridge Loan was fully repaid, primarily using the proceeds from the 2023 Bond (see "Bonds" below).

In 2016 and 2017 the Company made scheduled payments and voluntary prepayments, funded in part with the proceeds of the 2021 Bond, described under "Bonds" below, to fully repay the Term Loan.

At March 31, 2018 and at December 31, 2017 the RCF was undrawn. Proceeds of the RCF may be used from time to time for general corporate and working capital purposes of the Group. The RCF has a maturity of five years from inception of the Facility.

Bonds

2023 Bond

On March 16, 2016, the Company issued 1.5 percent coupon notes due March 2023, having a principal of €500 million. The bond was issued at a discount for an issue price of 98.977 percent, resulting in net proceeds of €490,729 thousand after the debt discount and issuance costs. The net proceeds were used, together with additional cash held by the Company, to fully repay the €500 million Bridge Loan under the Facility. The bond is unrated and was admitted to trading on the regulated market of the Irish Stock Exchange. The amount outstanding at March 31, 2018 of €493,591 thousand includes accrued interest of €313 thousand (€498,894 thousand including €5,938 thousand of accrued interest at December 31, 2017).

2021 Bond

On November 16, 2017, the Company issued 0.25 percent coupon notes due January 2021, having a principal of €700 million. The bond was issued at a discount for an issue price of 99.557 percent, resulting in net proceeds of €694,172 thousand after the debt discount and issuance costs. The net proceeds were primarily used to repay the Term Loan. The bond is unrated and was admitted to trading on the regulated market of the Irish Stock Exchange. The amount outstanding at March 31, 2018 of €695,214 thousand includes accrued interest of €360 thousand (€694,623 thousand including €221 thousand of accrued interest at December 31, 2017).

Securitizations

Starting in 2016, FFS Inc has pursued a strategy of self-financing, further reducing dependency on intercompany funding and increasing the portion of self-liquidating debt with various securitization transactions.

On January 19, 2016, FFS Inc entered into a revolving securitization program for funding of up to $250 million by pledging retail financial receivables in the United States as collateral. In 2016, proceeds from the first sale of financial receivables were $242 million and were primarily used to repay intercompany loans. The funding limit of the program has been progressively increased over time, including to $275 million on December 16, 2016, to $325 million on July 14, 2017, to $350 million on December 15, 2017, and to $375 million on March 14, 2018. The notes bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 65 basis points. As of March 31, 2018 total proceeds from the sales of financial receivables under the program were $368 million ($325 million at December 31, 2017). The securitization agreement requires the maintenance of an interest rate cap.

On October 20, 2016, FFS Inc entered into a revolving securitization program for funding of up to $200 million by pledging leasing financial receivables in the United States as collateral. In 2016, proceeds from the first sale of financial receivables were $175 million and were primarily used to repay U.S. Dollar denominated bank borrowings. On April 21, 2017 the funding limit of the program was increased to $225 million and this amount remained unchanged in the renewal of the program in September 2017. The notes bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 65 basis points. As of March 31, 2018, total proceeds from the sales of financial receivables under the program were $219 million ($222 million at December 31, 2017).The securitization agreement requires the maintenance of an interest rate cap.

On December 28, 2016, FFS Inc entered into a revolving securitization program for funding of up to $120 million by pledging credit lines to Ferrari customers secured by personal vehicle collections and personal guarantees in the United States as collateral. In 2016, proceeds from the first sale of financial receivables were $64 million and were primarily used to repay U.S. Dollar denominated bank borrowings. On December 20, 2017, the funding limit was increased to $135 million. The notes bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 120 basis points. As of March 31, 2018 total proceeds from the sales of financial receivables under the program were $119 million ($120 million at December 31, 2017). The securitization agreement does not require an interest rate cap.

Cash collected from the settlement of receivables or lines of credit pledged as collateral is subject to certain restrictions regarding its use and is principally applied to repay principal and interest of the funding. Such cash amounted to €26,386 thousand at March 31, 2018 (€28,230 thousand at December 31, 2017).

Other debt

Other debt mainly relates to funding for operating activities of the Group.

24. OTHER LIABILITIES

An analysis of other liabilities is as follows:

	At March 31, 2018	At December 31, 2017
	(€ thousand)	
Deferred income	335,308	274,186
Advances and security deposits	138,156	167,293
Accrued expenses	87,953	77,024
Payables to personnel	26,127	38,488
Social security payables	16,378	20,553
Other	45,078	42,806
Total other liabilities	**649,000**	**620,350**

Deferred income primarily includes amounts received under the scheduled maintenance program of €176,478 thousand at March 31, 2018 and €173,646 thousand at December 31, 2017. Such amounts 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 and security deposits at March 31, 2018 and at December 31, 2017 primarily include advances received from clients for the purchase of our special series and limited edition models and supercars. Upon shipment of such cars, the advances are recognized as revenue. The decrease primarily relates to shipments of the LaFerrari Aperta.

25. TRADE PAYABLES

Trade payables of €628,045 thousand at March 31, 2018 (€607,505 thousand at December 31, 2017) 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 three level hierarchy for 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 March 31, 2018 and at December 31, 2017:

		At March 31, 2018			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
			(€ thousand)		
Cash and cash equivalents		743,030	—	—	743,030
Investments and other financial assets - Liberty Shares	16	5,205	—	—	5,205
Current financial assets	19	—	7,756	—	7,756
Total assets		**748,235**	**7,756**	**—**	**755,991**
Other financial liabilities	19	—	3,374	—	3,374
Total liabilities		**—**	**3,374**	**—**	**3,374**

		At December 31, 2017			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
			(€ thousand)		
Cash and cash equivalents		647,706	—	—	647,706
Investments and other financial assets - Liberty Shares	16	5,705	—	—	5,705
Current financial assets	19	—	11,686	—	11,686
Total assets		**653,411**	**11,686**	**—**	**665,097**
Other financial liabilities	19	—	1,444	—	1,444
Total liabilities		**—**	**1,444**	**—**	**1,444**

There were no transfers between fair value hierarchy levels for the periods presented.

The fair value of current financial assets and other financial liabilities relates 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, currency swaps and interest rate caps is determined by taking the prevailing foreign currency exchange rate and interest rates, as applicable, 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.

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 March 31, 2018		At December 31, 2017	
	Note	Carrying amount	Fair Value	Carrying amount	Fair Value
		(€ thousand)			
Receivables from financing activities	18	721,443	721,443	732,947	732,947
Total assets		**721,443**	**721,443**	**732,947**	**732,947**
Debt	23	1,822,421	1,839,964	1,806,181	1,819,337
Total liabilities		**1,822,421**	**1,839,964**	**1,806,181**	**1,819,337**

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, unconsolidated subsidiaries of the Group, associates and joint ventures. 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 a commercial nature and, in particular, these transactions relate to:

Transactions with FCA Group companies

- the sale of engines and car bodies to Maserati S.p.A. ("Maserati") which is 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., Automotive Lighting Italia S.p.A., Sistemi Sospensioni S.p.A. and Magneti Marelli Powertrain Slovakia s.r.o. (which form part of "Magneti Marelli"), which are 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 and procurement of insurance coverage and sponsorship revenues for the display of FCA Group company logos on the Formula 1 cars;

Transactions with Exor Group companies

- the Group incurs rental costs from Iveco Group companies 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 components for Formula 1 racing cars from COXA S.p.A., controlled by Piero Ferrari;
- consultancy services provided by HPE S.r.l., controlled by Piero Ferrari;
- sponsorship agreement relating to Formula 1 activities with Ferretti S.p.A.;
- sale of cars to certain members of the Board of Directors of Ferrari N.V. and Exor.

In accordance with IAS 24, transactions with related parties also include compensation to Directors, the Audit Committee and managers with strategic responsibilities.

The amounts of transactions with related parties recognized in the consolidated income statement are as follows:

	For the three months ended March 31,					
	2018			2017		
	Net revenues	(Income) / Cost [1]	Financial income/ (expenses)	Net revenues	(Income) / Cost [1]	Financial income/ (expenses)
	(€ thousand)					
FCA Group companies						
Maserati	58,904	563	—	86,181	2,276	—
FCA US LLC	—	7,676	—	—	15,928	—
Magneti Marelli	380	10,115	—	413	8,100	—
Other FCA Group companies	2,264	1,709	(283)	1,984	2,465	(272)
Total FCA Group companies	**61,548**	**20,063**	**(283)**	**88,578**	**28,769**	**(272)**
Exor Group companies (excluding the FCA Group)	**72**	**37**	**—**	**50**	**27**	**—**
Other related parties						
COXA S.p.A.	6	2,207	—	12	1,846	—
HPE S.r.l.	—	1,174	—	—	1,252	—
Other related parties	122	—	—	16	—	—
Total other related parties	**128**	**3,381**	**—**	**28**	**3,098**	**—**
Total transactions with related parties	**61,748**	**23,481**	**(283)**	**88,656**	**31,894**	**(272)**
Total for the Group	**831,004**	**448,431**	**(4,338)**	**820,600**	**471,298**	**(3,538)**

(1) Costs include cost of sales, selling, general and administrative costs, other (income)/expenses, net and result from investments.

Non-financial assets and liabilities originating from related party transactions are as follows:

	At March 31, 2018				At December 31, 2017			
	Trade receivables	Trade payables	Other current assets[1]	Other liabilities[2]	Trade receivables	Trade payables	Other current assets[1]	Other liabilities[2]
	(€ thousand)							
FCA Group companies								
Maserati	52,517	3,406	—	36,320	71,560	3,028	—	37,496
FCA US LLC	126	6,370	—	—	129	6,848	—	—
Magneti Marelli	1,256	9,933	175	—	899	8,103	—	—
Other FCA Group companies	4,521	2,968	1,860	72	2,657	4,646	2,097	27
Total FCA Group companies	**58,420**	**22,677**	**2,035**	**36,392**	**75,245**	**22,625**	**2,097**	**37,523**
Exor Group companies (excluding the FCA Group)	**415**	**174**	**—**	**5**	**345**	**202**	**—**	**—**
Other related parties								
COXA S.p.A.	1	1,637	—	—	3	1,142	—	—
HPE S.r.l.	—	1,270	—	—	—	1,150	—	—
Other related parties	330	—	23	—	268	—	—	—
Total other related parties	**331**	**2,907**	**23**	**—**	**271**	**2,292**	**—**	**—**
Total transactions with related parties	**59,166**	**25,758**	**2,058**	**36,397**	**75,861**	**25,119**	**2,097**	**37,523**
Total for the Group	**253,953**	**628,045**	**84,818**	**729,950**	**239,410**	**607,505**	**51,566**	**649,510**

(1) Other current assets include other current assets and current tax receivables.
(2) Other liabilities include other liabilities and current tax payables.

Financial assets originating from related party transactions are as follows:

	At March 31, 2018	At December 31, 2017
	Current financial assets	
Other FCA Group companies	3,056	—
Total transactions with related parties	**3,056**	**—**
Total for the Group	**14,977**	**15,683**

28. ENTITY-WIDE DISCLOSURES

The following table presents an analysis of net revenues by geographic location of the Group's customers for the three months ended March 31, 2018 and 2017:

	For the three months ended March 31,	
	2018	2017
	(€ thousand)	
Italy	111,157	122,452
Other EMEA	362,360	371,706
Americas [(1)]	214,949	172,222
China, Hong Kong and Taiwan (on a combined basis)	69,974	77,633
Rest of APAC [(2)]	72,564	76,587
Total net revenues	**831,004**	**820,600**

(1) Americas includes the United States of America, Canada, Mexico, the Caribbean and Central and South America.
(2) Rest of APAC mainly includes Japan, Australia, Singapore, Indonesia and South Korea.

29. SUBSEQUENT EVENTS

The Group evaluated subsequent events through May 3, 2018, which is the date the Interim Condensed Consolidated Financial Statements were authorized for issuance, and identified the following matters:

On April 13, 2018, the Company announced that Ferrari's Annual General Meeting of Shareholders held on the same day (i) approved the 2017 Annual Accounts of the Company and a dividend in cash of €0.71 per outstanding common share, corresponding to a total dividend amount of €134 million; (ii) re-elected all current directors of Ferrari; Sergio Marchionne was re-elected as executive director of Ferrari; John Elkann, Piero Ferrari, Delphine Arnault, Louis C. Camilleri, Giuseppina Capaldo, Eddy Cue, Sergio Duca, Lapo Elkann, Amedeo Felisa, Maria Patrizia Grieco, Adam Keswick and Elena Zambon were re-elected as non-executive directors of Ferrari; (iii) delegated to the Board of Directors authority to purchase common shares in the capital of Ferrari up to a maximum of 10% of Ferrari's issued common shares as of the date of Ferrari's Annual General Meeting of Shareholders; (iv) re-appointed Ernst & Young Accountants LLP as Ferrari's independent auditor until the 2019 Annual General Meeting of Shareholders.

Concurrently with the Annual General Meeting of Shareholders, the Company published its 2017 Sustainability Report, prepared in compliance with the "GRI Sustainability Reporting Standards".

On May 2, 2018, following the approval of the 2017 Annual Accounts by the shareholders at the Annual General Meeting of the Shareholders on April 13, 2018, the Company paid a dividend in cash of €0.71 per outstanding common share, corresponding to a total dividend amount of €134 million.