INTERIM FINANCIAL REPORT AS OF 31 MARCH 2013

Milan, 29 April 2013

CONTENTS

COMPAGNIE INDUSTRIALI RIUNITE
Limited-liability corporation - Share capital € 396,670,233.50 - Registered Office: Via Ciovassino, 1 – 201291 Milan - www.cirgroup.it
R.E.A. n. 1950112 – Milan Company Register / Fiscal Code / VAT no. 00519120018
Company subject to management and coordination by COFIDE – Gruppo De Benedetti S.p.A.
Office in Rome: Via del Tritone, 169 – 00187 Rome

Report of the Board of Directors on operations as of 31 March 2013

In the first quarter of 2013 the CIR Group has achieved consolidated net income of € 6.4 million, compared with € 15.2 million in the same period last year (-57.9%).
Consolidated revenues amounted to € 1,260.7 million compared with € 1,244.9 million in the first quarter of 2012 (+1.3%).

In first quarter 2013, the contribution made by the four main operating subsidiaries was € 1.9 million, compared with € 4.3 million in the same period of 2012. The difference was caused by a lower result on the part of the Espresso Group, though it was still positive despite an aggravation of the crisis in the publishing sector and, to a lesser extent, that of the Sogefi Group, which maintained substantially stable margins in a context of persistent weakness of the European automotive sector. The Sorgenia Group improved its results, reducing the loss, while the KOS Group is continuing its positive results at the same level as in 2012.

The result of CIR and the other holding companies in the first quarter of 2013 was positive for € 5 million (€ 12.2 million in the same period last year), having benefited from the positive result of financial management (€ 9.8 million) and from the private equity investments (€ 2.9 million), versus financial expenses of € 7.5 million (including the figurative statutory interest being set aside on the proceeds of the "Lodo Mondadori" case).

At 31 March 2013, consolidated net debt stood at € 2,412.4 million (€ 2,504.4 million at 31 December 2012) and consisted of a net financial surplus for CIR and the financial holding companies of € 38.2 million (€ 33.2 million at 31 December 2012) and net debt for the operating groups of € 2,450.5 million (€ 2,537.6 million at 31 December 2012).

Group equity at 31 March 2013 was € 1,384.2 million (€ 1,373 million at 31 December 2012).

Bear in mind that following the Milan Court of Appeal's sentence deposited on 9 July 2011 which condemned Fininvest to pay compensation for the damages caused by bribery in the "Lodo Mondadori" case, on 26 July 2011 CIR received a total of € 564.2 million from Fininvest, including legal expenses and interest. In accordance with international accounting standards (IAS 37), this amount has not had any impact, nor will it have any impact, on the Group's income statement until the final appeal has been decided. The case has been assigned to the Third Section of the Court of Appeal, which has scheduled the hearing for 27 June 2013.

This higher amount of cash, which is offset in the financial statements by an equivalent liability, does not have any effect on the Group's financial strategy, which is based on prudence and caution, at a time when financial markets are particularly complex.

This amount has in fact been invested in the short term (cash deposits and money market funds through CIR S.p.A. and bonds through Cir Investimenti S.p.A., a wholly-owned subsidiary). The yield on these investments is more or less in line with the statutory interest being accrued.

The charts on the following pages show a breakdown by business sector of the economic and financial results of the Group, a breakdown of the contribution made by the main subsidiaries and the aggregate results of CIR, the parent company, and the other holding subsidiaries (CIR International, CIGA Luxembourg and CIR Investimenti).

INCOME STATEMENT BY BUSINESS SECTOR AND CONTRIBUTIONS TO GROUP RESULTS

(in millions of euro)

CONSOLIDATED / AGGREGATE	*first quarter 2013* Revenues	*Costs of production* (1)	*Other operating income and costs* (2)	*Adjustments to the value of investments consolidated at equity*	*Amortisation depreciation, & write-downs*	*EBIT*	*Net financial income and expense* (3)	*Dividends gains and losses from trading and valuing securities* (4)	*Income taxes*	*Minority interests*	*Net income Group*	*first quarter 2012* Net income Group
Sorgenia Group	656.7	(610.5)	5.8	(3.6)	(27.3)	21.1	(20.5)	(0.2)	(9.9)	4.9	(4.6)	(7.6)
Espresso Group	182.1	(163.9)	(1.6)	0.1	(7.9)	8.8	(2.7)	--	(4.1)	(0.9)	1.1	5.6
Sogefi Group	329.2	(293.8)	(3.0)	--	(14.1)	18.3	(5.7)	--	(4.7)	(3.8)	4.1	5.3
Kos Group	92.1	(77.2)	(3.1)	--	(4.5)	7.3	(1.7)	--	(2.9)	(1.4)	1.3	1.0
Total main subsidiaries	**1,260.1**	**(1,145.4)**	**(1.9)**	**(3.5)**	**(53.8)**	**55.5**	**(30.6)**	**(0.2)**	**(21.6)**	**(1.2)**	**1.9**	**4.3**
Other subsidiaries	0.6	(3.4)	2.6	--	--	(0.2)	(0.2)	--	--	0.1	(0.3)	(1.3)
Total subsidiaries	**1,260.7**	**(1,148.8)**	**0.7**	**(3.5)**	**(53.8)**	**55.3**	**(30.8)**	**(0.2)**	**(21.6)**	**(1.1)**	**1.6**	**3.0**
CIR and financial holding companies												
Revenues	--										--	--
Operating costs		(4.5)									(4.5)	(3.6)
Other operating income and costs			1.2								1.2	1.3
Adjustments to the value of investments consolidated at equity				1.6							1.6	(0.4)
Amortisation, depreciation & write-downs					(0.2)						(0.2)	(0.2)
EBIT						(1.9)						
Net financial income and expense							(3.2)				(3.2)	(1.6)
Dividends, gains and losses from trading securities								8.4			8.4	15.8
Income taxes									1.7		1.7	0.9
Total CIR and financial holding companies before non-recurring items	**1,260.7**	**(1,153.3)**	**1.9**	**(1.9)**	**(54.0)**	**53.4**	**(34.0)**	**8.2**	**(19.9)**	**(1.1)**	**5.0**	**12.2**
Non-recurring items	--	**(0.2)**	--	--	--	**(0.2)**	--	--	--	--	**(0.2)**	--
Total consolidated of the Group	**1,260.7**	**(1,153.5)**	**1.9**	**(1.9)**	**(54.0)**	**53.2**	**(34.0)**	**8.2**	**(19.9)**	**(1.1)**	**6.4**	**15.2**

(1) This item is the sum of "changes in inventories", "costs for the purchase of goods", "costs for services" and "personnel costs" in the consolidated income statement.
This item does not consider the € (1.5) million effect of intercompany netting.
(2) This item is the sum of "other operating income" and "other operating costs" in the consolidated income statement. This item does not consider the € (1.5) million effect of intercompany netting.
(3) This item is the sum of "financial income" and "financial expense" in the consolidated income statement.
(4) This item is the sum of "dividends", "gains from trading securities", "losses from trading securities" and "adjustments to the value of financial assets" in the consolidated income statement.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY BUSINESS SECTOR

(in millions of euro)

	31.03.2013								31.12.2012
CONSOLIDATED / **AGGREGATE**	*Fixed assets (1)*	*Other net non-current assets and liabilities (2)*	*Net working capital (3)*	*Net financial position (4)*	*Total equity*	*di cui:*	*Minority interests equity*	*Group equity*	*Group equity*
Sorgenia Group	2,373.5	258.7	232.0	(1,871.5)	992.7		491.0	501.7	502.5
Espresso Group	833.0	(211.3)	21.2	(83.5)	559.4		247.5	311.9	310.5
Sogefi Group	499.8	(23.1)	47.3	(311.9)	212.1		100.6	111.5	114.0
Kos Group	402.9	(24.6)	31.2	(170.9)	238.6		118.4	120.2	119.6
Other subsidiaries	8.9	18.6	(9.6)	(12.8)	5.1		0.2	4.9	2.9
Total subsidiaries	**4,118.1**	**18.3**	**322.1**	**(2,450.6)**	**2,007.9**		**957.7**	**1,050.2**	**1,049.5**
<u>CIR and financial holding companies</u>									
Fixed assets	141.3				141.3			141.3	140.0
Other net non-current assets and liabilities		186.9			186.9			186.9	185.3
Net working capital			(32.4)		(32.4)			(32.4)	(35.0)
Net financial position				38.2	38.2			38.2	33.2
Total consolidated of the Group	**4,259.4**	**205.2**	**289.7**	**(2,412.4)**	**2,341.9**		**957.7**	**1,384.2**	**1,373.0**

(*) The financial position includes cash and cash equivalents of Sorgenia Holding S.p.A.

(1) This item is the sum of "intangible assets", "tangible assets", "investment property", "investments in companies consolidated at equity" and "other equity investments" in the consolidated statement of financial position.
(2) This item is the sum of "other receivables", "securities" and "deferred taxes" under non-current assets and of "other payables", "deferred taxes", "personnel provisions" and "provisions for risks and losses" under non-current liabilities in the consolidated statement of financial position. This item also includes the "assets held for disposal" and "liabilities associated with assets held for disposal" in the consolidated statement of financial position.
(3) This item is the sum of "inventories", "contract work in progress", "trade receivables" and "other receivables" under current assets, and of "trade payables", "other payables" and "provisions for risks and losses" under current liabilities in the consolidated statement of financial position.
(4) This item is the sum of "financial receivables", "securities", "available-for-sale financial assets" and "cash and cash equivalents" under current assets, of "bonds" and "other borrowings" under non-current liabilities, and of "bank overdrafts", "bonds" and "other borrowings" under current liabilities in the consolidated statement of financial .

1. Performance of the Group

Consolidated sales revenues for the first quarter of 2013 came in at € 1,260.7 million, up from € 1,244.9 million in the same period of 2012, for an increase of € 15.8 million (+1.3%).

Consolidated revenues can be broken down by business sector as follows:

(in millions of euro)	*1st quarter*					
	2013	*%*	*2012*	*%*	*Change absolute*	*%*
Energy Sorgenia Group	656.7	52.1	601.9	48.3	54.8	9.1
Media Espresso Group	182.1	14.5	206.5	16.6	(24.4)	(11.8)
Automotive components Sogefi Group	329.2	26.1	346.9	27.9	(17.7)	(5.1)
Health KOS Group	92.1	7.3	88.3	7.1	3.8	4.3
Other sectors	0.6	-	1.3	0.1	(0.7)	n.s.
Total consolidated revenues	1,260.7	100.0	1,244.9	100.0	15.8	1.3

The **CIR Group's key income statement figures** for the first quarter, with comparatives, are as follows:

(in millions of euro)	*1st quarter*			
	2013	*%*	*2012*	*%*
Revenues	1,260.7	100.0	1,244.9	100.0
Consolidated EBITDA *(1)*	**107.2**	**8.5**	**99.2**	**8.0**
Consolidated EBIT	**53.2**	**4.2**	**47.3**	**3.8**
Financial management *(2)*	(25.8)	(2.0)	(12.3)	(1.0)
Income taxes	(19.9)	(1.6)	(17.1)	(1.4)
Net result including minority interests	7.5	**0.6**	17.9	**1.4**
Minority interests	(1.1)	(0.1)	(2.7)	(0.2)
Net result of the Group	6.4	**0.5**	15.2	**1.2**

1) This is the sum of "earnings before interest and taxes (EBIT)" and "amortisation, depreciation and write-downs" in the consolidated income statement.
2) This is the sum of "financial income", "financial expense", "dividends", "gains from trading securities", "losses from trading securities" and "adjustments to the value of financial assets" in the consolidated income statement.

The **consolidated gross operating margin (EBITDA)** in first quarter 2013 was € 107.2 million (8.5% of revenues) versus € 99.2 million (8% of revenues) in first quarter 2012, an increase of € 8 million (+8.1%). This change was largely brought about by the partial recovery in the Sorgenia Group's profit margins, versus lower margins on the part of the Espresso Group, penalised by the decline in advertising revenues.

The **consolidated operating margin (EBIT)** for the first quarter of 2013 was € 53.2 million (4.2% of revenues) versus € 47.3 million (3.8% of revenues) in the same period of 2012 (+12.5%).
The net result of financial management was negative for € 25.8 million (negative for € 12.3 million in first quarter 2012) due to:

- net financial expense of € 34 million (€ 28 million in the first three months of 2012);
- dividends and net gains on trading and the valuation of securities of € 8.2 million (€ 15.7 million in the first three months of 2012).

The **condensed consolidated capital structure of the CIR Group** at 31 March 2013, with comparative figures at 31 December 2012 and 31 March 2012, is as follows:

(in millions of euro) (1)	*31.03.2013*	*31.12.2012*	*31.03.2012*
Fixed assets	4,259.4	4,250.3	4,373.2
Other net non-current assets and liabilities	205.2	247.8	203.6
Net working capital	289.7	338.3	341.1
Net invested capital	**4,754.3**	**4,836.4**	**4,917.9**
Net financial debt	**(2,412.4)**	**(2,504.4)**	**(2,437.9)**
Total equity	**2,341.9**	**2,332.0**	**2,480.0**
Group equity	1,384.2	1,373.0	1,447.3
Minority interests	957.7	959.0	1,032.7

(1) These figures are the result of a different aggregation of the items in the financial statements. For a definition, see the notes to the "Consolidated statement of financial position by business sector" shown earlier.

Consolidated net invested capital at 31 March 2013 stood at € 4,754.3 million versus € 4,836.4 million at 31 December 2012, a decrease of € 82.1 million.

The **consolidated net financial position** at 31 March 2013, as mentioned previously, showed net debt of € 2,412.4 million (compared with € 2,504.4 million at 31 December 2012) caused by:
- a financial surplus for CIR and the other holding companies of € 38.2 million, which compares with € 33.2 million at 31 December 2012;
- total debt of the operating groups of € 2,450.6 million compared with € 2,537.6 million at 31 December 2012. The reduction of € 87 million was mainly thanks to improvements in the working capital of the Sorgenia and Espresso groups.

The net financial position includes shares of hedge funds, which amounted to € 89.3 million at 31 March 2013. The accounting treatment of these investments involves recognising changes in the fair value of the funds directly to equity.
The performance of these investments since inception (April 1994) through to the end of 2012 has shown a weighted average return in dollar terms of 6.6%. The performance in the first three months of 2013 was +4.6%.

Total equity at 31 March 2013 came to € 2,341.9 million compared with € 2,332 million at 31 December 2012, an increase of € 9.9 million.

Group equity at 31 March 2013 amounted to € 1,384.2 million compared with € 1,373 million at 31 December 2012, a net increase of € 11.2 million.

At 31 March 2013 **minority interests** came to € 957.7 million, compared with € 959 million at 31 December 2012, a decrease of € 1.3 million.

The **consolidated statement of cash flows** for the first three months of 2013, prepared according to a managerial format which shows the changes in net financial position, can be summarised as follows:

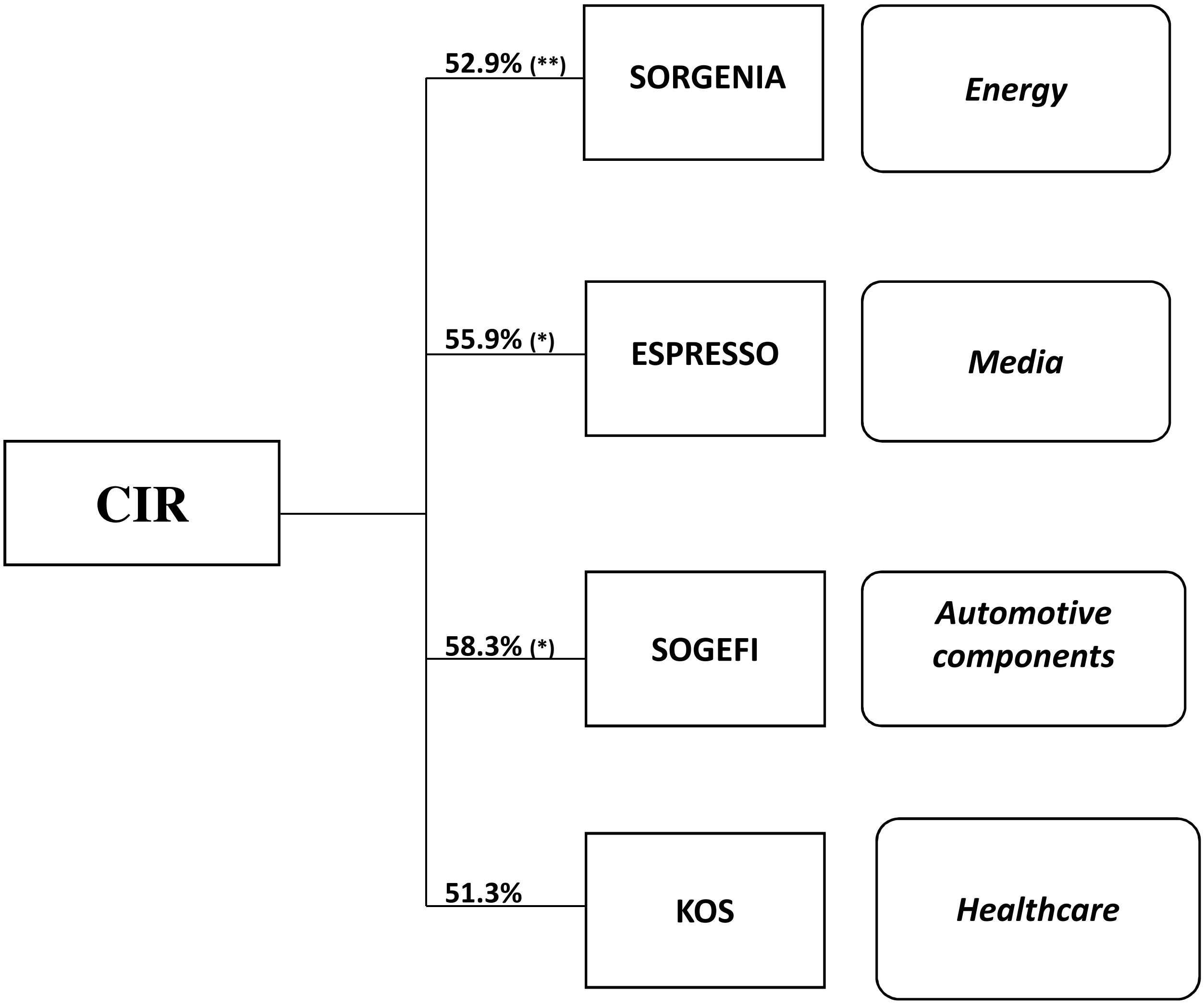
(in millions of euro)	*1st quarter 2013*	*1st quarter 2012*
SOURCES OF FUNDS		
Net income for the period including minority interests	7.6	17.9
Amortisation, depreciation, write-downs and other non-monetary changes	62.2	61.9
Self-financing	**69.8**	**79.8**
Change in working capital	**80.5**	**(65.6)**
CASH FLOW GENERATED (ABSORBED) BY OPERATIONS	**150.3**	**14.2**
Increases in capital	0.4	--
TOTAL SOURCES OF FUNDS	**150.7**	**14.2**
APPLICATIONS OF FUNDS		
Net investment in fixed assets	(58.8)	(97.5)
Payment of dividends	(0.1)	(0.9)
Buy-back of own shares	(0.5)	(1.1)
Other changes	0.7	(17.5)
TOTAL APPLICATIONS OF FUNDS	**(58.7)**	**(117.0)**
FINANCIAL SURPLUS (DEFICIT)	**92.0**	**(102.8)**
NET FINANCIAL POSITION AT BEGINNING OF PERIOD	**(2,504.4)**	**(2,335.1)**
NET FINANCIAL POSITION AT END OF PERIOD	**(2,412.4)**	**(2,437.9)**

The net cash flow generated by operations, which amounted to € 156.1 million compared with € 14.2 million in first quarter 2012, consists of self-financing of € 75.6 million, substantially in line with € 79.8 million in first quarter 2012, and a positive change in net working capital of € 80.5 million, principally in the Sorgenia and Espresso Groups, compared with an absorption of € 65.6 million in first quarter 2012.

For a breakdown of the items making up the net financial position, reference should be made to the section containing the financial statements.

At 31 March 2013 the Sorgenia Group had 13,957 employees, compared with 13,940 at 31 December 2012.

MAIN EQUITY INVESTMENTS OF THE GROUP
AT 31 MARCH 2013



(*) The percentage is calculated net of treasury shares
(**) Percentage of indirect control through Sorgenia Holding

2. Performance of the business sectors

ENERGY

The main performance indicators of the Sorgenia group for the current year are shown below, with comparative figures for the equivalent periods last year:

(in millions of euro)	*1st quarter 2013*	*1st quarter 2012*	*Change absolute*	*%*
Revenues	656.7	601.9	54.8	9.1
Net result	(8.7)	(14.7)	6.0	n.a.

	31/03/2013	*31/12/2012*	*31/03/2012*
Net financial position	(1,787.2)	(1,861.6)	(1,794.4)
No. of employees	454	451	474

Sorgenia’s results for first quarter 2013 reflect the continuing recession in Italy and the difficult market scenario in the energy sector, with a considerable fall in demand (-4% electricity consumption in the quarter) and difficulties in the thermoelectric sector caused by the high cost of gas for the power plants and competition from renewable sources at peak times of day.
However, Sorgenia is still able to report a significant improvement in its economic indicators compared with the same period last year thanks to its marketing and sales activity and the efficiency enhancing initiatives introduced in the last quarter of 2012. In particular, the company has recouped profitability compared with the first quarter of 2012, albeit not yet to a sufficient level, and reported a pre-tax result that was slightly positive.

In the first quarter of 2013, the Sorgenia Group had consolidated revenues of € 656.7 million, an increase of 9.1% compared with € 601.9 million in the first quarter of 2012, thanks to higher volumes of electricity sold.

EBITDA came to € 48.5 million, increasing by 76% compared with € 27,5 million in the first quarter of 2012. The increase was largely due to the partial recovery of profit margins in the electricity sector and a further reduction in overheads. However, the company's profitability is still suffering the effect of the high cost of gas for the power plants and the cost of the long term natural gas supply contract, as well as the competition from renewable sources at peak times of day.

Consolidated EBIT was € 21.2 million, compared with € 3.9 million in the first quarter of 2012.

The pre-tax result was a profit of € 0.5 million compared with a loss of € 13.3 million in the first quarter of 2012.

The consolidated net result for the first quarter of 2013 was negative for € 8.9 million, but it was still an improvement on the loss of € 14.7 million in the first quarter of 2012. The result was also affected by the impact of the so-called "Robin Hood Tax" on windfall profits in the oil and gas industry.

At 31 March 2013, consolidated net debt, excluding all cash flow hedging components, amounted to € 1,787.2 million, a reduction of almost € 75 million versus € 1,861.6 million at 31 December 2012. The change during the quarter, in a scenario of substantial completion of the investment programme, was due mainly to improvements in working capital and the first tranche of proceeds from the sale of the Orlando exploration field. What's more, the net debt figure does not include the proceeds from the sale of Sorgenia E&P UK (€ 20 million), which was completed in April.

The Sorgenia Group had 454 employees at 31 March 2013, compared with 451 at 31 December 2012.

Sorgenia is continuing the action taken in recent months to cope with Italy's deep recession and the difficulties of the energy market. It is concentrating above all on two priority objectives: debt reduction and recovery in profitability. To achieve these, the company will continue its policy of selling non-core assets, reducing costs and renegotiating the gas contract. As for commercial development, Sorgenia aims to grow more in the residential sector.

MEDIA

The main performance indicators of the Espresso group for the current year are shown below, with comparative figures for the equivalent periods last year:

(in millions of euro)	***1st quarter 2013***	***1st quarter 2012***	***Change absolute***	***%***
Revenues	182.1	206.5	(24.4)	(11.8)
Net result	2.0	10.1	(8.1)	n.a.

	31/03/2013	***31/12/2012***	***31/03/2012***
Net financial position	(83.5)	(108.1)	(91.6)
No. of employees	2,514	2,536	2,644

The serious difficulties persisting in the Italian economic scenario have continued the extremely negative trend in advertising investments that characterised the last quarter of 2012. In fact, during the first two months of 2013 the advertising market posted a 16.5% decline over the corresponding period of 2012 (source: Nielsen Media Research), with a negative impact on all traditional media: press -24.7%, television -16.1% and radio -17.3%. In contrast, advertising sales on the Internet keep performing well and are in line with those of 2012 (+5%).
In terms of circulation, the figures published by ADS (*Accertamento Diffusione Stampa*, February 2013 moving average) show an 8.5% decline in sales of daily newspapers.

The recession has strongly influenced the sales of the Espresso Group, which in the first quarter of 2013 came to € 182.1 million, 11.8% down on the € 206.5 million in the same period of 2012.

Circulation revenues amounted to € 62.4 million, 6.9% down on the same period last year, in a market that is still shrinking rapidly.

Advertising revenues of € 101.2 million are 16.3% down on the first quarter of 2012, in a market that in February reported a decline of 16.5%.
Each media sector of the Espresso Group reflects the general market trend: the press sector has suffered the most serious decline (-24.2%): more so for magazines, less so for local dailies. The group's radio stations have also suffered considerably (-18.2%).
In contrast, advertising on the Internet has performed very well, with a 7% increase, confirming the brilliant trend of recent years despite a particularly unfavourable general context.

Add-on revenues came to € 10.5 million with a 14.3% downturn on the same period of 2012, reflecting the general slump in consumer spending and a gradual contraction in this specific market that has been going on since year 2007, after a period of intense growth.
Other revenues, amounting to € 8 million, have increased by more than 25% on first quarter 2012, thanks to the growth in digital terrestrial TV bandwidth rentals to third parties.

Total costs have been reduced by 8.5%: excluding digital publishing and DTT, where costs are rising to support their development, there has been a 12.8% reduction thanks to further rationalisation, especially in the industrial and administrative areas.

The consolidated gross operating profit amounts to € 16.7 million versus € 29.6 million in the first quarter of 2012. All of the group’s traditional business sectors are suffering a downturn due to a general decline in advertising revenues; however, the area that is suffering the most is the national press sector (*la Repubblica* and magazines), whereas local dailies are showing greater resilience. The result of the Digital Division has also improved.

The consolidated operating profit came to € 8.8 million versus € 20.5 million in the same period last year.

Consolidated net income amounted to € 2 million compared with € 10.1 million in first quarter 2012.

At 31 March 2013, the consolidated net financial position showed net debt of € 83.5 million (with a financial surplus of € 24.7 million), a further improvement on the € 108.1 million at 31 December 2012.

At 31 March 2013, the group had 2,514 employees, including those on fixed-term contracts, 22 fewer than at 31 December 2012.

The Expresso Group overcame the crisis of 2009 with remarkable ease, thanks to a radical restructuring in 2009-2010, which by 2011 allowed it to recover its pre-crisis level of profitability with substantially reduce its debt.
Faced with the second wave of crisis, which began in the last quarter of 2011 and is still underway, the group activated plans to accelerate digital development, on the one hand, and to cut costs even more, on the other.
This enabled the group to mitigate the negative impacts of the crisis, turning in a profit in 2012 in a sector that is making huge losses, and the first quarter 2013 result is also a small profit.
The outlook for 2013 is still very uncertain because of a recession that is having a very strong influence on advertising investment.
As regards advertising, it is not unreasonable to think that the decline in the first two months of 2013 could be mitigated during the rest of the year, considering how much they had already contracted in 2012; however, given the current state of the economy, we cannot rule out that the shortfall in early 2013 compared with the same period in 2012 could be confirmed for the entire year.
The development of digital technology, maintenance of the success in traditional products and cost cuts remain the guidelines for management of the group's operations; as regards costs, considering the present situation, the group is planning to introduce cost reduction measures that are more incisive than those currently in place.

AUTOMOTIVE COMPONENTS

The main performance indicators of the Sogefi Group for the current year are shown below, with comparative figures for the equivalent periods last year:

(in millions of euro)	*1st quarter 2013*	*1st quarter 2012*	*Change absolute*	*%*
Revenues	329.2	346.9	(17.7)	(5.1)
Net result	7.0	9.0	(2.0)	(23.9)

	31/03/2013	*31/12/2012*	*31/03/2012*
Net financial position	(311.9)	(295.8)	(299.3)
No. of employees	6,678	6,735	6,752

In a difficult market environment due to the continuing weakness of the European car sector, Sogefi achieved a level of profitability that is substantially the same as last year, helped by a better geographical mix. The proportion of revenues from non-European countries did in fact rise by almost 5% compared with the first quarter of 2012 (from 29.8% to 34.7% of total revenues).
The rise in production levels in non-European countries, particularly Brazil, China and to a lesser extent North America, partly offset the decline in car sales in Europe (-10.2% on 2012).

The *Engine Systems Division* turned in revenues of € 201.9 million versus € 208.3 million in the first quarter of 2012 (-3.1%), while the *Suspension Components Division* had revenues of € 127.9 million, compared with € 139.3 million in the same period of 2012 (-8.2%).

The most significant figure was the continuing growth in North America, which thanks to revenues of € 45.2 million (+22.7%) now accounts for 13.7% of the Sogefi Group's total sales (10.6% in first quarter 2012). Growth is also continuing in Asia with revenues up by +35.7% on first quarter 2012 and in the Mercosur area (+2.5%), which benefited from a good market performance, but which was then penalised by unfavourable exchange rates. In Europe, Sogefi posted revenues of € 214.8 million, 11.8% down on last year as a result of the weakness in demand.

Commodity prices for the main components during the period were more or less in line with those of the same period last year. The profit margin of 30% was substantially unchanged from first quarter 2012, confirming the group’s ability to maintain its profitability even when there is a contraction in revenues.

EBITDA for the first three months came to € 32.1 million (9.7% of revenues) compared with € 34.5 million (9.9% of revenues) in the same period of 2012.

EBIT came to € 18.2 million (5.5% of revenues), compared with € 20.3 million in the first quarter of 2012 (5.9% of revenues).

The net income of the group amounted to € 7 million (2.1% of revenues) compared with € 9 million (2.6% of revenues) in the first quarter of 2012.

Net debt at 31 March 2013 amounted to € 311.9 million, compared with € 295.8 million at 31 December 2012. The increase in debt was due to the cash outlay for restructuring costs booked in the last quarter of 2012 for the closure of the plant in Wales, as well as seasonal factors typical of the automotive sector.

The Sogefi Group had 6,678 employees at 31 March 2013 compared with 6,735 at 31 December 2012.

Globally, the car market is expected to grow slightly in 2013, with declining volumes in Europe, continuing growth in Asia and more moderate progress in North and South America. In this context, the Sogefi Group expects to continue growing in markets outside Europe, to have stability in the cost of key commodities and to continue implementing efficiency measures.

HEALTHCARE

The main performance indicators of the KOS group for the current year are shown below, with comparative figures for the equivalent periods last year:

(in millions of euro)	*1st quarter 2013*	*1st quarter 2012*	*Change absolute*	*%*
Revenues	92.1	88.3	3.8	4.3
Net result	2.6	1.9	0.7	36.8

	31/03/2013	*31/12/2012*	*31/03/2012*
Net financial position	(170.9)	(163.4)	(171.5)
No. of employees	4,154	4,164	4,047

In the first quarter of 2013 the KOS Group turned in revenues of € 92.1 million, compared with € 88.3 million in the same period last year, an increase of 4.3%, thanks to growth in its three lines of business, especially in care homes for the elderly and hi-tech services.

Consolidated EBITDA (earnings before interest, taxes, depreciation and amortisation) came to € 12.6 million (15% of revenues), up on the first three months of 2012 (€ 11.9 million), principally because of the change in the scope of consolidation and business developments that took place in 2012.

Consolidated EBIT came to € 7.3 million versus € 7 million in the same period last year, principally because of the change in the scope of consolidation.

Consolidated net income for first quarter 2013 amounted to € 2.6 million compared with € 1.9 million in the same period of 2012.

At 31 March 2013 the KOS Group had net debt of € 170.9 million, compared with € 163.4 million at 31 December 2012.

The KOS Group had 4,154 employees at 31 March 2013 compared with 4,164 at 31 December 2012.

Start-up activities continue in India where the KOS Group set up the ClearMedi Healthcare Ltd joint venture during the second half of 2011. It is held 51% by the KOS Group and 49% by a local company and provides diagnostic and therapeutic technologies to Indian hospitals on an outsourcing basis.

The KOS Group, which at 31 March 2013 was managing 63 facilities, mainly in central and northern Italy, for a total of some 5,845 beds in use, with another 900 being built, operates in three strategic business areas, in turn split into four segments:

1) *Care homes*: management of residential care homes for the elderly and psychiatric care communities, with 40 nursing facilities and 9 psychiatric rehabilitation facilities, for a total of 4,230 beds in use (of which 4,034 in care homes);
2) *Rehabilitation*: management of hospitals and rehabilitation centres, including 13 rehabilitation facilities (with two care homes for the elderly) and 12 hospitals, for a total of 1,485 beds;
3) *Hospital management*: management of a hospital and hi-tech services in 25 public and private facilities.

3. Non-core investments

These are represented by venture capital, private equity and other investments.

VENTURE CAPITAL AND PRIVATE EQUITY

CIR Ventures is the Group's venture capital fund. At 31 March 2013 the fund's portfolio included investments in four companies, three of which in the United States and one in Israel, working in the field of electronics and information and communications technology (ICT). The overall fair value of these investments at 31 March 2013 amounted to $ 13.4 million.

Through CIR International, a subsidiary, the CIR Group manages a diversified portfolio of private equity funds and minority shareholdings, whose fair value at 31 March 2013, based on the NAV communicated by the various funds, was around € 96.9 million. Outstanding commitments at 31 March 2013 amounted to € 10 million.

OTHER INVESTMENTS

The Swiss Education Group (SEG) is a world leader in hospitality management training (for hotels, restaurants, etc.), in which CIR has an interest of around 20%. In the first quarter of 2013, it increased its revenues compared with the previous year, mainly thanks to a sustained level of registrations, with a strong element of this demand coming from Asian countries. In this regard, initiatives are underway to increase the reception capacity of the schools, given the steady rise in new applications.

Moreover, in the education and training sector, on 19 March, the CIR Group acquired, with an investment of € 6.5 million, 100% of Southlands S.r.l., an international school based in Rome with around 500 students representing over 40 different nationalities, with an expected turnover for the year ending 31 August 2013 of approximately € 6 million.
The purchase of Southlands S.r.l. is part of a development project in the field of private international schools, which began with the opening of a first school in Lausanne, Switzerland (LLIS Lake Leman International School SA) in 2011.

During the first quarter, having concluded the process of reorganisation that it started in 2012 with a view to pulling out of all activities subject to regulatory reserves, Nexenti Advisory (formerly Jupiter Finance) has focused its servicing functions as an asset advisor in the companies Zeus and Urania, in order to protect and ensure the strategic objectives of its stakeholders.
At 31 March 2013 the net value of the CIR Group's investments in activities related to non-performing loans amounted to € 65 million.

4. Significant events subsequent to 31 March 2013

As regards significant events that took place after 31 March 2013, the sale of Sorgenia E&P UK for a total of € 20 million took effect from 5 April 2013.

5. Outlook for operations

The performance of the CIR Group in 2013 will be influenced by how the macroeconomic scenario evolves, especially in the Italian economy, still suffering from a recession whose intensity is hard to predict. In this scenario, the Group's main operating subsidiaries have reinforced their measures to improve operating efficiency, alongside their various business development initiatives

6. Other information

OTHER

CIR S.p.A. – Compagnie Industriali Riunite has its registered office in Via Ciovassino 1, Milan, Italy.

CIR shares have been listed on the Milan Stock Exchange since 1973 (Reuters code: CIRX.MI, Bloomberg code: CIR IM).

This report for the period 1 January-31 March 2013 was approved by the Board of Directors on 29 April 2013.

CIR S.p.A. is subject to management and coordination by Cofide – Gruppo De Benedetti S.p.A..

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED INCOME STATEMENT

NET FINANCIAL POSITION

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euro)

ASSETS	*31.03.2013*	*31.12.2012*	*31.03.2012*
NON-CURRENT ASSETS	**4,864,088**	**4,870,800**	**4,951,123**
INTANGIBLE ASSETS	1,515,941	1,501,522	1,504,044
TANGIBLE ASSETS	2,362,788	2,367,626	2,437,305
INVESTMENT PROPERTY	22,357	22,541	23,365
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	350,875	353,070	381,679
OTHER EQUITY INVESTMENTS	7,437	5,580	26,769
OTHER RECEIVABLES	237,170	249,048	250,493
SECURITIES	110,655	111,244	104,260
DEFERRED TAXES	256,865	260,169	223,208
CURRENT ASSETS	**3,279,468**	**3,185,006**	**3,139,806**
INVENTORIES	167,381	170,757	190,683
CONTRACT WORK IN PROGRESS	38,238	42,258	37,199
TRADE RECEIVABLES	1,335,359	1,447,833	1,334,164
OTHER RECEIVABLES	418,561	306,700	315,293
FINANCIAL RECEIVABLES	34,096	35,489	12,775
SECURITIES	346,661	410,343	545,066
AVAILABLE-FOR-SALE FINANCIAL ASSETS	110,395	105,473	130,507
CASH AND CASH EQUIVALENTS	828,777	666,153	574,119
ASSETS HELD FOR DISPOSAL	13,676	34,444	646
TOTAL ASSETS	**8,157,232**	**8,090,250**	**8,091,575**

LIABILITIES AND EQUITY	*31.03.2013*	*31.12.2012*	*31.03.2012*
EQUITY	**2,341,930**	**2,332,033**	**2,480,038**
ISSUED CAPITAL	396,670	396,670	396,670
less TREASURY SHARES	(24,995)	(24,995)	(24,995)
SHARE CAPITAL	371,675	371,675	371,675
RESERVES	283,321	279,958	287,091
RETAINED EARNINGS (LOSSES)	722,772	754,430	773,395
NET INCOME (LOSS) FOR THE PERIOD	6,442	(33,065)	15,153
GROUP EQUITY	**1,384,210**	**1,372,998**	**1,447,314**
MINORITY INTERESTS	957,720	959,035	1,032,724
NON-CURRENT LIABILITIES	**3,196,867**	**3,206,911**	**3,201,050**
BONDS	500,094	496,379	500,583
OTHER BORROWINGS	2,283,899	2,303,836	2,325,523
OTHER PAYABLES	1,890	2,888	1,694
DEFERRED TAXES	182,946	181,860	169,361
PERSONNEL PROVISIONS	139,723	128,523	123,009
PROVISIONS FOR RISKS AND LOSSES	88,315	93,425	80,880
CURRENT LIABILITIES	**2,618,110**	**2,550,922**	**2,410,487**
BANK OVERDRAFTS	172,390	165,850	140,257
BONDS	7,005	4,354	6,943
OTHER BORROWINGS	768,908	751,496	727,079
TRADE PAYABLES	1,127,542	1,192,436	1,046,417
OTHER PAYABLES	433,542	332,069	403,550
PROVISIONS FOR RISKS AND LOSSES	108,723	104,717	86,241
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR DISPOSAL	325	384	--
TOTAL LIABILITIES AND EQUITY	**8,157,232**	**8,090,250**	**8,091,575**

2. CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	01/01-31/03 2013	*01/01-31/03 2012*
SALES REVENUES	1,260,741	1,244,901
CHANGE IN INVENTORIES	(1,890)	7,495
COSTS FOR THE PURCHASE OF GOODS	(766,251)	(738,657)
COSTS FOR SERVICES	(201,827)	(210,112)
PERSONNEL COSTS	(182,079)	(190,347)
OTHER OPERATING INCOME	42,938	24,692
OTHER OPERATING COSTS	(42,500)	(37,096)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	(1,921)	(1,704)
AMORTISATION, DEPRECIATION & WRITE-DOWNS	(54,040)	(51,862)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (EBIT)	**53,171**	**47,310**
FINANCIAL INCOME	13,458	24,089
FINANCIAL EXPENSE	(47,421)	(52,130)
DIVIDENDS	1	43
GAINS FROM TRADING SECURITIES	3,803	1,192
LOSSES FROM TRADING SECURITIES	(1,019)	(140)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	5,444	14,623
INCOME (LOSS) BEFORE TAXES	**27,437**	**34,987**
INCOME TAXES	(19,862)	(17,132)
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	**7,575**	**17,855**
- MINORITY INTERESTS	(1,133)	(2,702)
- **NET INCOME OF THE GROUP**	**6,442**	**15,153**

3. NET FINANCIAL POSITION

(in thousands of euro)

		31.03.2013	*31.12.2012*	*31.03.2012*
A.	Cash and bank deposits	828,777	666,153	574,119
B.	Other cash and cash equivalents	110,395	105,473	130,507
C.	Securities held for trading	346,661	410,343	545,066
D.	**Cash and cash equivalents (A) + (B) + (C)**	**1,285,833**	**1,181,969**	**1,249,692**
E.	**Current financial receivables**	34,096	35,489	12,775
F.	Current bank payables	(311,228)	(292,787)	(223,546)
G.	Bonds issued	(7,005)	(4,354)	(6,943)
H.	Current portion of non-current borrowings	(629,929)	(624,546)	(643,788)
I.	Other current financial payables	(141)	(13)	(2)
J.	**Current financial debt (F) + (G) + (H) + (I)**	**(948,303)**	**(921,700)**	**(874,279)**
K.	**Net current financial position (J) + (E) + (D)**	**371,626**	**295,758**	**388,188**
L.	Non-current bank payables	(2,027,532)	(2,042,918)	(2,108,028)
M.	Bonds issued	(500,094)	(496,379)	(500,583)
N.	Other non-current payables	(256,367)	(260,918)	(217,495)
O.	**Non-current financial debt (L) + (M) + (N)**	**(2,783,993)**	**(2,800,215)**	**(2,826,106)**
P.	**Net financial position (K) + (O)**	**(2,412,367)**	**(2,504,457)**	**(2,437,918)**

Notes to the consolidated financial statements

1. Introduction

This consolidated interim financial report at 31 March 2013 (unaudited) was prepared in accordance with IAS/IFRS international accounting standards, which have been mandatory since 2005 for preparing the consolidated financial statements of companies listed on European regulated markets. The figures provided for comparison purposes were also determined in accordance with IAS/IFRS.

This interim report was prepared in compliance with the provisions of art. 154/ter paragraph 5 of D.Lgs. no. 58 of 24 February 1998 and subsequent amendments (TUF). The instructions contained in the international accounting standard on interim reporting (IAS 34 "Interim Financial Statements") have not therefore been adopted.

2. Consolidation principles

Consolidation is on a line-by-line basis. The criteria adopted in applying this method are the same as those used at 31 December 2012.

The consolidated interim financial statements of the Group as of 31 March 2013, like those as of 31 December 2012, are the result of the consolidation at those dates of the financial statements of CIR, the parent company, and all of the companies directly or indirectly controlled, joint ventures or associates. The assets and liabilities of companies due to be sold are reclassified to assets and liabilities held for disposal in order to disclose them separately.

3. Accounting policies

The Accounting Principles adopted for the preparation of the interim financial statements as of 31 March 2013 are the same as those adopted for the financial statements for the year ended 31 December 2012.

4. Share capital

The share capital at 31 March 2013 amounts to € 396,670,233.50, the same as at 31 December 2012, and is made up of 793,340,467 shares with a nominal value of € 0.50 each.

At 31 March 2013, the Company held 49,989,000 treasury shares (6.3% of capital) for a value of € 108,340 thousand, the same as at 31 December 2012.

In application of IAS 32, from 1 January 2005 treasury shares held by the Parent Company are deducted from total equity.

The share capital is fully subscribed and paid up. None of the shares are subject to any rights, privileges or limitations on the distribution of dividends, with the exception of treasury shares.

Note that for a period of five years from 30 April 2009 the Board of Directors was authorised to increase the share capital once or more by a maximum of € 500 million (nominal value) and for a further maximum of € 20 million (nominal value) in favour of employees of the Company, its subsidiaries and parent companies.

Regarding stock option plans and stock grants, at 31 March 2013 there were 43,897,932 options outstanding, corresponding to an equivalent number of shares.

The notional cost of the stock options granted to employees, which is shown in a separate item of shareholders' equity, amounted to € 967 thousand in the first quarter of 2013.

CERTIFICATION IN ACCORDANCE WITH THE TERMS OF ART. 154 BIS, PARAGRAPH 2, OF D.LGS. NO. 58/1998

Re: Interim Financial Report as of 31 March 2013

The undersigned, Giuseppe Gianoglio, officer responsible for the preparation of the financial statements of the Company,

hereby declares

in accordance with paragraph 2 of Article 154 bis of the Finance Consolidation Act (TUF) that the accounting information contained in this document corresponds to the Company's documented results, books of account and accounting entries.

Milan, 29 April 2013

C I R S.p.A.
Giuseppe Gianoglio