COFIDE GROUP

INTERIM FINANCIAL REPORT
AS AT 31 MARCH 2012

Milan, 27 April 2012

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AS AT 31 MARCH 2012

COFIDE - De Benedetti S.p.A. Group
Share Capital € 359,604,959
Register of Companies and Tax Code 01792930016
Company subject to management and coordination by CARLO DE BENEDETTI & FIGLI S.a.p.A.

Registered office and Operating Headquarters
Via Ciovassino 1- 20121 Milan
Tel. (02) 72270.1 Fax (02) 72270.270

Administrative office
Via Valeggio 41 – 10129 Turin
Tel. & Fax (011) 5517 +

C O N T E N T S

REPORT OF THE BOARD OF DIRECTORS ON OPERATIONS AS AT MARCH 31 2012

1. PERFORMANCE OF THE GROUP 6
2. PERFORMANCE OF SUBSIDIARIES 11
3. SIGNIFICANT EVENTS SINCE MARCH 31 2012 18
4. BUSINESS OUTLOOK 19
5. OTHER INFORMATION 19

CONSOLIDATED FINANCIAL STATEMENTS

1. STATEMENT OF FINANCIAL POSITION 21
2. INCOME STATEMENT 22
3. NET FINANCIAL POSITION 23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTION 24
2. CONSOLIDATION PRINCIPLES 24
3. ACCOUNTING PRINCIPLES APPLIED 25
4. SHARE CAPITAL 25

DECLARATION PURSUANT TO ART. 154 *BIS*, PARAGRAPH 2,
OF ITALIAN LEGISLATIVE DECREE No. 58/1998 26

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REPORT OF THE BOARD OF DIRECTORS ON OPERATIONS
AS AT MARCH 31 2012

The Cofide group reported consolidated net income of € 6 million in the first three months of 2012, compared to € 5.9 million in the same period of last year.

The result was mainly determined by the contribution of the subsidiary Cir which came to € 7.4 million, down from € 7 million in the first three months of 2011.
Cir reported consolidated net income of € 15.2 million in the first quarter of 2012, compared to € 14.4 million in the same period last year. The result benefited from the contribution of the four main operating subsidiaries for € 4.3 million and the positive adjustment at fair value for € 14.7 million in securities in the Group portfolio thanks to the pick up in the financial markets during the first quarter of 2012.

The net debt of the Parent Company Cofide rose from € 28.9 million at December 31 2011 to € 30.3 million at March 31 2012.

Consolidated equity totalled € 728.7 million at March 31, 2012, up from € 725.6 million at December 31 2011.

After the Milan Court of Appeal pronouncement of July 9 2011 ordering Fininvest to pay compensation for damages resulting from bribery in the "Lodo Mondadori" case, on July 26 2011 CIR received € 564.2 million from Fininvest, including legal costs and interest. As envisaged in international accounting standards (IAS 37) this amount has had no effect, nor will, on the income statement of the group up to the highest level of justice.

With a view to providing further information on the financial and economic performance of Cofide in the first three months of 2012, below are the income statement and statement of financial position showing the contribution of subsidiaries to the net result and equity of Cofide.

The **income statement** is as follows:

(in millions of euro)

	1st Quarter 2012	*1st Quarter 2011*
Contributions from investments in subsidiaries:		
- Cir S.p.A.	7.4	7.0
- Euvis S.p.A.	(0.3)	(0.1)
TOTAL CONTRIBUTIONS	**7.1**	**6.9**
Net gains and losses from trading and valuing securities	(0.1)	(0.1)
Net financial income and expense	(0.3)	(0.2)
Net operating costs	(0.7)	(0.7)
INCOME (LOSS) BEFORE TAXES	**6.0**	**5.9**
Income taxes	--	--
NET INCOME FOR THE PERIOD	**6.0**	**5.9**

The **statement of financial position** at March 31 2012 shows equity of € 728.7 million, parent company net debt of € 30.3 million and financial assets of € 757.2 million.

(in millions of euro)

	31.03.2012	*31.12.2011*	*31.03.2011*
Cir S.p.A.	743.7	739.1	766.3
Euvis S.p.A.	2.0	2.3	3.4
EQUITY INVESTMENTS CLASSIFIED AS FIXED ASSETS	**745.7**	**741.4**	**769.7**
Other financial assets	11.5	11.5	15.1
TOTAL FINANCIAL ASSETS	**757.2**	**752.9**	**784.8**
Tangible assets	1.3	1.3	1.3
Net receivables and payables for the year	0.5	0.3	0.3
NET INVESTED CAPITAL	**759.0**	**754.5**	**786.4**
Financed from:			
Equity	**728.7**	**725.6**	**755.4**
Net financial debt	**(30.3)**	**(28.9)**	**(31.0)**

“Other investments” relate to the Cofide investment made in 2011 in the real estate investment fund Jargonnant, for which the company has a residual commitment at March 31 2012 of approximately € 2 million.

1. PERFORMANCE OF THE GROUP

Consolidated revenues for the first three months of 2012 came in at € 1,244.9 million, compared to € 1,115.5 million in the same period of 2011, up € 129.4 million (+11.6%).

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

(in millions of euro)	*1st Quarter*					
	2012	*%*	*2011*	*%*	*Absolute change*	*%*
Energy						
Sorgenia Group	601.9	48.3	549.7	49.3	52.2	9.5
Media						
Espresso Group	206.5	16.6	222.2	19.9	(15.7)	(7.1)
Automotive components						
Sogefi Group	346.9	27.9	255.8	22.9	91.1	35.6
Healthcare						
KOS Group	88.3	7.1	87.0	7.8	1.3	1.5
Other sectors	1.3	0.1	0.8	0.1	0.5	62.5
Total consolidated revenues	1,244.9	100.0	1,115.5	100.0	129.4	11.6

The **comparison of the key figures of the income statement for first quarter of the Cofide group** with those of the previous year is as follows:

(in millions of euro)		*1st Quarter*			
		2012	*%*	*2011*	*%*
Revenues		1,244.9	100.0	1,115.5	100.0
Consolidated gross operating margin (EBITDA)	*(1)*	**97.5**	**7.8**	**123.4**	**11.1**
Consolidated EBIT		**45.4**	**3.6**	**75.2**	**6.7**
Financial management result	*(2)*	(12.1)	(1.0)	(22.1)	(2.0)
Income taxes		(17.1)	(1.3)	(27.2)	(2.4)
Net income including minority interests		**16.2**	**1.3**	**25.9**	**2.3**
Net income – minority interests		(10.2)	(0.8)	(20.0)	(1.8)
Net income of the Group		**6.0**	**0.5**	**5.9**	**0.5**

1) This balance is the sum of the items "earnings before interest and taxes (EBIT)" and "amortisation, depreciation and write-downs" in the consolidated income statement

2) This balance is the sum of the items "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

In the first three months of 2012, the **consolidated gross operating margin (EBITDA)** was € 97.5 million (7.8% of revenues) up from € 123.4 million in the first three months of 2011 (11.1% of revenues), recording a decrease of € 25.9 million (-21%). This change was essentially the result of the drop in the profitability of the Sorgenia Group, whose margins in the first quarter were penalised by the slowdown in Italian demand for electricity and the rise in the price of gas at headquarters.

The **consolidated operating result (EBIT)** for the first three months of 2012 came to € 45.4 million (3.6% of revenues), compared to € 75.2 million (6.7% of revenues) reported for the same period of 2011 (-39.6%).

The financial management result came in at a negative € 12.1 million (negative balance of € 22.1 in the first quarter of 2011) and was the result of the following:
- net financial expense of € 27.7 million (€ 31.8 million in the first three months of 2011);
- dividends, financial income from trading and valuing securities with a positive balance of € 15.6 million (positive balance of € 9.7 million in the first three months of 2011).

The **highlights of the consolidated balance sheet** of the Cofide group at March 31 2012 are as follows:

(in millions of euro)		*31.03.2012*	*31.12.2011*	*31.03.2011 (*)*
Fixed assets	(1)	4,409.9	4,363.3	4,343.6
Other net non-current assets and liabilities	(2)	214.4	219.0	105.8
Net working capital	(3)	342.6	281.5	381.3
Net invested capital		**4,966.9**	**4,863.8**	**4,830.7**
Net financial debt	**(4)**	**(2,464.8)**	**(2,360.3)**	**(2,254.2)**
Total equity		**2,502.1**	**2,503.5**	**2,576.5**
Group equity		728.7	725.6	755.4
Minority interests equity		1,773.4	1,777.9	1,821.1

(1) This item is the algebraic sum of the items "intangible assets", "tangible assets", "investment property", "investments in companies consolidated at equity" and "other investments" in the consolidated balance sheet.
(2) This item is the algebraic 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. It also includes the items "Assets held for disposal" and "Liabilities held for disposal" in the consolidated balance sheet.
(3) This item is the algebraic sum of "inventories", "contract work in progress", "trade receivables", "other receivables" under current assets and "trade payables", "other payables" and "provisions for risks and losses" under current liabilities in the consolidated balance sheet.
(4) This item is the algebraic sum of "financial receivables", "securities", "available-for-sale financial assets" and "cash and cash equivalents" under current assets, "bonds and notes" and "other borrowings" under non-current liabilities and "bank overdrafts", "bonds and notes" and "other borrowings" under current liabilities in the consolidated balance sheet.
(*) For the presentation of these Consolidated Financial Statements the Group recalculated the comparison balances of current assets and liabilities at March 31 2011 to align their accounting presentation to the derivative trading transactions of the sub-holding Sorgenia, executed as part of its normal business activities, to those of the leading energy traders. The balance of these reclassifications, for a total of € 28.9 million, increased the following items: Net working capital, Net invested capital and Financial debt.

Consolidated net invested capital stood at € 4,966.9 million as at March 31 2012, up from € 4,863.8 million at December 31 2011, with an increase of € 103.1 million.

The **consolidated net financial position** at March 31 2012 showed net debt of € 2,464.8 million (up from € 2,360.3 million at December 31 2011) which was the result of the following:
- net debt of € 30.3 million for Cofide versus € 28.9 million at December 31 2011;
- a financial surplus for Cir and the financial holding companies of € 24.6 million, which compares with € 10.8 million at December 31 2011;
- total debt of the operating groups of € 2,459.1 million compared to € 2,342.2 million at 31 December 2011. The rise of € 116.9 million was due mainly to the investment in new production capacity and the higher working capital of the Sorgenia group, linked to other seasonal factors.

The net financial position includes shares of hedge funds which amounted to € 82.2 million at March 31 2012. The accounting treatment of these investments involves recognising changes in the fair value of the funds to equity.
The performance of these investments from their origin (April 1994) up to and including all of 2011 recorded a weighted average return in dollars of 6.7%. In the first three months of 2012 performance was a positive 5%.

Total equity at March 31 2012 stood at € 2,502.1 million, down € 1.4 million from € 2,503.5 million at December 31 2011.

The **equity of the group** amounted to € 728.7 million at March 31 2012 compared to € 725.6 million at December 31 2011, with a net rise of € 3.1 million.

Minority shareholders' equity amounted to € 1,773.4 million at March 31 2012, down from € 1,777.9 million at December 31 2011, with a drop of € 4.5 million.

The **consolidated cash flow statement** in the first three months of 2012, prepared according to a managerial format which shows the changes in net financial position, can be summed up in the following chart :

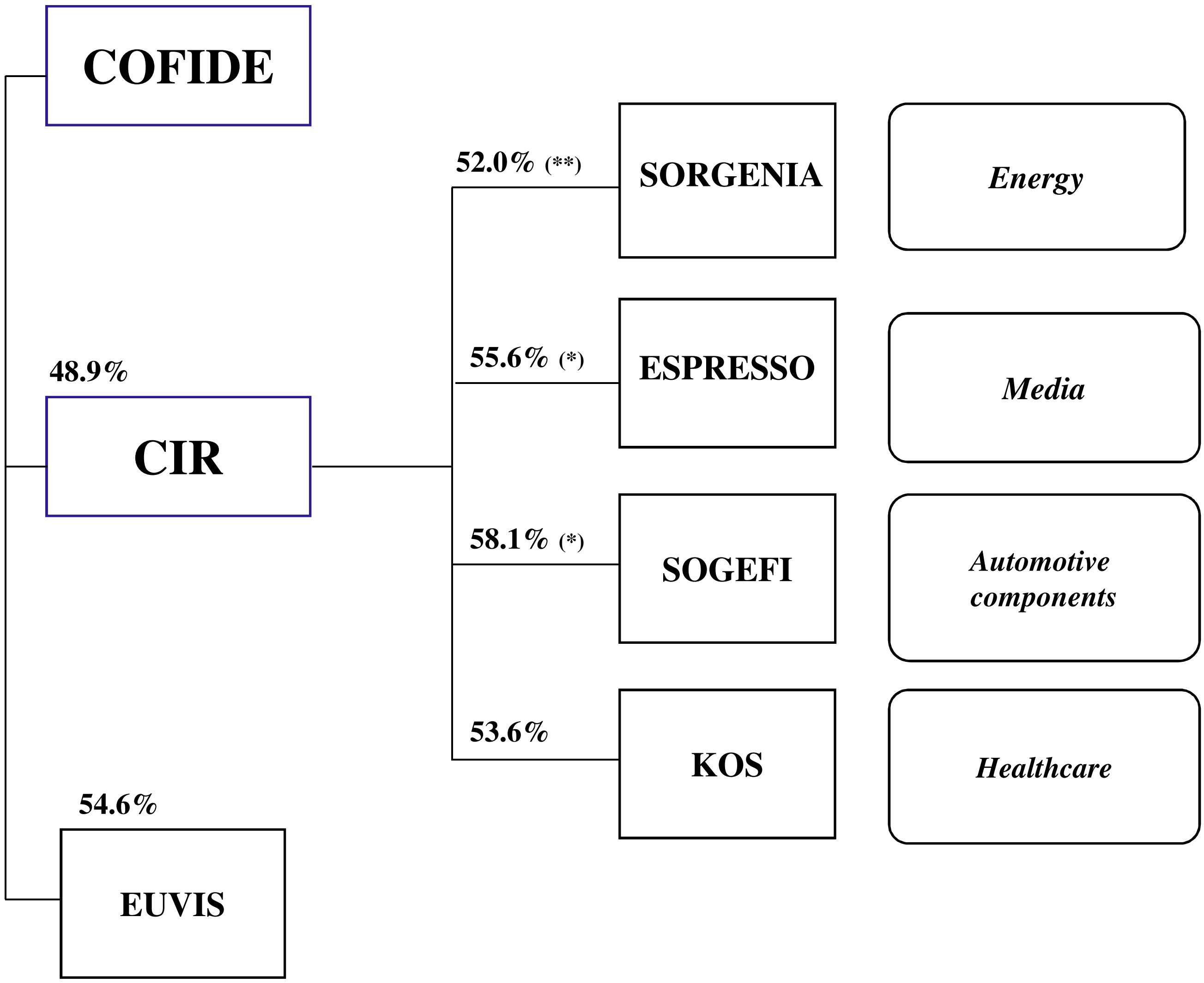
(in millions of euro)	*1st Quarter 2012*	*1st Quarter 2011*
SOURCES OF FUNDING		
Net income for the period including minority interests	16.2	25.9
Amortisation, depreciation, write-downs and other non-monetary changes	62.2	41.1
Self-financing	**78.4**	**67.0**
Change in working capital	**(65.8)**	**(57.6)**
CASH FLOW GENERATED (ABSORBED) BY OPERATIONS	**12.6**	**9.4**
Capital increases	--	**1.1**
TOTAL SOURCES	**12.6**	**10.5**
USES OF FUNDING		
Net investments in fixed assets	(97.5)	(56.6)
Payment of dividends	(0.9)	(0.3)
Buy-back of own shares	(1.1)	--
Other changes	(17.6)	(1.5)
TOTAL USES OF FUNDING	**(117.1)**	**(58.4)**
FINANCIAL SURPLUS (DEFICIT)	**(104.5)**	**(47.9)**
NET FINANCIAL POSITION AT THE BEGINNING OF THE PERIOD	**(2,360.3)**	**(2,206.3)**
NET FINANCIAL POSITION AT THE END OF THE PERIOD	**(2,464.8)**	**(2,254.2)**

The net cash flow generated by operations, amounting to € 12.6 million compared with € 9.4 million in the first three months of 2011, reflects an increase in self-financing partly offset by greater cash absorbed due to the increase in working capital. Investments in fixed assets, amounting to € 97.5 million, mainly concern increases in the production capacity of the Sorgenia Group.

The breakdown of the net financial position is given in the section containing the statements.

At March 31 2012 the group had 14,083 employees on its books, down from 14,106 at December 31 2011.

MAIN EQUITY INVESTMENTS OF THE GROUP (*)
AS AT 31 MARCH 2012



(*) The percentage is calculated net of own shares held in portfolio
(**) Percentage of indirect control through Sorgenia Holding

2. PERFORMANCE OF THE SUBSIDIARIES

EUVIS – In the first quarter of 2012 Euvis continued its activity of brokering lifetime mortgages the origination of which was provided by the shareholder J.P. Morgan which, as already stated in the Report on Operations for the year ended December 31 2011, has expressed its intention of not renewing the distribution contract which expired on March 31 2012. In view of this decision, after evaluating various alternatives which did not however lead to any agreement, on April 18 2012 the Shareholders' Meeting of Euvis S.p.A voted to start a voluntary liquidation process and appointed a liquidator.

It should be remembered that Cofide S.p.A. had prudentially already anticipated this eventuality in the financial statements for the year ended December 31 201, having written down the investment to a value of € 0.5 million.

The company had 29 employees at March 31 2012.

CIR GROUP – In the first quarter of 2012, as already mentioned, the Cir group reported consolidated net income of € 15.2 million, up from € 14.4 million in the same period of 2011.

The charts below show the contribution of the principal subsidiaries to the result and to the consolidated equity of Cir:

(in millions of euro)	*1st Quarter 2012*	*1st Quarter 2011*
CONTRIBUTION TO NET RESULT		
Sorgenia group	(7.6)	3.5
Espresso group	5.6	7.2
Sogefi group	5.3	3.9
KOS group	1.0	1.6
Total principal subsidiaries	**4.3**	**16.2**
Other subsidiaries	(1.3)	(1.4)
CIR and financial holding companies	**12.2**	**(0.4)**
Net result of the Cir group	**15.2**	**14.4**

As already stated, the contribution of the four main operating subsidiaries to the consolidated net result came to € 4.3 million versus € 16.2 million in the first three months of 2011 and the aggregate contribution of Cir and the financial holding companies was a positive € 12.2 million, up from a negative result of € 0.4 million in the same period of 2011.

(in millions of euro)	*31.03.2012*	*31.12.2011*
CONTRIBUTION TO EQUITY		
Sorgenia group	560.2	577.5
Espresso group	319.5	312.7
Sogefi group	117.5	113.7
KOS group	112.3	111.2
Other subsidiaries	10.6	13.6
Total subsidiaries	**1,120.1**	**1,128.7**
Cir and financial holding companies	**327.2**	**309.4**
- invested capital	302.6	298.6
- net financial position	24.6	10.8
Equity of the Cir group	**1,447.3**	**1,438.1**

Consolidated equity rose from € 1,438.1 million at December 31 2011 to € 1,447.3 million at March 31 2012.

Below is a more detailed analysis of the performance of the business sectors of the Cir group.

ENERGY SECTOR

The chart below shows the main performance indicators of the Sorgenia group for this current year and a comparison with those of the same periods of the previous year:

(in millions of euro)	*1st Quarter 2012*	*1st Quarter 2011*	*Change absolute*	*%*
Revenues	601.9	549.7	52.2	9.5
Net result	(14.7)	6.8	(21.5)	n.s.

	31/03/2012	*31/12/2011*	*31/03/2011*
Net financial position	(1,794.4)	(1,667.2)	(1,791.5)
No. of employees	474	466	421

Sorgenia's performance in the first quarter of 2012 was in line with the forecast slowdown in the national electricity sector in the light of the current recession and high gas costs in Italy. In the first quarter, in particular, domestic demand for electricity declined by 3.3% for the same calendar period. In this environment Sorgenia also reported lower results compared to the first quarter of last year because of the sharp fall in margins, as indicated below.

In the first three months of 2012 the Sorgenia group reported consolidated revenues of € 601.9 million, which were up by 9.5% from the figure of € 549.7 million in the first quarter of 2011.

In the first quarter of 2012 the adjusted gross operating margin (EBITDA) figure (excluding the fair value measurement of hedging contracts and derivatives) was € 26.8 million and was down by 41.1% from € 45.5 million in first quarter 2011. EBITDA came to € 27.5 million, down from

€ 51.5 million in 2011. The significant fall in margins compared to last year was due essentially to three factors:

- The reduction in thermoelectric generating margins, negatively affected in particular by the sharp slowdown in demand, the rise in the prices of gas for the power plants, the overcapacity of the electricity system as a whole in terms of production, and the competition from renewable sources at peak times of day;
- Higher provisions set aside for client receivables because of the worsening economic situation;
- The lower volumes of natural gas sold and thus the lower margins on the same.

Consolidated EBIT was € 3.9 million, down from € 28.3 million in the first quarter of 2011.

In first quarter 2012 the adjusted consolidated net result (excluding the fair value measurement of hedging contracts and derivatives) was a loss of € 16.7 million, which compares with net income of € 2.9 million in the first quarter of 2011. The consolidated net result was a loss of € 14.7 million versus net income of € 6.8 million in the first quarter of 2011.

Consolidated net debt, net of cash flow hedge items, stood at € 1,794.4 million at March 31 2012, up from € 1,667.2 million at December 31 2011. The change was due to the scheduled investments in production capacity and to the rise in working capital, due partly to seasonal factors.

The group had 474 employees at March 31 2012 compared to 466 at December 31 2011.

As far as the advancement of *Business Plan 2011-2016* is concerned, during the first quarter work substantially finished on the construction of the Aprilia power plant (Latina), the fourth and last combined cycle plant (CCGT) in Sorgenia's plans, which is scheduled to start commercial operations in the second quarter of 2012.

Construction work is also continuing on four new wind parks in Italy for a total of 40 MW – which are expected to start operating commercially by the end of 2012 – and on a new 12.5 MW wind park in France. Activities are also continuing in the *Exploration and Production* sector *(E&P)* under the exploration licenses in Colombia and the North Sea.

MEDIA SECTOR

The chart below shows the main performance indicators of the Espresso group for this current year and a comparison with those of the same periods of the previous year:

(in millions of euro)	*1st Quarter 2012*	*1st Quarter 2011*	*Change absolute*	*%*
Revenues	206.5	222.2	(15.7)	(7.1)
Net result	10.1	13.1	(3.0)	(23.2)

	31/03/2012	*31/12/2011*	*31/03/2011*
Net financial position	(91.6)	(110.2)	(108.4)
No. of employees	2,644	2,673	2,792

The first quarter of 2012 was characterized, at market level, by a sharp contraction in advertising investment (-5.7% was the actual figure for the first two months) and in circulation (-6.3% in February for daily newspapers).

In this context, the revenues of the Espresso group came to € 206.5 million and were down by 7.1% on the corresponding period of 2011. This decline was mainly due to the performance of collateral products, which did extraordinarily well in the first quarter of 2011. Without the collateral products the decline in revenues would have been 3%.

Circulation revenues, excluding collateral products, totalled € 64.1 million and were substantially in line with the corresponding period of the previous year. The decline in circulation was offset by the extension of the price rise to almost all the titles of the group.

Advertising revenues, which came to € 120.8 million, were down by 5.3% compared to first quarter 2011. By sector, the trends reflect the general performance of the market: the printed press fell by 8.5% and radio by 5.2%. However the performance of internet advertising was very positive with the sector posting growth of 16%, confirming the brilliant dynamics of recent years even in a particularly bad general climate.

The revenues from optional products amounted to € 14 million, and were down sharply (-40.9%) on the same period of 2011; this reflects, on the one hand, the generalized decline in consumption and, on the other hand, the particular success that the initiatives had in the first quarter of last year.
Sundry revenues, which came to € 7.6 million, were up by almost 20% on the first quarter of 2011 thanks to the growth of the business of leasing digital terrestrial television bandwidth to third parties and to the positive development of subscriptions to digital products.

Total operating costs went down by 2.7%, mainly as a result of the new plans for downsizing personnel which were undertaken during 2011.

The consolidated gross operating margin was € 29.6 million and was down by 19.5% compared to the figure of € 36.8 million for first quarter 2011; excluding the effect of collateral products the gross operating margin would have been unchanged.

The consolidated operating result came to € 20.5 million, down by 25.8% from € 27.6 million in the same period of last year.
Consolidated net income came in at € 10.1 million compared to € 13.1 million in the first quarter of 2011.

At March 31 2012 the consolidated net financial position showed debt of € 91.6 million (with a financial surplus of € 18.6 million), which was a further improvement compared to the figure of € 110.2 million at December 31 2011, thanks to the cash flows generated by operations.

At March 31 2012 the group had 2,644 employees including temporary contracts, posting a reduction of 29 persons compared to December 31 2011.

In view of the general economic situation and the negative prospects in the short and medium term, it is likely that the critical developments of the sector encountered in the first quarter will continue, especially as far as the collection of advertising is concerned, with a probable worsening in the second quarter of the year and a slight improvement in the second half of the year, which will compare with the second half of 2011 that was already very weak.
Despite the above, the group closed the first quarter with a significantly positive result and confirms its forecast of a positive result even for the whole year, albeit a considerably lower result than in 2011.
The structural nature of the current crisis requires the group to renew its commitment to putting in place measures to shore up its profitability in the short and medium term.

AUTOMOTIVE COMPONENTS SECTOR

The chart below shows the main performance indicators of the Sogefi group for this current year and a comparison with those of the same periods of the previous year:

(in millions of euro)	*1st Quarter 2012*	*1st Quarter 2011*	*Change absolute*	*%*
Revenues	346.9	255.8	91.1	35.6
Net result	9.2	6.7	2.5	37.5

	31/03/2012	*31/12/2011*	*31/03/2011*
Net financial position	(299.3)	(299.8)	(166.6)
No. of employees	6,752	6,708	5,646

In the first quarter of 2012 the slowdown in the automotive sector in certain important markets continued because of the worsening economic and financial environment worldwide. In Europe, in particular, the economic climate together with the lower availability of credit further dampened the propensity to buy new cars. This led in the first quarter to a fall of 7.7% in new car registrations compared to the same period of 2011. This decline was reflected in the production levels of manufacturers, which went down by 5.1% compared to 2011 with negative lows in France, Italy and Spain.

In non-European markets there was a slowdown in levels of demand in Brazil and China, while North America continued to grow. Despite the worsening of the general climate, Sogefi closed the quarter with a rise in its main economic indicators of over 35% thanks above all to the full consolidation of the activities of Systèmes Moteurs, the acquisition of which was completed in the second half of 2011.

In the first quarter of 2012 Sogefi reported consolidated revenues of € 346.9 million, which were up by 35.6% compared to the figure of € 255.8 million for the same period of 2011, thanks to the consolidation of Systèmes Moteurs as from August 1 of last year. With the same consolidation as last year, revenues would have been € 254.1 million, substantially in line with 2011. The positive evolution of revenues applied especially to the *Engine Systems Division,* to which Systèmes Moteurs belongs, which posted strong growth (€ 208.3 million versus € 117.8 million in 2011), while the sales of the *Suspension Components Division* were substantially unchanged from those of last year (€ 139.3 million versus € 138.7 million).

The most significant figure was the continuing growth in North America (NAFTA area), where Sogefi achieved revenues of € 36.8 million, which were up fourfold on 2011 thanks to the acquisition of Systèmes Moteurs and to organic growth. Growth is also continuing in India (revenues +75% compared to first quarter 2011), while in the Mercosur region there was a contraction of 4.3% due to the trend of the local market in the period. In Europe Sogefi reported revenues of € 243.6 million, up by 32% on last year as a result of the contribution of Systèmes Moteurs (stable at € 184.1 million with the same consolidation, despite the contraction in the market).

During the quarter the cost of the main commodities remained substantially unchanged from the corresponding period of last year.

EBITDA for the first three months came to € 34.3 million (9.9% of revenues) and was up by 37.3% on the € 25 million for the same period of 2011 (9.8% of revenues). With the same consolidation the ratio of EBITDA to revenues would have been 9.5%.

EBIT was € 20.1 million (5.8% of revenues), posting a rise of 45% on the figure of € 13.9 million in first quarter 2011. With the same consolidation the ratio of EBIT to revenues would have been 5.3%.

The net income of the group came in at € 9.2 million and was up by 37.5% compared to € 6.7 million in the first quarter of 2011.

Net debt totalled € 299.3 million at March 31 2012, which was substantially in line with the figure of € 299.8 million at the end of 2011.

The group had 6,752 employees at March 31 2012, up from 6,708 at December 31 2011.

The consolidation of the Systèmes Moteurs businesses for the whole year allows the group to predict a significant rise in consolidated revenues for 2012, even in the presence of possible downturns in demand in the event of an adjustment of the production levels of European and Brazilian clients to their sales in the first quarter. The costs of the main commodities, including steel, should remain stable in coming quarters, enabling the group to reach levels of profitability that are at least in line with those reported in the first quarter.

HEALTHCARE SECTOR

The chart below shows the main performance indicators of the KOS group for this current year and a comparison with those of the same periods of the previous year:

(in millions of euro)	*1st Quarter 2012*	*1st Quarter 2011*	*Change absolute*	*%*
Revenues	88.3	87.0	1.3	1.5
Net result	1.9	2.8	(0.9)	(32.1)

	31/03/2012	*31/12/2011*	*31/03/2011*
Net financial position	(171.5)	(165.1)	(199.3)
No. of employees	4,047	4,080	4,037

In the first three months of 2012 the KOS group reported revenues of € 88.3 million compared to € 87 million in the same period of 2011, posting a rise of 1.5%, thanks to the development of its three business areas and to the acquisitions made in 2011.

Consolidated EBITDA (margin before amortization, writedowns and provisions) came to € 11.9 million, substantially in line with the figure reported for the first three months of 2011 (€ 12.1 million) despite the higher costs for leases generated by the sale of three instrumental properties in the third quarter of last year.

Consolidated EBIT was € 7 million, down from € 8 million in the corresponding period of last year, affected by a negative delta on provisions and writedowns of approximately € 0.8 million.

Consolidated net income for the first three months of 2012 came in at € 1.9 million versus € 2.8 million in the same period of 2011.

At March 31 2012 the KOS group had net financial debt of € 171.5 million up from € 165.1 million at December 31 2011.

The group had 4,047 employees at March 31 2012 compared to 4,080 at December 31 2011.

The KOS group, which currently manages a total of over 5,700 beds plus more than 1,000 under construction, is active in three sectors:

1) *RSAs* (nursing homes), with 39 facilities under management (3,970 beds in operation in seven regions of the centre and north of Italy);
2) *Rehabilitation* (management of hospitals and rehabilitation centres) with 13 rehabilitation facilities (in Lombardy, Emilia Romagna, Trentino and Marche), 9 psychiatric rehabilitation communities (in Liguria, Piedmont and Lombardy) and 13 day hospitals, for a total of 1,685 beds in operation;
3) *Hospital management* (management of a hospital and high-tech services in public and private hospitals) with 20 facilities.

NON-CORE INVESTMENTS

The consist of venture capital, private equity and other investments.

VENTURE CAPITAL AND PRIVATE EQUITY

CIR Ventures is the venture capital fund of the Group. At March 31 2012 the fund portfolio contained investments in four companies, of which three in the United States and one in Israel, operating in the sector of information and communication technology. The total fair value of these investments at March 31 2012 was 14 million dollars.

The Cir Group, through its subsidiary CIR International, manages a diversified portfolio of funds and minority private equity holdings, the fair value of which, determined on the basis of the NAV provided by the various funds at March 31 2012, was approximately € 86 million. Remaining commitments outstanding at March 31 2012 amounted to € 13.9 million.

OTHER INVESTMENTS

The SEG group (Swiss Education Group), one of the world leaders in the training of managerial staff in the hospitality sector (hotels, restaurants etc.), in which Cir has an interest of around 20%, reported even in the first quarter of 2012 a strong level of enrolments with much of the demand coming from Asian countries and Brazil. In January 2012 the new Cesar Ritz centre (one of the group's schools devoted to the culinary arts) started operating in Bouveret.

The subsidiary Food Concepts, set up in 2010, is active in the restaurant business in Europe with three restaurants in Germany in the cities of Munich, Düsseldorf and Hamburg (LaBaracca brand). In the first quarter of 2012 the businesses headed by Food Concepts reported revenues of € 1.3 million. The result for the period was a loss of € 0.8 million (of which Cir's part came to € 0.6 million).

During the first quarter of 2012 the company Jupiter Finance, which carries out a servicing role for the collection of problem loans acquired by the securitization vehicles Zeus and Urania, continued to manage its current business regularly, having ceased to acquire new mandates some time ago.
During the quarter the Company also began a process of restructuring with the aim of giving up its role as a master servicer as per Law 130/1999, together with other functions no longer considered as core, and to focus on specific activities in the interest of its controlling shareholder and the note-holders of its vehicle companies. The company will not, therefore, be requesting registration on the new special register as per Art. 106 and as from June will no longer be among the entities subject to supervision by the Bank of Italy.
At March 31 2012 the net value of the Cir Group's investment in the non-performing loan business amounted to € 63.7 million.

3. SIGNIFICANT EVENTS WHICH HAVE OCCURRED SINCE MARCH 31 2012

Regarding the main events which have taken place since March 31 2012, in addition to what was stated above in relation to the liquidation of Euvis approved on April 18 2012, it should be noted that on April 20 2012 the Board of Directors of KOS approved a share capital increase of € 17.5

million that will be subscribed by the shareholder Axa Private Equity. This deal, which is to fund the development of the business, is part of the agreement signed by the shareholders of the KOS group at the end of 2010. After the capital increase, CIR will remain the principal shareholder of KOS with 51.26% of its capital, AXA Private Equity will rise to 46.70% while the part held by management and other shareholders will be 2.04%.

4. OUTLOOK FOR THE YEAR

The performance of the Cofide group in 2012 will be influenced by the evolution of the macroeconomic environment, which is currently characterized by a recessionary scenario the intensity and duration of which cannot at the moment be predicted, and by the performance of the financial markets.
In this scenario the main operating subsidiaries of the group will continue their strategy of combining action to improve their operating efficiency with business development initiatives.

5. OTHER INFORMATION

Other

The company Cofide – Gruppo De Benedetti S.p.A. – has its registered office in Via Ciovassino, 1 20121Milano (MI), Italy.

Cofide shares have been quoted on the Italian Stock Exchange since 1985 and since 2004 have been listed on the Ordinary Segment – MTA (Reuter code: COFI.MI, Bloomberg code COF IM).

This report for the period January 1 – March 31 2012 was approved by the Board of Directors on April 27 2012.

The company is subject to management and coordination by Carlo De Benedetti & Figli S.a.p.a..

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

INCOME STATEMENT

NET FINANCIAL POSITION

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euro)

ASSETS	*31.03.2012*	*31.12.2011*	*31.03.2011*
NON-CURRENT ASSETS	**4,999,447**	**4,949,822**	**4,858,736**
INTANGIBLE ASSETS	1,539,463	1,529,476	1,428,127
TANGIBLE ASSETS	2,437,776	2,400,219	2,563,633
INVESTMENT PROPERTY	24,217	24,403	24,561
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	381,679	386,253	322,132
OTHER EQUITY INVESTMENTS	26,769	22,903	5,134
OTHER RECEIVABLES	250,589	247,208	202,887
SECURITIES	115,746	118,807	97,006
DEFERRED TAXES	223,208	220,553	215,256
CURRENT ASSETS	**3,154,810**	**2,945,584**	**2,456,651**
INVENTORIES	190,683	184,530	158,512
CONTRACT WORK IN PROGRESS	37,199	35,330	10,560
TRADE RECEIVABLES	1,334,069	1,215,226	1,245,428
OTHER RECEIVABLES	319,500	251,725	259,338
FINANCIAL RECEIVABLES	12,775	11,956	14,033
SECURITIES	545,066	613,877	224,852
AVAILABLE-FOR-SALE FINANCIAL ASSETS	130,663	126,699	178,251
CASH & CASH EQUIVALENTS	584,855	506,241	365,677
ASSETS HELD FOR DISPOSAL	646	1,924	704
TOTAL ASSETS	**8,154,903**	**7,897,330**	**7,316,091**

LIABILITIES AND EQUITY	*31.03.2012*	*31.12.2011*	*31.03.2011*
EQUITY	**2,502,137**	**2,503,496**	**2,576,544**
SHARE CAPITAL	359,605	359,605	359,605
RESERVES	75,285	78,234	96,182
RETAINED EARNINGS (LOSSES)	287,787	286,576	293,768
NET INCOME FOR THE PERIOD	5,993	1,211	5,853
GROUP EQUITY	**728,670**	**725,626**	**755,408**
MINORITY INTERESTS EQUITY	1,773,467	1,777,870	1,821,136
NON-CURRENT LIABILITIES	**3,239,572**	**3,129,903**	**3,125,799**
BOND LOANS	500,583	525,802	553,342
OTHER BORROWINGS	2,363,237	2,234,914	2,162,374
OTHER PAYABLES	1,728	1,890	2,883
DEFERRED TAXES	169,361	168,079	204,245
PERSONNEL PROVISIONS	123,783	124,529	124,546
PROVISIONS FOR RISKS AND LOSSES	80,880	74,689	78,409
CURRENT LIABILITIES	**2,413,194**	**2,263,931**	**1,613,748**
BANK OVERDRAFTS	140,282	142,491	192,545
BOND LOANS	6,943	4,243	791
OTHER BORROWINGS	727,079	711,600	112,906
TRADE PAYABLES	1,047,240	979,873	926,029
OTHER PAYABLES	405,409	340,040	305,325
PROVISIONS FOR RISKS AND LOSSES	86,241	85,387	76,152
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR DISPOSAL	--	297	--
TOTAL LIABILITIES AND EQUITY	**8,154,903**	**7,897,330**	**7,316,091**

2. CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	01/01-31/03 2012	*01/01-31/03 2011*
SALES REVENUES	1,244,901	1,115,545
CHANGE IN INVENTORIES	7,495	5,419
COSTS FOR THE PURCHASE OF GOODS	(738,669)	(626,859)
COSTS FOR SERVICES	(210,740)	(198,972)
PERSONNEL COSTS	(191,035)	(176,725)
OTHER OPERATING INCOME	24,633	32,883
OTHER OPERATING COSTS	(37,322)	(23,551)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	(1,704)	(4,365)
AMORTISATION, DEPRECIATION & WRITE-DOWNS	(52,122)	(48,131)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)	**45,437**	**75,244**
FINANCIAL INCOME	25,035	16,320
FINANCIAL EXPENSE	(52,758)	(48,174)
DIVIDENDS	43	46
GAINS FROM TRADING SECURITIES	1,192	5,296
LOSSES FROM TRADING SECURITIES	(216)	(117)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	14,623	4,539
INCOME (LOSS) BEFORE TAXES	**33,356**	**53,154**
INCOME TAXES	(17,143)	(27,265)
NET INCOME FOR THE YEAR INCLUDING MINORITY INTERESTS	**16,213**	**25,889**
- NET INCOME - MINORITY INTERESTS	(10,220)	(20,036)
- NET INCOME OF THE GROUP	**5,993**	**5,853**

3. NET FINANCIAL POSITION

(in thousands of euro)

		31.03.2012	31.12.2011	31.03.2011
A.	Cash and bank deposits	584,855	506,241	365,677
B.	Other cash equivalents	130,663	126,699	163,184
C.	Securities held for trading	545,066	613,877	224,852
D.	**Cash and cash equivalents (A) + (B) + (C)**	1,260,584	1,246,817	753,713
E.	**Current financial receivables**	12,775	11,956	14,033
F.	Current bank payables	(223,571)	(216,479)	(264,617)
G.	Bonds issued	(6,943)	(4,243)	(791)
H.	Current portion of non-current debt	(643,788)	(637,610)	(40,832)
I.	Other current financial payables	(2)	(2)	(2)
J.	**Current financial debt (F) + (G) + (H) + (I)**	(874,304)	(858,334)	(306,242)
K.	**Current net financial position (J) + (E) + (D)**	399,055	400,439	461,504
L.	Non-current bank payables	(2,145,742)	(2,022,383)	(2,023,592)
M.	Bonds issued	(500,583)	(525,802)	(553,342)
N.	Other non-current payables	(217,495)	(212,531)	(138,782)
O.	**Non-current financial debt (L) + (M) + (N)**	(2,863,820)	(2,760,716)	(2,715,716)
P.	**Net financial position (K) + (O)**	(2,464,765)	(2,360,277)	(2,254,212)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTION

This consolidated interim report as of March 31 2012, which has not be subjected to an audit, 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 given for comparison purposes were also determined in accordance with IAS/IFRS.

This interim report was prepared in compliance with the provisions of Article 154 *ter*, paragraph 5, of Italian Legislative Decree No. 58 of 24 February 1998, as amended (TUF). Therefore the provisions of international accounting standards regarding interim financial statements were not adopted (IAS 34 "Interim Financial Statements").

2. CONSOLIDATION PRINCIPLES

Consolidation is carried out using the full line-by-line method. The criteria adopted for the application of this method are the same as those used at December 31 2011.

The consolidated financial statements of the group as of March 31 2012, like those as of December 31 2011, are the result of the consolidation at those dates of the financial statements of the Parent Company Cofide and of all the companies directly or indirectly controlled, joint ventures and associates with the exception of companies in liquidation. The assets and liabilities of companies scheduled for disposal are reclassified to items of assets and liabilities to indicate such circumstances.

All companies over which the group exercises control according to the terms of IAS 27, SIC 12 and IFRIC Interpretation 2 are considered subsidiaries. In particular, companies and investment funds are considered as subsidiaries when the group has the power to make decisions regarding financial and operating policy. Such power is presumed to exist when the group holds the majority of voting rights of a company, including potential voting rights exercisable without restrictions or in any case when it has working control over Shareholders' Meetings despite not holding a majority of the voting rights.

The controlled companies, or subsidiaries, are fully consolidated on a line-by-line basis as from the date on which the group takes control and they are de-consolidated when such control ceases to exist.

3. ACCOUNTING PRINCIPLES APPLIED

The Accounting Principles adopted for the preparation of the financial statements as of March 31 2012 are the same as those adopted for the financial statements for the year ended December 31 2011.

4. SHARE CAPITAL

The share capital stood at € 359,604,959 at March 31 2012, unchanged from December 31 2011, and consisted of 719,209,918 ordinary shares each with a nominal value of € 0.50.

The share capital is fully subscribed and paid up.

DECLARATION PURSUANT TO ARTICLE 154 *BIS*, PARAGRAPH 2,
OF ITALIAN LEGISLATIVE DECREE No. 58/1998

Re: Intermediate Financial Report as of March 31 2012

The undersigned Giuseppe Gianoglio, as the Officer responsible for the preparation of the accounting and corporate documents of the company, hereby

declares

in accordance with the terms of Article 154 *bis*, paragraph 2 of the Consolidated Law on Finance (TUF) that the accounting information contained in this report corresponds to the results documented in the books and the general ledger.

Milan, Italy April 27 2012

Signed by
Cofide S.p.A.
Giuseppe Gianoglio