INTERIM FINANCIAL REPORT AS OF 31 MARCH 2013

Milan, 29 April 2013

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

The Cofide Group made consolidated net income of € 4.4 million in the first three months of 2013 compared with € 6 million in the corresponding period of last year.

This result was mainly due to CIR, which contributed € 3.1 million compared with € 7.4 million in the first three months of 2012.
In the first quarter of 2013, CIR made consolidated net income of € 6.4 million, compared with € 15.2 million in the same period last year. The contribution of the four main operating subsidiaries was € 1.9 million compared with € 4.3 million in the corresponding 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.

Cofide's result also benefited from the positive adjustment to the fair value of its financial assets held for trading (equities).

Cofide's net debt has fallen from € 34.4 million at 31 December 2012 to € 33.4 million at 31 March 2013.

Group equity at 31 March 2013 was € 661.9 million versus € 655.1 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 Supreme Court, which has scheduled a hearing to discuss the case on 27 June 2013.

In order to provide further information on the financial performance of Cofide in the first three months of 2013, the income statement and statement of financial position are provided with a breakdown showing the contribution of the subsidiaries to the net result and equity of Cofide.
The **income statement** is as follows:

(in millions of euro)

	1st quarter 2013	*1st quarter 2012*
Contributions of investments in subsidiaries: - CIR S.p.A.	3.1	7.4
- Euvis S.p.A.	--	(0.3)
TOTAL CONTRIBUTIONS	**3.1**	**7.1**
Net gains and losses on trading and the valuation of securities	2.3	(0.1)
Net financial income and expense	(0.3)	(0.3)
Net operating costs	(0.7)	(0.7)
RESULT BEFORE TAXES	**4.4**	**6.0**
Income taxes	--	--
NET INCOME FOR THE PERIOD	**4.4**	**6.0**

The **statement of financial position** at 31 December 2013 shows equity of € 661.9 million, Parent Company net debt of € 33.4 million and long-term financial assets of € 693.4 million.

(in millions of euro)

	31.03.2013	*31.12.2012*	*31.03.2012*
CIR S.p.A.	677.4	671.9	743.7
Euvis S.p.A.	0.2	0.2	2.0
LONG-TERM EQUITY INVESTMENTS	**677.6**	**672.1**	**745.7**
Other long-term financial assets	15.8	15.8	11.5
TOTAL LONG-TERM FINANCIAL ASSETS	**693.4**	**687.9**	**757.2**
Tangible assets	1.2	1.2	1.3
Net receivables and payables	0.7	0.4	0.5
NET INVESTED CAPITAL	**695.3**	**689.5**	**759.0**
Financed by:			
Equity	**661.9**	**655.1**	**728.7**
Net financial debt	**(33.4)**	**(34.4)**	**(30.3)**

"Other long-term financial assets", amounting to € 15.8 million, consist entirely of the investment made by Cofide in the Jargonnant real estate investment fund.

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 Cofide 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)	**106.6**	**8.5**	**97.5**	**7.8**
Consolidated operating income (EBIT)	**52.5**	**4.1**	**45.4**	**3.6**
Financial management *(2)*	(23.8)	(1.9)	(12.1)	(1.0)
Income taxes	(19.9)	(1.6)	(17.1)	(1.3)
Net income including minority interests	**8.8**	**0.6**	**16.2**	**1.3**
Net income minority interests	(4.4)	0.3	(10.2)	(0.8)
Net income of the Group	**4.4**	**0.3**	**6.0**	**0.5**

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 € 106.6 million (8.5% of revenues) versus € 97.5 million (7.8% of revenues) in first quarter 2012, an increase of € 9.1 million (+9.3%). 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 € 52.5 million (4.1% of revenues) versus € 45.4 million (3.6% of revenues) in the same period of 2012 (+15.6%).

The result of financial management was negative for € 23.8 million (negative for € 12.1 million in first quarter 2012) due to:
- net financial expense of € 34.3 million (€ 27.7 million in the first three months of 2012);
- dividends and net gains on trading and the valuation of securities of € 10.5 million (€ 15.6 million in the first three months of 2012).

The **condensed consolidated capital structure of the Cofide Group** at 31 March 2013, is as follows:

(in millions of euro)	*31.03.2013*	*31.12.2012*	*31.03.2012*
Fixed assets (1)	4,260.6	4,251.5	4,409.9
Other net non-current assets and liabilities (2)	220.6	263.3	214.4
Net working capital (3)	290.0	338.3	342.6
Net invested capital	**4,771.2**	**4,853.1**	**4,966.9**
Net financial debt (4)	**(2,444.6)**	**(2,537.7)**	**(2,464.8)**
Total equity	**2,326.6**	**2,315.4**	**2,502.1**
Equity of the Group	661.9	655.1	728.7
Minority Shareholders' equity	1,664.7	1,660.3	1,773.4

(1) This item is the sum of "intangible assets", "tangible assets", "investment property", "investments in companies consolidated at equity" and "other equity investments" of 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 liabilities of the consolidated statement of financial position. This item also includes the "assets held for disposal" and "liabilities 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 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, "bonds" and "other borrowings" under non-current liabilities, and "bank overdrafts", "bonds" and "other borrowings" under current liabilities in the consolidated statement of financial position.

Consolidated net invested capital at 31 March 2013 stood at € 4,771.2 million versus € 4,853.1 million at 31 December 2012, a decrease of € 81.9 million.

The **consolidated net financial position** at 31 March 2013, as mentioned previously, showed net debt of € 2,444.6 million (compared with € 2,537.7 million at 31 December 2012) caused by:
- a debt of Cofide of € 33.4 million on € 34.4 million at 31 December 2012;
- a financial surplus for CIR and other holding companies of € 38.2 million, which compares with € 33.2 million at 31 December 2012;
- total debt of the operating groups of € 2,449.4 million compared with € 2,536.5 million at 31 December 2012. The reduction of € 87.1 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 € 2,326.6 million compared with € 2,315.4 million at 31 December 2012, an increase of € 11.2 million.

Group equity at 31 March 2013 was € 661.9 million (€ 655.1 million at 31 December 2012). with a net increase of € 6.8 million.

At 31 March 2013 **minority interests** came to € 1,664.7 million, compared with € 1,660.3 million at 31 December 2012, an increase of € 4.4 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:

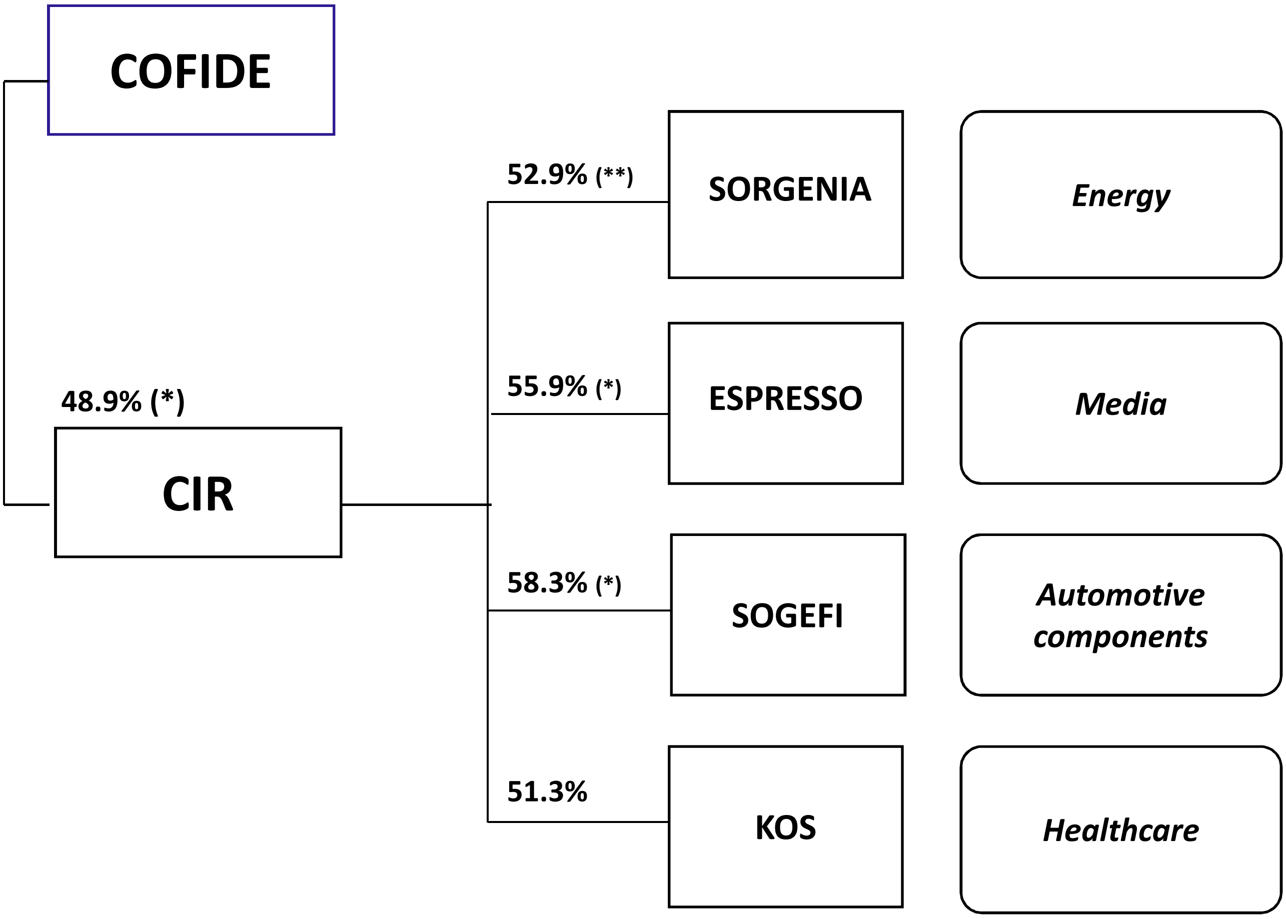
(in millions of euro)	*1st quarter 2013*	*1st quarter 2012*
SOURCES OF FUNDING		
Net income for the period including minority interests	8.9	16.2
Amortisation, depreciation, write-downs and other non-monetary changes	68.0	62.2
Self-financing	**76.9**	**78.4**
Change in working capital	**80.3**	**(65.8)**
CASH FLOW GENERATED (ABSORBED) BY OPERATIONS	**157.2**	**12.6**
Capital increases	**0.4**	--
TOTAL SOURCES OF FUNDS	**157.6**	**12.6**
APPLICATIONS		
Net investment in fixed assets	(64.6)	(97.5)
Payment of dividends	(0.1)	(0.9)
Buy-back of own shares	(0.5)	(1.1)
Other changes	0.7	(17.6)
TOTAL APPLICATIONS OF FUNDS	**(64.5)**	**(117.1)**
FINANCIAL SURPLUS (DEFICIT)	**93.1**	**(104.5)**
NET FINANCIAL POSITION AT THE BEGINNING OF THE PERIOD	**(2,537.7)**	**(2,360.3)**
NET FINANCIAL POSITION AT THE END OF THE PERIOD	**(2,444.6)**	**(2,464.8)**

The net cash flow generated by operations, which amounted to € 157.2 million compared with € 12.6 million in first quarter 2012, consists of self-financing of € 76.9 million, substantially in line with € 78.4 million in first quarter 2012, and a positive change in net working capital of € 80.3 million, principally in the Sorgenia and Espresso Groups, compared with an absorption of € 65.8 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 Group had 13,961 employees, compared with 13,944 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 subsidiaries*

CIR GROUP - As already mentioned, in the first quarter of 2013 the CIR Group achieved consolidated net income of € 6.4 million, compared with € 15.2 million in the same period last year.

The following is a summary of the contributions made by CIR's main subsidiaries to the consolidated result and equity.

(in millions of euro)	*1st quarter 2013*	*1st quarter 2012*
CONTRIBUTIONS TO NET RESULT		
Sorgenia Group	(4,6)	(7,6)
Espresso Group	1.1	5.6
Sogefi Group	4.1	5.3
KOS Group	1.3	1.0
Total for main subsidiaries	**1.9**	**4.3**
Other subsidiaries	(0.3)	(1.3)
CIR and other holding companies	**5.0**	**12.2**
Non-recurring items	(0.2)	-
Net result of the CIR Group	**6.4**	**15.2**

As mentioned previously, the contribution of the four main operating subsidiaries to the consolidated net result was € 1.9 million compared with € 4.3 million in the first three months of 2012 and the aggregate contribution of CIR and the other holding companies was positive for € 5 million compared with € 12.2 million in the corresponding period of 2012.

(in millions of euro)	*31.03.2013*	*31.12.2012*
CONTRIBUTIONS TO EQUITY		
Sorgenia Group	501.7	502.5
Espresso Group	311.9	310.5
Sogefi Group	111.5	114.0
KOS Group	120.2	119.6
Other subsidiaries	4.9	2.9
Total subsidiaries	**1,050.2**	**1,049.5**
CIR and other holding companies	**334.0**	**323.5**
- invested capital	295.8	290.3
- net financial position	38.2	33.2
Equity of the CIR Group	**1,384.2**	**1,373.0**

Consolidated equity increased from € 1,373 million at 31 December 2012 to € 1,384.2 million at 31 March 2013.

There now follows a more in-depth analysis of the business sectors of the CIR Group.

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 € 8.7 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".
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, 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.

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.

3. 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.

4. Outlook for operations

The performance of the Cofide 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, all of the Group's main operating subsidiaries will continue to take action to improve operating efficiency, but without giving up their business development initiatives.

5. Other information

OTHER

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED INCOME STATEMENT

NET FINANCIAL POSITION

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in migliaia di euro)

ASSETS	*31.03.2013*	*31.12.2012*	*31.03.2012*
NON-CURRENT ASSETS	**4,881,187**	**4,887,880**	**4,999,447**
INTANGIBLE ASSETS	1,515,941	1,501,522	1,539,463
TANGIBLE ASSETS	2,363,157	2,367,976	2,437,776
INVESTMENT PROPERTY	23,209	23,393	24,217
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	350,875	353,070	381,679
OTHER EQUITY INVESTMENTS	7,437	5,580	26,769
OTHER RECEIVABLES	237,262	249,140	250,589
SECURITIES	126,441	127,030	115,746
DEFERRED TAXES	256,865	260,169	223,208
CURRENT ASSETS	**3,295,401**	**3,192,310**	**3,154,810**
INVENTORIES	167,381	170,757	190,683
CONTRACT WORK IN PROGRESS	38,238	42,258	37,199
TRADE RECEIVABLES	1,335,265	1,447,836	1,334,069
OTHER RECEIVABLES	421,559	309,366	319,500
FINANCIAL RECEIVABLES	34,096	35,489	12,775
SECURITIES	354,718	410,343	545,066
AVAILABLE-FOR-SALE FINANCIAL ASSETS	110,402	105,511	130,663
CASH AND CASH EQUIVALENTS	833,742	670,750	584,855
ASSETS HELD FOR DISPOSAL	13,676	34,444	646
TOTAL ASSETS	**8,190,264**	**8,114,634**	**8,154,903**

LIABILITIES AND EQUITY	*31.03.2013*	*31.12.2012*	*31.03.2012*
EQUITY	**2,326,591**	**2,315,433**	**2,502,137**
SHARE CAPITAL	359,605	359,605	359,605
RESERVES	75,065	72,763	75,285
RETAINED EARNINGS (LOSSES)	222,735	280,308	287,787
NET INCOME (LOSS) FOR THE PERIOD	4,444	(57,573)	5,993
GROUP EQUITY	**661,849**	**655,103**	**728,670**
MINORITY INTERESTS	1,664,742	1,660,330	1,773,467
NON-CURRENT LIABILITIES	**3,197,271**	**3,245,149**	**3,239,572**
BONDS	500,094	496,379	500,583
OTHER BORROWINGS	2,283,899	2,341,678	2,363,237
OTHER PAYABLES	1,924	2,922	1,728
DEFERRED TAXES	182,946	181,860	169,361
PERSONNEL PROVISIONS	140,093	128,885	123,783
PROVISIONS FOR RISKS AND LOSSES	88,315	93,425	80,880
CURRENT LIABILITIES	**2,666,077**	**2,553,668**	**2,413,194**
BANK OVERDRAFTS	172,398	165,885	140,282
BONDS	7,005	4,354	6,943
OTHER BORROWINGS	814,192	751,496	727,079
TRADE PAYABLES	1,128,172	1,192,934	1,047,240
OTHER PAYABLES	435,129	333,824	405,409
PROVISIONS FOR RISKS AND LOSSES	109,181	105,175	86,241
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR DISPOSAL	325	384	--
TOTAL LIABILITIES AND EQUITY	**8,190,264**	**8,114,634**	**8,154,903**

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	(766,262)	(738,669)
COSTS FOR SERVICES	(202,105)	(210,740)
PERSONNEL COSTS	(182,248)	(191,035)
OTHER OPERATING INCOME	42,860	24,633
OTHER OPERATING COSTS	(42,611)	(37,322)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	(1,921)	(1,704)
AMORTISATION, DEPRECIATION & WRITE-DOWNS	(54,055)	(52,122)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (EBIT)	**52,509**	**45,437**
FINANCIAL INCOME	13,478	25,035
FINANCIAL EXPENSE	(47,775)	(52,758)
DIVIDENDS	1	43
GAINS FROM TRADING SECURITIES	3,934	1,192
LOSSES FROM TRADING SECURITIES	(1,019)	(216)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	7,601	14,623
INCOME (LOSS) BEFORE TAXES	**28,729**	**33,356**
INCOME TAXES	(19,862)	(17,143)
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	**8,867**	**16,213**
- MINORITY INTERESTS	(4,423)	(10,220)
- **NET INCOME OF THE GROUP**	**4,444**	**5,993**

3. NET FINANCIAL POSITION

(in thousands of euro)

		31.03.2012	*31.12.2012*	*31.03.2012*
A.	Cash and bank deposits	833,742	670,750	584,855
B.	Other cash and cash equivalents	110,402	105,511	130,663
C.	Securities held for trading	354,718	410,343	545,066
D.	**Cash and cash equivalents (A) + (B) + (C)**	1,298,862	1,186,604	1,260,584
E.	**Current financial receivables**	34,096	35,489	12,775
F.	Current bank payables	(356,520)	(292,822)	(223,571)
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)**	(993,595)	(921,735)	(874,304)
K.	**Net current financial position (J) + (E) + (D)**	339,363	300,358	399,055
L.	Non-current bank payables	(2,027,532)	(2,080,760)	(2,145,742)
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)	(2,838,057)	(2,863,820)
P.	**Net financial position (K) + (O)**	(2,444,630)	(2,537,699)	(2,464,765)

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 Cofide, 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.

All companies where the Group exercises control according to IAS 27, SIC 12 and IFRIC 2 are considered subsidiaries. Interpretation 2. More specifically, subsidiaries are all those companies and investment funds where the Group has decision-making powers in matters of financial and operating policy. Such powers are presumed to exist when the Group holds a majority of a company's voting rights, including any voting rights that are potentially exercisable without any restrictions or where it has effective control over Shareholders' Meetings, despite not having a majority of the voting rights.
Subsidiaries are fully consolidated from the date on which the Group takes control and are de-consolidated when such control ceases to exist.

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 € 359,604,959, the same as at 31 December 2012, and is made up of 719,209,918 shares with a nominal value of € 0.50 each.

The share capital is fully subscribed and paid up.

COFIDE
Gruppo De Benedetti

CERTIFICATION PURSUANT TO ART. 154 BIS, PARAGRAPH 2, OF LEGISLATIVE DECREE 58/1998

Re: Interim Financial Report as of 31 March 2013

The undersigned, Giuseppe Gianoglio, the executive responsible for the preparation of the Company's financial statements,

hereby declares

in accordance with paragraph 2 of Article 154 bis of the Finance Consolidation Act 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

COFIDE S.p.A.
Giuseppe Gianoglio