COFIDE
Gruppo De Benedetti

INTERIM FINANCIAL REPORT AS OF 31 MARCH 2015

COFIDE - Gruppo De Benedetti S.p.A.
Capitale Sociale € 359.604.959
Registro Imprese e Codice Fiscale 01792930016
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Report of the Board of Directors on operations
as of 31 March 2015

Introduction

During the first quarter of 2015 Sorgenia Group concluded its debt restructuring in agreement with its banks. Specifically, following the Milan Court's approval on 25 February 2015 of the debt restructuring plan under article 182-bis of the Bankruptcy Law, on 27 March the Shareholders' Meeting of Sorgenia approved the 2014 financial statements and the banks subscribed an increase in capital of some € 400 million and a convertible bond of some € 200 million via a conversion of their loans. At the same time, as had been envisaged, CIR transferred to the banks its entire indirectly held investment in Sorgenia. Accordingly, CIR Group no longer holds an equity interest in the energy company.

As a result, Sorgenia is no longer consolidated in the interim financial report for the first quarter of 2015; for comparative purposes, the investment in the company is recorded as discontinued assets, in the first quarterly report of 2014 in accordance with IFRS 5.

1. Key figures

The Cofide Group made consolidated net income of € 13.6 million in the first three months of 2015 compared with a loss of € 2.3 million in the same period last year.

The consolidated result was essentially attributable to CIR, which reported a net income of € 10.7 million (net loss of € 1.3 million in the first quarter 2014) and to the net income of Cofide of € 2.9 million (net loss of € 1 million in the first quarter 2014), which benefited from the proceeds of financial management.

CIR's consolidated net income is positive at € 21.2 million, compared with a net loss of € 2.6 million in the corresponding period last year.

The contribution made by the CIR Group's industrial subsidiaries was positive for € 13 million, an improvement compared with a loss of € 1.2 million in the first three months of last year. All industrial subsidiaries recorded rises in their net results. .
The Espresso Group achieved a net result of € 12 million (2.1 in first quarter 2014) thanks to the ability to maintain operating margins, the reduction in financial expense and taxes and the gain on the disposal of All Music (€ 6.1 million).
Sogefi reached a net income of € 7.6 million compared with a loss of € 6.3 million in the first quarter of 2014. This result is due to the growth in volumes and to the elimination of extraordinary restructuring charges. The trend in margin erosion has continued as in previous years.
Lastly, KOS posted a net result of € 3.7 million, with respect to € 2.5 million in first quarter 2014, thanks to the development of the company in the last two years, making possible a significant growth in revenues.

CIR S.p.A. and its non-industrial subsidiaries contributed net income of € 8.2 million compared with a net loss of € 1.4 million in the first quarter of 2014; financial expense has decreased thanks to the bond buy-back in October 2014. Net financial income is significantly higher than last year, especially in the hedge fund portfolio.

Cofide's net debt has declined from € 32.8 million at 31 December 2014 to € 26 million at 31 March 2015.

Group equity at 31 March 2015 was € 551.9 million versus € 528.4 million at 31 December 2014.

In order to provide further information on the financial performance of Cofide in the first three months of 2015, 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 2015*	*1st quarter 2014*
Contributions of investments in subsidiaries: - CIR S.p.A.	10.7	(1.3)
TOTAL CONTRIBUTIONS	**10.7**	**(1.3)**
Net gains and losses on trading and the valuation of securities	3.8	(0.1)
Net financial income and expense	(0.5)	(0.5)
Net operating costs	(0.4)	(0.4)
RESULT BEFORE TAXES	**13.6**	**(2.3)**
Income taxes	--	--
NET RESULT FOR THE PERIOD	**13.6**	**(2.3)**

The **statement of financial position** at 31 March 2015 shows equity of € 551.9 million, Parent Company net debt of € 26 million and long-term financial assets of € 578.7 million.

(in millions of euro)	*31.03.2015*	*31.12.2014*	*31.03.2014*
CIR S.p.A.	565.6	543.1	552.7
LONG-TERM EQUITY INVESTMENTS	**565.6**	**543.1**	**552.7**
Other long-term financial assets	13.1	18.6	15.0
TOTAL FINANCIAL ASSETS	**578.7**	**561.7**	**567.7**
Tangible assets	1.2	1.3	1.2
Net receivables and payables	(2.0)	(1.8)	(1.8)
NET INVESTED CAPITAL	**577.9**	**561.2**	**567.1**
Financed by:			
Equity	**551.9**	**528.4**	**535.2**
Net financial debt	**(26.0)**	**(32.8)**	**(31.9)**

"Other long-term financial assets", amounting to € 13.1 million, consist entirely of the investment made by Cofide in the Jargonnant real estate investment fund.

2. Performance of the Group

Consolidated sales revenues for the first quarter of 2015 came in at € 628.0 million versus € 588.7 million in the same period of 2014, an increase of € 39.3 million (+6.7%). Sogefi recorded an increase in turnover of 10%, KOS one of 11.8%, while the revenues of the Espresso Group fell by 3.7%, again penalised by the complex situation of the publishing industry and the further reduction in advertising due to the ongoing recession.

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

	1st quarter					
(in millions of euro)	*2015*	*%*	*2014*	*%*	*Change absolute*	*%*
Media						
Espresso Group	146.6	23.4	152.3	25.9	(5.7)	(3.7)
Automotive components						
Sogefi Group	372.5	59.3	338.7	57.5	33.8	10.0
Healthcare						
KOS Group	106.8	17.0	95.5	16.2	11.3	11.8
Other sectors	2.1	0.3	2.2	0.4	(0.1)	(5.0)
Total consolidated revenues	628.0	100.0	588.7	100.0	39.3	6.7

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

	1st quarter			
(in millions of euro)	*2015*	*%*	*2014 (*)*	*%*
Revenues	628.0	100.0	588.7	100.0
Consolidated EBITDA *(1)*	**61.0**	**9.7**	**45.6**	**7.7**
Consolidated operating income (EBIT)	**35.8**	**5.7**	**21.6**	**3.7**
Financial management *(2)*	8.9	1.4	(14.5)	(2.5)
Income taxes	(8.9)	(1.4)	(8.8)	(1.5)
Income (loss) from assets held for sale	--	--	(1.1)	(0.2)
Net income including minority interests	**35.8**	**5.7**	**(2.8)**	**(0.5)**
Minority interests	(22.2)	(3.5)	0.5	0.1
Net income of the Group	**13.6**	**2.2**	**(2.3)**	**(0.4)**

(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.

(*) Figures for 2014 have been restated following the application of IFRS 5

The **consolidated gross operating margin (EBITDA)** in first quarter 2015 was € 61 million (9.7% of revenues) versus € 45.6 million (7.7% of revenues) in first quarter 2014, an increase of € 15.4 million (+33.8%). The growth is mainly due to an improvement in the margins of Sogefi and KOS Groups, while Espresso Group's margin was broadly in line with that for the first quarter of 2014.

The **consolidated operating margin (EBIT)** for the first quarter of 2015 was € 35.8 million (5.7% of revenues) versus € 21.6 million (3.7% of revenues) in the same period of 2014 (+65.7%); as for EBITDA, the change is due to Sogefi and KOS.

Financial management generated a net income of € 8.9 million compared with a charge of € 14.5 million in the first quarter of 2014. In detail:

- financial expense came to € 17.9 million compared with € 22.7 million in the first quarter of 2014, because of the repurchase of the CIR bond in October 2014 and to the decline in the financial expense of the Espresso Group.
- financial income came to € 7.7 million compared with € 5.8 million in the first quarter of 2014;
- net gains on trading of securities amounted to € 17.9 million compared with € 4.0 million in the first three months of 2014; in particular, the Espresso Group reported a gain of € 6.1 million arising from the disposal of All Music and CIR recorded € 5.9 million from the sale of part of its hedge funds portfolio;
- positive adjustments to financial assets of € 1.2 million have been recorded compared with negative adjustments of € 1.6 million in the first quarter of 2014.

The **condensed consolidated statement of financial position** of the Cofide Group at 31 March 2015, with comparative figures at 31 December 2014 and 31 March 2014, is as follows:

(in millions of euro) (1)	*31.03.2015*	*31.12.2014*	*Pro-forma 31.03.2014 (*)*	*31.03.2014*	*of which Sorgenia*
Fixed assets	1,846.9	1,775.0	1,811.4	3,262.9	1,451.5
Other net non-current assets and liabilities	(22.2)	(46.1)	(115.2)	70.1	194.1
Net working capital	(41.4)	(24.8)	(51.1)	229.1	280.2
Net invested capital	**1,783.3**	**1,704.1**	**1,645.1**	**3,562.1**	**1,925.8**
Net financial debt	**(183.4)**	**(145.6)**	**(58.0)**	**(1,975.0)**	**(1,917.0)**
Total equity	**1,599.9**	**1,558.5**	**1,587.1**	**1,587.1**	**8.8**
Group equity	551.9	528.4	535.2	535.2	--
Minority interests	1,048.0	1,030.1	1,051.9	1,051.9	8.8

(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.

(*) Figures for 2014 have been restated following the application of IFRS 5.

Consolidated net invested capital at 31 March 2015 stood at € 1,783.3 million versus € 1,704.1 million at 31 December 2014, a rise of € 79.2 million.

The **consolidated net financial position** at 31 March 2015, as mentioned previously, showed net debt of € 183.4 million (compared with € 145.6 million at 31 December 2014) caused by:

- a debt of Cofide of € 26.0 million on € 32.8 million at 31 December 2014;
- a financial surplus pertaining to CIR and its non-industrial subsidiaries of € 370.1 million, down slightly when compared with the 31 December 2014 figure of € 379.5 million, mainly due to the impact of purchases of treasury shares in the quarter (€ 14.4 million);
- total debt of the industrial subsidiaries of € 527.5 million compared with € 492.3 million at 31 December 2014. The increase of € 35.2 million is mainly attributable to disbursements made for acquisitions by the KOS Group; The Sogefi Group recorded an increase in net debt of 10%, mainly attributable to a seasonal rise in working capital and to the growth in turnover; The Espresso Group, on the contrary, reduced its net debt by € 23 million.

Total equity at 31 March 2015 came to € 1,599.9 million compared with € 1,558.5 million at 31 December 2014, an increase of € 41.4 million.

Group equity at 31 March 2015 amounted to € 551.9 million compared with € 528.4 million at 31 December 2014, a net increase of € 23.5 million.

At 31 March 2015 **minority interests** came to € 1,048.0 million, compared with € 1,030.1 million at 31 December 2014, a growth of € 17.9 million.

The **consolidated statement of cash flows** for the first three months of 2015, 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 2015*	*1st quarter 2014 (*)*
SOURCES OF FUNDS		
Result for the period including minority interests from continuing operations	35.8	(2.9)
Amortisation, depreciation, write-downs & other non-monetary changes	(4.4)	25.8
Self-financing	**31.4**	**22.9**
Change in working capital	**18.4**	**(40.0)**
CASH FLOW GENERATED BY OPERATIONS FROM CONTINUING OPERATIONS	**49.8**	**(17.1)**
Increases in capital	**0.1**	**1.9**
TOTAL SOURCES OF FUNDS	**49.9**	**(15.2)**
APPLICATIONS OF FUNDS		
Net investment in fixed assets	(44.4)	(22.6)
Price paid for business combinations	(29.9)	--
Net financial position of acquired companies	(17.9)	--
Payment of dividends	(0.5)	(0.5)
Buy-back of own shares	(15.0)	--
Other changes	20.0	1.4
TOTAL APPLICATIONS OF FUNDS	**(87.7)**	**(21.7)**
FINANCIAL SURPLUS (DEFICIT) FROM CONTINUING OPERATIONS	**(37.8)**	**(36.9)**
CASH FLOW / NET FINANCIAL POSITION FROM DISCONTINUED OPERATIONS	**--**	**1,855.2**
FINANCIAL SURPLUS (DEFICIT)	**(37.8)**	**1,818.3**
NET FINANCIAL POSITION AT THE BEGINNING OF THE PERIOD	**(145.6)**	**(1,876.3)**
NET FINANCIAL POSITION AT THE END OF THE PERIOD	**(183.4)**	**(58.0)**

(*) Figures for 2014 have been restated following the application of IFRS 5

In the first quarter of 2015, the change in the Group's net financial position shows a deficit of € 37.8 million, which is the result of sources of funding for € 49.9 million and applications for a total of € 87.7 million.

Cash flow generated by operations includes an extraordinary item of € 9 million associated with the disposal of All Music by Espresso.

Applications of funds of € 87.7 million comprise non-recurring investments. € 47.8 million relate to the acquisition of the Geriatric Rehabilitation Centre by KOS and € 14.4 million to the buy-back of own shares by CIR.

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 2015 the Group had 13,982 employees, compared with 13,848 at 31 December 2014.

Main Group investments
at 31 March 2015

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50.2% (*)

CIR

	56.1% (*)	57.7% (*)	51.3% (*)	
	Gruppo Editoriale L'Espresso Spa	SOGEFI	KOS	non-core Investments
BUSINESSES	*All media sectors from dailies and periodicals to radio, internet and advertising*	*Global automotive components supplier (filters, engine air, and cooling systems and suspensions*	*Nursing homes, rehabilitation and Hospital management*	• *Private Equity* • *Education*

(*) the percentage is calculated net of treasury shares

3. Performance of the subsidiaries

CIR GROUP - In the first quarter of 2015 the CIR Group reported a consolidated net income of € 21.2 million compared with a loss of € 2.6 million in the same period of 2014.

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 2015*	*1st quarter 2014*
CONTRIBUTIONS TO NET RESULT		
Espresso Group	6.7	1.1
Sogefi Group	4.4	(3.6)
KOS Group	1.9	1.3
Total industrial subsidiaries	**13.0**	**(1.2)**
Other subsidiaries	0.2	0.5
CIR and other holding companies	8.0	(1.9)
Net consolidated result of the CIR Group	**21.2**	**(2.6)**

As mentioned previously, the contribution made by the industrial subsidiaries to the consolidated net result was an income of € 13 million, compared with a loss of € 1.2 million in the first three months of 2014, and the aggregate contribution of CIR and the other holding companies was a profit of € 8.2 million, compared with a loss of € 1.4 million in the same period of 2014.

(in millions of euro)	*31.03.2015*	*31.12.2014*
CONTRIBUTIONS TO EQUITY		
Espresso Group	326.3	316.9
Sogefi Group	105.3	93.1
KOS Group	130.6	128.6
Sorgenia Group	--	(1.2)
Other subsidiaries	3.0	1.3
Total subsidiaries	**565.2**	**538.7**
CIR and other subsidiaries		**565.8**
- invested capital	192.4	186.3
- net financial position	370.1	379.5
Equity of the CIR Group	**1,127.7**	**1,104.5**

Consolidated equity has gone from € 1,104.5 million at 31 December 2014 to € 1,127.7 million at 31 March 2015.

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

▪ 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 2015*	*1st quarter 2014*	*Change absolute*	*%*
Revenues	146.6	152.3	(5.7)	(3.7)
Net result	12.0	2.1	9.9	n.a.

	31/03/2015	*31/12/2014*	*31/03/2014*
Net financial position	(11.2)	(34.2)	(58.2)
No. of employees	2,285	2,310	2,401

During the first three months of 2015, trends in the publishing industry were similar to those that characterised the 2014 financial year, as far as advertising revenues and circulation figures for newspapers and magazines are concerned. According to data released by Nielsen Media Research, overall advertising expenditure in January-February fell by 5.2% compared with the same period of 2014. Television experienced a decrease in advertising of 4.9%, publishing 8.0%, with the loss suffered by national advertising (-11.9%) having been more pronounced than that suffered by local advertising (-5.8%) and even internet advertising fell by 5.3%. The only media that experienced growth was radio, which posted an increase in advertising of 5.2%. There have been signs, however, that March will be less negative, that will probably lead to a slight improvement in the foregoing percentages for the entire quarter. In terms of circulation, the figures published by ADS for the first two months of 2015 indicate a 9.8% decline in newspaper sales.

Consolidated revenues came in at € 146.6 million, a 3.7% decrease on € 152.3 million in the first quarter of 2014. The Group's circulation revenues amounted to € 55.7 million, a decrease of 3.8% on the same period last year (€ 57.9 million), in a market that is continuing to see a significant reduction in the circulation of daily newspapers (-9.8%). Advertising revenues declined by 2.8%. Radio revenues grew by 2.6%, internet revenues were in line with the same period of last year (+0.1%), while publishing revenues decreased by 6.9%.

Costs show a reduction of 3.0%, substantially the same as that of revenues; fixed industrial costs, in particular, have fallen thanks to the ongoing reorganisation of the Group's production structure in 2014, as well as operating and administration costs, especially general expenses.

Consolidated EBITDA came to € 13.9 million, broadly in line with EBITDA for the first quarter of 2014 of € 14.2 million.

Consolidated EBIT came to € 10.2 million, the same as that posted for the first quarter of 2014. By business sector, earnings from publishing are holding up, while radio earnings have shown a slight recovery.

Consolidated net income amounted to € 12.0 million, an improvement compared with € 2.1 million in first quarter of 2014. The increase is due to lower taxes of € 2.0 million, the impact of a reorganisation of the television business of € 1.1 million and a gain on the sale of All Music to Discovery Italy of € 6.1 million.

Net financial debt at 31 March 2015 came to € 11.2 million, down by € 23.1 million compared to the 31 December 2014 figure of € 34.2 million, thanks to a financial surplus for the period of € 12.8 million from current operations to which should be added the proceeds from the sale of All Music of € 8.8 million.

The Group had 2,285 employees at 31 March 2015, including those on fixed-term contracts, a decrease on 2,401 at 31 December 2014. The average for the period was lower by 3.8% compared with the first quarter of 2014.

As regards expectations for the entire year, they are heavily dependent on the performance of the advertising market, which at present is still uncertain.

▪ 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 2015*	*1st quarter 2014*	*Change absolute*	*%*
Revenues	372.5	338.7	33.8	10.0
Net result	7.6	(6.3)	13.9	n.s.

	31/03/2015	*31/12/2014*	*31/03/2014*
Net financial position	(327.5)	(304.3)	(322.5)
No. of employees	6,771	6,668	6,920

For the automotive sector, the first quarter of 2015 was characterised by a positive trend in almost all the major global markets, with an increase in production levels of passenger cars and light commercial vehicles in Europe (+4.1%), NAFTA (+2.2%) and Asia (+5.7%). The recession continued, however, in the South American market, with a fall in production in the quarter of 14.9% compared with the same period of 2014.

Against this background, Sogefi Group ended the first quarter with consolidated revenue of € 372.5 million, up by 10% on the first quarter of 2014 thanks to volume increases in all geographical areas and, in part, to a favourable exchange rate impact (+5.9% sales growth at constant exchange rates). As far as the various geographical areas are concerned, the company performed positively in Europe (revenues up by 7.7% to € 244.9 million; +6.5% at constant exchange rates), in North America (+15.1%; +3% at constant exchange rates) and in Asia (+39.7%; +19.2% at constant exchange rates). In South America Sogefi Group achieved an increase in revenue of 3.3% (+0.5% at constant exchange rates), despite the persistent weakness in the market.

The Engine Systems Business Unit achieved an increase in revenue of 10.2% to € 232 million from € 210.6 million for the first quarter of 2014, whereas the Suspension Components Business Unit posted revenue of € 141.1 million, up by 9.5% on the figure reported in the same period last year of € 128.8 million.

Pre-restructuring EBITDA came to € 35.2 million (9.5% of revenue), up by 10.7% compared with the figure posted in the first quarter of the previous year of € 31.8 million (9.4% of revenue).

There has been a continuation of the margin erosion trend, which, however, during the quarter, was offset by a reduction in the percentage of fixed costs.

EBITDA came to € 34.9 million, a significant increase compared with the figure posted for the first quarter of 2014 of € 20.9 million. Note that, in the first quarter of 2014, the group had incurred restructuring charges of € 11.3 million, but these were limited to € 0.4 million in the first three months of 2015.

Pre-restructuring EBIT came to € 19.5 million, up by 13.7% and, as a percentage of revenue, came to 5.2% compared with 5% in the same period of 2014.

EBIT was € 19.1 million, compared with € 5.8 million in the first quarter of 2014.

Net financial expense amounted to € 6.8 million and included a non-recurring income component of € 1.5 million relating to the periodic mark to market of the derivative embedded in the convertible bond up to 28 January 2015, on which date the company waived its right to settle the exercise of the bond conversion in cash.

Thanks to an increase in revenue and lower restructuring charges, the group achieved consolidated net income of € 7.6 million compared with a loss of € 6.3 million in the first quarter of 2014.

Net debt at 31 March 2015 was € 327.5 million compared with € 304.3 million at 31 December 2014. The increase is attributable to a cash outlay relating to restructuring charges recorded last year and to a seasonal rise in working capital that is typical of the automotive sector. The net financial position was positively impacted by an amount of € 10.5 million relating to the derivative embedded in the convertible bond and an outlay of € 8 million for the payment of a “provisional amount” in connection with costs relating to a quality issue that had been provided at the year end.

Shareholders' equity, excluding the portion attributable to minority interests, amounted to € 182.5 million at 31 March 2015 compared with € 161.2 million at 31 December 2014.

The Sogefi Group had 6,771 employees at 31 March 2015 compared with 6,668 at 31 December 2014.

In 2015, in a global car market that appears to be growing, Sogefi expects to continue the positive trends seen in North America, China and India. In Europe, the company should see some improvement in the trend over last year, while it is probable that the South American market will remain weak.

Note that, as highlighted in the report on operations for the year ended 31 December 2014, the Company and, in particular, the subsidiary Systèmes Moteurs is involved in significant litigation with two customers involving quality problems.

▪ 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 2015*	*1st quarter 2014*	*Change absolute*	*%*
Revenues	106.8	95.5	11.3	11.8
Net result	3.7	2.5	1.2	48.0

	31/03/2015	*31/12/2014*	*31/03/2014*
Net financial position	(195.5)	(157.0)	(153.8)
No. of employees	4,769	4,708	4,370

In the first three months of 2015 the KOS Group achieved revenue of € 106.8 million compared with € 95.5 million in the same period of 2014. The rise of € 11.3 million (+11.8%) is due to activities belonging to the 2013 scope of consolidation, € 2 million, and to those acquired or developed in 2014 and 2015, € 9.3 million. We point out the acquisition of the company Polo Geriatrico Riabilitativo in the first quarter of 2015. This company manages two facilities operating in the field of care homes for the elderly/rehabilitation centres with 416 beds in use.

EBITDA amounted to € 15.3 million on € 12.4 million in the first quarter of 2014. Contributions to this rise of € 2.9 million included € 1.1 million of activities belonging to the scope of consolidation of 2013 and € 1.8 million those acquired and/or developed in 2014 and 2015.

Consolidated EBIT came to € 9.8 million, up by € 7.8 million on the same period last year.

Consolidated net income for first quarter 2015 amounted to € 3.7 million compared with € 2.5 million in the same period of 2014.

At 31 March 2015 the KOS Group had net debt of € 195.5 million, compared with € 157 million at 31 December 2014. The growth is principally due to the acquisition of Polo Geriatrico Riabilitativo completed in the first quarter of 2015 and, to a lesser extent, to investments for the development of the activities.

The Group manages 75 facilities, mainly in central and northern Italy, for a total of some 7,100 beds in use, with another 200 being built.

The Group had 4,769 employees at 31 March 2015 compared with 4,708 at 31 December 2014.

As for the outlook, note that growing demands for cuts in public spending, already partly introduced in certain regions where the Group operates, may reduce the resources allocated to public and private health spending.

■ NON-CORE INVESTMENTS

They are represented by private equity fund investments, minority interests and other investments amounting to € 157.7 million at 31 March 2015, compared with € 150.9 million at 31 December 2014.

PRIVATE EQUITY

CIR International, a Group company, manages a diversified portfolio of investments in private equity funds. The overall fair value of the portfolio at 31 March 2015, based on the NAVs provided by the various funds, came to € 72.8 million, an increase of € 5.1 million compared with 31 December 2014. The rise is due to the increase in fair value of € 2.4 million, exchange gains of € 5.9 million and investments of € 0.2 million, the decrease derives from disposals of € 2.6 million and write-downs of € 0.8 million.
Outstanding commitments at 31 March 2015 amounted to € 7.2 million.

NON-STRATEGIC INVESTMENTS

Directly and indirectly, CIR holds investments in non-controlling interests for a total value of € 35.7 million at 31 March 2015. Specifically, it holds an investment of 17.39% in SEG (Swiss Education Group), one of the world's leading management training centres for the hospitality industry (hotels and restaurants). The value of the investment, including a loan of € 3.5 million, amounted to € 21.1 million at 31 March 2015.

OTHER INVESTMENTS

In addition, CIR holds a portfolio of non-performing loans totalling € 49.2 million at 31 March 2015.

4. Significant events subsequent to 31 March 2015

No significant events have occurred subsequent to 31 March 2015.

5. Outlook for operations

The performance of Cofide Group in the next three quarters of 2015 will be affected by how the Italian economy evolves, which will have a particularly significant impact on the media and healthcare sectors, as well as by the performance of the European and South American market for the automotive components sector.
The Group should return to profit during the year, subject to extraordinary events that are not currently foreseeable.

6. 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, have been traded on the Ordinary Segment – MTA since 2004 (Reuter code: COFI.MI, Bloomberg code: COF IM).

This report for the period 1 January-31 March 2015 was approved by the Board of Directors on 27 April 2015.

The Company is subject to management and coordination by Fratelli De Benedetti S.a.p.A.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED NET FINANCIAL POSITION

1. Consolidated statement of financial position

(in thousands of euro)

ASSETS	*31.03.2015*	*31.12.2014*	*31.03.2014*
NON-CURRENT ASSETS	**2,168,190**	**2,090,919**	**3,796,876**
INTANGIBLE ASSETS	1,010,767	977,733	1,159,651
TANGIBLE ASSETS	662,965	622,695	1,991,517
INVESTMENT PROPERTY	21,106	21,291	22,124
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	147,109	148,301	84,070
OTHER EQUITY INVESTMENTS	4,970	4,980	5,541
OTHER RECEIVABLES	91,662	89,239	237,481
SECURITIES	110,515	110,727	97,042
DEFERRED TAXES	119,096	115,953	199,450
CURRENT ASSETS	**1,370,227**	**1,340,994**	**2,698,889**
INVENTORIES	138,588	128,664	172,304
CONTRACT WORK IN PROGRESS	32,341	29,546	29,928
TRADE RECEIVABLES	432,093	431,691	1,033,848
OTHER RECEIVABLES	107,326	92,181	325,889
FINANCIAL RECEIVABLES	31,939	10,017	1,628
SECURITIES	174,129	149,044	215,522
AVAILABLE-FOR-SALE FINANCIAL ASSETS	157,165	150,966	95,403
CASH AND CASH EQUIVALENTS	296,646	348,885	824,367
ASSETS HELD FOR SALE	26,910	2,539,260	18,258
ELIMINATIONS FROM AND TO DISCONTINUED OPERATIONS	--	(10,308)	--
TOTAL ASSETS	**3,565,327**	**5,960,865**	**6,514,023**

LIABILITIES AND EQUITY	*31.03.2015*	*31.12.2014*	*31.03.2014*
EQUITY	**1,599,918**	**1,558,457**	**1,587,073**
SHARE CAPITAL	359,605	359,605	359,605
RESERVES	99,865	89,883	84,521
RETAINED EARNINGS (LOSSES)	78,901	93,369	93,369
NET INCOME (LOSS) OFN THE PERIOD	13,567	(14,468)	(2,314)
GROUP EQUITY	**551,938**	**528,389**	**535,181**
MINORITY INTERESTS	1,047,980	1,030,068	1,051,892
NON-CURRENT LIABILITIES	**1,028,773**	**1,045,432**	**1,406,581**
BONDS	284,438	270,568	261,441
OTHER BORROWINGS	373,972	382,650	680,935
OTHER PAYABLES	7,147	7,137	583
DEFERRED TAXES	147,047	143,313	206,274
PERSONNEL PROVISIONS	143,151	143,854	125,794
PROVISIONS FOR RISKS AND LOSSES	73,018	97,910	131,554
CURRENT LIABILITIES	**936,636**	**858,226**	**3,502,390**
BANK OVERDRAFTS	25,102	15,671	189,828
BONDS	5,414	4,677	233,209
OTHER BORROWINGS	154,391	130,955	1,746,506
TRADE PAYABLES	452,606	417,191	782,733
OTHER PAYABLES	221,020	207,077	454,284
PROVISIONS FOR RISKS AND LOSSES	78,103	82,655	95,830
LIABILITIES HELD FOR SALE	--	2,509,058	17,979
ELIMINATIONS FROM AND TO DISCONTINUED OPERATIONS	--	(10,308)	--
TOTAL LIABILITIES AND EQUITY	**3,565,327**	**5,960,865**	**6,514,023**

2. Consolidated income statement

(in thousands of euro)

	01/01-31/03 2015	*01/01-31/03 2014 (*)*
SALES REVENUES	627,956	588,657
CHANGE IN INVENTORIES	4,082	1,952
COSTS FOR THE PURCHASE OF GOODS	(236,467)	(213,198)
COSTS FOR SERVICES	(153,798)	(147,849)
PERSONNEL COSTS	(177,872)	(169,221)
OTHER OPERATING INCOME	9,371	7,304
OTHER OPERATING EXPENSE	(13,400)	(23,071)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	1,096	998
AMORTISATION, DEPRECIATION & WRITE-DOWNS	(25,179)	(23,974)
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	**35,789**	**21,598**
FINANCIAL INCOME	7,764	5,830
FINANCIAL EXPENSE	(17,940)	(22,722)
DIVIDENDS	--	26
GAINS FROM TRADING SECURITIES	17,981	3,962
LOSSES FROM TRADING SECURITIES	(83)	(28)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	1,253	(1,647)
INCOME BEFORE TAXES	**44,764**	**7,019**
INCOME TAXES	(8,940)	(8,784)
INCOME (LOSS) AFTER TAXES FROM OPERATING ACTIVITY	**35,824**	**(1,765)**
INCOME/(LOSS) FROM ASSETS HELD FOR SALE	--	(1,088)
NET INCOME (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	**35,824**	**(2,853)**
- (NET INCOME) LOSS OF MINORITY INTERESTS	(22,257)	539
- NET INCOME (LOSS) OF THE GROUP	**13,567**	**(2,314)**

(*) Figures for 2014 have been restated following the application of IFRS 5

3. Consolidated net financial position

(in thousands of euro)

		31.03.2015	*31.12.2014*	*31.03.2014*
A.	Cash and bank deposits	296,646	348,885	824,367
B.	Other cash equivalents	157,165	150,966	95,403
C.	Securities held for trading	174,129	149,044	215,522
D.	**Cash and cash equivalents (A) + (B) + (C)**	**627,940**	**648,895**	**1,135,292**
E.	**Current financial receivables**	**31,939**	**10,017**	**1,628**
F.	Current bank payables	(146,843)	(109,272)	(1,862,547)
G.	Bonds	(5,414)	(4,677)	(233,209)
H.	Current portion of non-current debt	(32,650)	(37,354)	(73,787)
I.	Other current borrowings	--	--	--
J.	**Current financial debt (F) + (G) + (H) + (I)**	**(184,907)**	**(151,303)**	**(2,169,543)**
K.	**Current net financial position (J) + (E) + (D)**	**474,972**	**507,609**	**(1,032,623)**
L.	Non-current bank borrowings	(263,539)	(275,934)	(360,591)
M.	Bonds issued	(284,438)	(270,568)	(261,441)
N.	Other non-current payables	(110,433)	(106,716)	(320,344)
O.	**Non-current financial debt (L) + (M) + (N)**	**(658,410)**	**(653,218)**	**(942,376)**
P.	**Net financial position (K) + (O)**	**(183,438)**	**(145,609)**	**(1,974,999)**

1. Introduction

This consolidated interim financial report at 31 March 2015 (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 2014.

The consolidated interim financial statements of the Group as of 31 March 2015, like those as of 31 December 2014, 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 sale 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. 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 2015 are the same as those adopted for the financial statements for the year ended 31 December 2014.

4. Share capital

The share capital at 31 March 2015 amounts to € 359,604,959.00, the same as at 31 December 2014, 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.

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

Re: Interim Financial Report as of 31 March 2015

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 that the accounting information contained in this document corresponds to the Company's documented results, books of account and accounting entries.

Milan, 27 April 2015

COFIDE S.p.A.
Giuseppe Gianoglio

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Società soggetta all'attività di direzione e coordinamento di CARLO DE BENEDETTI & Figli S.a.p.A.