

**COFIDE**

Gruppo De Benedetti

*INTERIM FINANCIAL REPORT  
AS OF 31 MARCH 2016*

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Capitale Sociale € 359.604.959

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## Report on operations as of 31 March 2016

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### 1. Key figures

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The Cofide Group made consolidated net income of € 10.7 million in the first three months of 2016, compared with net income of € 13.6 million in the same period last year.

The consolidated result was essentially attributable to CIR, which turned in net income of € 7.9 million (compared with a net income of € 10.7 million in first quarter 2015) and to the net income of Cofide of € 2.8 million (net income of € 2.9 million in first quarter 2015), which benefited from the proceeds of financial management.

In first quarter 2016, CIR's consolidated net income came to € 14.7 million versus € 21.2 million in the corresponding period last year, which benefited from non-recurring gains recorded by Espresso and Sogefi.

The contribution made by the industrial subsidiaries was € 7.4 million, compared with € 13 million in the first three months of last year, thanks to these non-recurring gains.

Espresso, which is still in a difficult market for the media and for the press in particular, has maintained its profitability and generated a significant financial surplus, achieving a positive net financial position at 31 March 2016; the net result came to € 6.1 million, compared with € 12.0 million in first quarter 2015, which benefited from a gain of € 6.3 million on the sale of All Music.

Sogefi has continued to expand, especially in North America and China, achieving a turnover that is up by 4.7% (+10.5% at constant exchange rates); The net result was € 2.9 million, compared with 7.6 million in first quarter 2015. The result was impacted by an increase in amortisation, depreciation and write-downs of fixed assets and higher financial expense (the prior period had non-recurring financial income from the fair value measurement of the convertible loan).

Lastly, KOS has reported a 6.2% increase in revenues, thanks in particular to the development of nursing homes following the acquisitions made in 2015; net income came to € 4.4 million, compared with € 3.7 million in first quarter 2015.

CIR S.p.A. and its non-industrial subsidiaries contributed net income of € 7.3 million, which was slightly down on the figure of € 8.2 million for the first quarter of 2015 due to a lower yield on the securities portfolio.

COFIDE's net debt has fallen from € 37.7 million at 31 December 2015 to € 33.4 million at 31 March 2016.

Group equity at 31 March 2016 was € 574.5 million versus € 567.8 million at 31 December 2015.

In order to provide further information on the financial performance of Cofide in the first three months of 2016, 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:

<i>(in millions of euro)</i>	<i>1st quarter 2016</i>	<i>1st quarter 2015</i>
Contributions of investments in subsidiaries: - CIR S.p.A.	7.9	10.7
<b>TOTAL CONTRIBUTIONS</b>	<b>7.9</b>	<b>10.7</b>
Net gains and losses on trading and the valuation of securities	3.7	3.8
Net financial income and expense	(0.3)	(0.5)
Net operating costs	(0.4)	(0.4)
<b>RESULT BEFORE TAXES</b>	<b>10.9</b>	<b>13.6</b>
Income taxes	(0.2)	--
<b>NET RESULT FOR THE PERIOD</b>	<b>10.7</b>	<b>13.6</b>

The **statement of financial position** at 31 March 2016 shows equity of € 574.5 million, Parent Company net debt of € 33.4 million and long-term financial assets of € 608.8 million.

<i>(in millions of euro)</i>	<i>31.03.2016</i>	<i>31.12.2015</i>	<i>31.03.2015</i>
CIR S.p.A.	592.1	585.0	565.6
<b>LONG-TERM EQUITY INVESTMENTS</b>	<b>592.1</b>	<b>585.0</b>	<b>565.6</b>
Other long-term financial assets	16.7	21.7	13.1
<b>TOTAL FINANCIAL ASSETS</b>	<b>608.8</b>	<b>606.7</b>	<b>578.7</b>
Tangible assets	1.2	1.2	1.2
Net receivables and payables	(2.1)	(2.4)	(2.0)
<b>NET INVESTED CAPITAL</b>	<b>607.9</b>	<b>605.5</b>	<b>577.9</b>
Financed by:			
<b>Equity</b>	<b>574.5</b>	<b>567.8</b>	<b>551.9</b>
<b>Net financial debt</b>	<b>(33.4)</b>	<b>(37.7)</b>	<b>(26.0)</b>

The "Other long-term financial assets" of € 16.7 million consist mainly of Cofide's investment in the Jargonnant real estate fund for € 7 million and the investment in the Three Hills Decalia fund, which invests in small/medium-sized European companies, for € 8.7 million.

## 2. Performance of the Group

Consolidated sales revenues for the first quarter of 2016 came in at € 644.3 million versus € 627.2 million in the same period of 2015, an increase of € 17.1 million (+2.7%). Sogefi recorded a 4.7% increase in turnover, KOS one of 6.2%, while the revenues of the Espresso Group fell by 3.5%, as a consequence of the ongoing crisis that is affecting the entire publishing industry.

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

(in millions of euro)	1st quarter					
	2016		2015		Change	
		%		%	Absolute	%
<b>Media</b>						
Espresso Group	140.8	21.9	145.9	23.3	(5.1)	(3.5)
<b>Automotive components</b>						
Sogefi Group	390.1	60.5	372.5	59.4	17.6	4.7
<b>Healthcare</b>						
Kos Group	113.4	17.6	106.8	17.0	6.6	6.2
<b>Other sectors</b>	--	--	2.0	0.3	(2.0)	n.a.
<b>Total consolidated revenues</b>	<b>644.3</b>	<b>100.0</b>	<b>627.2</b>	<b>100.0</b>	<b>17.1</b>	<b>2.7</b>

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

(in millions of euro)	1st quarter			
	2016	%	2015	%
Revenues	644.3	100.0	627.2	100.0
<b>Consolidated EBITDA</b> (1)	<b>62.4</b>	<b>9.7</b>	<b>60.8</b>	<b>9.7</b>
<b>Consolidated operating income (EBIT)</b>	<b>33.5</b>	<b>5.2</b>	<b>35.6</b>	<b>5.7</b>
Financial management (2)	0.1	--	2.9	0.4
Income taxes	(8.6)	(1.3)	(8.9)	(1.4)
Income (loss) from assets held for sale	0.2	--	6.2	1.0
<b>Net income including minority interests</b>	<b>25.2</b>	<b>3.9</b>	<b>35.8</b>	<b>5.7</b>
Minority interests	(14.5)	(2.2)	(22.2)	(3.5)
<b>Net result of the Group</b>	<b>10.7</b>	<b>1.7</b>	<b>13.6</b>	<b>2.2</b>

(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)** for the first quarter of 2016 was € 62.4 million (9.7% of revenue) versus € 60.8 million (9.7% of revenue) for the first quarter of 2015, a decrease of € 1.6 million (+2.6%). The increase was mainly due to KOS, while Espresso and Sogefi's margin was broadly in line with that for the first quarter of 2015.

The **consolidated operating margin (EBIT)** for the first quarter of 2016 was € 33.5 million (5.2% of revenues) versus € 35.6 million (5.7% of revenues) in the same period of 2015 (-5.9%); the decrease, despite the positive change in EBITDA, was due to higher amortisation, depreciation and write-downs of fixed assets recognised by Sogefi.

Financial management generated net income of € 0.1 million compared with € 2.9 million in the first quarter of 2015. In detail:

- net financial expense came to € 12.6 million compared with € 10.2 million in the first quarter of 2015, which had benefited from non-recurring income of € 1.5 million recognised by Sogefi Group (on the fair value measurement of its bond);
- net gains from trading securities amounted to € 11.3 million and mainly arose from the sale of a non-strategic equity investment; in the first quarter of 2015, revenues came to € 11.8 million, most of which was the gain from the partial sale of CIR International's hedge fund portfolio;
- positive adjustments to financial assets of € 1.4 million have been recorded compared with positive adjustments of € 1.3 million in the first quarter of 2015.

The **condensed consolidated statement of financial position** of the Cofide Group at 31 March 2016, with comparative figures at 31 December 2015 and 31 March 2015, is as follows:

<i>(in millions of euro) (1)</i>	31.03.2016	31.12.2015	31.03.2014
Fixed assets	1,805.5	1,815.3	1,846.9
Other net non-current assets and liabilities	(73.2)	(68.6)	(22.2)
Net working capital	(14.9)	(14.2)	(41.4)
<b>Net invested capital</b>	<b>1,717.4</b>	<b>1,732.5</b>	<b>1,783.3</b>
<b>Net financial debt</b>	<b>(143.6)</b>	<b>(159.4)</b>	<b>(183.4)</b>
<b>Total equity</b>	<b>1,573.8</b>	<b>1,573.1</b>	<b>1,599.9</b>
Equity of the Group	574.5	567.8	551.9
Minority interests	999.3	1,005.3	1,048.0

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

**Consolidated net invested capital** at 31 March 2016 stood at € 1,717.4 million versus € 1,732.5 million at 31 December 2015, a decrease of € 15.1 million.

The **consolidated net financial position** at 31 March 2016, as mentioned previously, showed net debt of € 143.6 million (compared with € 159.4 million at 31 December 2015) caused by:

- a debt of COFIDE of € 33.4 million on € 37.7 million at 31 December 2015;
- a financial surplus pertaining to CIR and its non-industrial subsidiaries of € 410.0 million, down when compared with the 31 December 2015 figure of € 417.9 million, mainly due to the impact of purchases of treasury shares in the quarter (€ 9.5 million);
- a total debt of the industrial subsidiaries of € 520.2 million compared with € 539.6 million at 31 December 2015. The decrease of € 19.4 million is attributable to Espresso Group, which posted an improvement in its net debt of € 26.2 million.

**Total equity** at 31 March 2016 came to € 1,573.8 million compared with € 1,573.1 million at 31 December 2015, an increase of € 0.7 million. **Group equity** at 31 March 2016 amounted to € 574.5 million compared with € 567.8 million at 31 December 2015, a net increase of € 6.7 million.



At 31 March 2016 **minority interests** came to € 999.3 million, compared with € 1,005.3 million at 31 December 2015, a decrease of € 6 million.

The **consolidated statement of cash flows** for the first three months of 2016, prepared according to a managerial format which shows the changes in net financial position, can be summarised as follows:

<i>(in millions of euro)</i>	1st quarter 2016	1st quarter 2015
<b>SOURCES OF FUNDS</b>		
Result for the period including minority interests from continuing operations	25.0	29.6
Amortisation, depreciation, write-downs & other non-monetary changes	21.4	(4.4)
<b>Self-financing</b>	<b>46.4</b>	<b>25.2</b>
<b>Change in working capital</b>	<b>7.1</b>	<b>18.4</b>
<b>CASH FLOW GENERATED BY OPERATIONS FROM CONTINUING OPERATIONS</b>	<b>53.5</b>	<b>43.6</b>
<b>Increases in capital</b>	<b>--</b>	<b>0.1</b>
<b>TOTAL SOURCES OF FUNDS</b>	<b>53.5</b>	<b>43.7</b>
<b>APPLICATIONS OF FUNDS</b>		
Net investment in fixed assets	(13.0)	(44.4)
Price paid for business combinations	(0.1)	(29.9)
Net financial position of acquired companies	--	(17.9)
Payment of dividends	(0.5)	(0.5)
Buy-back of own shares	(9.7)	(15.0)
Other changes	(15.4)	17.1
<b>TOTAL APPLICATIONS OF FUNDS</b>	<b>(38.7)</b>	<b>(90.6)</b>
<b>FINANCIAL SURPLUS (DEFICIT) FROM CONTINUING OPERATIONS</b>	<b>14.8</b>	<b>(46.9)</b>
<b>CASH FLOW/NET FINANCIAL POSITION FROM DISCONTINUED OPERATIONS</b>	<b>1.0</b>	<b>9.1</b>
<b>FINANCIAL SURPLUS (DEFICIT)</b>	<b>15.8</b>	<b>(37.8)</b>
<b>NET FINANCIAL POSITION AT THE BEGINNING OF THE PERIOD</b>	<b>(159.4)</b>	<b>(145.6)</b>
<b>NET FINANCIAL POSITION AT THE END OF THE PERIOD</b>	<b>(143.6)</b>	<b>(183.4)</b>

In the first quarter of 2016 the Group recorded a financial surplus of € 15.8 million, € 25.5 million before purchasing € 9.7 million of treasury shares; the first quarter of 2015 produced a financial deficit of € 37.8 million, which included acquisitions by Kos of € 47.8 million and the buy-back of own shares of € 15.0 million. 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 2016 the Group had 14,352 employees, compared with 14,215 at 31 December 2015.

Main Group investments  
at 31 March 2016



BUSINESSES	56.5% (*) Gruppo Editoriale L'Espresso Spa	57.5% (*) SOGEFI	51.3% (*) KOS	non-core Investments
	<i>All media sectors from dailies and periodicals to radio, internet and advertising</i>	<i>Global automotive components supplier (filters, engine air, and cooling systems and suspensions</i>	<i>Nursing homes, rehabilitation and Hospital management</i>	<ul style="list-style-type: none"> <li>Private Equity</li> </ul>

(\*) the percentage is calculated net of treasury shares

### 3. Performance of the subsidiaries

**CIR GROUP** - As mentioned previously, in the first quarter of 2016 the CIR Group made a consolidated net income of € 14.7 million compared with net income of € 21.2 million in the same period of 2015.

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

<i>(in millions of euro)</i>	<i>1st quarter 2016</i>	<i>1st quarter 2015</i>
<b>CONTRIBUTIONS TO NET RESULT</b>		
Espresso Group	3.5	6.7
Sogefi Group	1.7	4.4
KOS Group	2.2	1.9
<b>Total industrial subsidiaries</b>	<b>7.4</b>	<b>13.0</b>
Other subsidiaries	--	0.2
CIR and other holding companies	7.3	8.0
<b>Net consolidated result of the CIR Group</b>	<b>14.7</b>	<b>21.2</b>

As mentioned previously, the contribution made by the industrial subsidiaries to the consolidated net result was an income of € 7.4 million, compared with a income of € 13 million in the first three months of 2015, and the aggregate contribution of CIR and the other holding companies was a profit of € 7.3 million, compared with a income of € 8.2 million in the same period of 2015.

<i>(in millions of euro)</i>	<i>31.03.2016</i>	<i>31.12.2015</i>
<b>CONTRIBUTIONS TO EQUITY</b>		
Espresso Group	335.9	333.2
Sogefi Group	96.9	98.4
KOS Group	138.4	136.2
Other subsidiaries	1.8	1.8
<b>Total subsidiaries</b>	<b>573.0</b>	<b>568.6</b>
<b>CIR and other subsidiaries</b>	<b>526.3</b>	<b>534.4</b>
- invested capital	116.3	116.5
- net financial position	410.0	417.9
<b>Equity of the CIR Group</b>	<b>1,099.3</b>	<b>1,103.0</b>

Consolidated equity has gone from € 1,103 million at 31 December 2015 to € 1,099.3 million at 31 March 2016.

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:

<i>(in millions of euro)</i>	<i>1st quarter 2016</i>	<i>1st quarter 2015</i>	<i>Change</i>	
			<i>absolute</i>	<i>%</i>
<b>Revenues</b>	140.8	145.9	(5.1)	(3.5)
<b>Net result</b>	6.1	12.0	(5.9)	n.s.

  

	<i>31/03/2016</i>	<i>31/12/2015</i>	<i>31/03/2015</i>
<b>Net financial position</b>	15.5	(10.7)	(11.2)
<b>No. of employees</b>	2,209	2,222	2,324

During the period January-February 2016, the Media market posted a 3.7% increase in advertising expenditure compared with the same period of 2015 (data by Nielsen Media Research). The change in advertising revenues earned by television, radio and the internet was positive (+6.3%, +1.8% and +2.2%, respectively, excluding website search engines and social media). Print advertising revenue continued to fall (-2.5%), although this was a marked improvement on the same period of 2015 (-8%): national revenue was stable compared with the first two months of 2015, while local revenue continued to show a significantly negative trend (-5.6%).

In terms of daily newspaper circulation, the figures published by ADS for the first two months of 2016 indicate a decline in sales of 8%.

The consolidated revenues of Espresso amounted to € 140.8 million, a 3.5% decrease on € 145.9 million in the first quarter of 2015, but with a lower decline than in with previous periods. The Group's circulation revenues amounted to € 57.9 million, a decrease of 5.3% on the same period last year, in a market that is continuing to see a significant reduction in the circulation of daily newspapers. Advertising revenues went down by 2.5%: internet revenue rose by 7.9% thanks to the sustained development of advertising on mobile phone and on the new programmatic and performance platforms, radio revenue grew by 2.4%, confirming the positive trend already seen in the previous year and print revenue fell by 7.8%, reflecting the general market trend for daily newspapers and the extremely negative trend for news magazines.

Costs are down by 3.5%, reflecting the decline in revenues; in addition to variable costs linked to print runs of newspapers and magazines, fixed industrial costs and personnel costs also decreased, reflecting a reduction in the average workforce of 5% compared with the first quarter of 2015.

EBITDA came to € 13.9 million, in line with € 13.7 million in the first quarter of 2015.

EBIT came to € 10.3 million, a slight increase compared with the same period last year (€ 10 million). Earnings in all sectors held up well compared with the first quarter of 2015.

Net income from continuing operations was € 6 million compared with € 5.8 million for the first quarter of 2015.

The sale at the end of January 2015 of the investee All Music to Discovery Italia gave rise to a gain on sale of € 6.3 million, which was recorded under discontinued operations. Net income in the first quarter of 2015 amounted to € 12.0 million, whereas in the first quarter of 2016 it amounted to € 6.1 million.

Net cash at 31 March 2016 amounted to € 15.5 million, representing a significant improvement compared with the net debt of € 10.7 million at 31 December 2015, thanks to a financial surplus for the period of € 26.2 million (compared with € 23.1 million for the first quarter of 2015, which included extraordinary sale proceeds of € 8.8 million).

The Group had 2,209 employees at 31 March 2016, including those on fixed-term contracts, a decrease on 2,222 at 31 December 2015.

On 2 March 2016 CIR signed a memorandum of understanding with its subsidiary Gruppo Editoriale L'Espresso, ITEDI (the company that publishes the newspapers La Stampa and Il Secolo XIX) and the shareholders of the latter (FCA and Ital Press Holding S.p.A. of the Perrone family) with a view to creating Italy's largest publishing group and one of the principal groups in Europe in the field of daily and digital news, by merging ITEDI with Gruppo Editoriale L'Espresso. Completion of the merger, which is subject to authorization by the competent authorities as well as by the shareholders of Gruppo Editoriale L'Espresso and ITEDI, is expected to take place in the first quarter of 2017.

Despite an upswing in the first two months of 2016, the outlook for the entire year is still uncertain, given current trends in the advertising market.

## ■ 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:

<i>(in millions of euro)</i>	<b>1st quarter 2016</b>	<b>1st quarter 2015</b>	<b>Change</b>	
			<b>absolute</b>	<b>%</b>
<b>Revenues</b>	390.1	372.5	17.6	4.7
<b>Net result</b>	2.9	7.6	(4.7)	(61.8)

	<b>31/03/2016</b>	<b>31/12/2015</b>	<b>31/03/2015</b>
<b>Net financial position</b>	(322.6)	(322.3)	(327.5)
<b>No. of employees</b>	6,781	6,702	6,771

In the first quarter of 2016, worldwide production of cars and light commercial vehicles grew by 1%: Europe showed growth of 2% (that for EU countries was 5%), while that for NAFTA and China was 5%; conversely, Mercosur reported a decrease of 28%, with extremely negative trends for Brazil and Argentina.

Sogefi ended the first quarter with revenues of € 390.1 million, 4.7% up on the first quarter of 2015 (+10.5% at constant exchange rates).

Revenue was stable in Europe, while vigorous growth continued in North America (+30%) and in Asia (+45.5%). Although South America accounted for less than 10% of total revenues in the first quarter of 2016, sales fell by 22.6%, caused by devaluation of local currencies (at constant exchange rates, there was an increase of 12.3%).

Growth in the first quarter of 2016 was driven by Air and Cooling (+16.5% and + 20.5% at constant exchange rates); suspension revenue increased by 1.4% (+7.6% at constant exchange rates), while

filtration revenue fell by 1% (+5.5% at constant exchange rates) due to a decrease in the euro equivalent of South American revenue.

EBITDA came in at € 34.6 million, in line with the first quarter of last year (€ 34.9 million). With the exclusion of non-recurring costs, EBITDA amounted to € 38.5 million, which was up by 9% compared with the same period of 2015; profitability increased slightly (from 9.5% to 9.9%), thanks to the gross margin holding up and a lower proportion of fixed costs. The decrease in EBITDA in South America was offset by increases in those countries that are growing rapidly, namely: North America, China and India.

The Air & Cooling business unit's first quarter reassessment of product warranty risks did not lead to any change in the provision.

EBIT amounted to € 16 million compared with € 19.1 million for the first quarter of 2015; the decrease was due to higher amortisation, depreciation and write-downs of fixed assets.

Net income came to € 2.9 million, down by € 7.6 million compared with the first quarter of 2015, which, in addition to the higher amortisation and depreciation mentioned previously, was due to the impact of higher financial expenses (which last year benefited from a positive component linked to the fair value measurement of the bond).

La net financial position as of 31 March 2015 came to € -322.6 million, in line with what it was at 31 December 2015. The financial deficit for the period amounted to € -0.2 million compared with € -28.9 million in the same period last year. Of this improvement, € 8.7 million is attributable to lower disbursements of a non-recurring nature relating to product warranty and restructuring and approximately € 11 million relates to a positive trend in operating cash flow.

The Sogefi Group had 6,781 employees at 31 March 2016 compared with 6,702 at 31 December 2015.

As regards the outlook for operations, it is expected that the positive trends will continue in North America, in China and in India. In Europe, after the important expansion of the business seen in 2015, the company expects more modest growth, while market conditions in South America remain difficult.

## ■ 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:

<i>(in millions of euro)</i>	<b>1st quarter 2016</b>	<b>1st quarter 2015</b>	<b>Change</b>	
			<b>absolute</b>	<b>%</b>
<b>Revenues</b>	113.4	106.8	6.6	6.2
<b>Net result</b>	4.4	3.7	0.7	18.9

  

	<b>31/03/2016</b>	<b>31/12/2015</b>	<b>31/03/2015</b>
<b>Net financial position</b>	(215.9)	(210.0)	(195.5)
<b>No. of employees</b>	5,237	5,194	4,769

In the first three months of 2016 the KOS Group achieved revenue of € 113.4 million (+6.2%) compared with € 106.8 million in the same period of 2015. The increase in revenues was driven by care homes for the elderly (+14.9%), which performed very well thanks to organic growth and the acquisition of "Argento Vivo" in 2015 .

EBITDA amounted to € 17.2 million, up by 12.4% compared with the margin achieved in the first quarter of 2015.

EBIT amounted to € 10.8 million, which was up compared with the figure for the same period last year of € 9.7 million, thanks to a significant increase in revenue and a slight increase in earnings from 9.1% to 9.5%.

Net income for first quarter 2016 amounted to € 4.4 million compared with € 3.7 million in the same period of 2015.

At 31 March 2016 KOS had a net financial position of € -215.9 million compared with € -210.0 million at 31 December 2015.

The Group currently manages 77 facilities, mainly in central and northern Italy, for a total of some 7,300 beds.

The Group had 5,237 employees at 31 March 2016 compared with 5,194 at 31 December 2015.

During the quarter, on 16 March, CIR and F2i entered into an agreement with Ardian for the purchase by the latter of 46.7% of KOS for € 292 million. The deal is expected to be closed in May.

## ■ NON-CORE INVESTMENTS

They are represented by private equity fund investments, minority interests and other investments amounting to € 112.0 million at 31 March 2016, compared with € 113.6 million at 31 December 2015.

### 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 2016, based on the NAVs provided by the various funds, came to € 54.3 million, a decrease of € 4.9 million compared with 31 December 2015, primarily due to the effect of write-downs and exchange rate differences (that impact equity). Total distributions in the period, amounting to € 2.8 million, generated a capital gain of € 2.1 million. Outstanding commitments at 31 March 2016 amounted to € 5.7 million.

### OTHER INVESTMENTS

At 31 March 2016, CIR had direct and indirect investments in non-strategic investments for a total of € 15.8 million and a portfolio of non-performing loans for a total of € 41.9 million.

In the first quarter of 2016, CIR International sold an investment in China of approximately € 5.5 million that produced a gain on sale of € 6.5 million.



#### **4. Significant events subsequent to 31 March 2016**

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No significant events have occurred subsequent to 31 March 2016.

#### **5. Outlook for operations**

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The performance of Cofide Group in the subsequent three quarters of 2016 will be influenced by developments in the Italian economy, the impact of which is significant, especially in the media sector, as well as by the performance of major global automotive markets for the components sector.

#### **6. Other information**

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##### **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 2016 was approved by the Board of Directors on 29 April 2016.

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

# CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED NET FINANCIAL POSITION

## 1. Consolidated statement of financial position

(in thousands of euro)

ASSETS	31.03.2016	31.12.2015	31.03.2015
<b>NON-CURRENT ASSETS</b>	<b>2,078,891</b>	<b>2,094,545</b>	<b>2,168,190</b>
INTANGIBLE ASSETS	997,191	997,652	1,010,767
TANGIBLE ASSETS	648,995	659,109	662,965
INVESTMENT PROPERTY	20,813	20,916	21,106
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	132,669	131,833	147,109
OTHER EQUITY INVESTMENTS	5,830	5,830	4,970
OTHER RECEIVABLES	88,336	87,075	91,662
SECURITIES	81,995	87,383	110,515
DEFERRED TAXES	103,062	104,747	119,096
<b>CURRENT ASSETS</b>	<b>1,441,074</b>	<b>1,412,396</b>	<b>1,370,227</b>
INVENTORIES	133,627	134,055	138,588
CONTRACT WORK IN PROGRESS	38,591	39,178	32,341
TRADE RECEIVABLES	437,827	415,937	432,093
OTHER RECEIVABLES	102,972	97,565	107,326
FINANCIAL RECEIVABLES	28,201	30,496	31,939
SECURITIES	97,509	131,012	174,129
AVAILABLE-FOR-SALE FINANCIAL ASSETS	247,756	251,510	157,165
CASH AND CASH EQUIVALENTS	354,591	312,643	296,646
ASSETS HELD FOR SALE	8,512	9,005	26,910
<b>TOTAL ASSETS</b>	<b>3,528,477</b>	<b>3,515,946</b>	<b>3,565,327</b>
<b>LIABILITIES AND EQUITY</b>	<b>31.03.2016</b>	<b>31.12.2015</b>	<b>31.03.2015</b>
<b>EQUITY</b>	<b>1,573,757</b>	<b>1,573,078</b>	<b>1,599,918</b>
SHARE CAPITAL	359,605	359,605	359,605
RESERVES	106,583	110,571	99,865
RETAINED EARNINGS (LOSSES)	97,588	78,901	78,901
NET INCOME (LOSS) OF THE PERIOD	10,737	18,687	13,567
<b>GROUP EQUITY</b>	<b>574,513</b>	<b>567,764</b>	<b>551,938</b>
MINORITY INTERESTS	999,244	1,005,314	1,047,980
<b>NON-CURRENT LIABILITIES</b>	<b>1,014,563</b>	<b>1,060,437</b>	<b>1,028,773</b>
BONDS	285,621	288,366	284,438
OTHER BORROWINGS	379,992	421,910	373,972
OTHER PAYABLES	12,072	9,321	7,147
DEFERRED TAXES	135,912	135,235	147,047
PERSONNEL PROVISIONS	122,064	124,622	143,151
PROVISIONS FOR RISKS AND LOSSES	78,902	80,983	73,018
<b>CURRENT LIABILITIES</b>	<b>933,988</b>	<b>875,769</b>	<b>936,636</b>
BANK OVERDRAFTS	27,300	19,517	25,102
BONDS	5,747	5,011	5,414
OTHER BORROWINGS	173,046	150,316	154,391
TRADE PAYABLES	450,706	428,173	452,606
OTHER PAYABLES	209,053	200,985	221,020
PROVISIONS FOR RISKS AND LOSSES	68,136	71,767	78,103
LIABILITIES HELD FOR SALE	6,169	6,662	--
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,528,477</b>	<b>3,515,946</b>	<b>3,565,327</b>

## 2. Consolidated income statement

(in thousands of euro)

	01/01-31/03 2016	01/01-31/03 2015
SALES REVENUES	644,344	627,230
CHANGE IN INVENTORIES	(601)	4,082
COSTS FOR THE PURCHASE OF GOODS	(245,087)	(236,467)
COSTS FOR SERVICES	(148,072)	(153,264)
PERSONNEL COSTS	(179,320)	(177,848)
OTHER OPERATING INCOME	7,622	9,371
OTHER OPERATING COSTS	(17,291)	(13,400)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	778	1,096
AMORTISATION, DEPRECIATION & WRITE-DOWNS	(28,865)	(25,179)
<b>EARNINGS BEFORE INTEREST AND TAXES (EBIT)</b>	<b>33,508</b>	<b>35,621</b>
FINANCIAL INCOME	2,997	5,283
FINANCIAL EXPENSE	(15,607)	(15,459)
DIVIDENDS	6,204	--
GAINS FROM TRADING SECURITIES	5,243	11,905
LOSSES FROM TRADING SECURITIES	(135)	(83)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	1,456	1,253
<b>INCOME BEFORE TAXES</b>	<b>33,666</b>	<b>38,520</b>
INCOME TAXES	(8,631)	(8,940)
<b>INCOME (LOSS) AFTER TAXES FROM OPERATING ACTIVITY</b>	<b>25,035</b>	<b>29,580</b>
INCOME/(LOSS) FROM ASSETS HELD FOR SALE	161	6,244
<b>NET INCOME (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS</b>	<b>25,196</b>	<b>35,824</b>
- (NET INCOME) LOSS OF MINORITY INTERESTS	(14,459)	(22,257)
<b>- NET INCOME (LOSS) OF THE GROUP</b>	<b>10,737</b>	<b>13,567</b>

### 3. Consolidated net financial position

(in thousands of euro)

	31.03.2016	31.12.2015	31.03.2015
A. Cash and bank deposits	354,591	312,643	296,646
B. Other cash equivalents	247,756	251,510	157,165
C. Securities held for trading	97,509	131,012	174,129
<b>D. Cash and cash equivalents (A) + (B) + (C)</b>	<b>699,856</b>	<b>695,165</b>	<b>627,940</b>
<b>E. Current financial receivables</b>	<b>28,201</b>	<b>30,496</b>	<b>31,939</b>
F. Current bank payables	(152,857)	(116,507)	(146,843)
G. Bonds	(5,747)	(5,011)	(5,414)
H. Current portion of non-current debt	(47,489)	(53,326)	(32,650)
I. Other current borrowings	--	--	--
<b>J. Current financial debt (F) + (G) + (H) + (I)</b>	<b>(206,093)</b>	<b>(174,844)</b>	<b>(184,907)</b>
<b>K. Current net financial position (J) + (E) + (D)</b>	<b>521,964</b>	<b>550,817</b>	<b>474,972</b>
L. Non-current bank borrowings	(277,905)	(317,643)	(263,539)
M. Bonds	(285,621)	(288,366)	(284,438)
N. Other non-current payables	(102,087)	(104,267)	(110,433)
<b>O. Non-current financial debt (L) + (M) + (N)</b>	<b>(665,613)</b>	<b>(710,276)</b>	<b>(658,410)</b>
<b>P. Net financial position (K) + (O)</b>	<b>(143,649)</b>	<b>(159,459)</b>	<b>(183,438)</b>

## Notes to the consolidated financial statements

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### **1. Introduction**

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This consolidated interim financial report at 31 March 2016 (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. The instructions contained in the international accounting standard on interim reporting (IAS 34 "Interim Financial Statements") have therefore not been adopted.

This interim report has been prepared on the same basis as in the past, pending clarification on the regulatory framework.

### **2. Consolidation principles**

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Consolidation is on a line-by-line basis. The criteria adopted in applying this method are the same as those used at 31 December 2015.

The consolidated interim financial statements of the Group as of 31 March 2016, like those as of 31 December 2015, 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. 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**

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The Accounting Principles adopted for the preparation of the interim financial statements as of 31 March 2016 are the same as those adopted for the financial statements for the year ended 31 December 2015.

### **4. Share capital**

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The share capital at 31 March 2016 amounts to € 359,604,959.00, the same as at 31 December 2015, 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 2016**

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, 29 April 2016*

COFIDE S.p.A.  
Giuseppe Gianoglio

