INTERIM FINANCIAL REPORT AS OF SEPTEMBER 30 2012

Milan, October 29 2012

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Report of the Board of Directors on operations

as of September 30 2012

In the **first nine months of 2012** the Cofide Group reported a consolidated net loss of € 10.1 million compared with net income of € 6.1 million in the same period last year.

The consolidated result consisted mainly of the contribution of the subsidiary CIR, which was a negative € 4.9 million compared with a positive contribution of € 7.3 million in the first nine months of 2011.
In the first nine months of 2012, Cir made a consolidated net loss of € 10 million compared with a profit of € 15 million in the same period of 2011. The contribution made by the four main operating subsidiaries was negative for € 8.9 million compared with a positive one of € 45.5 million in the corresponding period last year, mainly due to Sorgenia's heavily negative contribution of € 40.8 million. Overall, Espresso, Sogefi and KOS made a positive contribution of € 31.9 million despite the recession.

In the **third quarter of 2012**, the Cofide Group reported a net loss of € 6.8 million, which compares with a net loss of € 2.8 million in the same period of 2011. As mentioned previously, the quarterly result was affected by the deterioration in Sorgenia's results.

Following the judgment of the Milan Court of Appeal filed on July 9 2011, which sentenced Fininvest to pay compensation for the damage caused by bribing a judge in the “Lodo Mondadori” arbitration, on July 26 2011, CIR received payment from Fininvest of € 564.2 million, including legal costs and interest. Under international accounting standards (IAS 37), this amount has not had, nor will it have, any impact on the Group's income statement until the appeal of last resort has been decided.

In order to provide further information on the financial performance in the first nine months of 2012, the income statement and balance sheet are provided with a breakdown showing the contribution of the subsidiaries to the net result and equity of Cofide S.p.A.

The **income statement** is as follows:

(in millions of euro)	**1/1-30/9 2012**	**1/1-30/9 2011**
Contributions of investments in subsidiaries and associates:		
- Cir S.p.A.	(4.9)	7.3
- Euvis S.p.A.	(2.0)	(0.2)
TOTAL CONTRIBUTIONS	**(6.9)**	**7.1**
Net gains and losses from the trading and valuation of securities	(0.2)	1.8
Net financial income and expense	(0.9)	(0.6)
Net operating costs	(2.1)	(2.2)
RESULT BEFORE TAXES	**(10.1)**	**6.1**
Income taxes	-	-
NET RESULT FOR THE PERIOD	**(10.1)**	**6.1**

The **balance sheet** at September 30 2012 shows net debt of € 32.4 million and long-term financial investments of € 742.4 million, against equity of € 711.5 million.

(in millions of euro)	**30/09/2012**	**31/12/2011 (*)**
Cir S.p.A.	728.5	738.9
Euvis S.p.A.	0.3	2.3
LONG-TERM EQUITY INVESTMENTS	**728.8**	**741.2**
Other long-term financial investments	13.6	11.5
TOTAL LONG-TERM FINANCIAL INVESTMENTS	**742.4**	**752.7**
Tangible assets	1.2	1.3
Balance of operating receivables and payables for the period	0.3	0.3
NET INVESTED CAPITAL	**743.9**	**754.3**
Funded by:		
Shareholders' equity	**711.5**	**725.4**
Net financial debt	**(32.4)**	**(28.9)**

(*) Certain figures in 2011 have been restated following the Sogefi group's completion of its purchase price allocation of Systèmes Moteurs S.A.S.

Other long-term financial investments at September 30 2012 relate to Cofide's investment in Jargonnant, a real estate investment fund. The value of this investment at September 30 2012 amounts to € 13.6 million, an increase compared with the figure of € 11.5 million at December 31 2011, mainly due to the additional investment of € 2.5 million made during the period.

1. Performance of the Group

Consolidated sales revenues for the first nine months of 2012 came in at € 3,625.8 million, up from € 3,300.9 million in the same period of 2011, with a rise of € 324.9 million (+9.8%).
The change was due to higher revenues on the part of Sorgenia and Sogefi, which more than offset the decline in sales on the part of Espresso.

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

(in millions of euro)	*1/1-30/09*						*3rd Quarter*					
					change						**change**	
	2012	**%**	**2011**	**%**	**absolute**	**%**	**2012**	**%**	**2011**	**%**	**absolute**	**%**
Energy												
Sorgenia group	1,758.2	48.5	1,552.7	47.0	205.5	13.2	638.9	52.4	509.6	46.5	129.3	25.4
Media												
Espresso group	594.0	16.4	653.7	19.8	(59.7)	(9.1)	174.2	14.3	196.3	17.9	(22.1)	(11.3)
Automotive components												
Sogefi group	1,005.1	27.7	829.8	25.2	175.3	21.1	318.2	26.1	303.2	27.7	15.0	5.0
Healthcare												
KOS group	265.3	7.3	261.9	7.9	3.4	1.3	86.6	7.1	85.0	7.8	1.6	1.9
Other	3.2	0.1	2.8	0.1	0.4	14.3	1.0	0.1	1.2	0.1	(0.2)	(16.7)
Total consolidated revenues	3,625.8	100.0	3,300.9	100.0	324.9	9.8	1,218.9	100.0	1,095.3	100.0	123.6	11.3

The comparison of the key figures of the income statement of the Cofide Group for the first nine months, and for the third quarter, is as follows:

(in millions of euro)	*1/1-30/09*		*3rd Quarter*	
	2012	**2011**	**2012**	**2011**
Revenues	3,625.8	3,300.9	1,218.9	1,095.3
Consolidated gross operating margin (EBITDA)	**246.4**	**335.6**	**75.6**	**112.6**
Consolidated operating income (EBIT)	**69.5**	**184.7**	**19.0**	**59.5**
Financial management result	(70.4)	(91.5)	(25.3)	(42.0)
Income taxes	(20.7)	(37.4)	(4.2)	(7.3)
Income/(loss) from assets held for disposal	(5.9)	--	(5.9)	--
Net income including minority interests	**(27.5)**	**55.8**	**(16.4)**	**10.2**
Net (income) loss of minority interests	17.4	(49.7)	9.6	(13.0)
Net income of the Group	**(10.1)**	**6.1**	**(6.8)**	**(2.8)**

In the first nine months of 2012, the consolidated gross operating margin (EBITDA) was € 246.4 million (6.8% of revenues), down on € 335.6 million in the first nine months of 2011 (10.2% revenues), a reduction of € 89.2 million (-26.6%). This change reflects the sharp decline in the margins of the Sorgenia group and, to a lesser extent, of the Espresso group.

The **consolidated operating margin (EBIT)** for the first nine months of 2012 was € 69.5 million (1.9% of revenues) versus € 184.7 million (5.6% of revenues) in the same period of 2011, falling by € 115.2 million (-62.4%).

The financial management result was negative for € 70.4 million (negative for € 91.5 million in the first nine months of 2011) due to:

- net financial expense of € 91.3 million (€ 94.3 million in the first nine moths of 2011);
- dividends and net gains from securities trading and valuation of € 20.9 million (€ 2.8 million in the first nine months of 2011).

In the third quarter of 2012, the **consolidated gross operating margin (EBITDA)** was € 75.6 million (6.2% of revenues) versus € 112.6 million in the same period of 2011 (10.3% of revenues), for a decrease of € 37 million (-32.9%).

The **consolidated operating margin (EBIT)** in the third quarter of 2012 was € 19 million (1.6% of revenues) versus € 59.5 million (5.4% of revenues) in the same period of 2011 (-68.1%).

The Cofide Group's key balance sheet figures at September 30 2012, with comparatives at June 30 2012 and December 31 2011, are as follows:

(in millions of euro)	**30/09/2012**	**30/06/2012**	**31/12/2011(*)**
Fixed assets	4,361.3	4,366.6	4,370.8
Other net non-current assets and liabilities	322.1	304.6	220.2
Net working capital	383.4	355.3	272.1
Net invested capital	**5,066,8**	**5,026.5**	**4,863.1**
Net financial position	**(2,623.4)**	**(2,578.3)**	**(2,360.3)**
Total equity	**2,443.4**	**2,448.2**	**2,502.8**
Group equity	711.5	714.3	725.4
Minority interests	1,731,9	1,733.9	1,777.4

(*) Certain figures in 2011 have been restated following the Sogefi group's completion of its purchase price allocation of Systèmes Moteurs S.A.S.

Net invested capital at September 30 2012 stood at € 5,066.8 million versus € 4,863.1 million at December 31 2011 (€ 5,026.5 million at June 30 2012), an increase of € 203.7 million, mainly due to fixed asset investments by the Sorgenia and Sogefi groups and changes in the Sorgenia group's net working capital.

The consolidated net financial position at September 30 2012 showed net debt of € 2,623.4 million (up from € 2,360.3 million at December 31 2011 and € 2,578.3 million at June 30 2012), which was the result of

- debt of € 32.4 million for Cofide, the parent company, compared with € 28.9 million at December 31 2011;
- a net financial surplus for CIR and the financial holding companies of € 20.3 million which compares with € 10.8 million at December 31 2011;
- total debt in the operating groups of € 2,611.3 million, up from € 2,342.2 million at December 31 2011. The change of € 269.1 million is mainly due to the investments made by the Sogefi and Sorgenia groups and to the increase in the Sorgenia group's working capital.

The net financial position includes shares of hedge funds, which amounted to € 81.1 million at September 30 2012. The accounting treatment of these investments involves recognizing the fair value changes in the funds directly to equity.
The performance of these investments since inception (April 1994) up to and including 2011 gave a weighted average return in dollar terms of 6.7%. Their performance in the first nine months of 2012 was 3.4%.

Total equity at September 30 2012 came to € 2,443.4 million versus € 2,502.8 million at December 31 2011 (€ 2,448.2 million at June 30 2012), a decrease of € 59.4 million.

Group equity at September 30 2012 amounted to € 711.5 million compared with € 725.4 million at December 31 2011 (€ 714.3 million at June 30 2012), a net decrease of € 13.9 million, mainly due to the distribution of dividends and the loss for the period.

At September 30 2012, **minority interests** came to € 1,731.9 million, compared with € 1,777.4 million at December 31 2011 (€ 1,733.9 million at June 30 2012), a net decrease of € 45.5 million.

The **consolidated cash flow statement** for the first nine months of 2012, prepared according to a managerial format which shows the changes in net financial position, can be summarized as follows:

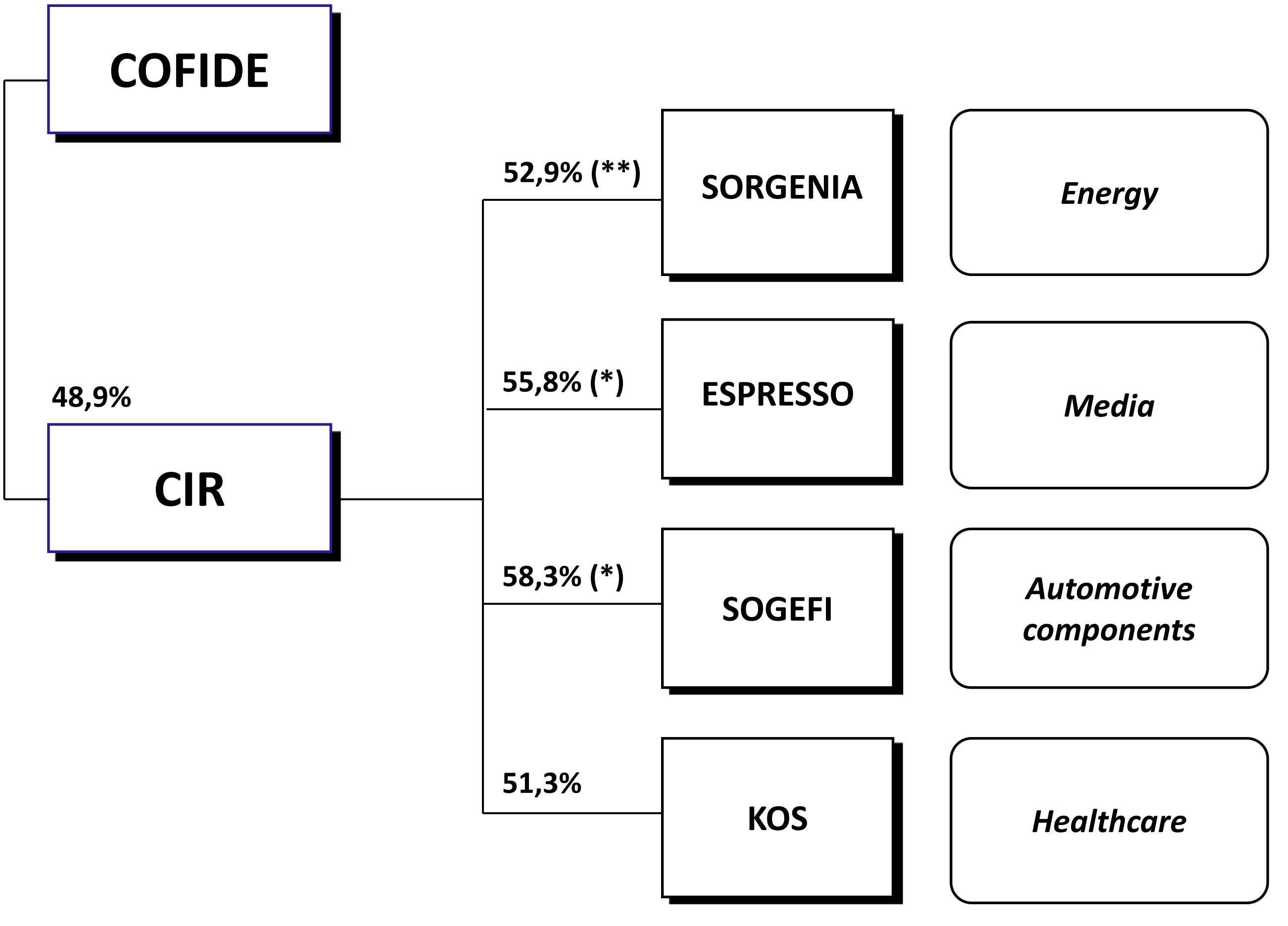
(in millions of euro)	***1/1-30/09 2012***	***1/1-30/09 2011***
SOURCES OF FUNDING		
Net income for the period including minority interests	(27,5)	55.8
Amortization, depreciation, write-downs and other non-monetary changes	193.3	135.4
Self-financing	**165.8**	**191.2**
Change in working capital	**(144.6)**	**(95.2)**
CASH FLOW GENERATED BY OPERATIONS	**21.2**	**96.0**
Capital increases	24.2	30.3
TOTAL SOURCES	**45.4**	**126.3**
APPLICATIONS		
Net investment in fixed assets	(244.1)	(44.1)
Purchase of equity investments	--	(123.7)
Net financial position of the companies acquired	--	(12.2)
Buy-back of own shares	(3.0)	(13.7)
Payment of dividends	(32.4)	(38.2)
Other changes	(29.0)	(30.5)
TOTAL APPLICATIONS	**(308.5)**	**(262.4)**
FINANCIAL SURPLUS (DEFICIT)	**(263.1)**	**(136.1)**
NET FINANCIAL POSITION AT BEGINNING OF PERIOD	**(2,360.3)**	**(2,194.6)**
NET FINANCIAL POSITION AT END OF PERIOD	**(2,623.4)**	**(2,330.7)**

The net cash flow generated by operations, which amounted to € 21.2 million compared with € 96.0 million in the first nine months of 2011, consists of self-financing of € 165.8 million versus € 191.2 million in the first nine months of 2011, offset by a decrease in net working capital of € 144.6 million versus € 95.2 million in the same period last year.
Applications in the first nine months of 2012, which have gone up compared with the same period of 2011, are largely due to investments made principally by the Sorgenia and Sogefi groups.

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

At September 30 2012 the Group had 14,179 employees on the payroll, up from 14,106 at December 31 2011.

MAIN EQUITY INVESTMENTS OF THE GROUP (*)
AT SEPTEMBER 30 2012



(*) The percentage is calculated net of own shares held as treasury stock.
(**) Percentage of indirect control through Sorgenia Holding.

2. *Performance of the subsidiaries*

EUVIS

On April 18 2012, the Shareholders' Meeting of Euvis S.p.A. decided to commence voluntary liquidation and to appoint a liquidator, as it was impossible to continue the brokerage of lifetime mortgages because of non-renewal of the distribution agreement with J.P.Morgan.
The liquidator has completed most of the activities involved in the winding-up.

CIR GROUP

In the first nine months of 2012, the CIR Group made an adjusted net loss of € 10 million compared with a profit of € 15 million in the same period last year.

In third quarter 2012, the consolidated net result was a loss of € 10.7 million, compared with € 4.4 million in the same period last year.

The following chart shows a breakdown of the contribution to the result and consolidated equity by business sector.

(in millions of euro)	**1/1-30/09 2012**	**1/1-30/09 2011**	**3rd Quarter 2012**	**3rd Quarter 2011**
CONTRIBUTIONS TO EARNINGS				
Sorgenia group	(40,8)	6.9	(12.6)	6.8
Espresso group	14.7	22.9	2.9	5.6
Sogefi group	13.1	10.9	3.7	2.1
KOS group	4.1	4.8	1.8	1.5
Total for main subsidiaries	**(8.9)**	**45.5**	**(4.2)**	**16.0**
Other subsidiaries	**(4.5)**	**(7.2)**	**(1.9)**	**(4.2)**
CIR & financial holding companies	**4.3**	**(17.9)**	**(4.5)**	**(16.2)**
Non-recurring items	**(0.9)**	**(5.4)**	**(0.1)**	**--**
Total consolidated result of the Group	**(10.0)**	**15.0**	**(10.7)**	**(4.4)**

As mentioned previously, the contribution made by the four main operating subsidiaries to earnings for the first nine months of 2012 was a negative € 8.9 million, compared with a positive contribution of € 45.5 million in the same period of 2011.
The contribution made by CIR and the financial holding companies was a positive € 4.3 million, compared with a negative figure of € 17.9 million in the first nine months of 2011.

Consolidated equity decreased from € 1,437.7 million at December 31 2011 to € 1,416.3 million at September 30 2012.

(in millions of euro)	**30/09/2012**	**30/06/2012**	**31/12/2011 (*)**
CONTRIBUTIONS TO EQUITY			
Sorgenia group	544.3	538.8	577.5
Espresso group	315.8	312.1	312.7
Sogefi group	113.6	111.8	113.3
KOS group	117.3	115.5	111.2
Other subsidiaries	2.2	10.0	13.6
Total subsidiaries	**1,093.2**	**1,088.2**	**1,128.3**
CIR & financial holding companies	**323.1**	**329.4**	**309.4**
- invested capital	302.8	303.8	298.6
- net financial position	20.3	25.6	10.8
Total for the Group	**1,416.3**	**1,417.6**	**1,437.7**

(*) Certain figures in 2011 have been restated following the Sogefi group's completion of its purchase price allocation of Systèmes Moteurs S.A.S.

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

3. Performance of the business sectors

ENERGY

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

Results for the period January 1 – September 30 2012

(in millions of euro)	**1/1 -30/9 2012**	**1/1-30/9 2011**	**Change absolute**	**%**
Revenues	1,758.2	1,552.7	205.5	13.2
Adjusted net result (*)	(80.9)	18.0	(98.9)	n.s.
Net result	(77.1)	13.5	(90.6)	n.s.

Results for 3rd Quarter 2012

(in millions of euro)	**3rd Quarter 2012**	**3rd Quarter 2011**	**Change absolute**	**%**
Revenues	638.9	509.6	129.3	25.4
Adjusted net result (*)	(26.6)	17.5	(44.1)	n.s.
Net result	(23.0)	13.2	(36.2)	n.s.

(*) The adjusted net result is obtained by excluding the fair value adjustment of hedging contracts and derivatives from the net result.

Position at September 30 2012

	30/9/2012	**30/6/2012**	**31/12/2011**
Net financial position	(1,927.2)	(1,857.0)	(1,667.2)
No. of employees	456	472	466

Sorgenia's results for the first nine months of 2012 reflect declining demand in the Italian electricity sector (especially for thermoelectrical power) due to the current recession, the resulting overcapacity in the system, the high cost of the gas used by Italian power plants and the growth in renewable energy production. This last factor has not only compressed the share of production covered by thermal power plants, but has also drastically reduced prices at peak times during the day. Domestic demand for electricity during the period went down by 2.7% compared with 2011, based on the same number of days, effectively reducing thermal generation by 4.3%.

In the first nine months of 2012 the Sorgenia group achieved consolidated revenues of € 1,758.2 billion, 13.2% up on € 1,552.7 million in the corresponding period of 2011, thanks to the higher volumes of electricity sold.

Adjusted EBITDA for the first nine months came to € 47.5 million, a decrease of 62.9% compared with € 128.1 million in the same period of 2011. EBITDA amounted to € 49.6 million compared with € 125.7 million in the first nine months of 2011.

The sharp decline in margins compared with last year is mainly due to the following factors:

- lower margins earned by thermal generation, which have been hit above all by the high price of gas at power plants and competition from renewables at peak times of day;
- the result of Tirreno Power, an affiliated company, for the same reasons mentioned above;
- higher congestion charges on the electricity grid in the Southern region;
- a lower contribution by renewables because of changes in the scope of consolidation;
- lower sales volumes and margins under the natural gas contract with Libya.

Consolidated EBIT for the first nine months of 2012 was a loss of € 38.1 million (2.2% of sales) compared with a profit of € 55.7 million (3.6% of sales) in the same period of 2011, affected not only by the drop EBITDA, but also by asset write-downs of € 13 million, mainly in hydrocarbon exploration and production (E&P).

In the first nine months of 2012, the Sorgenia group made an adjusted net loss of € 80.9 million compared with a profit of € 18 million in the same period of 2011. The Sorgenia group's net result was a loss of € 77.1 million compared with a profit of € 13.5 million in the first nine months of 2011.

At September 30 2012, consolidated net debt, excluding all cash flow hedging components, amounted to € 1,927.2 million versus € 1,667.2 million at December 31 2011 and € 1,857 million at June 30 2012. The change in the third quarter was mainly due to scheduled investments for the construction of wind parks and for the hydrocarbon E&P business. For the time being, the company does not envisage making any further significant investments once the two new wind parks under construction in Italy have entered production, which should be by the end of this year. Net debt at September 30 2012 does not include the positive impact of receiving the first tranche (€ 38.1 million) of the proceeds of sale of the Orlando exploration field (United Kingdom), which is expected to be completed over the coming months.

In third quarter 2012 the Sorgenia group reported consolidated revenues of € 638.9 million, up from 509.6 million in third quarter 2011 (+25.4%).
Consolidated EBITDA for the third quarter of 2012 came to € 17.4 million versus € 49.4 million in the same period of 2011, whereas consolidated EBIT showed a loss of € 10.1 million compared with a profit of € 26.9 million in the third quarter of last year.
The consolidated net result was a loss of € 23 million compared with a profit of € 13.2 million in the third quarter of 2011.

The Sorgenia group had 456 employees at September 30 2012 versus 466 at December 31 2011.

The steps taken by Sorgenia in recent months to counter Italy's deep recession and the difficulties in the national energy market are continuing. Initial benefits should be seen in the income statement and balance sheet between the end of this year and 2013. In particular, the company has implemented a plan for cutting operating costs and is studying the possible sale of certain non-strategic lines of business in order to reduce its debt. As regards the long-term gas supply contract, a transitional arrangement was agreed during the third quarter for the period up to September 2013 with the aim of negotiating an overall pricing review by then.

Further progress was made on implementation of the Business Plan 2011-2016 as the power plant in Aprilia (Latina), the fourth and last CCGT planned by Sorgenia, started operating commercially during the first nine months of the year.

In the field of renewable energies (Sorgenia Green), a 12 MW wind park started operating at Campagna (Salerno) in September, whereas work began on a new 12.5 MW plant in France at the beginning of October.
Construction work is also continuing in Italy on two new wind parks (for a total of 19 MW), which are expected to be operating commercially by the end of 2012.
E&P continues with exploration licences in Colombia and the North Sea.

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:

Results for the period January 1 – September 30 2012

(in millions of euro)	**1/1-30/9 2012**	**1/1-30/9 2011**	**Change absolute**	**%**
Revenues	594.0	653.7	(59.7)	(9.1)
Net result	26.4	41.4	(15.0)	(36.2)

Results for 3rd Quarter 2012

	3rd Quarter 2012	**3rd Quarter 2011**	**Change absolute**	**%**
Revenues	174.2	196.3	(22.1)	(11.3)
Net result	5.2	9.9	(4.7)	(47.4)

Position at September 30 2012

	30/9/2012	**30/06/2012**	**31/12/2011**
Net financial position	(105.1)	(147.1)	(110.2)
No. of employees	2,584	2,632	2,673

The Espresso group's consolidated revenues in the first nine months of 2012 amounted to € 594 million, 9.1% down on the same period last year (€ 653.7 million). This decrease was due to a contraction in advertising revenue, in line with the market trend, and lower sales of add-on products.
Consolidated net income came in at € 26.4 million, versus € 41.4 million in the first nine months of 2011.

The deterioration in the economic scenario, featuring a period of recession and considerable uncertainties about future prospects, is having a serious impact on the publishing industry.
Advertising investments have seen a distinct contraction: in the first eight months of 2012 they are down by 10.5% compared with the same period of 2011 (Nielsen Media Research). This trend has affected all traditional media: in the period from January to August, press advertising fell by 14.8%, television by 10.9%, and radio by 7.4%.
The only sector showing a positive trend yet again is the Internet, which posted an increase of 11% (excluding search engines as they are not included in the survey).
In terms of circulation, the declining trend already seen in previous years is continuing, both for daily newspapers and for magazines.

The Espresso group's circulation revenues, net of add-on products, amounted to € 199.3 million, a slight decrease of 3% compared with the same period last year (€ 205.5 million).
According to the latest figures from ADS (August 2012) and Audipress (Survey 2012/II), *la Repubblica* still ranks first among Italian dailies in terms of newsstand sales and is again the top information newspaper in terms of daily readership (3.2 million).
The latest Audipress figures also show that L'Espresso ranks first among Italian news magazines, with 2.7 million readers, 1.6% up on the previous survey.

Advertising revenues came to € 342.4 million, a 10.1% decline on the same period of 2011, in a market that fell by 10.5% in August.
Press media, in the first nine months of the year, lost 14.2% (-14.8% for the market in August), whereas radio lost 6.7% (-7.4% for the market in August). Advertising on the Internet is going extremely well (+14.3% versus a market trend of +11%), confirming the excellent results of recent years, despite a general context that is decidedly unfavourable.

Revenues from optional add-ons amount to € 34 million, with a significant decrease (-35.1%) compared with the corresponding period of 2011; this reflects a general slump in consumer spending and a gradual contraction in this specific market, which has been going on since 2007 after a period of intense activity.
Other revenues amounted to € 18.3 million, an increase of more than 20% compared with the first nine months of 2011, thanks to the expanding business of leasing digital terrestrial television bandwidth to third parties.
Total costs have been reduced by 5.2%, mainly thanks to the plans introduced in 2011 to lower payroll costs and other expenses.

The consolidated gross operating margin amounted to € 82.8 million, a decrease of 26.1% compared with € 112 million in the same period of 2011. Around half of this downturn is due to lower margins on add-on products, whereas the other half is attributable to the press and radio activities, which were hit by the fall in advertising revenues. Better results, on the other hand, are being generated by the Internet, thanks to higher revenues, and by television, thanks to increased activity in bandwidth rentals.

The consolidated gross operating margin for the first nine months of 2012 came to € 54.3 million, 35.6% down on the same period last year (€ 84.3 million).

Consolidated net debt at September 30 2012 was € 105.1 million, down on the figure at December 31 2011 (€ 110.2 million), after distributing € 25 million of dividends and buying back shares for a total of € 1.6 million.

At September 30 2012, the Espresso group had 2,584 employees, including those on short-term contracts, 89 fewer than at December 31 2011. The average number of employees for the period was 4.8% lower than for the first nine months of 2011.

The group's performance in third quarter 2012 confirms the trends already seen during the first half of the year, with a slightly more pronounced decrease in revenues and the bottom line due to the more critical trend in advertising.
Consolidated revenues fell during the period by 11.3%, from € 196.3 million in the same period of 2011 to € 174.2 million, largely due to a 14.2% decline in advertising sales; the changes in other revenues were in line with the first half of the year.

Operating income came to € 12.2 million compared with € 21.3 million in the third quarter of 2011. Net income in the third quarter amounted to € 5.2 million, versus € 9.9 million in the same period of 2011.

The current state of the economy, uncertain prospects for the short and medium term, as well as the structural changes taking place in the field of print media and communication in general, again led to significant reductions in revenues for the publishing industry in 2012. To date, there are no signs of any improvement in the fourth quarter of the year, especially as regards advertising.
This situation is having a very negative impact on the results of publishing companies, as can be seen from the interim reports of leading operators in this sector.
Despite what we have just said, the group managed to close the first nine months of the year with a very positive result, which means that we can confirm our previous forecast of a profitable result for the entire year, even if it will probably be well down on 2011.
The structural nature of the crisis means that we will have to take further steps to safeguard the group's profitability in the short and medium term, which is likely to involve additional cost reductions and an acceleration in digital development.

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:
Results for the period January 1 – September 30 2012

(in millions of euro)	**1/1-30/9 2012**	**1/1-30/9 2011**	**Change absolute**	**%**
Revenues	1,005.1	829.8	175.3	21.1
Net result	22.4	18.8	3.6	19.0

Results for 3rd Quarter 2012

(in millions of euro)	**3rd Quarter 2012**	**3rd Quarter 2011**	**Change absolute**	**%**
Revenues	318.2	303.2	15.0	5.0
Net result	6.4	3.5	2.9	81.1

Position at September 30 2012

	30/9/2012	**30/6/2012**	**31/12/2011**
Net financial position	(325.2)	(307.6)	(299.8)
No. of employees	6,727	6,760	6,708

In the first nine months of 2012, the Sogefi group reported higher revenues and profitability than in the same period of last year, thanks to growth in the North American market and the contribution made by Systèmes Moteurs, which was acquired in the second half of last year and consolidated from August 1 2011. These results were achieved in a difficult market environment, which featured a steady decline in the levels of motor vehicle production and sales that became even more acute in September.

In Europe, new registrations in the first nine months of the year fell by 20.5% in Italy, 13.8% in France, 11% in Spain and 1.8% in Germany. Vehicle production in Brazil, an important market for the Sogefi group, also went down (-5.7% in the first nine months), mainly because of destocking. The only large auto market that has continued to grow in 2012 is the United States.

In the first nine months of the year, the Sogefi group had revenues of € 1,005.1 million, up from € 829.8 million in the same period of 2011 (+21.1%). In geographical terms, the highest growth in revenues took place in NAFTA countries (+182.1%), India (+52.8%), China (+25.3%) and Europe (+16.3%). Sales in Mercosur countries, on the other hand, fell by 6.3%. On a comparable basis, bearing in mind that Systèmes Moteurs was first consolidated in August 2011, revenues would have declined by 4.3%.

Thanks to the wider scope of consolidation, the Engine Systems Division boosted its revenues by 43.9% to € 601.7 million (-6.7% on a comparable basis) versus € 418.2 million in 2011. The Suspension Components Division posted sales of € 403.9 million, slightly down (-2.3%) on the first nine months of 2011 (€ 413.5 million). The independent aftermarket reported a decline of 5.6%, whereas sales in the original spares aftermarket were substantially unchanged. The industrial vehicle segment saw stagnation in levels of activity in Europe and a contraction in Brazil, which is the main South American market.

The action taken by management to offset the impact of this decline in volumes, together with more or less stable prices for the commodities that most affect product cost, enabled the group to achieve better profits overall, while they were only slightly down on a comparable basis. The ratio of material costs to revenues at a consolidated level rose slightly from 48.4% last year to 52.1%, mainly because of a change in the product mix after the consolidation of Systèmes Moteurs from August 1 2011.

Consolidated EBITDA was € 98.1 million (9.8% of revenues), 22.8% up on € 79.9 million in the first nine months of 2011 (9.6% of revenues).

EBIT amounted to € 52.5 million (5.2% of revenues), 26.1% up on € 41.6 million in the first nine months of 2011 (5% of sales).

Net income came to € 22.4 million, 19% up on € 18.8 million in the first nine months of 2011.

Net debt at September 30 2012 amounted to € 325.2 million, up from € 307.6 million at June 30 2012 and € 299.8 million at December 31 2011.

The Sogefi group had 6,727 employees at September 30 2012 (compared with 6,708 at December 31 2011).

In the third quarter of 2012, the group reported consolidated revenues of € 318.2 million, 5% up on € 303.2 million in the same period of 2011. On a comparable basis, they would have amounted to € 237.6 million (-4.8%).
Consolidated EBITDA came to € 30 million (9.4% of revenues) compared with € 27 million in the same period last year (8.9% of revenues).
Consolidated net income for the quarter was € 6.4 million compared with € 3.5 million in the third quarter of 2011.

In the last quarter of 2012, there is expected to be a further deterioration in the European automotive market with a contraction in production levels by the main manufacturers, including

those of the premium segment, partly due to lower demand in emerging countries that until now had offset the decline in domestic sales. In any case, commodity costs are unlikely to go up.
This, combined with renewed efforts to reduce all cost factors as efficiently as possible, fixed overheads in particular, should enable the group to achieve positive results in the last quarter and to confirm the improvement in its economic indicators for the entire year compared with 2011.

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:

Results for the period January 1 – September 30 2012

(in millions of euro)	**1/1-30/9 2012**	**1/1-30/9 2011**	**Change absolute**	**%**
Revenues	265.3	261.9	3.4	1.3
Net result	8.0	8.9	(0.9)	(10.1)

Results for 3rd Quarter 2012

(in millions of euro)	**3rd Quarter 2012**	**3rd Quarter 2011**	**Change absolute**	**%**
Revenues	86.6	85.0	1.6	1.9
Net result	3.4	2.7	0.7	25.9

Position at September 30 2012

	30/9/2012	**30/06/2012**	**31/12/2011**
Net financial position	(152.8)	(151.7)	(165.1)
No. of employees	4,292	4,285	4,080

In the first nine months of 2012, the KOS group had revenues of € 265.3 million, 1.3% up on the same period of 2011 (€ 261.9 million), thanks to the development of the three business areas.

Consolidated EBITDA (operating income before depreciation, amortization and provisions) amounted to € 37.9 million (14.3% of revenues), down from € 41.3 million in the first nine months of 2011, partially due to higher costs for property leases following the sale of three buildings in the third quarter of last year.

Consolidated EBIT came to € 23.1 million versus € 26.4 million in the same period last year.
Consolidated net income for the first nine months of 2012 amounted to € 8 million, compared with € 8.9 million in the same period of 2011.

At September 30 2012, the KOS group had net debt of € 152.8 million versus € 165.1 million at December 31 2011. The improvement is mainly due to AXA Private Equity, one of the shareholders, subscribing a capital increase of € 17.5 million in May this year.

In the third quarter of 2012 the KOS group had revenues of € 86.6 million, 1.9% up on the same period of 2011 (€ 85 million).
Consolidated EBITDA came to € 12.9 million, versus € 13.8 million in the third quarter of 2011; consolidated EBIT amounted to € 7.9 million, compared with € 8.3 million in the same period last year.
Consolidated net income was € 3.4 million, up from € 2.7 million in the same period of 2011.

KOS currently manages 63 facilities, mainly in the centre-north of Italy with a total of over 5,800 beds, plus approximately 1,000 more under construction.

The group had 4,292 employees at September 30 2012 compared with 4,080 at December 31 2011.

NON-CORE INVESTMENTS

These are in the field of venture capital, private equity/minority shareholdings and other investments.

VENTURE CAPITAL AND PRIVATE EQUITY

CIR Ventures is the Group's venture capital fund. At September 30 2012, the fund's portfolio included investments in four companies, three in the United States and one in Israel, working in the field of information technology and communication. The total fair value of these investments at September 30 2012 was $ 14 million.

Through its subsidiary CIR International, the CIR Group manages a diversified portfolio of private equity funds and direct minority shareholdings, the fair value of which, based on the NAV communicated by the various funds, came to around € 105.8 million at September 30 2012. Other commitments outstanding at September 30 2012 amounted to € 12.1 million. Gains on disposal in the first nine months of 2012 came to € 5.6 million.

OTHER INVESTMENTS

The Swiss Education Group (SEG), a world leader in management training in the hospitality sector (hotels, restaurants, etc.), in which CIR has a holding of around 20%, again had a steady stream of applicants in the first nine months of 2012, many of them from Asia. Cesar Ritz (one of the group's schools dedicated to culinary arts) opened two new facilities in 2012, located in Le Bouveret and Lucerne.

During the third quarter of 2012, the CIR Group signed an agreement with a specialist firm for the transfer of control of the company Food Concepts Holding. This agreement provides for a reduction in CIR's interest from 80% to 19%. At a consolidated level, it involves a loss of € 5.9 million, though this could be partially offset in the future by a deferred element of the price which varies according to the profits made by the company. The closing is expected to take place by the end of November.

During the third quarter of 2012, the company now called Nexenti Advisory (formerly Jupiter Finance) effectively completed its reorganization, which involved signing agreements for the resolution of its master and corporate servicer functions with Vesta Finance, a special purpose vehicle, which took place on July 30. The company then applied for and, on October 18, obtained its cancellation from the lists supervised by the Bank of Italy. It also amended its corporate purpose and name in accordance with the regulatory requirements.
At September 30 2012, the net value of the CIR Group's investment in activities related to non-performing loans amounted to € 62.7 million.

4. Significant events subsequent to September 30 2012 and outlook for operations

Information on the main events that took place after September 30 2012 has already been provided in the part of this report dealing with the performance of the business sectors.

The Cofide Group's performance in the last quarter of 2012 will continue to be influenced by how the macroeconomic scenario evolves: at present, it still looks as though the recession will continue. In this context, the operating companies of CIR, the principal subsidiary, have reinforced the measures to improve efficiency, alongside the initiatives to promote business development.

5. Other information

Waiver of the obligation to publish information documents

The Board of Directors today voted to adopt the opt-out regime as per Articles 70, paragraph 8, and 71, paragraph 1-bis, of the Consob Regulations no. 11971/99 as amended by Resolution 18079 of January 20 2012, availing itself of the right to waive the obligation to publish the prescribed information documents in the event of significant transactions involving mergers, demergers, capital increases by contributions in kind, acquisitions and disposals.

OTHER

Cofide S.p.A. has its registered office in Via Ciovassino 1, 20121 Milan, 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 Interim Financial Report for the period January 1 – September 30 2012 was approved by the Board of Directors on October 29 2012.

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

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

INCOME STATEMENT

NET FINANCIAL POSITION

1. STATEMENT OF FINANCIAL POSITION

(in thousands of euro)

ASSETS	30/09/12	30/06/12	31/12/11(*)
NON-CURRENT ASSETS	**5,011,679**	**5,004,825**	**4,968,139**
INTANGIBLE ASSETS	1,537,522	1,524,738	1,536,195
TANGIBLE ASSETS	2,408,514	2,423,138	2,401,032
INVESTMENT PROPERTY	23,785	24,070	24,403
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	384,692	388,024	386,253
OTHER EQUITY INVESTMENTS	6,816	6,668	22,903
OTHER RECEIVABLES	252,902	247,546	247,208
SECURITIES	137,645	135,050	118,807
DEFERRED TAXES	259,803	255,591	231,338
CURRENT ASSETS	**3,031,121**	**3,055,675**	**2,967,521**
INVENTORIES	180,941	196,801	184,530
CONTRACTED WORK IN PROGRESS	42,402	40,666	35,330
TRADE RECEIVABLES	1,301,870	1,312,218	1,215,226
OTHER RECEIVABLES	320,194	331,018	273,662
FINANCIAL RECEIVABLES	12,365	27,723	11,956
SECURITIES	445,295	612,256	613,877
AVAILABLE-FOR-SALE FINANCIAL ASSETS	118,612	131,179	126,699
CASH AND CASH EQUIVALENTS	609,442	403,814	506,241
ASSETS HELD FOR DISPOSAL	55,337	47,397	1,924
TOTAL ASSETS	**8,098,137**	**8,107,897**	**7,937,584**

LIABILITIES AND EQUITY	30/09/12	30/06/12	31/12/11(**)
TOTAL EQUITY	**2,443,376**	**2,448,244**	**2,502,806**
SHARE CAPITAL	359,605	359,605	359,605
RESERVES	81,685	77,708	78,234
RETAINED EARNINGS (LOSSES)	280,308	280,308	286,576
NET INCOME FOR THE PERIOD	(10,096)	(3,317)	1,015
GROUP EQUITY	**711,502**	**714,304**	**725,430**
MINORITY INTERESTS	1,731,874	1,733,940	1,777,376
NON-CURRENT LIABILITIES	**3,042,797**	**3,022,766**	**3,139,522**
BONDS AND NOTES	508,116	504,328	525,802
OTHER BORROWINGS	2,153,895	2,137,443	2,234,914
OTHER PAYABLES	561	1,713	1,890
DEFERRED TAXES	185,293	183,272	177,698
PERSONNEL PROVISIONS	122,652	122,931	124,529
PROVISIONS FOR RISKS AND LOSSES	72,280	73,079	74,689
CURRENT LIABILITIES	**2,609,119**	**2,636,887**	**2,294,959**
BANK OVERDRAFTS	203,254	180,240	142,491
BONDS AND NOTES	13,289	10,037	4,243
OTHER BORROWINGS	930,545	921,227	711,600
TRADE PAYABLES	1,005,356	1,027,162	981,110
OTHER PAYABLES	362,541	406,216	370,128
PROVISIONS FOR RISKS AND LOSSES	94,134	92,005	85,387
LIABILITIES HELD FOR DISPOSAL	2,845	--	297
TOTAL LIABILITIES AND EQUITY	**8,098,137**	**8,107,897**	**7,937,584**

(*) Certain figures in 2011 have been restated following the Sogefi group's completion of its purchase price allocation of Systèmes Moteurs S.A.S

2. INCOME STATEMENT

	1/1-30/9 2012	1/1-30/9 2011	3rd Quarter 2012	3rd Quarter 2011
SALES REVENUES	3,625,795	3,300,890	1,218,849	1,095,260
CHANGE IN INVENTORIES	10,922	9,784	(1,971)	612
COSTS FOR THE PURCHASE OF GOODS	(2,154,015)	(1,843,231)	(760,497)	(633,466)
COSTS FOR SERVICES	(616,664)	(611,282)	(188,611)	(196,720)
PERSONNEL COSTS	(554,813)	(531,738)	(169,806)	(169,473)
OTHER OPERATING INCOME	77,294	124,448	19,123	53,626
OTHER OPERATING EXPENSE	(136,529)	(128,712)	(39,818)	(44,793)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	(5,589)	15,466	(1,692)	7,597
AMORTIZATION, DEPRECIATION & WRITEDOWNS	(176,877)	(150,882)	(56,595)	(53,127)
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	**69,524**	**184,743**	**18,982**	**59,516**
FINANCIAL INCOME	54,975	44,792	14,884	14,053
FINANCIAL EXPENSE	(146,353)	(139,068)	(45,707)	(47,069)
DIVIDENDS	396	215	7	78
GAINS ON SECURITIES TRADING	10,832	18,346	4,383	8,538
LOSSES ON SECURITIES TRADING	(2,844)	(2,986)	(1,487)	(2,584)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	12,531	(12,799)	2,645	(15,026)
INCOME BEFORE TAXES	**(939)**	**93,243**	**(6,293)**	**17,506**
INCOME TAXES	(20,666)	(37,394)	(4,195)	(7,277)
RESULT AFTER TAXES FROM OPERATING ACTIVITIES	**(21,605)**	**55,849**	**(10,488)**	**10,229**
INCOME/(LOSS) FROM ASSETS HELD FOR DISPOSAL	(5,906)	--	(5,906)	--
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	**(27,511)**	**55,849**	**(16,394)**	**10,229**
- NET (INCOME) LOSS OF MINORITY INTERESTS	17,415	(49,684)	9,615	(13,013)
- NET INCOME (LOSS) OF THE GROUP	**(10,096)**	**6,165**	**(6,779)**	**(2,784)**

3. NET FINANCIAL POSITION

(in thousands of euro)

		30/09/12	*30/06/12*	*31/12/11*
A.	Cash and bank deposits	601,364	392,922	494,006
B.	Other cash equivalents	118,582	131,096	126,495
C.	Securities held for trading	445,295	612,256	613,877
D.	**Cash and cash equivalents (A) + (B) + (C)**	1,165,241	1,136,274	1,234,378
E.	**Current financial receivables**	12,365	27,723	11,956
F.	Current bank borrowings	(505,066)	(471,915)	(216,473)
G.	Bonds and notes issued	(13,289)	(10,037)	(4,243)
H.	Current part of non-current debt	(628,723)	(629,543)	(637,610)
I.	Other current borrowings	(2)	(2)	(2)
J.	**Current financial debt (F) + (G) + (H) + (I)**	(1,147,080)	(1,111,497)	(858,328)
K.	**Current net financial position (J) + (E) + (D)**	30,526	52,500	388,006
L.	Non-current bank borrowings	(1,891,365)	(1,880,514)	(1,984,806)
M.	Bonds and notes issued	(508,116)	(504,328)	(525,802)
N.	Other non-current payables	(224,644)	(219,137)	(212,531)
O.	**Non-current financial debt (L) + (M) + (N)**	(2,624,125)	(2,603,979)	(2,723,139)
P	**Net financial position (K) + (O)**	(2,593,599)	(2,551,479)	(2,335,133)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. FOREWORD

This consolidated interim financial report as of September 30 2012 (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 February 24 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 carried out using the full line-by-line method. The criteria adopted for the application of this method are the same as those used at December 31 2011.

The consolidated interim financial statements of the Group as of September 30 2012, like those as of December 31 2011, are the result of the consolidation at those dates of the financial statements of the Parent Company Cofide and of all the companies directly or indirectly controlled, joint ventures or associates with the exception of companies in liquidation. 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 the companies in which the group has control in accordance with the terms of IAS 27, SIC 12 and IFRIC Interpretation 2 are considered as subsidiaries. More specifically subsidiaries are all those companies and investment funds in which the group has decision-making powers in matters of financial and operating policy. This power is presumed to exist when the group owns a majority of the voting rights of a company, including potential voting rights exercisable without restrictions, or else actual control in situations where, while not holding a majority of the voting rights, there is nonetheless control of the shareholders' meeting.
The controlled companies, or subsidiaries, are fully consolidated on a line-by-line basis as from the date on which the group takes control and they are de-consolidated when such control ceases to exist.

3. ACCOUNTING PRINCIPLES APPLIED

The Accounting Principles adopted for the preparation of the interim financial statements as of September 30 2012 are the same as those adopted for the financial statements for the year ended December 31 2011.

4. SHARE CAPITAL

Share capital stood at € 359,604,959 at September 30 2012, unchanged from December 31 2011, and consisted of 719,209,918 ordinary shares each with a nominal value of € 0.50.

The share capital is fully subscribed and paid up.

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

Re: Interim Financial Report as of September 30 2012

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

hereby declares

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

Milan, October 29 2012

Cofide S.p.A.
Giuseppe Gianoglio

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