

*INTERIM FINANCIAL REPORT
AS OF 30 SEPTEMBER 2015*

Milan, 30 October 2015

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COFIDE

Gruppo De Benedetti

COFIDE - De Benedetti S.p.A. Group

Share Capital € 359,604,959

Register of Companies and Tax Code 01792930016

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INTERIM REPORT ON OPERATIONS

1. Key figures

The COFIDE Group made consolidated net income of € 19.2 million in the first nine months of 2015 compared with € 1.6 million in the corresponding period of last year.

The consolidated result is essentially attributable to CIR, which contributed € 20.6 million (€ 2.6 million in the first nine months of 2014), and to COFIDE, which reported a net loss of € 1.4 million (loss of € 1 million in the first nine months of 2014), due to the negative fair value adjustment of equity funds in the third quarter of 2015.

In the first nine months of 2015 CIR recorded consolidated net income of € 39.6 million compared with € 5.4 million reported in the same period of last year.

The contribution made by the industrial subsidiaries was positive for € 25 million, compared with € 4.4 million in the first nine months of last year, thanks to better results on the part of all three groups.

In particular, the Espresso Group achieved a net result of € 24.6 million (€ 4.6 in the first nine months of 2014), thanks to the ability to maintain the operating result, despite the fact that the state of the industry is still difficult, and to the reduction in financial expense and taxes and the gain on the disposal of the TV channel DeeJay TV.

Sogefi achieved net income of € 7.4 million compared with a loss of € 5.8 million in the first nine months of 2014. The improvement is due to growth in revenues, a slight improvement in profitability and a reduction in financial expense.

Lastly, KOS posted a net income of € 13.3 million, compared with € 10.1 million in the first nine months of 2014, thanks to the measures taken to develop the company over the last two years.

CIR S.p.A. and its non-industrial subsidiaries contributed net income of € 14.6 million compared with € 1 million in the corresponding period of 2014; financial expense has decreased due to the buy-back of bonds carried out in October 2014, while higher income from financial management has been recorded.

In order to provide further information on the financial performance in the first nine 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 S.p.A.

The **income statement** is as follows:

<i>(in millions of euro)</i>	<i>1/1-30/9 2015</i>	<i>1/1-30/9 2014</i>
Contributions of investments in subsidiaries and associates:		
- CIR S.p.A.	20.6	2.6
TOTAL CONTRIBUTIONS	20.6	2.6
Net gains and losses on trading and the valuation of securities	1.1	2.2
Net financial income and expense	(1.2)	(1.6)
Net operating costs	(1.3)	(1.6)
RESULT BEFORE TAXES	19.2	1.6
Income taxes	--	--
NET RESULT FOR THE PERIOD	19.2	1.6

The **statement of financial position** at 30 September 2015 shows equity of € 559.8 million, net debt of the Parent Company of € 33.9 million and long-term financial assets of € 594.7 million.

<i>(in millions of euro)</i>	<i>30.09.2015</i>	<i>31.12.2014</i>
CIR S.p.A.	575.7	543.1
LONG-TERM EQUITY INVESTMENTS	575.7	543.1
Other long-term financial assets	19.0	18.6
TOTAL FINANCIAL ASSETS	594.7	561.7
Tangible assets	1.2	1.3
Net receivables and payables	(2.2)	(1.8)
NET INVESTED CAPITAL	593.7	561.2
Financed by:		
Equity	559.8	528.4
Net financial debt	(33.9)	(32.8)

The "Other long-term financial assets" of € 19 million consist of the investment made by COFIDE in the Jargonnant real estate fund for € 13.3 million and the investment made in July 2015 in the Three Hills Decalia fund, dedicated to investments in small/medium-sized European companies, for € 5.7 million.

2. Performance of the Group

▪ First nine months of 2015

Consolidated sales revenues for the first nine months of 2015 came in at € 1,897.4 million versus € 1,771.2 million in the same period of 2014, an increase of € 126.2 million (+7.1%). Sogefi recorded an 11.5% increase in turnover, KOS one of 12.6%, while the revenues of the Espresso Group fell by 5.6%, as a consequence of the ongoing crisis that is affecting the entire publishing industry.

Consolidated revenues is broken down by business sector as follows:

(in millions of euro)	1/1-30/9		1/1-30/9		Change	
	2015	%	2014	%	absolute	%
Media						
Espresso Group	439.6	23.2	465.8	26.3	(26.2)	(5.6)
Automotive components						
Sogefi Group	1,126.6	59.4	1,010.2	57.0	116.4	11.5
Healthcare						
KOS Group	326.3	17.2	289.7	16.4	36.6	12.6
Other sectors						
Other sectors	4.9	0.2	5.5	0.3	(0.6)	(10.9)
Total consolidated revenues	1,897.4	100.0	1,771.2	100.0	126.2	7.1

The COFIDE Group's **key income statement figures** for the first nine months are as follows:

(in millions of euro)	1/1-30/9 2015	1/1-30/9 2014 (*)
Revenues	1,897.4	1,771.2
Consolidated EBITDA	173.1	152.8
Consolidated operating income (EBIT)	95.4	81.7
Financial management result	(6.8)	(40.8)
Income taxes	(25.9)	(25.0)
Income (loss) from assets held for sale	(0.1)	(5.2)
Net income including minority interests	62.6	10.7
Minority interests	(43.4)	(9.1)
Net income of the Group	19.2	1.6

(*) Figures for 2014 have been restated following the application of IFRS 5 carried out by the Espresso Group.

In the first nine months of 2015, **consolidated EBITDA** came to € 173.1 million (9.1% of revenues) compared with € 152.8 million (8.6% of revenues) in the first nine months of 2014, an increase of € 20.3 million (+13.3%). The growth is mainly due to an improvement in the margins of the Sogefi and KOS Groups, while the Espresso Group's margin was broadly in line with that of the first nine months of 2014.

The **consolidated operating margin (EBIT)** for the first nine months of 2015 was € 95.4 million (5% of revenues) versus € 81.7 million (4.6% of revenues) in the same period of 2014 (+16.8%); as for EBITDA, the improvement is thanks to Sogefi and KOS.

Financial management generated a net charge of € 6.8 million compared with one of € 40.8 million in the first nine months of 2014; in detail:

- net financial expense came to € 54.3 million compared with € 74.4 million in the first nine months of last year. The reduction is due to the buy-back of CIR bonds during the fourth quarter of 2014, a reduction in financial expense of the Espresso Group and the elimination of non-recurring financial expense at the Sogefi Group;
- financial income came to € 17.3 million compared with € 19.7 million in the first nine months of 2014;
- net gains on trading of securities amounted to € 39.4 million compared with € 12.6 million in the first nine months of 2014; in particular, the Espresso Group reported a capital gain of € 9.5 million on the sale of DeeJay TV and CIR with its non-industrial subsidiaries posted a result of € 28.7 million due to the sale of part of its hedge fund portfolio and net gains from private equity investments;
- negative adjustments in the value of financial assets were recorded for € 9.2 million, compared with positive adjustments of € 1.3 million in the first nine months of 2014.

The **condensed consolidated statement of financial position** of the COFIDE Group at 30 September 2015, with comparative figures at 30 June 2015 and 31 December 2014, is as follows:

<i>(in millions of euro)</i>	<i>30.09.2015</i>	<i>30.06.2015</i>	<i>31.12.2014</i>
Fixed assets	1,864.4	1,874.3	1,775.0
Other net non-current assets and liabilities	(58.6)	(59.9)	(46.1)
Net working capital	6.7	19.0	(24.8)
Net invested capital	1,812.5	1,833.4	1,704.1
Net financial debt	(236.8)	(234.6)	(145.6)
Total equity	1,575.7	1,598.8	1,558.5
Group equity	559.8	560.4	528.4
Minority interests	1,015.9	1,038.4	1,030.1

Net invested capital at 30 September 2015 amounted to € 1,812.5 million compared with € 1,704.1 million at 31 December 2014 and € 1,833.4 million at 30 June 2015.

The **consolidated net financial position** at 30 September 2015 showed net debt of € 236.8 million (compared with € 145.6 million at 31 December 2014 and € 234.6 million at 30 June 2015) caused by:

- debt of € 33.9 million for COFIDE, the parent company, compared with € 32.8 million at 31 December 2014;
- a net financial surplus for CIR and its non-industrial subsidiaries of € 360.2 million, which compares with € 379.5 million at 31 December 2014. The reduction of € 19.3 million was caused mainly by share buy-backs in the first nine months for € 40.3 million, partly offset by positive financial management flows;
- by total net debt of the industrial subsidiaries of € 563.1 million compared with € 492.3 million at 31 December 2014. The increase of € 70.8 million is mainly attributable to the investments made for acquisitions by the KOS Group (€ 71.5 million). The Sogefi Group reported an increase in net debt of € 35.4 million due to the increase in working capital, the cash outlay on restructuring charges recorded the previous year and the payment of a provisional amount related to product warranty costs for € 18 million, which took place in the first half of the year; the Espresso Group has

reduced its debt by € 26.1 million, thanks to the funds generated by the sale of DeeJay TV of € 12 million.

Total equity at 30 September 2015 came to € 1,575.7 million compared with € 1,558.5 million at 31 December 2014 (€ 1,598.8 million at 30 June 2015), a net rise of € 17.2 million.

Group equity at 30 September 2015 amounted to € 559.8 million compared with € 528.4 million at 31 December 2014 (€ 560.4 million at 30 June 2015), with a net increase of € 31.4 million.

Minority interests at 30 September 2015 came to € 1,015.9 million compared with € 1,030.1 million at 31 December 2014 (€ 1,038.4 million at 30 June 2015), a decrease of € 14.2 million.

The **consolidated statement of cash flows** for the first nine months of 2015, 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>	<i>1/1-30/09</i> 2015	<i>1/1-30/09</i> 2014 (*)
SOURCES OF FUNDS		
Result for the period including minority interests from continuing operations	62.7	16.0
Amortisation, depreciation, write-downs and other non-monetary changes	48.5	73.4
Self-financing	111.2	89.4
Change in working capital	0.1	(142.0)
CASH FLOW GENERATED BY OPERATIONS FROM CONTINUING OPERATIONS	111.3	(52.6)
Increases in capital	0.2	4.4
TOTAL SOURCES OF FUNDS	111.5	(48.2)
APPLICATIONS OF FUNDS		
Net investment in fixed assets	(81.9)	(124.3)
Price paid for business combinations	(51.1)	--
Net financial position of acquired companies	(20.4)	--
Buy-back of own shares	(42.5)	(1.3)
Payment of dividends	(7.2)	(3.1)
Other changes	0.4	4.9
TOTAL APPLICATIONS OF FUNDS FROM CONTINUING OPERATIONS	(202.7)	(123.8)
FINANCIAL SURPLUS (DEFICIT) FROM CONTINUING OPERATIONS	(91.2)	(172.0)
CASH FLOW / NET FINANCIAL POSITION FROM DISCONTINUED OPERATIONS	--	1,859.9
FINANCIAL SURPLUS (DEFICIT)	(91.2)	1,687.9
NET FINANCIAL POSITION AT THE BEGINNING OF THE PERIOD	(145.6)	(1,876.3)
NET FINANCIAL POSITION AT THE END OF THE PERIOD	(236.8)	(188.4)

(*) Figures for 2014 have been restated following the application of IFRS 5 carried out by the Espresso Group.

In the first nine months of 2015, the change in the Group's net financial position shows a deficit of € 91.2 million, which is the result of sources of funding for € 111.5 million and applications for a total of € 202.7 million.

Applications of funds of € 202.7 million include the investments by the KOS Group for development and acquisitions (€ 85 million) and the buy-back of own shares (€ 42.5 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 30 September 2015 the Group had 14,110 employees, compared with 13,848 at 31 December 2014.

▪ **Third quarter of 2015**

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

<i>(in millions of euro)</i>	<i>3rd quarter 2015</i>	<i>3rd quarter 2014 (*)</i>
Revenues	606.7	568.0
Consolidated EBITDA	53.4	48.8
Consolidated operating income (EBIT)	27.0	25.6
Financial management result	(13.8)	(12.1)
Income taxes	(9.2)	(7.2)
Income (loss) from assets held for sale	--	(3.2)
Net income including minority interests	4.0	3.1
Minority interests	(5.1)	(2.0)
Net income of the Group	(1.1)	1.1

(*) *Figures for 2014 have been restated following the application of IFRS 5 carried out by the Espresso Group.*

In the third quarter of 2015, **consolidated revenues** came to € 606.7 million, an increase of 6.8% compared with € 568 million in the same period of 2014, because of the growth in sales on the part of the Sogefi and KOS Groups.

The **consolidated gross operating margin (EBITDA)** in the third quarter of 2015 was € 53.4 million (8.8% of revenues) versus € 48.8 million (8.6% of revenues) in the same period of 2014.

Consolidated EBIT in the third quarter of 2015 was € 27 million compared with € 25.6 million in the same period of 2014, a rise of € 1.4 million.

The **net result** in the third quarter of 2015 was a loss of € 1.1 million, compared with net income of € 1.1 million in the same period of 2014.

Main Group investments
at 30 September 2015



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

(*) the percentage is calculated net of treasury shares

3. Performance of the subsidiaries

CIR GROUP

In the first nine months of 2015 the CIR Group has achieved consolidated net income of € 39.6 million, compared with € 5.4 million in the same period last year.

In the third quarter of 2015 the consolidated net result was positive for € 3.2 million compared with a net income of € 0.1 million in the same period last year.

The following is a summary of the contributions to the consolidated net result and equity, broken down by sector.

<i>(in millions of euro)</i>	1/1-30/09 2015	1/1-30/09 2014	3rd quarter 2015	3rd quarter 2014
CONTRIBUTIONS TO THE RESULT				
Espresso Group	13.9	2.5	1.5	0.4
Sogefi Group	4.3	(3.3)	(1.3)	0.9
KOS Group	6.8	5.2	2.9	2.2
Total for main subsidiaries	25.0	4.4	3.1	3.5
Other subsidiaries	0.4	(0.2)	0.3	(0.8)
CIR and other non-industrial subsidiaries	14.2	1.3	(0.2)	(2.5)
Assets held for sale	--	(0.1)	--	(0.1)
Consolidated total result for the Group	39.6	5.4	3.2	0.1

As mentioned previously, the contribution made by the industrial subsidiaries was of € 25 million, compared with € 4.4 million in the first nine months of 2014, and the aggregate contribution of CIR and the other non-industrial subsidiaries was income of € 14.6 million (€ 1.1 million in the first nine months of 2014), mainly thanks to the improvement in financial management.

<i>(in millions of euro)</i>	30/09/2015	30/06/2015	31/12/2014
CONTRIBUTIONS TO EQUITY			
Espresso Group	334.1	331.9	316.9
Sogefi Group	100.0	107.0	93.1
KOS Group	132.5	129.5	128.6
Sorgenia Group	--	--	(1.2)
Other subsidiaries	3.4	3.9	1.3
Total subsidiaries	570.0	572.3	538.7
CIR and other companies	536.0	551.0	565.8
- invested capital	175.8	180.2	186.3
- net financial position	360.2	370.8	379.5
Equity of the CIR Group	1,106.0	1,123.3	1,104.5

Consolidated equity has gone from € 1,104.5 million at 31 December 2014 to € 1,106 million at 30 September 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.

Results for the period 1 January-30 September 2015

<i>(in millions of euro)</i>	1/1-30/9	1/1-30/9	Change	
	2015	2014	absolute	%
Revenues	439.6	465.8	(26.2)	(5.6)
Net result	24.6	4.6	20.0	n.a.

3rd quarter 2015 results

<i>(in millions of euro)</i>	3rd quarter	3rd quarter	Change	
	2015	2014	absolute	%
Revenues	133.9	143.1	(9.2)	(6.4)
Net result	2.5	0.8	1.7	n.a.

Situation at 30 September 2015

	30/09/2015	30/06/2015	31/12/2014
Net financial position	(8.1)	(5.0)	(34.2)
No. of employees	2,216	2,276	2,310

In the first nine months of 2015 the Espresso Group had consolidated revenues of € 439.6 million, 5.6% down on the same period of 2014 (€ 465.8 million).

According to figures published by Nielsen Media Research, overall advertising expenditure in first eight months of 2015 fell by 2.3% compared with the same period of 2014; this trend is similar to the one recorded the previous year, which closed with a decrease of 2.5%.

All media have seen their advertising in decline, with the sole exception of radio: television (-2.7%), print (-6.2%) and internet (-2.1%, excluding Search and Social Network). Radio, on the other hand, posted a significant increase (+9.7% on the same period last year). In terms of circulation, ADS figures for the period January to August 2015 indicate a 9.4% fall in newspaper sales, in line with the trend in 2014.

The Group's circulation revenues amounted to € 166 million, a decrease of 5.6% on the same period last year (€ 175.8 million), in a market that is continuing to see a significant reduction in the circulation of daily newspapers (-9.4%). *La Repubblica*, according to ADS (August 2015), confirms its ranking as the top newspaper in terms of copies sold on newsstands, subscriptions and other channels; and according to Audipress (Survey 2015/2) the print edition has 2.3 million readers per day.

The local newspapers, whose average daily readership according to Audipress surveys is 2.8 million readers, turned in a less negative performance in terms of circulation than the sector as a whole. Lastly, with regard to the digital editions of the Group's publications, this year there were 93 thousand subscribers on average.

Advertising revenues went down by 4.4%; trends are mixed: if print advertising reflects the general performance of the market, which is still negative, radio and the Internet have been showing a positive trend. Radio has grown by 6.1%, with double-digit increases for *Radio Capital* and *m2o*. In contrast to the market, Internet has grown by 2.8%, helped by *Repubblica.it*'s leadership position with a Total Digital Audience of 1.5 million unique daily users, with a gap of 26% between it and the website that came second; there is also a positive trend in the websites of local newspaper websites that have reached an average Total Digital Audience of 410 thousand unique daily users.

Costs are down by 6.6%, with a reduction that is greater than that of revenues; fixed industrial costs, in particular, have fallen by 12.4% thanks to the ongoing reorganisation of the Group's production structure, whereas logistic and distribution costs have been cut (-5.9%) following a rationalisation of transport, administration and other operating costs (-2.2%), thanks to the measures taken to hold down labour costs and general expenses.

Consolidated EBITDA was € 40.9 million compared with € 41.8 million in the first nine months of 2014.

Consolidated EBIT came to € 29.9 million in line with € 30 million in the same period last year. Profitability by business sector shows a good level of resilience on the part of daily newspapers and an increase on the part of radio.

Financial expense has fallen from € 9.8 million in the first nine months of 2014 to the current € 6.5 million, thanks to the reduction in debt and the new targeted funding programme in 2014.

DeejayTV was sold to Discovery Italia during 2015, generating a capital gain of € 9.5 million.

Consolidated net income came to € 24.6 million, compared with € 4.6 million in the first nine months of 2014. Even excluding the net capital gain (€ 9.5 million), net income posted significant growth, reaching € 15.1 million, thanks to resilient results on the part of the core business while still in a critical context, to the reorganisation of TV activities (whose contribution to consolidated net income, excluding the above gain, went from - € 2.4 million to + € 1.5 million), to the reduction in financial expenses and the lower tax charge.

Consolidated net debt of € 8.1 million at 30 September 2015 shows a further reduction compared with € 34.2 million at 31 December 2014. The financial surplus for the period amounted to € 26.1 million, of which € 12 million generated by the sale of *Deejay TV* (during the period, the Group collected the shareholder loan granted to *Persidera* for € 21.3 million and incurred extraordinary restructuring charges for € 21.8 million).

The Group had 2,216 employees at 30 September 2015, including those on fixed-term contracts, and the average workforce for the period was 4.7% lower than in the first nine months of 2014.

As regards forecasts for the entire year, despite the fact that the advertising market, as a whole, still shows a recessionary trend and no signs of recovery to date, it can reasonably be assumed that the Group will manage to improve its net income compared with the previous year, even excluding the capital gain.

■ 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 1 January-30 September 2015

<i>(in millions of euro)</i>	1/1-30/9		Change	
	2015	2014	absolute	%
Revenues	1,126.6	1,010.2	116.4	11.5
Net result	7.4	(5.8)	13.2	n.a.

3rd quarter 2015 results

<i>(in millions of euro)</i>	3rd quarter		Change	
	2015	2014	absolute	%
Revenues	362.9	327.3	35.6	10.9
Net result	(2.3)	1.5	(3.8)	n.a.

Situation at 30 September 2015

	30/09/2015	30/06/2015	31/12/2014
Net financial position	(339.7)	(348.0)	(304.3)
No. of employees	6,689	6,736	6,668

In the first nine months of 2015, world car production increased by 1%, benefiting from the strong recovery in the European market (+6.1%) and further expansion on the part of the North American market (+3%). Production in Asia has slowed to +2.5% as a result of the decline in China in the third quarter (-5%). The recession in South America continued, with production down by 15%.

In this context, in the first nine months of 2015, Sogefi achieved a considerable increase in revenues (+11.5%, +8.7% at constant exchange rates), which amounted to € 1,126.6 million compared with € 1,010.2 million in the corresponding period of 2014, thanks to the positive contribution of all business units and all geographical areas except for Latin America.

Europe, which is the main market for the Group, showed an increase of 9.3% in the first nine months of 2015 and of 6.7% in the third quarter alone, supported by the recovery of the market with a positive contribution by all business areas.

In North America, Sogefi turned in a better performance than that of the market thanks to its positioning vis-à-vis local car manufacturers with an acceleration of revenues in the third quarter of 2015 (+30.6% at constant exchange rates).

In South America, despite the decline in the market, sales during the quarter went up by 7.6% at constant exchange rates (-4.5% at actual exchange rates) thanks to the resilience of Sogefi activities and the positive contribution made by the suspension segment.

In Asia, despite the slowdown that hit the Chinese market, Sogefi reported revenue growth in the quarter of 10.2% at constant exchange rates.

In October, Sogefi launched a new internal organisation that is leaner and more product-oriented with the definition of three business units: *Suspension, Filtration and Air&Cooling*, while reducing the number of head office departments from seven to three. The new organisation will enable the Group to strengthen its competitiveness by relying on quality, efficiency and innovation.

In the first nine months of 2015, all business units achieved a considerable increase in revenues: *Suspension* raised its sales by 11% over the previous year, *Filtration* by 13.7% and *Air&Cooling* by 9.5%.

In the third quarter, the revenues of the *Suspension* business unit grew by 10.6% at constant exchange rates, benefiting from the positive moment in Europe and the increase in market share in South America.

Revenues of the *Filtration* business unit increased by 10.2% at constant exchange rates in the third quarter, supported by the European activity, by the aftermarket and by growth in North America. OEM sales of specific filters for diesel engines represent less than 10% of total revenues of the *Filtration* segment.

Sales of the *Air&Cooling* business unit rose in the quarter thanks to higher market shares in North America and Europe.

EBITDA came to € 91.3 million, up 13.1% compared with the first nine months of 2014, stable at 8.1% of revenues.

€ 16.8 million of non-recurring charges were recorded in the first nine months of 2015 (€ 17.9 million in the corresponding period of 2014, all relating to restructuring costs), of which € 11.8 million in the second quarter for the *Air&Cooling* business unit to make a provision for product warranties relating to *Systèmes Moteurs* and € 4 million for restructuring charges. In particular, EBITDA for the third quarter was affected by higher non-operating costs, mainly attributable to exchange losses, without which it would have been in line with the first half.

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

EBIT amounted to € 43.2 million, an increase of 18.4% compared with the first nine months of 2014.

The increase in revenues, the improved absorption of fixed costs (up from 18% to 17.1% as a percentage of revenues) and lower financial expenses enabled Sogefi to achieve a positive net result for the first nine months of 2015 of € 7.4 million, compared with a loss of € 5.8 million in the same period of 2014.

Net debt at 30 September 2015 was € 339.7 million, substantially in line with the figure at the end of September 2014 (€ 348.5 million).

The Group had 6,689 employees at 30 September 2015 compared with 6,668 at 31 December 2014.

Sogefi is looking to continue its positive trend in North America and Europe. The Group should record further growth in China and India too, 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:

Results for the period 1 January-30 September 2015

<i>(in millions of euro)</i>	1/1-30/9		Change	
	2015	2014	absolute	%
Revenues	326.3	289.7	36.6	12.6
Net result	13.3	10.1	3.2	31.7

3rd quarter 2015 results

<i>(In millions of euro)</i>	3rd quarter		Change	
	2015	2014	absolute	%
Revenues	109.0	96.6	12.4	12.8
Net result	5.7	4.1	1.6	39.0

Situation at 30 September 2015

	30/09/2015	30/06/2015	31/12/2014
Net financial position	(218.3)	(231.0)	(157.0)
No. of employees	5,104	4,968	4,708

In the first nine months of 2015, the KOS Group achieved a consolidated turnover of € 326.3 million, up 12.6% from € 289.7 million in the same period last year.

The rise of € 36.6 million is due for € 4.7 million to activities belonging to the 2013 scope of consolidation and for € 31.9 million to those acquired and/or developed in 2014 and 2015. In particular, two events worth mentioning in the first nine months of 2015 are the acquisition of Polo Geriatrico Riabilitativo, which operates two facilities operating in the field of care homes for the elderly and rehabilitation centres with 416 beds, and the acquisition of Argento Vivo which manages two facilities consisting of a care home and a health centre, for a total of 297 beds.

Consolidated EBITDA (net income before amortisation, depreciation, write-downs and provisions) amounted to € 53.4 million, up 20.8% compared with € 44.2 million in the first nine months of 2014. Contributions to this rise of € 9.2 million included € 1.5 million of activities belonging to the scope of consolidation of 2013 and € 7.7 million those acquired and/or developed in 2014 and 2015.

Consolidated EBIT came to € 33.5 million, compared with € 27.6 million in the same period last year.

Consolidated net income came to € 13.3 million, up on € 10.1 million in the first nine months of 2014.

At 30 September 2015 the KOS Group had net debt of € 218.3 million, compared with € 157 million at 31 December 2014. The increase is due to the financial outlay for the two acquisitions mentioned above and new investments for the development or maintenance the various activities.

In the area of cancer care and diagnostics, work continues in India with the joint venture ClearMedi Healthcare Ltd and in the United Kingdom with the subsidiary Medipass Healthcare Ltd.

In October 2015, the Group opened a new facility in Turin.

The Group had 5,104 employees at 30 September 2015 compared with 4,708 at 31 December 2014.

The KOS Group currently manages 77 facilities, mainly in central and northern Italy, for a total of some 7,300 beds in use, and operates in three strategic business areas, in turn split into four segments:

- 1) *Care homes*: management of residential care homes for the elderly and psychiatric care communities, with 46 nursing facilities and 9 psychiatric rehabilitation facilities, for a total of 5,249 beds in use (of which 5,053 in care homes);
- 2) *Rehabilitation*: management of hospitals and rehabilitation centres, including 21 rehabilitation facilities (with three care homes for the elderly) and 14 hospitals, for a total of 1,878 beds;
- 3) *Hospital management*: management of a hospital and cancer cure and diagnostic services in 31 public and private facilities.

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; the impact on the KOS Group is not expected to be significant.

■ NON-CORE INVESTMENTS

They are represented by private equity, minority interests and other investments amounting to € 139.2 million at 30 September 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 30 September 2015, based on the NAVs provided by the various funds, came to € 62.3 million, a decline of € 5.4 million compared with 31 December 2014. The rise is due to exchange gains of € 4 million and investments of € 1.1 million, whereas the decrease derives from capital repayments of € 8.6 million and write-downs of € 1.9 million. Total distributions in the period, amounting to € 20 million, generated a capital gain of € 11.4 million. Outstanding commitments at 30 September 2015 amounted to € 6.2 million.

OTHER INVESTMENTS

Directly or indirectly, CIR holds investments in non-strategic interests for a total value of € 33.1 million at 30 September 2015.

Specifically, at 30 September 2015 it held an investment of 17.4% in SEG (Swiss Education Group), the main Swiss group and one of the international leading management training centres for the hospitality industry (hotels and restaurants). The value of the investment in education at 30 September 2015 amounted to € 22.4 million.

On 26 October 2015, CIR reached an agreement with a group of investors for the sale of its interest in SEG for the equivalent of € 64.1 million at the exchange rate ruling on that date. The closing of the agreement should take place before the end of November, subject to completion of the necessary financial and administrative requirements. Once completed, the transaction will result in a gain of € 42.1 million for the CIR Group in the fourth quarter of 2015.

In addition, CIR holds a portfolio of non performing loans totalling € 43.8 million at 30 September 2015.

4. Significant events subsequent to 30 September 2015 and outlook for operations

After 30 September 2015, it worth noting the above agreement for the sale of the interest in the SEG Group.

The performance of the COFIDE Group during the last quarter of the year 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.

For the whole year the group should obtain a significantly positive net result after the loss in 2014, unless there are any events of an extraordinary nature that cannot be foreseen at present.

5. Other information

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, 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-30 September 2015 was approved by the Board of Directors on 30 October 2015.

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

COFIDE GROUP

CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED NET FINANCIAL POSITION

1. Consolidated statement of financial position

(in thousands of euro)

ASSETS	30.09.2015	30.06.2015	31.12.2014
NON-CURRENT ASSETS	2,184,666	2,169,765	2,090,919
INTANGIBLE ASSETS	1,038,474	1,039,199	977,733
TANGIBLE ASSETS	651,939	660,531	622,695
INVESTMENT PROPERTY	20,958	21,128	21,291
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	147,362	147,749	148,301
OTHER EQUITY INVESTMENTS	5,695	5,705	4,980
OTHER RECEIVABLES	94,938	67,807	89,239
SECURITIES	105,399	104,507	110,727
DEFERRED TAXES	119,901	123,139	115,953
CURRENT ASSETS	1,338,072	1,381,171	1,340,994
INVENTORIES	141,770	145,519	128,664
CONTRACT WORK IN PROGRESS	37,389	36,412	29,546
TRADE RECEIVABLES	428,123	467,749	431,691
OTHER RECEIVABLES	109,520	109,037	92,181
FINANCIAL RECEIVABLES	31,513	28,549	10,017
SECURITIES	151,987	161,547	149,044
AVAILABLE-FOR-SALE FINANCIAL ASSETS	180,404	136,095	150,966
CASH AND CASH EQUIVALENTS	257,366	296,263	348,885
ASSETS HELD FOR DISPOSAL	--	26,910	2,539,260
ELIMINATION OF ASSETS RELATED TO DISCONTINUED OPERATIONS	--	--	(10,308)
TOTAL ASSETS	3,522,738	3,577,846	5,960,865
LIABILITIES AND EQUITY	30.09.2015	30.06.2015	31.12.2014
EQUITY	1,575,751	1,598,752	1,558,457
SHARE CAPITAL ISSUED	359,605	359,605	359,605
RESERVES	102,154	101,557	89,883
RETAINED EARNINGS (LOSSES)	78,901	78,901	93,369
NET INCOME (LOSS) OF THE PERIOD	19,182	20,325	(14,468)
GROUP EQUITY	559,842	560,388	528,389
MINORITY INTERESTS	1,015,909	1,038,364	1,030,068
NON-CURRENT LIABILITIES	1,084,177	1,035,392	1,045,432
BONDS	283,640	281,986	270,568
OTHER BORROWINGS	421,672	371,124	382,650
OTHER PAYABLES	7,449	6,993	7,137
DEFERRED TAXES	148,997	148,925	143,313
PERSONNEL PROVISIONS	140,620	144,828	143,854
PROVISIONS FOR RISKS AND LOSSES	81,799	81,536	97,910
CURRENT LIABILITIES	862,810	943,702	858,226
BANK OVERDRAFTS	14,195	52,054	15,671
BONDS	5,579	4,838	4,677
OTHER BORROWINGS	132,951	147,094	130,955
TRADE PAYABLES	417,778	445,176	417,191
OTHER PAYABLES	223,205	217,862	207,077
PROVISIONS FOR RISKS AND LOSSES	69,102	76,678	82,655
LIABILITIES HELD FOR SALE	--	--	2,509,058
ELIMINATION OF LIABILITIES RELATED TO DISCONTINUED OPERATIONS	--	--	(10,308)
TOTAL LIABILITIES AND EQUITY	3,522,738	3,577,846	5,960,865

2. Consolidated income statement

(in thousands of euro)

	1/1-30/9 2015	1/1-30/9 2014	3rd quarter 2015	3rd quarter 2014
SALES REVENUES	1,897,391	1,771,193	606,654	568,004
CHANGE IN INVENTORIES	13,573	(1,570)	2,903	(5,652)
COSTS FOR THE PURCHASE OF GOODS	(713,345)	(636,187)	(229,397)	(202,138)
COSTS FOR SERVICES	(461,055)	(445,975)	(136,414)	(144,061)
PERSONNEL COSTS	(525,150)	(503,284)	(163,130)	(155,831)
OTHER OPERATING INCOME	20,833	23,885	4,203	6,073
OTHER OPERATING EXPENSE	(60,866)	(56,403)	(31,015)	(17,308)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	1,770	1,186	(387)	(255)
AMORTISATION, DEPRECIATION & WRITE-DOWNS	(77,714)	(71,083)	(26,362)	(23,261)
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	95,437	81,762	27,055	25,571
FINANCIAL INCOME	17,310	19,733	3,641	6,343
FINANCIAL EXPENSE	(54,281)	(74,440)	(16,771)	(23,817)
DIVIDENDS	262	98	--	16
GAINS FROM TRADING SECURITIES	41,361	16,173	8,422	3,210
LOSSES FROM TRADING SECURITIES	(2,233)	(3,662)	(86)	(21)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(9,230)	1,317	(9,040)	2,163
NON-RECURRING INCOME (EXPENSE)	--	--	--	--
INCOME BEFORE TAXES	88,626	40,981	13,221	13,465
INCOME TAXES	(25,936)	(24,980)	(9,210)	(7,235)
INCOME (LOSS) AFTER TAXES FROM OPERATING ACTIVITY	62,690	16,001	4,011	6,230
INCOME/(LOSS) FROM ASSETS HELD FOR SALE	(94)	(5,237)	--	(3,178)
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	62,596	10,764	4,011	3,052
- (NET INCOME) LOSS OF MINORITY INTERESTS	(43,414)	(9,115)	(5,154)	(1,983)
- NET INCOME (LOSS) OF THE GROUP	19,182	1,649	(1,143)	1,069

3. Consolidated net financial position

(in thousands of euro)

	30.09.2015	30.06.2015	31.12.2014
A. Cash and bank deposits	257,366	296,263	348,885
B. Other cash equivalents	180,404	136,095	150,966
C. Securities held for trading	151,987	161,547	149,044
D. Cash and cash equivalents (A) + (B) + (C)	589,757	593,905	648,895
E. Current financial receivables	31,513	28,549	10,017
F. Current bank payables	(113,995)	(160,170)	(109,272)
G. Bonds	(5,579)	(4,838)	(4,677)
H. Current portion of non-current debt	(33,151)	(38,978)	(37,354)
I. Other current borrowings	--	--	--
J. Current financial debt (F) + (G) + (H) + (I)	(152,725)	(203,986)	(151,303)
K. Current net financial position (J) + (E) + (D)	468,545	418,468	507,609
L. Non-current bank borrowings	(316,549)	(263,370)	(275,934)
M. Bonds	(283,640)	(281,986)	(270,568)
N. Other non-current payables	(105,123)	(107,754)	(106,716)
O. Non-current financial debt (L) + (M) + (N)	(705,312)	(653,110)	(653,218)
P. Net financial position (K) + (O)	(236,767)	(234,642)	(145,609)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Introduction

This consolidated quarterly report at 30 September 2015 (unaudited) was prepared in accordance with IAS/IFRS international accounting standards, which since 2005 have been mandatory for 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 30 September 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, except for those in liquidation. 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 policies adopted for the preparation of the interim financial statements as of 30 September 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 30 September 2015 amounts to € 359,604,959, 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.

COFIDE

Gruppo De Benedetti

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

Re: Interim Financial Report as of 30 September 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 (TUF) that the accounting information contained in this document corresponds to the Company's documented results, books of account and accounting entries.

Milan, 30 October 2015

Cofide S.p.A.
Giuseppe Gianoglio