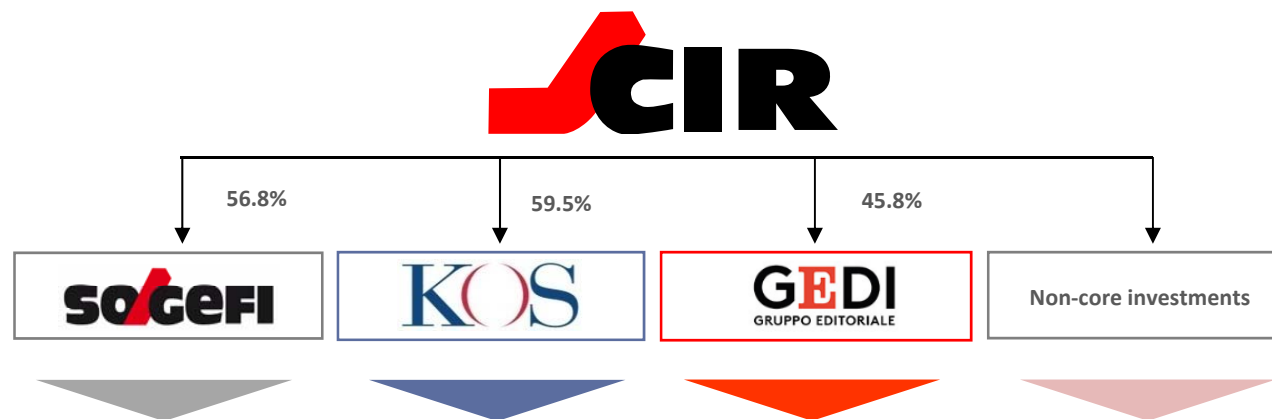




9M 2018 Results

October 2018

Group structure as of 30 September 2018



Businesses	Global automotive supplier of suspensions, filtration, air intake & cooling components	Healthcare group specialized in long term care (nursing homes/rehab), diagnostics and cancer care	Italian media group, with presence in dailies, periodicals, radio, internet and advertising	Investments in Private equity, NPLs
Competitive position	Leadership positions in core geographies (Europe and South America), leveraged to expand globally	Leader in Italian long term care, developing presence in UK, India	First Italian publishing group: <ul style="list-style-type: none"> ▪ N.1 in national and local dailies circulation ▪ N.1 Information website ▪ N.1 news magazine ▪ N. 3 Radio network 	

Note: Participation stakes updated as of 30 September 2018 and calculated net of treasury shares of subsidiaries

CIR Group profile

- Founded in 1976 by Carlo De Benedetti; controlled 45.8%* by COFIDE-Gruppo De Benedetti
- Long term investment strategy, with focus on controlling stakes
- Balanced portfolio of assets, with leading positions in their respective businesses
- Active role in governance and in strategic decision making of portfolio companies
- No leverage and significant liquidity available at holding company level
- Commitment to low cost structure

() 56.2% net of treasury shares*

9M 2018 consolidated financials highlights

- Consolidated net result in 9M 2018: € 34.0 M (vs - € 26.0 M in 9M 2017, affected by the settlement of a pending tax dispute at GEDI)
Contribution of industrial businesses (Sogefi, GEDI and KOS): € 31.5 M
(vs. € 32.0 M in 9M 2017 before the above mentioned extraordinary tax charge)
- Consolidated net financial position at September 30, 2018: - € 354.4 M
(vs. - € 272.5 M at December 31, 2017), including:
 - A net financial surplus at holding level of € 320.3 M
(decreasing vs. € 343.0 M at December 31, 2017, mainly due to dividends and shares buyback)
 - A net debt of consolidated subsidiaries of € 674,7 M
(increasing vs. € 615.5 M at December 31 2017 mainly due to SOGEFI and KOS investments and KOS dividend distribution)

Consolidated income statement



€ M

	9M 2017 ⁽¹⁾	9M 2018	
Revenues	2,027.8	2,092.6	+3.2%
EBITDA	247.0	246.0	-0.4%
EBIT	121.6	118.8	-2.3%
Financial result ⁽²⁾	(14.0)	(26.0)	
Taxes ⁽³⁾	(189.6)	(31.1)	
Group net result ⁽⁴⁾	(26.0)	34.0	

(1) 2017 figures restated in application of IFRS 15

(2) Difference is mainly due to lower income from financial assets at holding company level (interest income and expense, dividends received, fair value adjustments, trading)

(3) In 9M 2017 Taxes include the tax charge (€ 154.5 M) resulting from the settlement of the dispute at GEDI

(4) Net of third party interests (equal to € -27.7 M in 9M 2018 and € +54.8 M in 9M 2017)

Consolidated income statement by business sector

€ M

	9M 2017 ⁽¹⁾	9M 2018
Sogefi Group	15.9	13.1
GEDI Group	(65.2)	3.6
KOS Group	11.3	14.8
Total operating companies ⁽²⁾	(38,0)	31.5
CIR holding ⁽³⁾	12.0	2.5
Net result	(26.0)	34.0

(1) 2017 figures restated in application of IFRS 15

(2) Pro-rata share of subsidiaries' net income; GEDI's contribution was affected in 9M 2017 by the settlement of a pending tax dispute (- € 70M impact on consolidated income)

(3) Including income from financial assets/non core investments, operating costs

Consolidated balance sheet – main group assets

€ M

Group equity in consolidated balance sheet	31 Dec. 2017 ⁽¹⁾	30 Sept. 2018
Sogefi	102.8	110.7
GEDI	254.8	258.2
KOS	171.8	167.8
Total operating companies	529.4	536.7
Fixed assets	15.3	15.4
Private equity ⁽²⁾	53.0	50.2
Non performing loans	11.1	10.8
Other investments	9.9	22.7
Other Assets (Liabilities)	(0.7)	(2.3)
Net cash	343.0	320.3
Total CIR holding level	431.6	417.1
Total CIR Group shareholders' equity	961.0	953.8
Shareholder's equity per share	1.21	1.20
Shareholder's equity per share (net of treasury shares) ⁽³⁾	1.46	1.47

(1) 2017 figures restated in application of IFRS 15

(2) Book value decreasing mainly due to cash reimbursements to CIR

(3) Treasury shares as of 30 September 2018: n. 147.4 m, equal to 18.6% of share capital

Consolidated net financial position

€ M

	31 Dec. 2017 ⁽¹⁾	30 Sept. 2018
Sogefi Group	(264.0)	(286.2)
GEDI Group⁽²⁾	(115.1)	(124.7)
KOS Group	(237.1)	(264.3)
Other subsidiaries	0.7	0.5
Total subsidiaries	(615.5)	(674.7)
CIR holding level	343.0	320.3
Consolidated net financial indebtedness	(272.5)	(354.4)
Total shareholders'equity⁽³⁾	(1,481.2)	(1,483.1)
Consolidated net invested capital	1,753.7	1,837.5

(1) 2017 figures restated in application of IFRS 15

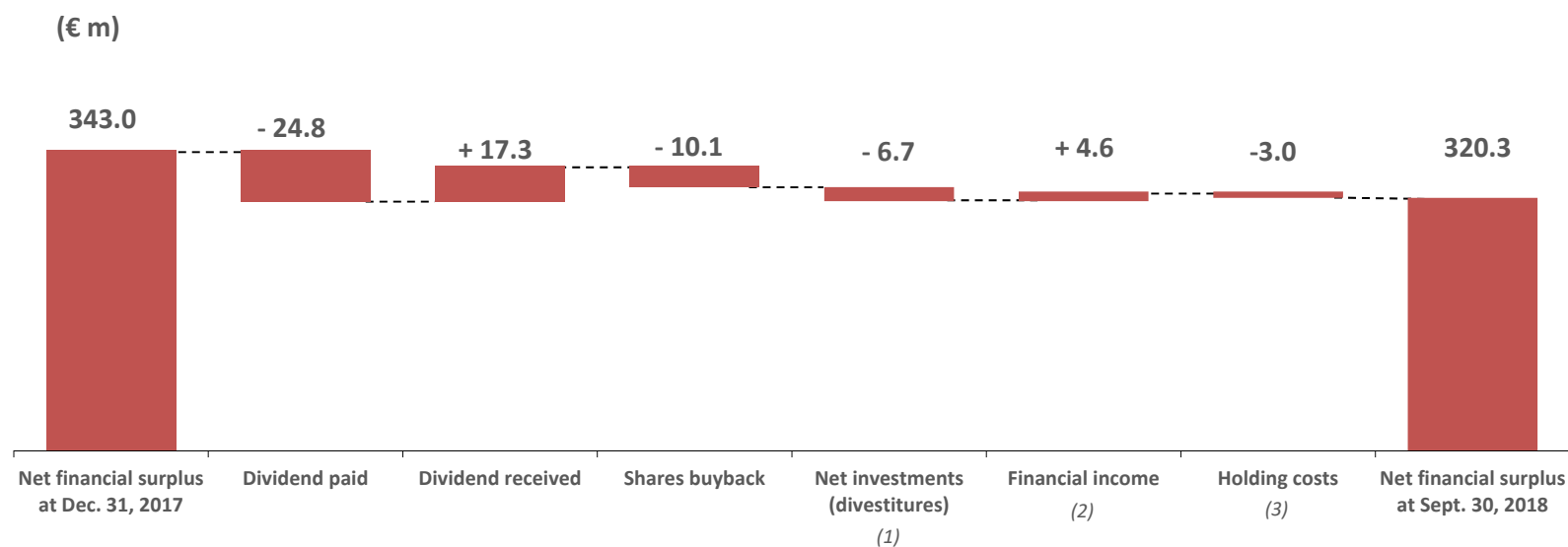
(2) GEDI's NFP was impacted in 2018 by the payment of the last instalment related to the tax settlement (€ 35M)

(3) Including third party interests

Net financial position at CIR Holding level

- Decrease of net cash at CIR financial holdings is mainly due to dividends and treasury shares buyback

Evolution of net financial position in 9M 2018



(1) Investments in Private equity / non strategic participations

(2) Delta Fair value of securities + securities income, trading

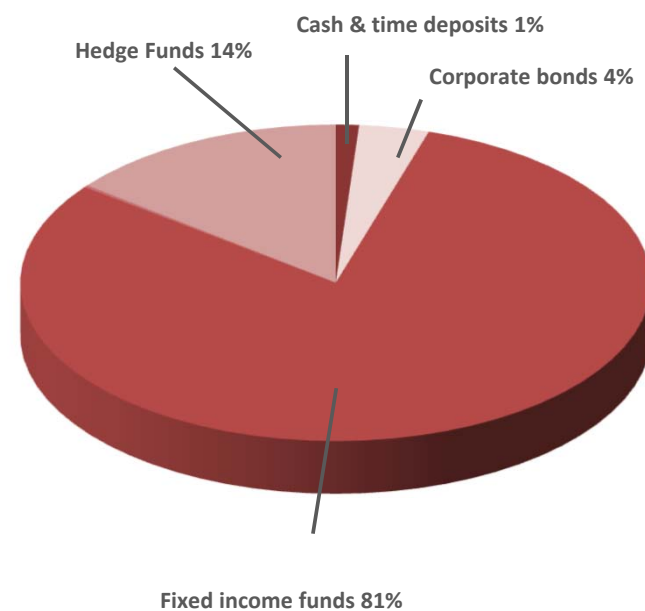
(3) Operating costs, taxes, etc.

Composition of liquid assets

€ M

	31 Dec. 2017	30 June 2018
Cash and time deposits	60.5	3.8
Corporate bonds	11.2	11.5
Fixed income funds	228.9	258.2
Equity funds	2.6	0.7
Hedge funds	39.1	46.3
Other ⁽¹⁾	0.7	--
Total liquid assets	343.0	320.5
Gross financial debt ⁽¹⁾	--	(0.2)
Net financial position	343.0	320.3

Liquid assets at 30 September 2018

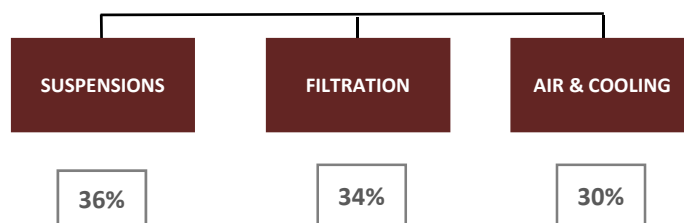


(1) Fair value derivatives


9M 2018 Subsidiaries' financial and operational highlights



	9M 2018 Highlights	Key strategic objectives
Sogefi	<ul style="list-style-type: none"> ▪ SOGEFI revenues grew 3.3% at constant exchange rates (down 1.8% at current exchange rates), outperforming the market ▪ EBITDA was at € 153.1 down from € 161.9M in 9M2017, affected by the impact of exchange rates and higher steel prices and despite the positive effect related to the final settlement of the Systèmes Moteurs claims ▪ Net result € 23.1M (vs. €27.9M in 9M2017) ▪ Negative cash flow generation (-€22.7M vs. +€32.5 in 9M2017), impacted by temporary WC trend and extraordinary investments 	<ul style="list-style-type: none"> ▪ Expansion of geographical coverage, through growth initiatives focused on Asia and North America ▪ Further efficiency improvement and optimisation of production footprint ▪ Product innovation, to capture new market opportunities
KOS	<ul style="list-style-type: none"> ▪ Continuing growth of revenues (+11.9%) and EBITDA (+18.9%), thanks to ongoing organic expansion, greenfield development and acquisitions, as well as efficiency improvements 	<ul style="list-style-type: none"> ▪ Further consolidation in Italian nursing homes and rehabilitation markets ▪ Focused geographical expansion in Diagnostics and Cancer care
GEDI	<ul style="list-style-type: none"> ▪ Persisting market weakness: newspaper circulation: -7.5%; slight improvement in the advertising market (+0.3% at end of August) ▪ Market growth in Radio (+6.3%) and Internet (+4.3%, excluding Search&Social) ▪ GEDI revenues grew 10.4% thanks to ITEDI integration but were down 5.9% at constant perimeter ▪ EBITDA €31.4 M, slightly decreasing vs. previous year ▪ Net result +€7.8M, vs. +€10.6M in 9M 2017 before extraordinary tax charge 	<ul style="list-style-type: none"> ▪ Operational integration of ITEDI businesses ▪ Expansion of digital platforms, leveraging on leadership in traditional media ▪ Further efficiency improvement
Non-core investments	<ul style="list-style-type: none"> ▪ Ongoing realisation of Private Equity and NPL investments 	<ul style="list-style-type: none"> ▪ Realisation of existing assets ▪ Selective approach on new investments



2017 Revenues breakdown

Customers		Regions	
FORD	12.0%	Europe	61.3%
FCA/CNH Industrial	12.0%	North America	17.7%
RENAULT/NISSAN	11.5%	South America	11.7%
PSA	11.1%	Asia	9.3%
GM	8.8%	 <div style="border: 1px solid black; border-radius: 50%; padding: 5px; text-align: center;"> Weight of non-European markets 38.7% </div>	
DAIMLER	8.5%		
VOLKSWAGEN/AUDI	4.6%		
TOYOTA	3.1%		
BMW	2.6%		
OTHER	25.8%		

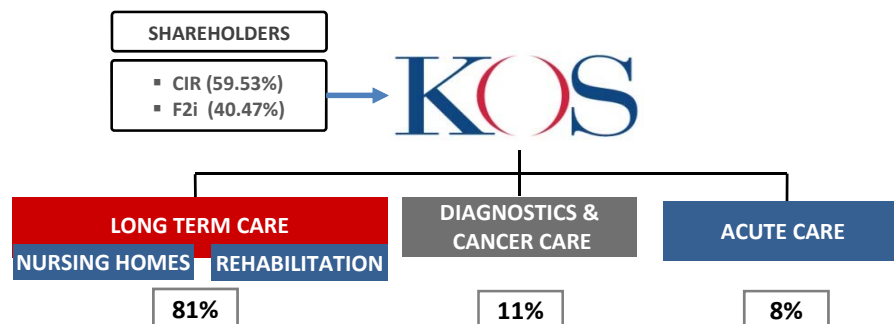
Key financials

€ M	9M 2017	9M 2018
Revenues	1,242.3	1,219.8
EBITDA	161.9	153.1
Net result	27.9	23.1

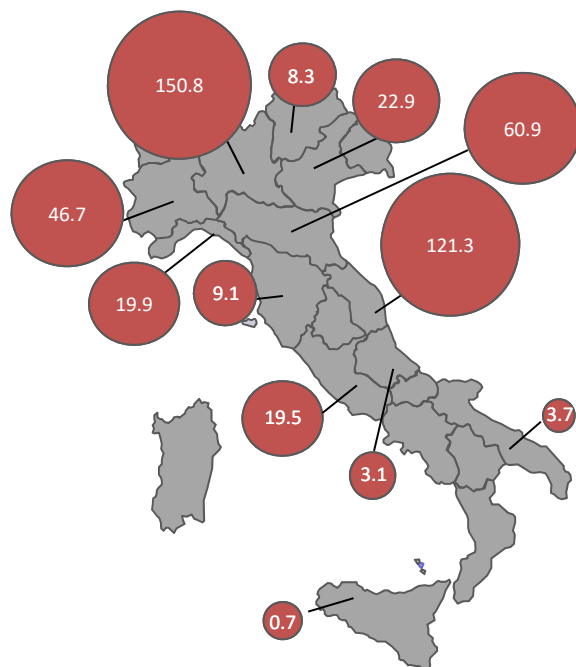
9M 2018 Performance and outlook

- The global automotive market production grew 0.8% (Europe -0.4%, North America -1.3%, Asia +2.7%, South America +7.7%)
- Sogefi's revenues growth outperformed the market, with +3.3% at constant exchange rates (North America +5.3%, South America +16.2%, Asia +9.5%, stable in Europe at -0.4%). Including the exchange rates effect, revenues down -1.8%
- EBITDA at € 153.1 M down from 9M2017 (€161.9 M), due to exchange rates (€ 6.4 M impact) and higher steel prices (€ 9.0M impact), despite the € 6.6 M positive effect from the final settlement of the Systèmes Moteurs claims. EBITDA margin declined from 13% to 12.6%, driven mainly by the suspensions divisions
- Free Cash Flow was - € 22.7 M (vs. + € 32.5 M in 9M2017), decreasing due to a temporary unfavourable trend in working capital (-€18M), and cash-outs related to the start-up of the new plant in Morocco (€12.0M) and the acquisition of the minority interests in the profitable and growing Indian subsidiary (€ 16.7M). As a result, net debt was up to €286.2 M vs € 264 M in 4Q2017
- Sogefi expects to continue outperform the market at constant exchange rates, and to achieve a net result comparable to 2017 (despite adverse raw materials and exchange rates effects) and a positive free cash flow in 4Q2018

KOS - overview



2017 Revenues breakdown



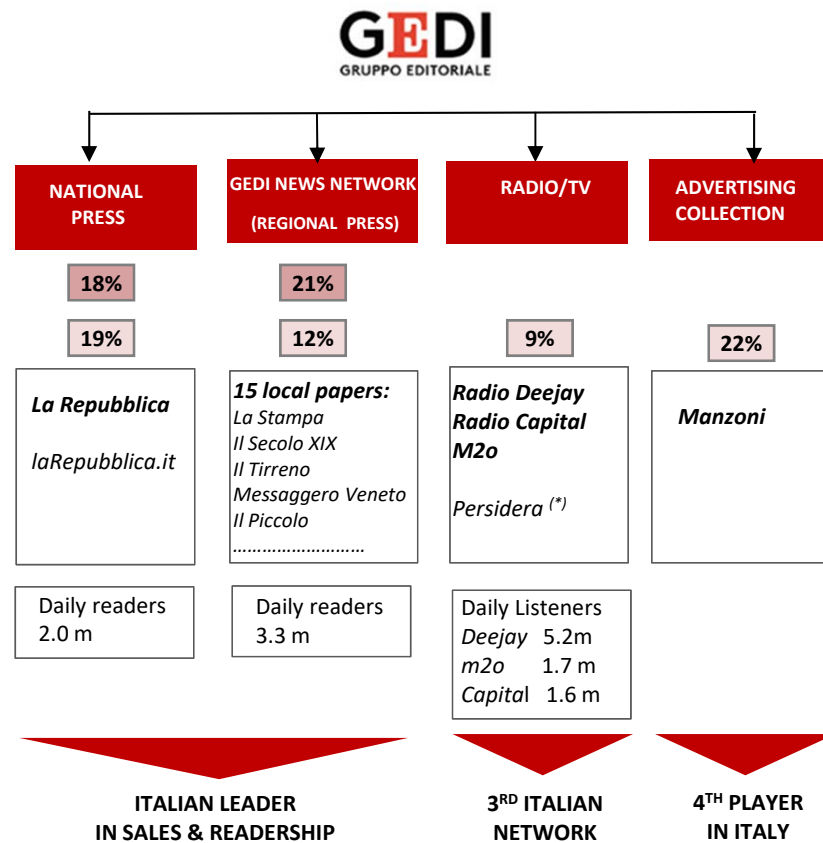
Key financials

€ M	FY 2017	9M2017	9M 2018
Revenues	490.6	360.1	403.1
EBITDA	87.9	63.0	74.9
Net result	29.0	19.0	24.8
NFP	(237.1)	(234.0)	(264.3)

9M 2018 Performance and outlook

- Revenues grew 11.9%, thanks to organic growth across all business lines, as well as acquisitions and greenfield projects completed in 2017 and 2018
- EBITDA grew 18.9%, driven by top line growth
- The company owns 85 Long Term Care facilities, located mainly in the centre and north of Italy, with 8,038 beds, making it the first long term care operator in Italy
- Main objectives in Long Term Care are to pursue market consolidation in the core domestic market and further leverage economies of scale
- The Diagnostics and Cancer Care business operates ca. 40 Service Contracts in Italy, India and UK, and owns one radiotherapy center. Its strategy includes domestic as well as selective international growth, both organic and through acquisitions

GEDI – overview



(*) TV Network operator, 30% stake

Circulation revenues (% of 2017 total)

Advertising revenues, including digital (% of 2017 total); for Manzoni Third party advertising collection

Key financials

€ M	9M 2017(*)	9M 2018
Revenues	425.5	469.7
EBITDA	33.7	31.4
Net result	(143.9)	7.8

(*) ITEDI consolidated from 3Q2017

9M 2018 Performance and outlook

- Circulation revenues at € 215.5 M (+14.5% including ITEDI, but -8.4% at constant perimeter) in a market down 7.5%.
- Advertising revenues at € 221.8 M (+9.2%, but -2.5% at constant perimeter):
 - press advertising rose by 10.6% (-6.7% at constant perimeter, in line with the market)
 - internet advertising up +17.8% (+4.9% at constant perimeter, vs. market + 4.3%)
 - radio reported a 4.7% increase vs. market +6.3%
- EBITDA at € 31.4 M
- Net result at € 7.8, down from € 10.6 M (before extraordinary tax charge)
- Net debt at € 124.7 M vs. € 115.1 M at the end of 2017 (after a € 140.2 M disbursement to settle a fiscal dispute in 4Q2017, with further €35.1 M disbursed on July 2th 2018)
- As for the 2018 outlook, evidence available to date suggests similar market trends as in 2017 for press sector while the positive evolution of radio and internet is consolidating. In the absence of unforeseeable events, GEDI should still report a positive result in 2018

Non-core investments

Private equity

- Diversified portfolio of private equity funds and direct minority private equity investments, with a fair value of € 50.2 M at 30 September 2018 (with declining trend mainly due to reimbursements and limited fair value adjustments in application of IFRS 15)
- The portfolio has reached its maturity/reimbursement phase, as limited investments were added in the recent past

Other Investments

- Other non strategic investments include direct minority stakes with a value of € 22.7 M at 30 September 2018, increasing vs €9.9M at 4Q 2017 due to recent additions to the portfolio

NPL

- The net value of the non-performing loan portfolios is € 10.8 M at 30 September 2018
- CIR no longer owns operating companies in this industry and is currently in the process of collecting the remaining receivables, with no further investments

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- *This document has been prepared by CIR for information purposes only and for use in presentations of the Group's results and strategies.*
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