



PRESS RELEASE

Board approves results for 2007

COFIDE GROUP: 32.3 MILLION OF NET INCOME

Consolidated results for financial year 2007

REVENUES € 4,214.9 million (+1.9%)

EBITDA € 497.2 million (+13.9%)

EBIT € 375 million (+12.5%)

NET INCOME € 32.3 million (-26.1%)

Aggregate financial debt € 30.5 million (€ 26.1 million at December 31 2006)

Consolidated net financial debt € 1,367.6 million (€ 883 million at December 31 2006)

Total shareholders' equity € 2,095.2 million (€ 2,033.6 million at December 31 2006)

*Board will propose to the Shareholders the distribution of a dividend of
€ 0.015 (unchanged from 2006), payable as from May 15 2008*

The Board of Directors of **COFIDE-Compagnia Finanziaria De Benedetti SpA**, which met today in Milan under the chairmanship of Mr Carlo De Benedetti, approved the proposed Statutory and Consolidated Financial Statements of the Group for financial year 2007. The Accounts will be submitted to the Annual General Meeting of the Shareholders which has been convened for April 28 at the first calling and for April 29 if a second calling is needed.

In 2007 COFIDE recorded **consolidated net income** of 32.3 million euro, compared with 43.7 million in 2006. The result for the year consisted mainly of the contribution of the subsidiary CIR, with the negative impact of the write-down of the investment in the Oakwood Group made in a joint venture with Merrill Lynch at the end of 2006.

The **consolidated revenues** of COFIDE in 2007 were 4,214.9 million euro, compared with 4,136.8 million in 2006 (+1.9%).

The **consolidated gross operating margin (EBITDA)** rose by 13.9% in 2007 from 436.4 million euro (10.5% of revenues) in 2006 to 497.2 million (11.8% of revenues).

The **consolidated operating margin (EBIT)** posted a rise of 12.5% from 333.3 million (8.1% of revenues) in 2006 to 375 million (8.9% of revenues).

Consolidated net financial expense amounted to 93.1 million euro, up from 65.7 million in 2006.

Consolidated net invested capital at December 31 2007 stood at 3,462.8 million euro, up from 2,916.6 million at December 31 2006, with a rise of 546.2 million due mainly to the substantial investment made during the year by the Sorgenia and HSS groups in particular.

The consolidated net financial position at December 31 2007 showed net debt of 1,367.6 million euro (883 million at December 31 2006), resulting from net debt of 30.5 million at December 31 2006) for COFIDE and its wholly owned financial subsidiary COFIDE International, a financial surplus for CIR and its financial holding subsidiaries of 112.3 million (258.2 million at December 31 2006) and total debt of 1,449.4 million for the operating groups (1,115.1 million at December 31 2006).

The **consolidated shareholders' equity of the Group** rose from 667.1 million euro at December 31 2006 to 692.7 million at December 31 2007 (+25.6 million). **Minority interests** also rose from 1,366.5 million at December 31 2006 to 1,402.5 million at December 31 2007 (+36 million). **Total equity** stood at 2,095.2 million at December 31 2007, up from 2,033.6 million at December 31 2006, with a rise of 61.6 million after the distribution of 10.8 million in dividends by COFIDE and of a total of 74.3 million by the subsidiaries to their minority shareholders.

At December 31 2007 the COFIDE Group had 12,450 **employees**.

The **Parent Company COFIDE SpA** closed 2007 with net income of 12.7 million euro (15.1 million in 2006) and shareholders' equity of 574.7 million at December 31 2007 (576.9 million at December 31 2006).

The Board of Directors will propose that the Shareholders' Meeting approve a dividend of 0.015 euro per share (unchanged from 2006), which will be payable as from May 15 2008 against presentation of the coupon on May 12 2008. The total dividend payout for 2007 will be approximately 10.8 million euro.

Proposal to revoke and assign a new authorization for the buy-back of shares

The Board of Directors voted to put before the Shareholders' Meeting a motion that the authorization of the Board be cancelled and that a new authorization be granted to the same Board, for a period of 18 months, to buy back a maximum of 30 million of its own shares, with a maximum disbursement limit of 50 million euro, at a unit price that shall not be more than 10% higher or lower than the benchmark price recorded by the shares in the regulated market on the trading day prior to each individual transaction.

The main reasons for renewing this authorization are, on the one hand, the possibility of investing in the company's shares at prices below their actual value based on the company's equity and income prospects and, on the other hand, the possibility of reducing the average cost of capital for the company.

Proposed renewal of mandate for increasing share capital

The Board of Directors voted to propose that the Extraordinary Meeting of the Shareholders renew the authorization given to the same Board to increase the share capital up to a maximum of 250 million and to issue convertible bonds within the limits laid down by law.

Proposal for an incentive plan (phantom stock options) for 2008

The Board of Directors also voted to submit an incentive plan for 2008 (phantom stock options) for employees of the Company, involving a maximum of 1,580,000 options, to the approval of the Shareholders.

The Executive responsible for the preparation of the company's financial statements, Oliviero Maria Brega, hereby declares, in compliance with the terms of paragraph 2 article 154 bis of the Finance Consolidation Act that the figures contained in this press release correspond to the results documented in the company's accounts and general ledger.

Milan, March 11 2008

Attached are highlights from the statutory and consolidated balance sheets and income statements.

CONTACTS

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COFIDE GROUP – CONSOLIDATED BALANCE SHEET

(in thousands of euro)

ASSETS	<i>31.12.2007</i>	<i>31.12.2006</i>
NON-CURRENT ASSETS	3,524,719	2,784,283
INTANGIBLE ASSETS	1,283,133	979,965
TANGIBLE ASSETS	1,473,973	1,091,673
REAL ESTATE INVESTMENTS	20,109	18,454
INVESTMENTS IN COMPANIES VALUED AT EQUITY	280,554	214,163
OTHER EQUITY INVESTMENTS	11,885	8,723
OTHER RECEIVABLES	263,397	260,314
SECURITIES	97,037	99,309
DEFERRED TAXES	94,631	111,682
CURRENT ASSETS	2,999,031	3,129,144
INVENTORIES	203,967	217,082
CONTRACTED WORK IN PROGRESS	2,564	1,685
TRADE RECEIVABLES	1,070,273	996,477
OTHER RECEIVABLES	209,128	276,908
FINANCIAL RECEIVABLES	37,171	21,354
SECURITIES	328,566	715,204
AVAILABLE-FOR-SALE FINANCIAL ASSETS	420,374	429,591
CASH AND CASH EQUIVALENTS	726,988	470,843
ASSETS HELD FOR DISPOSAL	6,756	47,589
TOTAL ASSETS	6,530,506	5,961,016
LIABILITIES AND SHAREHOLDERS' EQUITY	<i>31.12.2007</i>	<i>31.12.2006</i>
SHAREHOLDERS' EQUITY	2,095,196	2,033,570
SHARE CAPITAL	359,605	359,605
RESERVES	164,337	159,509
RETAINED EARNINGS (LOSSES)	136,397	104,195
NET INCOME FOR THE YEAR	32,352	43,746
SHAREHOLDERS' EQUITY OF THE GROUP	692,691	667,055
MINORITY INTERESTS	1,402,505	1,366,515
NON-CURRENT LIABILITIES	2,970,547	2,450,441
BONDS	1,189,672	1,187,750
OTHER BORROWINGS	1,431,060	908,231
OTHER PAYABLES	320	1,212
DEFERRED TAXES	146,940	149,239
PERSONNEL PROVISIONS	160,637	167,328
PROVISIONS FOR RISKS AND LOSSES	41,918	36,681
CURRENT LIABILITIES	1,464,763	1,440,663
BANK OVERDRAFTS	96,102	271,729
OTHER BORROWINGS	116,106	95,565
TRADE PAYABLES	942,582	749,633
OTHER PAYABLES	247,145	276,273
PROVISIONS FOR RISKS AND LOSSES	62,828	47,463
LIABILITIES HELD FOR DISPOSAL	--	36,342
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	6,530,506	5,961,016

COFIDE GROUP – CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	2007	2006
SALES REVENUES	4,214,921	4,136,769
CHANGE IN INVENTORIES	2,119	2,206
COSTS FOR PURCHASE OF GOODS	(2,330,186)	(2,457,254)
COSTS FOR SERVICES	(770,854)	(713,864)
PERSONNEL COSTS	(621,243)	(578,016)
OTHER OPERATING INCOME	65,950	79,944
OTHER OPERATING COSTS	(106,407)	(67,579)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS VALUED AT EQUITY	42,904	34,154
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	(122,163)	(103,017)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)	375,041	333,343
FINANCIAL INCOME	72,991	70,425
FINANCIAL EXPENSE	(166,129)	(136,187)
DIVIDENDS	2,248	3,009
GAINS FROM TRADING SECURITIES	164,773	113,794
LOSSES FROM TRADING SECURITIES	(97,515)	(71,669)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(62,275)	(17,516)
INCOME BEFORE TAXES	289,134	295,199
INCOME TAXES	(100,157)	(88,980)
RESULT BEFORE TAXES FROM OPERATING ACTIVITY	188,977	206,219
NET INCOME (LOSS) FROM ASSETS HELD FOR DISPOSAL	176	(932)
NET INCOME FOR THE YEAR INCLUDING MINORITY INTERESTS	189,153	205,287
- NET INCOME – MINORITY SHAREHOLDERS	(156,801)	(161,541)
- NET INCOME - THE GROUP	32,352	43,746
BASIC EARNINGS PER SHARE (in euro)	0.0450	0.0608
DILUTED EARNINGS PER SHARE (in euro)	0.0450	0.0608

COFIDE GROUP – CASH FLOW STATEMENT

(in thousands of euro)

	2007	2006
OPERATING ACTIVITY		
NET INCOME FOR THE YEAR INCLUDING MINORITY INTERESTS	189,153	205,287
ADJUSTMENTS:		
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	122,163	103,017
SHARE OF THE RESULT OF COMPANIES VALUED AT EQUITY	(42,904)	(34,154)
ACTUARIAL CHANGE IN STOCK OPTION PLANS	7,110	9,726
CHANGE IN PERSONNEL PROVISIONS, PROVISIONS FOR RISKS AND LOSSES	13,911	1,059
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	62,275	17,516
INCREASE (REDUCTION) IN NON-CURRENT RECEIVABLES AND PAYABLES	5,996	(20,532)
(INCREASE) REDUCTION IN NET WORKING CAPITAL	170,041	(174,593)
OTHER CHANGES	--	39,960
CASH FLOW FROM OPERATING ACTIVITY	527,745	147,286
of which:		
- interest income (expense)	(84,249)	(74,380)
- income tax disbursements	(117,447)	(50,909)
INVESTMENT ACTIVITY		
(PURCHASE) SALE OF SECURITIES	381,773	(223,150)
NET DISBURSEMENT FOR COMPANY ACQUISITIONS	(246,109)	(73,752)
NET INFLOWS FROM DISPOSALS	--	637
PURCHASE OF FIXED ASSETS	(762,853)	(363,426)
CASH FLOW FROM INVESTMENT ACTIVITY	(627,189)	(659,691)
FUNDING ACTIVITY		
INFLOWS FROM CAPITAL INCREASES	54,634	10,372
OTHER CHANGES IN SHAREHOLDERS' EQUITY	(21,220)	(16,152)
DRAWDOWN/(REPAYMENT) OF OTHER BORROWINGS	529,475	34,567
FINANCIAL RECEIVABLES FROM JOINT VENTURES	127,406	--
BUY-BACK OF OWN SHARES	(73,938)	--
DIVIDENDS PAID OUT	(85,141)	(82,240)
CASH FLOW FROM FUNDING ACTIVITY	531,216	(53,453)
INCREASE (REDUCTION) IN NET CASH AND CASH EQUIVALENTS	431,772	(565,858)
NET CASH AND CASH EQUIVALENTS AT START OF YEAR	199,114	764,972
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	630,886	199,114

COFIDE GROUP – STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>(in thousands of euro)</i>	<i>Attributable to the Shareholders of parent company</i>					<i>Minority interests</i>	<i>Total</i>
	<i>Share capital</i>	<i>Reserves</i>	<i>Retained earnings (losses)</i>	<i>Net income (loss) for the year</i>	<i>Total</i>		
BALANCE AT DECEMBER 31 2005	359,605	141,831	75,942	39,812	617,190	1,289,387	1,906,577
Capital increases	--	--	--	--	--	10,372	10,372
Dividends to Shareholders	--	--	(10,788)	--	(10,788)	(71,452)	(82,240)
Retained earnings	--	771	39,041	(39,812)	--	--	--
Fair value measurement of hedging instruments	--	230	--	--	230	605	835
Fair value measurement of securities	--	22,826	--	--	22,826	16,707	39,533
Securities fair value reserve recognized to income statement	--	(10,596)	--	--	(10,596)	(8,774)	(19,370)
Effects of equity changes in subsidiaries	--	16,069	--	--	16,069	(23,735)	(7,666)
Currency translation differences	--	(11,622)	--	--	(11,622)	(8,136)	(19,758)
Result for the year	--	--	--	43,746	43,746	161,541	205,287
BALANCE AT DECEMBER 31 2006	359,605	159,509	104,195	43,746	667,055	1,366,515	2,033,570
Capital increases	--	--	--	--	--	54,634	54,634
Dividends to Shareholders	--	--	--	(10,788)	(10,788)	(74,353)	(85,141)
Retained earnings	--	756	32,202	(32,958)	--	--	--
Fair value measurement of hedging instruments	--	178	--	--	178	364	542
Fair value measurement of securities	--	13,664	--	--	13,664	18,290	31,954
Securities fair value reserve recognized to income statement	--	(7,314)	--	--	(7,314)	(7,371)	(14,685)
Effects of equity changes in subsidiaries	--	14,045	--	--	14,045	(98,385)	(84,340)
Currency translation differences	--	(16,501)	--	--	(16,501)	(13,990)	(30,491)
Result for the year	--	--	--	32,352	32,352	156,801	189,153
BALANCE AT DECEMBER 31 2007	359,605	164,337	136,397	32,352	692,691	1,402,505	2,095,196

COFIDE S.p.A. – BALANCE SHEET

(in euro)

ASSETS	31.12.2007	31.12.2006
NON-CURRENT ASSETS	572,714,332	570,613,897
TANGIBLE ASSETS	574,491	616,460
REAL ESTATE INVESTMENTS	850,377	850,377
INVESTMENTS IN SUBSIDIARIES	571,110,642	568,776,738
OTHER EQUITY INVESTMENTS	0	192,955
OTHER RECEIVABLES	178,822	177,367
CURRENT ASSETS	163,186,343	170,714,131
FINANCIAL RECEIVABLES WITH SUBSIDIARIES	34,360,213	32,791,630
OTHER RECEIVABLES	2,672,259	2,671,013
SECURITIES	100,313,559	117,680,365
CASH AND CASH EQUIVALENTS	25,840,312	17,571,123
TOTAL ASSETS	735,900,675	741,328,028
LIABILITIES AND SHAREHOLDERS' EQUITY	31.12.2007	31.12.2006
SHAREHOLDERS' EQUITY	574,706,856	576,863,179
SHARE CAPITAL	359,604,959	359,604,959
RESERVES	173,250,663	176,600,116
RETAINED EARNINGS / (LOSSES)	29,114,040	25,539,780
NET INCOME (LOSS) FOR THE YEAR	12,737,194	15,118,324
NON-CURRENT LIABILITIES	158,283,261	161,979,575
OTHER BORROWINGS	149,890,126	149,717,416
OTHER PAYABLES	34,582	34,582
DEFERRED TAXES	7,052,306	11,496,418
PERSONNEL PROVISIONS	1,306,247	731,159
CURRENT LIABILITIES	2,910,558	2,485,274
BANK OVERDRAFTS	48,731	1,265
OTHER BORROWINGS	594,686	41,033
TRADE PAYABLES	464,044	347,215
OTHER PAYABLES	1,803,097	2,095,761
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	735,900,675	741,328,028

COFIDE S.p.A. – INCOME STATEMENT

(in euro)

	2007	2006
SUNDRY REVENUES AND INCOME	2,049,225	2,004,989
<i>of which: from related parties</i>	2,011,000	1,955,000
COSTS FOR PURCHASE OF GOODS	(62,130)	(69,268)
COSTS FOR SERVICES	(3,196,169)	(2,800,264)
<i>of which: from related parties</i>	(637,200)	(619,200)
PERSONNEL COSTS	(1,881,969)	(1,654,389)
OTHER OPERATING COSTS	(499,101)	(482,476)
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	(108,149)	(74,439)
OPERATING RESULT	(3,698,293)	(3,075,847)
FINANCIAL INCOME	4,328,250	3,144,162
<i>of which: from related parties</i>	1,568,583	791,630
FINANCIAL EXPENSE	(8,282,044)	(5,170,762)
DIVIDENDS	21,008,931	20,894,631
<i>of which: from related parties</i>	19,508,931	19,394,631
GAINS FROM TRADING SECURITIES	513,522	0
LOSSES FROM TRADING SECURITIES	(1,906,500)	(102,282)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	848,953	(490,269)
INCOME / LOSS BEFORE TAXES	12,812,819	15,199,633
INCOME TAXES	(75,625)	(81,309)
NET INCOME (LOSS) FOR THE YEAR	12,737,194	15,118,324
BASIC EARNINGS PER SHARE	0.0177	0.0210
DILUTED EARNINGS PER SHARE	0.0177	0.0210

COFIDE S.p.A. – CASH FLOW STATEMENT

(in euro)

	2007	2006
OPERATING ACTIVITY		
NET INCOME / (LOSS) FOR THE YEAR	12,737,194	15,118,324
ADJUSTMENTS:		
AMORTIZATION AND DEPRECIATION	108,149	74,439
TO PERSONNEL PROVISIONS NET OF WITHDRAWALS	575,088	72,223
LOSSES / (GAINS) FROM SALE OF CURRENT SECURITIES	1,392,978	102,282
ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS	(848,953)	490,269
ADJUSTMENTS TO VALUE OF NON-HEDGING DERIVATIVES	247,953	(218,250)
DEFERRED AND ADVANCE TAXES ON FAIR VALUE CHANGES	75,625	81,309
(INCREASE) REDUCTION IN NET WORKING CAPITAL	(1,745,664)	(32,358,064)
<i>of which: with related parties</i>	(156,583)	(32,791,630)
CASH FLOW FROM OPERATING ACTIVITY	12,542,370	(16,637,468)
INVESTMENT ACTIVITY		
CHANGE IN SHAREHOLDINGS IN SUBSIDIARIES	(2,333,904)	0
CHANGE IN TANGIBLE ASSETS AND REAL ESTATE INVESTMENTS	(66,180)	(137,334)
CHANGE IN OTHER FIXED ASSETS	(1,455)	6,262
CASH FLOW FROM INVESTMENT ACTIVITY	(2,401,539)	(131,072)
FUNDING ACTIVITY		
CHANGE IN OTHER BORROWINGS		
REPAYMENT OF BANK LOAN	0	(106,212,452)
DRAWDOWN OF NEW LOAN FACILITY	0	149,717,416
OTHER CHANGES	478,410	(38,250)
NET CHANGE IN CURRENT SECURITIES	8,390,631	(30,450,257)
DIVIDENDS PAID OUT	(10,788,149)	(10,788,149)
CASH FLOW FROM FUNDING ACTIVITY	(1,919,108)	2,228,308
INCREASE (REDUCTION) IN NET CASH AND CASH EQUIVALENTS	8,221,723	(14,540,232)
NET CASH AND CASH EQUIVALENTS AT START OF YEAR	17,569,858	32,110,090
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	25,791,581	17,569,858

COFIDE S.p.A. – CHANGES IN SHAREHOLDERS' EQUITY

(in euro)

	Share capital	Reserves	Retained earnings (losses)	Net income (loss) for year	Total
BALANCE AT JANUARY 1 2006	359,604,959	172,579,911	21,675,460	15,423,652	569,283,982
Allocation to reserves of earnings for year 2005	0	771,183	3,864,320	(4,635,503)	0
Distributed to Shareholders	0	0	0	(10,788,149)	(10,788,149)
Adjustment of securities to fair value:					
- Changes in reserves	0	5,261,574	0	0	5,261,574
- Deferred taxes on reserve changes		(2,012,552)	0	0	(2,012,552)
Result for the year 2006	0	0	0	15,118,324	15,118,324
BALANCE AT DECEMBER 31 2006	359,604,959	176,600,116	25,539,780	15,118,324	576,863,179
Allocation to reserves of earnings for year 2006	0	755,915	3,574,260	(4,330,175)	0
Distributed to Shareholders	0	0	0	(10,788,149)	(10,788,149)
Adjustment of securities to fair value:					
- Changes in reserves	0	(8,625,105)	0	0	(8,625,105)
- Deferred taxes on reserve changes		4,519,737	0	0	4,519,737
Result for the year 2007	0	0	0	12,737,194	12,737,194
BALANCE AT DECEMBER 31 2007	359,604,959	173,250,663	29,114,040	12,737,194	574,706,856