



PRESS RELEASE

Board approves results of first half 2005

COFIDE GROUP: 16.1 MILLION OF NET INCOME EBIT AND EBITDA SHARPLY HIGHER REVENUES +11%

Consolidated results of first half 2005 **(with the new IAS/IFRS accounting principles)**

Revenues 1,704.5 million euros (+11%)

Ebitda 215.7 million euros (+19.2%)

Ebit 167.9 million euros (+22.9%)

*Net income 16.1 million euros (40 million in first half 2004
thanks to an extraordinary capital gain of 30.1 million euros)*

*Consolidated net financial debt 410.4 million euros
for investments made by Energia and Editoriale L'Espresso (92.7 million at January 1 2005)
Total shareholders' equity 1,776.7 (1,734.2 at January 12005)*

Today in Milan, under the chairmanship of Mr Carlo De Benedetti, the Board of Directors of COFIDE-Compagnia Finanziaria De Benedetti SpA met to examine the results of the Group as of June 30 2005.

The adoption in the first half of 2005 of the new **IAS/IFRS accounting principles** both by the Group and the Parent Company COFIDE SpA, has meant the restatement of the accounts of the previous years and also a new opening balance sheet as of January 1 2005.

The application of the new international accounting principles to the consolidated financial statements as of December 31 2004 drawn up according to Italian accounting principles had positive effects: in essence an increase in shareholders' equity of the Group of 92.7 million euros, an improvement of 18.1 million in the earnings for fiscal year 2004 and a reduction in net financial debt of 57.6 million.

In the first six months of the year COFIDE recorded **consolidated net income** of 16.1 million euros, compared with 40 million in the same period of 2004, when the COFIDE Group had benefited from an **extraordinary gain** of 30.1 million euros resulting from the subscription by Verbund of a capital increase in Energia (CIR Group).

In the first half of 2005 the **consolidated revenues** of COFIDE were 1,704.5 million euros, up by 11% from the first half of 2004 (1,535.4 million). With the same basis of consolidation and at the same exchange rates, the increase in revenues would have been very similar (+ 10.9%).

The **consolidated gross operating margin (EBITDA)** rose by 19.2% in the first half of 2005, reaching 215.7 million euros (12.7% of revenues), compared with 181 million in the corresponding period of 2004 (11.8% of revenues).

The **consolidated operating margin (EBIT)** rose by 22.9%, from 136.6 million in the first six months of 2004 to 167.9 million in the first half of 2005.

Net financial charges totalled 24.5 million euros, against 36.2 million in the first half of 2004.

Consolidated net capital invested at June 30 2005 stood at 2,187.1 million euros, compared with 1,826.9 million at January 1 2005, showing a rise of 360.2 million following the significant investment made primarily by the Energia and Espresso groups.

The **consolidated net financial position** at June 30 2005 showed net debt of 410.4 million euros (92.7 million at January 1 2005), resulting from indebtedness of 18.6 million euros (compared with 17.2 million at January 1 2005) for COFIDE and the fully owned financial company COFIDE International and total debt of 391.8 million euros for the CIR Group (75.5 million at January 1 2005).

The **consolidated shareholders' equity of the Group** moved from 552,7 million euros at January 1 2005 to 575,9 million at June 30 2005 (+23,2 million). **Minority equity** rose from 1.181,5 million euros at January 1 2005 to 1.200,8 million at June 30 2005 (+19,3 million). **Total shareholders' equity** stood at 1.776,7 million euros at June 30 2005, up from 1.734,2 million at January 1 2005, showing a rise of 42,5 million after the distribution of 9.4 million of dividends by COFIDE and a total of 54 million by the subsidiaries to their minority shareholders.

At June 30 2005 the COFIDE Group had 10,206 **employees**.

The **Parent Company COFIDE SpA** closed the first half of 2005 with net income of 17.8 million euros (19.3 million in the first half of 2004) and shareholders' equity of 568.5 million at June 30 2005 (555.7 million at January 1 2005).

Regarding the outlook for the rest of the year for the COFIDE Group, there are unlikely to be any positive events of a non-recurrent nature such as those that characterized the previous year for the CIR Group. Taking into account the good performance of the operating businesses of the subsidiary CIR, it can reasonably be predicted that the year 2005 will close with better operating results than those recorded in 2004.

For the publication of its semi-annual interim report and accounts COFIDE will avail itself of the timing schedules given in the provisional regime of Consob Regulatory Document 11971.

Milan, September 27 2005

Below are charts showing key figures from the consolidated and statutory balance sheets and statements of income.

CONTACTS

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COFIDE GROUP – CONSOLIDATED BALANCE SHEET

(in thousands of euros)

ASSETS	<i>30.06.2005</i>	<i>01.01.2005</i>
NON-CURRENT ASSETS	2,233,892	1,909,273
INTANGIBLE FIXED ASSETS	854,108	684,620
TANGIBLE FIXED ASSETS	876,405	758,892
REAL ESTATE INVESTMENTS	1,111	1,118
INVESTMENTS IN COMPANIES VALUED BY EQUITY	197,761	200,549
OTHER EQUITY INVESTMENTS	13,699	13,328
TRADE RECEIVABLES	1,288	1,206
OTHER RECEIVABLES	196,851	157,760
SECURITIES	46,215	39,388
DEFERRED TAXES	46,454	52,412
CURRENT ASSETS	3,006,758	3,297,473
INVENTORIES	162,872	160,725
CONTRACTED WORK IN PROGRESS	645	544
TRADE RECEIVABLES	753,224	690,102
OTHER RECEIVABLES	254,433	244,595
FINANCIAL RECEIVABLES	51,704	83,620
SECURITIES	458,206	353,754
FINANCIAL ASSETS AVAILABLE FOR SALE	353,149	297,329
CASH AND CASH EQUIVALENTS	972,525	1,466,804
TOTAL ASSETS	5,240,650	5,206,746
LIABILITIES AND SHAREHOLDERS' EQUITY	<i>30.06.2005</i>	<i>01.01.2005</i>
SHAREHOLDERS' EQUITY	1,776,721	1,734,219
SHARE CAPITAL	359,605	359,605
RESERVES	145,922	121,332
ACCUMULATED INCOME (LOSSES)	70,404	71,715
SHAREHOLDERS' EQUITY - GROUP	575,931	552,652
SHAREHOLDERS' EQUITY – MINORITY INTERESTS	1,200,790	1,181,567
NON-CURRENT LIABILITIES	2,160,238	2,147,452
BONDS	1,212,115	1,265,864
OTHER FINANCIAL DEBT	622,298	608,800
TRADE PAYABLES	34	34
OTHER PAYABLES	139	610
DEFERRED TAXES	119,103	72,809
RESERVES FOR PERSONNEL	163,620	158,351
RESERVES FOR RISKS AND LOSSES	42,929	40,984
CURRENT LIABILITIES	1,303,691	1,325,075
BANKS - OVERDRAFT FACILITIES	40,527	29,907
BONDS	223,083	205,740
OTHER FINANCIAL DEBT	107,549	150,615
TRADE PAYABLES	651,129	646,832
OTHER PAYABLES	231,798	237,495
RESERVES FOR RISKS AND LOSSES	49,605	54,486
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,240,650	5,206,746

COFIDE GROUP – CONSOLIDATED STATEMENT OF INCOME

(in thousands of euros)

	<i>1st Half 2005</i>	<i>1st Half 2004</i>
SALES REVENUES	1,704,495	1,535,410
CHANGE IN INVENTORIES	(2,919)	444
COSTS FOR THE PURCHASE OF GOODS	(882,030)	(754,632)
COSTS FOR SERVICES	(336,724)	(307,061)
PERSONNEL COSTS	(284,879)	(276,103)
OTHER OPERATING REVENUES	42,531	12,084
OTHER OPERATING COSTS	(33,351)	(33,558)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS VALUED BY EQUITY	8,557	4,382
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	(47,773)	(44,405)
OPERATING INCOME	167,907	136,561
FINANCIAL INCOME	92,794	59,068
FINANCIAL EXPENSES	(117,296)	(95,268)
DIVIDENDS	1,393	1,114
INCOME FROM SECURITIES TRADING	52,769	136,250
LOSSES FROM SECURITIES TRADING	(54,764)	(23,847)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	401	(4,042)
INCOME/LOSS BEFORE TAXES	143,204	209,836
INCOME TAXES	(56,871)	(62,668)
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	86,333	147,168
- NET INCOME – MINORITY INTERESTS	(70,196)	(107,166)
- NET INCOME - GROUP	16,137	40,002
BASIC EARNINGS PER SHARE (in euros)	0.0224	0.0556
DILUTED EARNINGS PER SHARE (in euros)	0.0224	0.0556

COFIDE GROUP – CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(in thousands of euros)

	<i>1st Half</i> 2005	<i>1st Half</i> 2004
OPERATING ACTIVITY		
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	86,333	147,168
ADJUSTMENTS:		
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	47,773	44,405
LOSSES/(GAINS) FROM THE DISPOSAL OF EQUITY INVESTMENTS	--	(87,526)
(INCREASE) REDUCTION IN NET WORKING CAPITAL	(82,696)	10,449
CASH FLOW FROM OPERATING ACTIVITY	51,410	114,496
INVESTMENT ACTIVITY		
PURCHASE OF FIXED ASSETS	(316,248)	(187,943)
OTHER CHANGES	17,202	(11,152)
CASH FLOW FROM INVESTMENT ACTIVITY	(299,046)	(199,095)
FUNDING ACTIVITY		
INCREASES/REDUCTION IN CAPITAL	(4,072)	150,000
REPAYMENT AND/OR BUY-BACK OF BONDS	(36,406)	(76,149)
OTHER FINANCIAL DEBT – NEW LOANS/(MATURING LOANS)	(23,939)	90,138
NET CHANGE IN SECURITIES AND ASSETS AVAILABLE FOR SALE	(128,861)	27,678
DIVIDENDS PAID OUT	(63,985)	(53,737)
CASH FLOW FROM FUNDING ACTIVITY	(257,263)	137,930
INCREASE (REDUCTION) IN NET CASH AND CASH EQUIVALENTS	(504,899)	53,331
NET CASH AND CASH EQUIVALENTS AT START OF PERIOD	1,436,897	355,372
NET CASH AND CASH EQUIVALENTS AT CLOSE OF PERIOD	931,998	408,703

COFIDE GROUP - CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>(in thousands of euros)</i>	<i>Share capital</i>	<i>Reserves</i>	<i>Accumulated income (losses)</i>	<i>Total</i>
BALANCE AT JANUARY 1 2005	359,605	121,332	71,715	552,652
Allocation net income 2004:				
Dividends to Shareholders	--	(9,350)	--	(9,350)
Allocation to reserve	--	17,448	(17,448)	--
Fair value of instruments hedging cash flows	--	(126)	--	(126)
Fair value of securities	--	11,073	--	11,073
Reserve for fair value of securities posted to the statement of income	--	(2,547)	--	(2,547)
Effects resulting from equity changes in subsidiaries		3,522		3,522
Conversion rate differences	--	3,527	--	3,527
Other movements	--	1,043	--	1,043
Net income for the period	--	--	16,137	16,137
BALANCE AT JUNE 30 2005	359,605	145,922	70,404	575,931

COFIDE S.p.A.

SEPARATE BALANCE SHEET – KEY FIGURES

<i>(in millions of euros)</i>	<i>30.6.2005</i>	<i>01.01.2005</i>
ASSETS		
Fixed assets	567.3	558.7
Current assets	116.9	110.3
Total assets	684.2	669.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	568.5	555.7
Bonds	113.9	111.1
Other liabilities	1.8	2.2
Total liabilities and shareholders' equity	684.2	669.0

SEPARATE STATEMENT OF INCOME – KEY FIGURES

<i>(in millions of euros)</i>	<i>1st Half 2005</i>	<i>1st Half 2004</i>
Net operating costs	(1.2)	(1.1)
Net financial income and expenses	19.2	21.5
Adjustments to the value of financial assets	(0.3)	(1.1)
Income before taxes	17.7	19.3
Income taxes	0.1	--
Net income for the period	17.8	19.3