



PRESS RELEASE

Board approves results of first quarter 2006

COFIDE GROUP: 2.1 MILLION OF NET INCOME

Consolidated results as of March 31 2006 **(with the new IAS/IFRS accounting standards)**

Revenues € 1,037.5 million (+25.1%)

EBITDA € 90.1 million (-5%)

EBIT € 66.4 million (-7%)

Net income € 2.1 million (loss of € 0.9 million in first quarter 2005)

Aggregate net financial debt € 24.4 million (€ 26.6 million at December 31 2005)

Consolidated net financial debt € 478.6 million (€ 487 million at December 31 2005)

Total shareholders' equity € 1,952 million (€1,906.6 million at December 31 2005)

Today in Turin, 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 March 31 2006.

In the first three months of the year, COFIDE achieved **consolidated net income** of 2.1 million euros, compared with a loss of 0.9 million in the same period of 2005.

Consolidated revenues of first quarter 2006 came in at 1,037.5 million euros, up by 25.1% from 829.6 million in the same period of 2005.

The **consolidated gross operating margin (EBITDA)** was 90.1 million euros, down by 5% from 94.8 million in the first three months of 2005.

The **consolidated operating margin (EBIT)** of the first three months of the year was 66.4 million euros, compared with 71.4 million in the corresponding period of 2005 (-7%).

Consolidated net capital invested stood at 2,430.6 million euros at March 31 2006, up from 2,393.6 million at December 31 2005, with an increase of 37 million euros.

The **consolidated net financial position** at March 31 2006 showed indebtedness of 478.6 million euros (487 million at December 31 2005), which was the result of aggregate net debt for COFIDE and the wholly controlled financial company COFIDE International of 24.4 million (26.6 million at December 31 2005), of a net financial surplus for CIR and CIR International of 368.8 million euros (359.8 million at December 31 2005) and of total debt of 823 million euros (820.2 at December 31 2005) for the operating groups.

The **total shareholders' equity of the Group** at March 31 2006 stood at 1,952 million euros, up from 1,906.6 million at December 31 2005, with a rise of 45.4 million. **Consolidated equity** went up from 617.2 million euros at December 31 2005 to 635 million at March 31 2006, with a rise of 17.8 million.

At March 31 2006 the COFIDE Group had 10,141 **employees** on its payrolls, compared with 10,053 at December 31 2005 .

Regarding the evolution of the year for the COFIDE Group, for the rest of 2006 the positive performance of the operating businesses in the first quarter is likely to be confirmed and the factors that negatively impacted it should cease to exist. In addition, the important investments made previously will begin to produce positive effects on the results of the Group.

Turin, April 27 2006

CONTACTS

COFIDE SpA
EXTERNAL RELATIONS AND
PRESS OFFICE
Beppe Pescetto
Francesca Sagramoso
Tel.: +39 02 722701
www.cofide.it

COFIDE GROUP – CONSOLIDATED BALANCE SHEET

(in thousands of euros)

ASSETS	<i>31.03.2006</i>	<i>31.12.2005</i>	<i>31.03.2005</i>
NON-CURRENT ASSETS	2,464,312	2,433,187	1,949,165
INTANGIBLE ASSETS	892,818	891,066	690,560
TANGIBLE ASSETS	907,254	898,536	788,992
REAL ESTATE INVESTMENTS	7,748	7,794	850
INVESTMENTS IN COMPANIES VALUED AT EQUITY	229,543	221,042	193,644
OTHER EQUITY INVESTMENTS	10,896	8,482	19,288
OTHER RECEIVABLES	264,708	261,909	162,883
SECURITIES	67,973	61,691	41,520
DEFERRED TAXES	83,372	82,667	51,428
CURRENT ASSETS	3,059,550	2,940,645	3,285,455
INVENTORIES	148,742	162,864	146,040
CONTRACTED WORK IN PROGRESS	1,888	933	566
TRADE RECEIVABLES	855,058	790,744	773,125
OTHER RECEIVABLES	216,765	204,537	300,129
FINANCIAL RECEIVABLES	4,427	26,513	25,468
SECURITIES	701,796	520,727	496,472
AVAILABLE-FOR-SALE FINANCIAL ASSETS	447,051	414,392	331,553
CASH AND CASH EQUIVALENTS	683,823	819,935	1,212,102
ASSETS FOR DISPOSAL	--	17,143	--
TOTAL ASSETS	5,523,862	5,390,975	5,234,620
LIABILITIES AND SHAREHOLDERS' EQUITY	<i>31.03.2006</i>	<i>31.12.2005</i>	<i>31.03.2005</i>
SHAREHOLDERS' EQUITY	1,951,970	1,906,577	1,768,126
SHARE CAPITAL	359,605	359,605	359,605
RESERVES	157,473	141,831	118,047
RETAINED EARNINGS (LOSSES)	115,754	75,942	88,114
NET INCOME FOR THE PERIOD	2,127	39,812	(912)
SHAREHOLDERS' EQUITY OF THE GROUP	634,959	617,190	564,854
MINORITY INTERESTS	1,317,011	1,289,387	1,203,272
NON-CURRENT LIABILITIES	2,176,909	2,196,826	2,173,693
BONDS	1,177,375	1,199,251	1,230,246
OTHER BORROWINGS	655,222	654,785	665,940
OTHER PAYABLES	38	55	295
DEFERRED TAXES	141,427	135,928	72,008
PROVISIONS FOR PERSONNEL	162,461	164,342	160,913
PROVISIONS FOR RISKS AND LOSSES	40,386	42,465	44,291
CURRENT LIABILITIES	1,394,983	1,274,096	1,292,801
BANK OVERDRAFTS	120,446	54,963	58,936
BONDS	--	--	218,401
OTHER BORROWINGS	299,910	308,102	35,803
TRADE PAYABLES	683,071	650,344	668,434
OTHER PAYABLES	250,868	217,081	256,699
PROVISIONS FOR RISKS AND LOSSES	40,688	43,606	54,528
LIABILITIES FOR DISPOSAL	--	13,476	--
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,523,862	5,390,975	5,234,620

COFIDE GROUP – CONSOLIDATED INCOME STATEMENT

(in thousands of euros)

	01/01-31/03 2006	01/01-31/03 2005
TRADE REVENUES	1,037,549	829,648
CHANGE OF INVENTORIES	--	(1,357)
COSTS FOR THE PURCHASE OF GOODS	(623,103)	(443,078)
COSTS FOR SERVICES	(187,935)	(161,422)
PERSONNEL COSTS	(143,983)	(138,096)
OTHER OPERATING REVENUES	11,151	16,644
OTHER OPERATING COSTS	(12,202)	(10,299)
ADJUSTMENTS TO THE VALUE OF EQUITY INVESTMENTS VALUED AT EQUITY	8,596	2,726
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	(23,717)	(23,368)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)	66,356	71,398
FINANCIAL INCOME	16,780	19,684
FINANCIAL EXPENSES	(39,802)	(41,127)
DIVIDENDS	--	264
GAINS FROM TRADING SECURITIES	25,426	34,882
LOSSES FROM TRADING SECURITIES	(21,721)	(36,033)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	2,461	(718)
INCOME/LOSS BEFORE TAXES	49,500	48,350
INCOME TAXES	(21,872)	(28,389)
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	27,628	19,961
- NET INCOME ATTRIBUTABLE TO MINORITY INTERESTS	25,501	20,873
- NET INCOME OF THE GROUP	2,127	(912)

COFIDE GROUP – NET FINANCIAL POSITION

(in thousands of euros)

	31.03.2006	31.12.2005	31.03.2005
CASH AND CASH EQUIVALENTS	683,823	819,935	1,212,102
AVAILABLE-FOR-SALE ASSETS	384,346	362,930	291,185
SECURITIES	701,796	520,727	496,472
FINANCIAL RECEIVABLES	4,427	26,513	25,468
BANK OVERDRAFTS	(120,446)	(54,963)	(58,936)
BONDS (current portion)	--	--	(218,401)
OTHER BORROWINGS (current)	(299,910)	(308,102)	(35,803)
NET FINANCIAL SURPLUS SHORT TERM	1,354,036	1,367,040	1,712,087
BONDS	(1,177,375)	(1,199,251)	(1,230,246)
OTHER BORROWINGS (non- current)	(655,222)	(654,785)	(665,940)
FINANCIAL DEBT MEDIUM/LONG TERM	(1,832,597)	(1,854,036)	(1,896,186)
TOTAL NET FINANCIAL DEBT	(478,561)	(486,996)	(184,099)