



## PRESS RELEASE

*Board approves results of first nine months of 2007*

### **COFIDE GROUP: 51.5 MILLION OF NET INCOME (+45%)**

#### **Consolidated results as of September 30 2007**

*Revenues € 3,041.9 million (+2.4%)  
Ebitda € 373.1 million (+12.7%)  
Ebit € 280.3 million (+9%)  
Net income € 51.5 million (+45.1%)*

*Aggregate net financial debt € 27.1 million (€ 26.1 million at December 31 2006)  
Consolidated net financial debt € 1,055.6 million (€ 883 at December 31 2006)  
Total shareholders' equity € 2,129.1 million (€ 2,033.6 million at December 31 2006)*

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 September 30 2007.

In the first nine months of the year COFIDE reported **consolidated net income** of 51.5 million euro, up from 35.5 million in the same period of 2006 (+45.1%). This result was due to the contribution of the subsidiary CIR for 55.5 million euro (37.3 million euro in the first nine months of 2006).

**Consolidated revenues** in the first nine months of 2007 came in at 3,041.9 million euro, up from 2,971.8 million in the same period of last year (+2.4%).

The **consolidated gross operating margin (EBITDA)** rose by 12.7%, reaching 373.1 million euro (12.3% of revenues), against 331.1 million in the first nine months of 2006 (11.1% of revenues).

The **consolidated operating margin (EBIT)** increased by 9%, from 257.2 million euro to 280.3 million in the first nine months of 2007.

**Consolidated net invested capital** at September 30 2007 stood at 3,184.7 million euro, up from 2,916.6 million at December 31 2006, with a rise of 268.1 million which was due mainly to the significant investments made by the Sorgenia and HSS groups.

The **consolidated net financial position** at September 30 2007 showed net debt of 1,055.6 million euro (883 million at December 31 2006 and 836.1 million at June 30 2007), resulting from:

- net debt of 27.1 million euro (26.1 million at December 31 2006) for COFIDE and the wholly owned financial subsidiary COFIDE International;
- a surplus for CIR and CIR International of 108.6 million euro (258.2 million at December 31 2006);
- total debt of the operating groups of 1,137.1 million euro, versus 1,115.1 million at December 31 2006.

The **consolidated shareholders' equity of the Group** increased from 667.1 million euro at December 31 2006 (694.5 million at June 30 2007) to 707.5 million at September 30 2007 (+40.4 million). **Minority equity** rose from 1,366.5 million euro at December 31 2006 (1,404.3 million at June 30 2007) to 1,421.6 million at September 30 2007 (+55.1 million). **Total shareholders' equity** stood at 2,129.1 million at September 30 2007, up from 2,033.6 million at December 31 2006 (2,098.8 million at June 30 2007), with a rise of 95.5 million.

At September 30 2007 the COFIDE Group had 12,460 **employees**, up from 11,119 at December 31 2006. This increase was due to the acquisition of the S. Stefano Group by Holding Sanità e Servizi (CIR).

### **Performance in third quarter 2007**

In the third quarter of 2007 the COFIDE Group reported **consolidated revenues** of 972.2 million euro, up from 950.4 million in third quarter 2006 (+2.3%).

**Consolidated EBITDA** was 97.1 million euro (10% of revenues), compared to 77.4 million (8.1% of revenues) in the same period of last year (+25.5%).

**Consolidated EBIT** was 64.9 million euro, compared with 51.4 million in the third quarter of 2006 (+26.3%).

**Consolidated net income** for third quarter 2007 came in at 18.2 million euro, up from 6.4 million.

For the whole year it is reasonable to suppose that there will be an improvement in the consolidated gross operating margin compared with 2006.

The executive responsible for the preparation of the financial statements of the company, Mr Oliviero Maria Brega, hereby declares in accordance with the terms of paragraph 2 article 154 bis of the Finance Consolidation Act (*Testo Unico della Finanza*) that the financial information given in this press release corresponds to documented results, and to the company's books and accounting entries.

Milan, October 30 2007

### **CONTACTS**

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## COFIDE GROUP – CONSOLIDATED BALANCE SHEET

*(in thousands of euro)*

<b>ASSETS</b>	<i>30.09.2007</i>	<i>30.06.2007</i>	<i>31.12.2006</i>
<b>NON-CURRENT ASSETS</b>	<b>3,087,422</b>	<b>2,826,211</b>	<b>2,784,283</b>
INTANGIBLE ASSETS	1,050,407	1,002,801	979,965
TANGIBLE ASSETS	1,284,223	1,124,294	1,091,673
REAL-ESTATE INVESTMENTS	18,527	18,664	18,454
INVESTMENTS IN COMPANIES VALUED AT EQUITY	260,997	244,826	214,163
OTHER EQUITY INVESTMENTS	15,586	6,019	8,723
OTHER RECEIVABLES	262,781	243,734	260,314
SECURITIES	91,342	85,574	99,309
DEFERRED TAX ASSETS	103,559	100,299	111,682
<b>CURRENT ASSETS</b>	<b>3,068,071</b>	<b>3,135,796</b>	<b>3,129,144</b>
INVENTORIES	211,551	211,367	217,082
CONTRACTED WORK IN PROGRESS	1,874	2,253	1,685
TRADE RECEIVABLES	921,975	911,422	996,477
OTHER RECEIVABLES	337,072	304,517	276,908
FINANCIAL RECEIVABLES	14,719	8,256	21,354
SECURITIES	574,172	632,274	715,204
AVAILABLE FOR SALE FINANCIAL ASSETS	418,311	458,259	429,591
CASH AND CASH EQUIVALENTS	588,397	607,448	470,843
ASSETS HELD FOR DISPOSAL	893	923	47,589
<b>TOTAL ASSETS</b>	<b>6,156,386</b>	<b>5,962,930</b>	<b>5,961,016</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<i>30.09.2007</i>	<i>30.06.2007</i>	<i>31.12.2006</i>
<b>SHAREHOLDERS' EQUITY</b>	<b>2,129,129</b>	<b>2,098,771</b>	<b>2,033,570</b>
SHARE CAPITAL	359,605	359,605	359,605
RESERVES	160,075	165,165	159,509
RETAINED EARNINGS (LOSSES)	136,397	136,397	104,195
NET INCOME FOR THE PERIOD	51,478	33,294	43,746
<b>TOTAL EQUITY - GROUP</b>	<b>707,555</b>	<b>694,461</b>	<b>667,055</b>
MINORITY INTERESTS	1,421,574	1,404,310	1,366,515
<b>NON-CURRENT LIABILITIES</b>	<b>2,753,633</b>	<b>2,625,177</b>	<b>2,450,441</b>
BONDS	1,200,253	1,183,072	1,187,750
OTHER BORROWINGS	1,184,276	1,098,048	908,231
OTHER PAYABLES	185	71	1,212
DEFERRED TAX LIABILITIES	165,080	160,820	149,239
PERSONNEL PROVISIONS	157,370	145,948	167,328
PROVISIONS FOR RISKS AND LOSSES	46,469	37,218	36,681
<b>CURRENT LIABILITIES</b>	<b>1,273,624</b>	<b>1,238,982</b>	<b>1,440,663</b>
BANK OVERDRAFT FACILITIES	111,808	139,875	271,729
OTHER BORROWINGS	105,192	70,378	95,565
TRADE PAYABLES	699,668	682,164	749,633
OTHER PAYABLES	292,196	285,929	276,273
PROVISIONS FOR RISKS AND LOSSES	64,760	60,636	47,463
LIABILITIES HELD FOR DISPOSAL	--	--	36,342
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>6,156,386</b>	<b>5,962,930</b>	<b>5,961,016</b>

## COFIDE GROUP – CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	<i>1/1-30/9</i>	<i>1/1-30/9</i>	<i>3rd Quarter</i>	<i>3rd Quarter</i>
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
SALES REVENUES	3,041,867	2,971,807	972,240	950,358
CHANGE IN INVENTORIES	2,852	2,034	1,159	2,073
COSTS FOR PURCHASE OF GOODS	(1,668,827)	(1,726,110)	(531,408)	(577,241)
COSTS FOR SERVICES	(559,113)	(539,519)	(185,312)	(156,210)
PERSONNEL COSTS	(451,215)	(424,967)	(149,254)	(134,955)
OTHER OPERATING INCOME	43,578	81,504	2,134	6,048
OTHER OPERATING COSTS	(60,617)	(54,884)	(19,906)	(12,911)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS VALUED AT EQUITY	24,613	21,206	7,468	228
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	(92,846)	(73,874)	(32,233)	(26,011)
<b>INCOME BEFORE INTEREST AND TAXES ( E B I T )</b>	<b>280,292</b>	<b>257,197</b>	<b>64,888</b>	<b>51,379</b>
FINANCIAL INCOME	54,464	51,177	18,829	17,641
FINANCIAL EXPENSES	(116,725)	(100,460)	(41,126)	(36,383)
DIVIDENDS	2,119	2,980	3	24
GAINS FROM TRADING SECURITIES	148,616	83,397	93,320	23,977
LOSSES FROM TRADING SECURITIES	(85,811)	(48,277)	(66,427)	(15,650)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(5,190)	(16,540)	2,481	(3,353)
<b>INCOME BEFORE TAXES</b>	<b>277,765</b>	<b>229,474</b>	<b>71,968</b>	<b>37,635</b>
INCOME TAXES	(80,615)	(75,925)	(4,938)	(7,961)
<b>INCOME AFTER TAX FROM OPERATING ACTIVITY</b>	<b>197,150</b>	<b>153,549</b>	<b>67,030</b>	<b>29,674</b>
NET INCOME/(LOSS) FROM BUSINESSES HELD FOR DISPOSAL	(444)	--	(147)	--
<b>NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS</b>	<b>196,706</b>	<b>153,549</b>	<b>66,883</b>	<b>29,674</b>
- NET INCOME - MINORITY INTERESTS	(145,228)	(118,084)	(48,699)	(23,249)
<b>- NET INCOME - GROUP</b>	<b>51,478</b>	<b>35,465</b>	<b>18,184</b>	<b>6,425</b>

## COFIDE GROUP – NET FINANCIAL POSITION

*(in thousands of euro)*

	30.09.2007	30.06.2007	31.12.2006
A. Cash and bank deposits	588,397	607,448	470,843
B. Other free cash flow (*)	368,676	407,246	372,867
C. Securities held for trading	574,172	632,274	715,204
<b>D. Cash and cash equivalents (A) + (B) + (C)</b>	<b>1,531,245</b>	<b>1,646,968</b>	<b>1,558,914</b>
<b>E. Current financial receivables</b>	<b>14,719</b>	<b>8,256</b>	<b>21,354</b>
F. Current bank borrowings	(189,867)	(177,096)	(345,279)
G. Current part of non-current debt	(27,132)	(33,156)	(21,784)
H. Other current borrowings	(1)	(1)	(231)
<b>I. Current financial debt (F) + (G) + (H)</b>	<b>(217,000)</b>	<b>(210,253)</b>	<b>(367,294)</b>
<b>J. Net current financial position (I) + (E) + (D)</b>	<b>1,328,964</b>	<b>1,444,971</b>	<b>1,212,974</b>
K. Non-current bank borrowings	(994,017)	(908,324)	(728,444)
L. Bonds issued	(1,200,253)	(1,183,072)	(1,187,750)
M. Other non-current borrowings	(190,259)	(189,724)	(179,787)
<b>N. Non-current financial debt (K) + (L) + (M)</b>	<b>(2,384,529)</b>	<b>(2,281,120)</b>	<b>(2,095,981)</b>
<b>O. Net financial position (J) + (N)</b>	<b>(1,055,565)</b>	<b>(836,149)</b>	<b>(883,007)</b>