



PRESS RELEASE

Board approves results of first nine months of 2008

COFIDE GROUP: 64.2 MILLION OF NET INCOME (+24.7%)

Consolidated results as of September 30 2008

Revenues € 3,539.7 million (+16.4%)

Ebitda € 352.1 million (-5.6%)

Ebit € 249.1 million (-11.1%)

Net income € 64.2 million (+24.7%)

Aggregate net financial debt € 32.7 million (€ 30.5 million at December 31 2007)

Consolidated net financial debt € 1,681.5 million (€ 1,367.6 at December 31 2007)

Total equity € 2,168.4 million (€ 2,095.2 million at December 31 2007)

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 2008.

For the first nine months of this year COFIDE reported **consolidated net income** of 64.2 million euro, up from 51.5 million in the same period of 2007 (+24.7%). The improvement was due mainly to the change in the contribution of the financial company Medinvest of 8.8 million euro; the contribution of the subsidiary CIR was 56.7 million.

Consolidated revenues in the first nine months of 2008 came in at 3,539.7 million euro, up from 3,041.9 million in the same period of last year (+16.4%).

The **consolidated gross operating margin (EBITDA)** was 352.1 million euro (9.9% of revenues) down from 373.1 million euro (12.3% of revenues) in the first nine months of 2007. The decline of 5.6 % was due to the fall in the revenues of the Espresso Group, the restructuring costs incurred by the Sogefi Group and the impact of the Robin Hood Tax on the Sorigenia Group.

The **consolidated operating margin (EBIT)** was 249.1 million euro (7% of revenues), down from 280.3 million (9.2% of revenues) in the first nine months of 2007 (-11.1%). The further reduction compared with Ebitda was due to higher amortization in the Sorigenia Group.

Consolidated net invested capital stood at 3,849.9 million euro at September 30 2008 versus 3,462.8 million at December 31 2007, with a rise of 387.1 million which was due mainly to a rise in the working capital and investments of the Sorigenia Group.

The **consolidated net financial position** at September 30 2008 showed net debt of 1,681.5 million euro (1,367.6 million at December 31 2007 and 1,486.5 million at June 30 2008), which was the result of the following:

- net debt of 32.7 million euro (30.5 million at December 31 2007) for COFIDE and its wholly owned financial subsidiary COFIDE International;
- a surplus for CIR and the financial holding companies of 60.5 million euro (112.3 million at December 31 2007). The reduction was attributable mainly to disbursements made for investment in companies of the Group and in own shares for 60.3 million and to the adjustment of the fair value of bonds for a negative 67.2 million, partly offset by the positive balance of 101.3 million between dividends received and those paid out;
- total debt in the operating groups of 1,709.3 million euro, up from 1,449.4 million at December 31 2007. The increase was mainly due to the higher level of debt of the Sogefi Group after the payout of ordinary and extraordinary dividends, and of the Sorgeria Group after the investments made.

The **consolidated shareholders' equity of the Group** stood at 679.2 million euro at September 30 2008 compared to 692,7 million at December 31 2007 (737.1 million at June 30 2008). **Minority shareholders' equity** stood at 1,489.2 million, up from 1,402.5 million at December 31 2007 (1,522.4 million at June 30 2008). Total **shareholders' equity** at September 30 2008 amounted to 2,168.4 million, up from 2,095.2 million at December 31 2007 (2,259.5 million at June 30 2008).

At September 30 2008 the COFIDE Group had 12,909 **employees**, compared with 12,450 at December 31 2007.

Performance in third quarter 2008

In the third quarter of 2008 the COFIDE Group reported **consolidated revenues** of 1,175.9 million euro, up from 972.2 million in third quarter 2007 (+20.9%).

Consolidated EBITDA was 106.3 million euro (9% of revenues), up from 97.1 million (10% of revenues) in the same period of last year (+9.5%).

Consolidated EBIT was 69.5 million euro (5.9% of revenues), up from 64.9 million (6.7% of revenues) in third quarter 2007 (+7.1%).

The **consolidated net result** of third quarter 2008 was a loss of 1.8 million euro, compared to net income of 18.2 million in the same period of 2007.

Although the full impact of the global financial crisis and the recession that is under way is not yet clear, there will be negative effects of varying intensity in the sectors in which the Group operates, especially in the automotive and media businesses which are more exposed to fluctuations in demand. The lack of liquidity in the financial markets makes it essential to manage the financial structure of the Group as rigorously as possible. In this environment the subsidiaries of the CIR Group have taken and will be continuing to take any measures necessary to counter the economic and financial effects of the crisis that we are all facing.

In view of the non-recurring income and charges already recorded, the consolidated net result for the whole of 2008 should be higher than that of last year.

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 (TUF) that the figures contained in this press release correspond to the results documented in the company's accounts and general ledger.

Milan, October 31 2008

CONTACTS

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

COFIDE GROUP – CONSOLIDATED BALANCE SHEET

(in thousands of euro)

ASSETS	<i>30.09.2008</i>	<i>30.06.2008</i>	<i>31.12.2007</i>
NON-CURRENT ASSETS	3,704,736	3,631,438	3,524,719
INTANGIBLE ASSETS	1,346,059	1,339,190	1,283,133
TANGIBLE ASSETS	1,632,974	1,594,214	1,473,973
INVESTMENT PROPERTY	19,680	19,822	20,109
INVESTMENTS IN COMPANIES VALUED AT EQUITY	269,183	240,189	280,554
OTHER EQUITY INVESTMENTS	12,906	11,996	11,885
OTHER RECEIVABLES	209,210	228,450	263,397
SECURITIES	106,172	96,121	97,037
DEFERRED TAXES	108,552	101,456	94,631
CURRENT ASSETS	3,192,680	3,226,144	2,999,031
INVENTORIES	221,085	207,447	203,967
CONTRACTED WORK IN PROGRESS	3,244	3,261	2,564
TRADE RECEIVABLES	1,218,130	1,241,418	1,070,273
OTHER RECEIVABLES	303,708	270,885	209,128
FINANCIAL RECEIVABLES	38,960	51,273	37,171
SECURITIES	659,479	703,877	328,566
AVAILABLE-FOR-SALE FINANCIAL ASSETS	237,828	370,000	420,374
CASH AND CASH EQUIVALENTS	510,246	377,983	726,988
ASSETS HELD FOR DISPOSAL	6,689	6,692	6,756
TOTAL ASSETS	6,904,105	6,864,274	6,530,506
LIABILITIES AND SHAREHOLDERS' EQUITY	<i>30.09.2008</i>	<i>30.06.2008</i>	<i>31.12.2007</i>
SHAREHOLDERS' EQUITY	2,168,414	2,259,470	2,095,196
SHARE CAPITAL	359,605	359,605	359,605
RESERVES	98,083	154,163	164,337
RETAINED EARNINGS (LOSSES)	157,324	157,324	136,397
NET INCOME FOR THE PERIOD	64,219	66,008	32,352
EQUITY OF THE GROUP	679,231	737,100	692,691
MINORITY SHAREHOLDERS' EQUITY	1,489,183	1,522,370	1,402,505
NON-CURRENT LIABILITIES	2,726,798	2,559,836	2,970,547
BONDS AND NOTES	784,992	774,796	1,189,672
OTHER BORROWINGS	1,579,499	1,425,917	1,431,060
OTHER PAYABLES	1,245	343	320
DEFERRED TAXES	149,728	149,510	146,940
PERSONNEL PROVISIONS	173,020	166,149	160,637
PROVISIONS FOR RISKS AND LOSSES	38,314	43,121	41,918
CURRENT LIABILITIES	2,008,893	2,044,968	1,464,763
BANK OVERDRAFTS	252,465	213,540	96,102
BONDS AND NOTES	388,294	382,182	--
OTHER BORROWINGS	104,066	162,177	116,106
TRADE PAYABLES	900,888	942,270	942,582
OTHER PAYABLES	296,205	276,361	247,145
PROVISIONS FOR RISKS AND LOSSES	66,975	68,438	62,828
LIABILITIES HELD FOR DISPOSAL	--	--	--
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	6,904,105	6,864,274	6,530,506

COFIDE GROUP – CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	<i>1/1-30/9</i> <i>2008</i>	<i>1/1-30/9</i> <i>2007</i>	<i>III Quarter</i> <i>2008</i>	<i>III Quarter</i> <i>2007</i>
SALES REVENUES	3,539,739	3,041,867	1,175,931	972,240
CHANGE IN INVENTORIES	10,363	2,852	2,951	1,159
COSTS FOR PURCHASE OF GOODS	(2,121,063)	(1,668,827)	(747,373)	(531,408)
COSTS FOR SERVICES	(582,237)	(559,113)	(184,740)	(185,312)
PERSONNEL COSTS	(516,543)	(451,215)	(164,984)	(149,254)
OTHER OPERATING INCOME	66,576	43,578	24,254	2,134
OTHER OPERATING COSTS	(79,722)	(60,617)	(27,479)	(19,906)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS VALUED AT EQUITY	34,943	24,613	27,757	7,468
AMORTIZATION, DEPRECIATION & WRITE-DOWNS	(102,966)	(92,846)	(36,865)	(32,233)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)	249,090	280,292	69,452	64,888
FINANCIAL INCOME	54,506	54,464	19,202	18,829
FINANCIAL EXPENSE	(146,740)	(116,725)	(48,547)	(41,126)
DIVIDENDS	2,509	2,119	18	3
GAINS FROM TRADING SECURITIES	201,484	148,616	68,008	93,320
LOSSES FROM TRADING SECURITIES	(10,943)	(85,811)	(505)	(66,427)
ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS	(98,749)	(5,190)	(94,564)	2,481
INCOME/LOSS BEFORE TAXES	251,157	277,765	13,064	71,968
INCOME TAXES	(66,503)	(80,615)	(9,307)	(4,938)
INCOME AFTER TAXES FROM OPERATING ACTIVITY	184,654	197,150	3,757	67,030
INCOME/(LOSS) FROM BUSINESSES HELD FOR DISPOSAL	--	(444)	--	(147)
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	184,654	196,706	3,757	66,883
- NET INCOME MINORITY SHAREHOLDERS	(120,435)	(145,228)	(5,546)	(48,699)
- NET INCOME OF THE GROUP	64,219	51,478	(1,789)	18,184

COFIDE GROUP – NET FINANCIAL POSITION

(in thousands of euro)

	30.09.2008	30.06.2008	31.12.2007
A. Cash and bank deposits	510,246	377,983	726,988
B. Other cash equivalents (*)	219,100	339,011	372,622
C. Securities held for trading	659,479	703,877	328,566
D. Cash and cash equivalents (A) + (B) + (C)	1,388,825	1,420,871	1,428,176
E. Current financial receivables	38,960	51,273	37,171
F. Current bank borrowings	(307,463)	(322,154)	(163,386)
G. Bonds and notes issued	(388,294)	(382,182)	--
H. Current part of non-current debt	(49,012)	(53,507)	(48,822)
I. Other current borrowings	(56)	(56)	--
J. Current financial debt (F) + (G) + (H) + (I)	(744,825)	(757,899)	(212,208)
K. Net current financial position (J) + (E) + (D)	682,960	714,245	1,253,139
L. Non-current bank borrowings	(1,278,855)	(1,150,155)	(1,204,348)
M. Bonds and notes issued	(784,992)	(774,796)	(1,189,672)
N. Other non-current payables	(300,644)	(275,762)	(226,712)
O. Non-current financial debt (L) + (M) + (N)	(2,364,491)	(2,200,713)	(2,620,732)
P. Net financial position (K) + (O)	(1,681,531)	(1,486,468)	(1,367,593)

() Excluding the investment in Banca Intermobiliare d'Investimento e Gestioni S.p.A.*