



PRESS RELEASE

Board of Directors approves results as of June 30 2011

COFIDE GROUP: NET INCOME FOR THE FIRST HALF APPROXIMATELY 9 MILLION EURO

The parent company COFIDE SpA returns to profit (8.8 million) and halves its debt compared to the end of March

Results of first half 2011

- **Revenues: € 2,205.6 million (-1.8%); EBITDA: € 223 million (+16.7%)**
- **Net income: € 8.9 million (€ 18.6 million in 1H 2010)**
- **Net debt of COFIDE: € 15.5 million (€ 31 million at 31/03/2011)**
- **Consolidated net debt: € 2,195.8 million (€ 2,225.3 million at 31/03/2011)**
- **Total equity: € 2,572.4 million (€ 2,550.9 million at 31/12/2010)**

Milan, July 29 2011 - The **Board of Directors** of **COFIDE-Gruppo De Benedetti SpA** met today in Milan under the chairmanship of **Francesco Guasti** and examined the **Semi-annual Financial Report as of June 30 2011**.

Performance of operations

In the first half of 2011 **COFIDE** reported **consolidated net income** of **8.9 million** euro versus 18.6 million euro in the same period of 2010. The result was mainly determined by the contribution of the subsidiary CIR (9.4 million euro compared to 20.4 million euro in the first half of 2010). The period also saw **the return to profit** of the **parent company of the group COFIDE SpA**, which closed the first half with a **positive net result of 8.8 million** euro, up from a loss of 1.8 million euro in the first half of 2010.

COFIDE is the majority **shareholder** of **CIR-Compagnie Industriali Riunite SpA**, the company heading an industrial group active mainly in the energy, media, automotive components and healthcare sectors. The COFIDE group also includes **Euvis**, the company in which J.P Morgan has an interest, and which has been operating in Italy since 2005 in the sector of lifetime mortgages for the third age.

Consolidated results

The **revenues** of COFIDE in the first half of 2011 came in at **2,205.6 million** euro, compared to 2,246.6 million in the same period of 2010 (-1.8%). The **gross operating margin (EBITDA)** was **223 million** euro, **up by 16.7%** on the figure for the first half of 2010 (191.1 million euro). The **operating income figure (EBIT)** was **125.2 million** euro and was **up by 18.9%** from the figure of 105.3 million euro reported in first half 2010. The growth in consolidated margins was mainly due to the **rise in the profitability** of the CIR group.

The financial management result, a negative 49.5 million euro (a negative 42.3 million euro in the first half of 2010), was the result of net financial expense of 61.3 million euro, partly offset by dividends and net gains from trading and valuing securities of 11.8 million euro.

Net income came in at **8.9 million** euro, down from 18.6 million euro in the first half of 2010. The change from the previous year was due mainly to the lower contribution of the subsidiary CIR (9.4 million euro down from 20.4 million euro at June 30 2010). However the net result of the subsidiary Euvis was a negative 0.3 million euro (a negative 0.5 million euro in first half 2010). At June 30 2011 the lifetime mortgages managed by Euvis totalled 114 million euro, of which 24.9 million euro were made during the first half of the year.

The **net debt of the COFIDE holding** stood at **15.5 million** euro at June 30 2011 (31 million euro at March 31 2011). The reduction was due principally to the sale of the remaining interest in Banca Intermobiliare SpA. The **consolidated net debt of the COFIDE group** amounted to **2,195.8 million** euro at June 30 2011, down from 2,225.3 million euro at March 31 2011.

Total equity stood at **2,572.4 million** euro at June 30 2011, up from 2,550.9 million at December 31 2010. The **group's equity** increased from 747.4 million euro at December 31 2010 to **749.7 million** euro at June 30 2011.

Outlook for this year

In the second half of the year the COFIDE group will focus on developing its main businesses and reaching maximum efficiency, while continuing to implement the successful action taken over the last two years.

The executive responsible for the preparation of the company's financial statements, Giuseppe Gianoglio, hereby declares, in compliance with the terms of paragraph 2 Article 154-bis of the Finance Consolidation Act (TUF), that the accounting figures contained in this press release correspond to the results documented in the company's accounts and general ledger.

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Alternative performance indicators

Below the meaning and content are given of the "alternative performance indicators", not envisaged by IFRS accounting standards but used in this press release to provide a better evaluation of the economic and financial performance of the COFIDE group.

- **EBITDA (gross operating margin):** an indicator of operating performance calculated by adding "amortization, depreciation and write-downs" to the EBIT figure (earnings before interest and taxes);
- **Consolidated net debt:** an indicator of the financial structure of the group; it is determined as the balance of borrowings net of cash and cash equivalents and current financial assets (financial receivables, securities and available-for-sale financial assets).

Attached are the key figures from the consolidated and statutory statements of financial position and income statements.

COFIDE GROUP - CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
<i>(in thousands of euro)</i>		
ASSETS	30:06:2011	31:12:2010
NON-CURRENT ASSETS	4,720,792	4,830,585
INTANGIBLE ASSETS	1,438,381	1,426,917
TANGIBLE ASSETS	2,424,243	2,554,399
INVESTMENT PROPERTY	24,458	24,742
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	335,208	319,469
OTHER EQUITY INVESTMENTS	5,065	5,041
OTHER RECEIVABLES	181,658	179,259
<i>of which with related parties (*)</i>	302	277
SECURITIES	100,237	100,772
DEFERRED TAXES	211,542	219,986
CURRENT ASSETS	2,513,535	2,538,184
INVENTORIES	169,323	151,283
CONTRACTED WORK IN PROGRESS	11,695	10,421
TRADE RECEIVABLES	1,324,842	1,137,448
<i>of which with related parties (*)</i>	2,453	7,992
OTHER RECEIVABLES	187,340	181,140
<i>of which with related parties (*)</i>	1,066	1,374
FINANCIAL RECEIVABLES	63,266	54,996
SECURITIES	225,076	229,259
AVAILABLE-FOR-SALE FINANCIAL ASSETS	159,758	161,315
CASH AND CASH EQUIVALENTS	372,235	612,322
ASSETS HELD FOR DISPOSAL	199,476	722
TOTAL ASSETS	7,433,803	7,369,491
LIABILITIES AND EQUITY		
	30:06:2011	31:12:2010
EQUITY	2,572,425	2,550,939
SHARE CAPITAL	359,605	359,605
RESERVES	94,555	94,080
RETAINED EARNINGS (LOSSES)	286,576	270,902
NET INCOME FOR THE PERIOD	8,949	22,866
EQUITY OF THE GROUP	749,685	747,453
MINORITY SHAREHOLDERS' EQUITY	1,822,740	1,803,486
NON-CURRENT LIABILITIES	3,021,536	3,119,009
BONDS AND NOTES	560,326	547,455
OTHER BORROWINGS	2,070,623	2,171,116
<i>of which from related parties (*)</i>	933	--
OTHER PAYABLES	1,869	2,055
DEFERRED TAXES	189,027	193,228
PERSONNEL PROVISIONS	123,262	124,958
PROVISIONS FOR RISKS AND LOSSES	76,429	80,197
CURRENT LIABILITIES	1,695,220	1,699,543
BANK OVERDRAFTS	211,184	173,676
BONDS AND NOTES	52	157,978
OTHER BORROWINGS	173,914	185,385
<i>of which from related parties (*)</i>	2,171	2
TRADE PAYABLES	978,880	863,950
<i>of which to related parties (*)</i>	11,695	35,496
OTHER PAYABLES	255,196	236,203
<i>of which to related parties (*)</i>	5,783	4,561
PROVISIONS FOR RISKS AND LOSSES	75,994	82,351
LIABILITIES HELD FOR DISPOSAL	144,622	--
TOTAL LIABILITIES AND EQUITY	7,433,803	7,369,491
<i>(*) As per Consob Resolution no. 6064293 of July 28 2006</i>		

COFIDE GROUP - CONSOLIDATED INCOME STATEMENT			
<i>(in thousands of euro)</i>			
		<i>1st Half 2011</i>	<i>1st Half 2010</i>
TRADE RECEIVABLES		2,205,630	2,246,561
<i>of which from related parties (*)</i>	2,879	88,811	
CHANGE IN INVENTORIES		9,172	6,455
COSTS FOR THE PURCHASE OF GOODS		(1,209,765)	(1,323,675)
<i>of which from related parties (*)</i>	(62,783)	(129,648)	
COSTS FOR SERVICES		(414,562)	(387,613)
<i>of which from related parties (*)</i>	(4)	--	
PERSONNEL COSTS		(362,265)	(347,240)
OTHER OPERATING INCOME		70,822	44,583
<i>of which from related parties (*)</i>	523	365	
OTHER OPERATING COSTS		(83,919)	(79,854)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY		7,869	31,844
AMORTIZATION, DEPRECIATION & WRITEDOWNS		(97,755)	(85,794)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)		125,227	105,267
FINANCIAL INCOME		30,739	30,055
<i>of which from related parties (*)</i>	5,068	5,095	
FINANCIAL EXPENSE		(91,999)	(81,492)
<i>of which with related parties (*)</i>	(5,058)	(33)	
DIVIDENDS		137	88
<i>of which from related parties (*)</i>	11	--	
GAINS FROM TRADING SECURITIES		9,808	14,129
LOSSES FROM TRADING SECURITIES		(402)	(3,872)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS		2,227	(1,164)
INCOME BEFORE TAXES		75,737	63,011
INCOME TAXES		(30,117)	29,274
RESULT AFTER TAXES FROM OPERATING ACTIVITY		45,620	92,285
INCOME (LOSS) FROM ASSETS HELD FOR DISPOSAL		--	--
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS		45,620	92,285
- NET INCOME OF MINORITY SHAREHOLDERS		(36,671)	(73,699)
- NET INCOME OF THE GROUP		8,949	18,586
BASIC EARNINGS PER SHARE (in euro)		0.0124	0.0258
DILUTED EARNINGS PER SHARE (in euro)		0.0124	0.0258
<i>(*) As per Consob Resolution no. 6064293 of July 28 2006</i>			

COFIDE GROUP - CONSOLIDATED CASH FLOW STATEMENT		
<i>(in thousands of euro)</i>		
	<i>1st Half</i>	<i>1st Half</i>
	<i>2011</i>	<i>2010</i>
OPERATING ACTIVITY		
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS:	45,620	92,285
ADJUSTMENTS:		
AMORTIZATION, DEPRECIATION AND WRITEDOWNS	97,755	85,794
PRO-RATA SHARE OF RESULT OF COMPANIES CONSOLIDATED AT EQUITY	(7,869)	(31,844)
ACTUARIAL VALUATION OF STOCK OPTION PLANS	5,170	4,623
CHANGE IN PERSONNEL PROVISIONS, PROVISIONS FOR RISKS/LOSSES	(11,821)	(16,639)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(2,227)	6,164
INCREASE (REDUCTION) IN NON-CURRENT RECEIVABLES/PAYABLES	(3,288)	(42,015)
(INCREASE) REDUCTION IN NET WORKING CAPITAL	(74,152)	(128,285)
CASH FLOW FROM OPERATING ACTIVITY	49,188	(29,917)
of which:		
- interest inflows (outflows)	(41,162)	(37,818)
- outflows for income tax payments	(20,727)	(12,697)
INVESTMENT ACTIVITY		
(PURCHASE) SALE OF SECURITIES	(16,253)	(108,018)
PURCHASE OF FIXED ASSETS	(154,620)	(379,309)
CASH FLOW FROM INVESTMENT ACTIVITY	(170,873)	(487,327)
FUNDING ACTIVITY		
INFLOWS FROM CAPITAL INCREASES	28,030	3,173
OTHER CHANGES IN EQUITY	(2,076)	18,197
DRAWDOWN/(REPAYMENT) OF OTHER BORROWINGS	(143,441)	89,064
BUYBACK OF OWN SHARES	(210)	(91)
DIVIDENDS PAID OUT	(38,213)	(6,906)
CASH FLOW FROM FUNDING ACTIVITY	(155,910)	103,437
INCREASE (REDUCTION) IN NET CASH AND CASH EQUIVALENTS	(277,595)	(413,807)
NET CASH AND CASH EQUIVALENTS AT START OF PERIOD	438,646	519,331
NET CASH AND CASH EQUIVALENTS AT CLOSE OF PERIOD	161,051	105,524

COFIDE GROUP - STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

<i>(in thousands of euro)</i>	Attributable to the Shareholders of the Parent Company					Minority Shareholders	Total
	Share capital	Reserves	Retained earnings (losses)	Net income (losses) for the period	Total		
BALANCE AT DECEMBER 31 2009	359,605	73,587	208,678	62,293	704,163	1,658,852	2,363,015
Capital increases	--	--	--	--	--	39,116	39,116
Dividends to Shareholders	--	--	--	--	--	(6,951)	(6,951)
Retained earnings	--	69	62,224	(62,293)	--	--	--
Effects of equity changes in subsidiaries	--	6,061	--	--	6,061	(6,536)	(475)
<i>Comprehensive result for the period</i>							
Fair value measurement of hedging instruments	--	2,436	--	--	2,436	7,931	10,367
Fair value measurement of securities	--	8,227	--	--	8,227	5,215	13,442
Securities fair value reserve released to income statement	--	310	--	--	310	(62)	248
Effects of equity changes in subsidiaries	--	462	--	--	462	2,403	2,865
Currency translation differences	--	2,928	--	--	2,928	8,702	11,630
Result for the period	--	--	--	22,866	22,866	94,816	117,682
<i>Total comprehensive result for the period</i>	--	14,363	--	22,866	37,229	119,005	156,234
BALANCE AT DECEMBER 31 2010	359,605	94,080	270,902	22,866	747,453	1,803,486	2,550,939
Capital increases	--	--	--	--	--	28,030	28,030
Dividends to Shareholders	--	--	(7,192)	--	(7,192)	(31,021)	(38,213)
Retained earnings	--	--	22,866	(22,866)	--	--	--
Effects of equity changes in subsidiaries	--	5,731	--	--	5,731	(12,766)	(7,035)
<i>Comprehensive result for the period</i>							
Fair value measurement of hedging instruments	--	1,384	--	--	1,384	3,117	4,501
Fair value measurement of securities	--	(2,703)	--	--	(2,703)	(1,899)	(4,602)
Securities fair value reserve released to income statement	--	(92)	--	--	(92)	(98)	(190)
Effects of equity changes in subsidiaries	--	657	--	--	657	5,520	6,177
Currency translation differences	--	(4,502)	--	--	(4,502)	(8,300)	(12,802)
Result for the period	--	--	--	8,949	8,949	36,671	45,620
<i>Total comprehensive result for the period</i>	--	(5,256)	--	8,949	3,693	35,011	38,704
BALANCE AT JUNE 30 2011	359,605	94,555	286,576	8,949	749,685	1,822,740	2,572,425