



PRESS RELEASE

Board of Directors examines the Interim Financial Report as of March 31 2011

COFIDE GROUP: NET INCOME FOR THE QUARTER RISES TO 5.9 MILLION

Higher result is due to the greater contribution of the subsidiary CIR

Results of Q1 2011

- **Revenues: € 1,115.5 million (+1%); EBITDA: € 123.4 million (+87%)**
- **Net income: € 5.9 million (€ 0.9 million in Q1 2010)**
- **Net debt of COFIDE: € 31 million (€ 31.9 million at 31/12/2010)**
- **Consolidated net debt: € 2,225.3 million (€ 2,194.6 million at 31/12/2010)**
- **Total equity: € 2,576.5 million (€ 2,550.9 million at 31/12/2010)**

Milan, April 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 **Interim Financial Report of the group as of March 31 2011**.

Performance of operations

In the first quarter of 2011 **COFIDE** reported **consolidated net income** of **5.9 million** euro, which was **significantly higher** than the figure of 0.9 million euro for the same period of 2010. The rise was due essentially to the **greater contribution of the subsidiary CIR** (7 million euro versus 1.6 million euro in the first three months of 2010).

COFIDE is the majority **shareholder** of **CIR-Compagnie Industriali Riunite SpA**, the company heading an industrial group active 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 quarter of 2011 came in at **1,115.5 million** euro, up from 1,104.9 million in the same period of 2010 (+1%). The **gross operating margin (EBITDA)** was **123.4 million** euro, **up by 87%** on the figure for 2010 (66 million euro). The **operating income figure (EBIT)** was **75.2 million** euro and was **up sharply** from the figure of 26.2 million euro reported in 2010. The growth in consolidated margins was due mainly to the **significant rise in the profitability** of the CIR group.

The financial management result, a negative 22.1 million euro (a negative 13.8 million euro in the first quarter of 2010), was the result of net financial expense of 31.8 million euro, partly offset by dividends and net gains from trading and valuing securities of 5.2 million euro and positive adjustments to the value of financial assets of 4.5 million euro.

Net income came in at **5.9 million** euro, up from 0.9 million euro in the first quarter of 2010. The rise in the result was due to the higher contribution of the subsidiary CIR, which rose from 1.6 million euro to 7 million euro. The net result of the subsidiary Euvis was a negative 0.2 million euro, which was in line with the same period of 2010. At March 31 2011 the lifetime mortgages managed by Euvis totalled 101.3 million euro, of which 11.8 million euro were made during the first quarter.

The **net debt of the COFIDE holding** stood at **31 million** euro at March 31 2011 (31.9 million euro at December 31 2010). The consolidated net debt of the COFIDE group amounted to **2,225.3 million** euro at March 31 2011, up from 2,194.6 million euro at December 31 2010.

Total equity stood at **2,576.5 million** euro at March 31 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 **755.4 million** euro at March 31 2011.

Outlook for this year

In coming quarters 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 despite the uncertainty of the general economic environment.

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 financial 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 statement of financial position and income statement.
It should be noted that these accounts have not been externally audited.*

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euro)

ASSETS	31:03:2011	31:12:2010	31:03:2010
NON-CURRENT ASSETS	4,858,736	4,830,585	4,482,037
INTANGIBLE ASSETS	1,428,127	1,426,917	1,383,746
TANGIBLE ASSETS	2,563,633	2,554,399	2,281,242
INVESTMENT PROPERTY	24,561	24,742	18,822
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	322,132	319,469	291,760
OTHER EQUITY INVESTMENTS	5,134	5,041	6,289
OTHER RECEIVABLES	202,887	179,259	195,545
SECURITIES	97,006	100,772	94,269
DEFERRED TAXES	215,256	219,986	210,364
CURRENT ASSETS	3,732,316	2,882,252	2,462,179
INVENTORIES	158,512	151,283	154,719
CONTRACTED WORK IN PROGRESS	10,560	10,421	10,468
TRADE RECEIVABLES	1,245,428	1,137,448	1,088,691
OTHER RECEIVABLES	166,495	181,140	217,685
FINANCIAL RECEIVABLES	1,382,541	399,064	48,250
SECURITIES	224,852	229,259	369,539
AVAILABLE-FOR-SALE FINANCIAL ASSETS	178,251	161,315	160,551
CASH AND CASH EQUIVALENTS	365,677	612,322	412,276
ASSETS HELD FOR DISPOSAL	704	722	699
TOTAL ASSETS	8,591,756	7,713,559	6,944,915
LIABILITIES AND EQUITY	31:03:2011	31:12:2010	31:03:2010
EQUITY	2,576,544	2,550,939	2,390,726
SHARE CAPITAL	359,605	359,605	359,605
RESERVES	96,182	94,080	80,351
RETAINED EARNINGS (LOSSES)	293,768	270,902	270,971
NET INCOME FOR THE PERIOD	5,853	22,866	865
EQUITY OF THE GROUP	755,408	747,453	711,792
MINORITY SHAREHOLDERS' EQUITY	1,821,136	1,803,486	1,678,934
NON-CURRENT LIABILITIES	3,125,799	3,119,009	2,959,645
BONDS AND NOTES	553,342	547,455	566,115
OTHER BORROWINGS	2,162,374	2,171,116	1,995,711
OTHER PAYABLES	2,883	2,055	508
DEFERRED TAXES	204,245	193,228	187,855
PERSONNEL PROVISIONS	124,546	124,958	134,393
PROVISIONS FOR RISKS AND LOSSE	78,409	80,197	75,063
CURRENT LIABILITIES	2,889,413	2,043,611	1,594,544
BANK OVERDRAFTS	192,545	173,676	140,271
BONDS AND NOTES	791	157,978	151,099
OTHER BORROWINGS	1,452,484	529,453	202,095
TRADE PAYABLES	926,029	863,950	759,527
OTHER PAYABLES	241,412	236,203	249,984
PROVISIONS FOR RISKS AND LOSSES	76,152	82,351	91,568
TOTAL LIABILITIES AND EQUITY	8,591,756	7,713,559	6,944,915

2. CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	01/01-31/03 2011	01/01-31/03 2010
SALES REVENUES	1,115,545	1,104,938
CHANGE IN INVENTORIES	5,419	4,115
COSTS FOR PURCHASE OF GOODS	(626,859)	(674,455)
COSTS FOR SERVICES	(198,972)	(185,719)
PERSONNEL COSTS	(176,725)	(167,897)
OTHER OPERATING INCOME	32,883	20,628
OTHER OPERATING EXPENSE	(23,551)	(52,193)
ADJUSTMENTS TO VALUE OF INVESTMENTS VALUED AT EQUITY	(4,365)	16,609
AMORTIZATION, DEPRECIATION & WRITEDOWNS	(48,131)	(39,841)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)	75,244	26,185
FINANCIAL INCOME	16,320	12,845
FINANCIAL EXPENSE	(48,174)	(36,740)
DIVIDENDS	46	--
GAINS FROM TRADING SECURITIES	5,296	6,616
LOSSES FROM TRADING SECURITIES	(117)	(3,199)
ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS	4,539	6,692
INCOME BEFORE TAXES	53,154	12,399
INCOME TAXES	(27,265)	(5,068)
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	25,889	7,331
- NET INCOME MINORITY SHAREHOLDERS	(20,036)	(6,466)
- NET INCOME OF THE GROUP	5,853	865

3. NET FINANCIAL POSITION

(in thousands of euro)

	31:03:2011	31:12:2010	31:03:2010
A. Cash and bank deposits	365,677	612,322	412,276
B. Other cash equivalents	163,184	144,480	144,082
C. Securitites held for trading	224,852	229,259	369,539
D. Cash and cash equivalents (A) + (B) + (C)	753,713	986,061	925,897
E. Current financial receivables	1,382,541	399,064	48,250
F. Current bank borrowings	(264,617)	(244,584)	(215,220)
G. Bonds and notes issued	(791)	(157,978)	(151,099)
H. Current part of non-current debt	(1,380,410)	(458,543)	(126,780)
I. Other current borrowings	(2)	(2)	(366)
J. Current financial debt (F) + (G) + (H) + (I)	(1,645,820)	(861,107)	(493,465)
K. Current net financial position (J) + (E) + (D)	490,434	524,018	480,682
L. Non-current bank borrowings	(2,023,592)	(1,994,968)	(1,798,131)
M. Bonds and notes issued	(553,342)	(547,455)	(566,115)
N. Other non-current payables	(138,782)	(176,148)	(197,580)
O. Non-current financial debt (L) + (M) + (N)	(2,715,716)	(2,718,571)	(2,561,826)
P. Net financial position (K) + (O)	(2,225,282)	(2,194,553)	(2,081,144)