

PRESS RELEASE

Board of Directors approves results as of September 30 2011

COFIDE GROUP: NET INCOME FOR NINE MONTHS AT 6.1 MILLION EURO

New private equity investment launched in the third quarter

Results of first 9M 2011

- **Revenues: € 3,300.9 million (+1.1%); EBITDA: € 335.6 million (+17.5%)**
- **Net income: € 6.1 million (€ 23.4 million in 9M 2010)**
- **Net financial debt of COFIDE: € 26.3 million (€ 15 million at 30/06/2011)**
- **Consolidated net financial debt: € 2,330.7 million (€ 2,195.8 million at 30/06/2011)**
- **Total equity: € 2,546.3 million (€ 2,550.9 million at 31/12/2010)**

Milan, October 27 2011 - The **Board of Directors of COFIDE-Gruppo De Benedetti SpA**, which met today in Milan under the chairmanship of **Francesco Guasti**, examined the **Interim Financial Report as of September 30 2011**.

Performance of operations

In the first nine months of 2011 **COFIDE** reported **consolidated net income** of **6.1 million** euro compared to 23.4 million euro in the same period of 2010. The result consisted mainly of the contribution of the subsidiary CIR (7.3 million euro versus 26 million euro in the first nine 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 that has been operating in Italy since 2005 in the sector of lifetime mortgages for the third age.

During the third quarter, COFIDE also made a **new investment** of approximately **9 million** euro in **Jargonnant**, a private equity fund based in Munich which specializes in investments in the real estate sector (residential and commercial) in Germany and central Europe.

Consolidated results

The **revenues** of COFIDE in the first nine months of 2011 amounted to **3,300.9 million** euro, up from 3,263.8 million in the same period of 2010 (+1.1%). **EBITDA** was **335.6 million** euro and was **up by 17.5%** on the figure for the first nine months of 2010 (285.6 million euro). **EBIT** was **184.7 million** euro, **up by 18.2%** from 156.3 million euro in the first nine months of 2010. The growth of consolidated margins was due mainly to the **higher profitability** of the CIR group.

The financial management result, a negative 91.5 million euro (a negative 42 million euro in the first nine months of 2010), was the result of net financial expense of 94.3 million euro and negative value adjustments of 12.8 million euro, partly offset by dividends and net gains from trading and valuing securities of 15.6 million euro.

Net income came in at **6.1 million** euro, down from 23.4 million euro in the first nine months of 2010.

The change from last year was due mainly to the lower contribution of the subsidiary CIR (7.3 million euro compared to 26 million euro at September 30 2010). The net result of the subsidiary Euvis was a loss of 0.3 million euro (an improvement from the loss of 0.8 million euro reported for the first nine months of 2010).

At September 30 2011 the lifetime mortgages managed by Euvis totalled 126.5 million euro, of which 37 million euro were originated in the first nine months of the year.

The **net financial debt of COFIDE SpA** stood at **26.3 million** euro at September 30 2011 (15.5 million euro at June 30 2011). The change in the quarter was due mainly to the investment made in the Jargonnant fund. The **consolidated net debt of the COFIDE group** at September 30 amounted to **2,330.7 million** euro, up from 2,195.8 million euro at June 30 2011.

Total equity stood at **2,546.3 million** euro at September 30 2011, compared to 2,550.9 million at December 31 2010. The **equity of the group** declined from 747.4 million euro at December 31 2010 to **741.9 million** euro at September 30 2011.

Outlook for the rest of the year

In the last part of the year COFIDE will continue to pursue its core business development strategy. In particular, the group will be putting in place the investments planned in the various sectors and pursuing efficiency initiatives in all of the businesses.

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.

Contacts:

CIR Group Communication Department

Salvatore Ricco

Francesca Sagramoso

Tel.: +39 02 722701

e-mail: infostampa@cirgroup.it

www.cofide.it

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.

1. STATEMENT OF FINANCIAL POSITION			
<i>(in thousands of euro)</i>			
ASSETS	30.09.2011	30.06.2011	31:12:2010
NON-CURRENT ASSETS	4,892,821	4,720,792	4,830,585
INTANGIBLE ASSETS	1,531,669	1,438,381	1,426,917
TANGIBLE ASSETS	2,362,648	2,424,243	2,554,399
INVESTMENT PROPERTY	24,620	24,458	24,742
INVESTMENTS IN COMPANIES VALUED AT EQUITY	374,802	335,208	319,469
OTHER EQUITY INVESTMENTS	34,283	5,065	5,041
OTHER RECEIVABLES	217,300	181,658	179,259
SECURITIES	120,402	100,237	100,772
DEFERRED TAXES	227,097	211,542	219,986
CURRENT ASSETS	2,887,599	2,513,535	2,538,184
INVENTORIES	209,335	169,323	151,283
CONTRACTED WORK IN PROGRESS	35,925	11,695	10,421
TRADE RECEIVABLES	1,130,368	1,324,842	1,137,448
OTHER RECEIVABLES	193,514	187,340	181,140
FINANCIAL RECEIVABLES	100,491	63,266	54,996
SECURITIES	630,904	225,076	229,259
AVAILABLE-FOR-SALE FINANCIAL ASSETS	142,371	159,758	161,315
CASH AND CASH EQUIVALENTS	444,691	372,235	612,322
ASSETS HELD FOR DISPOSAL	718	199,476	722
TOTAL ASSETS	7,781,138	7,433,803	7,369,491
LIABILITIES AND EQUITY	30.09.2011	30.06.2011	31:12:2010
SHAREHOLDERS' EQUITY	2,546,319	2,572,425	2,550,939
SHARE CAPITAL	359,605	359,605	359,605
RESERVES	89,541	94,555	94,080
RETAINED EARNINGS (LOSSES)	286,576	286,576	270,902
NET INCOME FOR THE PERIOD	6,165	8,949	22,866
EQUITY OF THE GROUP	741,887	749,685	747,453
MINORITY SHAREHOLDERS' EQUITY	1,804,432	1,822,740	1,803,486
NON-CURRENT LIABILITIES	3,076,381	3,021,536	3,119,009
BONDS AND NOTES	557,245	560,326	547,455
OTHER BORROWINGS	2,139,882	2,070,623	2,171,116
OTHER PAYABLES	1,781	1,869	2,055
DEFERRED TAXES	175,416	189,027	193,228
PERSONNEL PROVISIONS	124,244	123,262	124,958
PROVISIONS FOR RISKS AND LOSSES	77,813	76,429	80,197
CURRENT LIABILITIES	2,158,438	1,695,220	1,699,543
BANK OVERDRAFTS	183,472	211,184	173,676
BONDS AND NOTES	--	52	157,978
OTHER BORROWINGS	768,565	173,914	185,385
TRADE PAYABLES	850,735	978,880	863,950
OTHER PAYABLES	275,769	255,196	236,203
PROVISIONS FOR RISKS AND LOSSES	79,897	75,994	82,351
LIABILITIES HELD FOR DISPOSAL	--	144,622	--
TOTAL LIABILITIES AND EQUITY	7,781,138	7,433,803	7,369,491

2. INCOME STATEMENT				
<i>(in thousands of euro)</i>				
	1/1-30/9 2011	1/1-30/9 2010	3rd Quarter 2011	3rd Quarter 2010
TRADE REVENUES	3,300,890	3,263,790	1,095,260	1,017,229
CHANGE IN INVENTORIES	9,784	5,737	612	(718)
COSTS FOR THE PURCHASE OF GOODS	(1,843,231)	(1,892,765)	(633,466)	(569,090)
COSTS FOR SERVICES	(611,282)	(565,962)	(196,720)	(178,349)
PERSONNEL COSTS	(531,738)	(503,497)	(169,473)	(156,257)
OTHER OPERATING INCOME	124,448	59,541	53,626	14,958
OTHER OPERATING COSTS	(128,712)	(121,604)	(44,793)	(41,750)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS VALUED AT EQUITY	15,466	40,331	7,597	8,487
AMORTIZATION/DEPRECIATION & WRITEDOWN	(150,882)	(129,239)	(53,127)	(43,445)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)	184,743	156,332	59,516	51,065
FINANCIAL INCOME	44,792	41,981	14,053	11,926
FINANCIAL EXPENSE	(139,068)	(118,763)	(47,069)	(37,271)
DIVIDENDS	215	115	78	27
GAINS FROM TRADING SECURITIES	18,346	23,130	8,538	9,001
LOSSES FROM TRADING SECURITIES	(2,986)	(4,973)	(2,584)	(1,101)
ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS	(12,799)	4,421	(15,026)	5,585
INCOME/LOSS BEFORE TAXES	93,243	102,243	17,506	39,232
INCOME TAXES	(37,394)	10,694	(7,277)	(18,580)
RESULT AFTER TAXES FROM OPERATING ACTIVITY	55,849	112,937	10,229	20,652
INCOME/(LOSS) FROM ASSETS HELD FOR DISPOSAL	--	--	--	--
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	55,849	112,937	10,229	20,652
- NET INCOME OF MINORITY SHAREHOLDERS	(49,684)	(89,488)	(13,013)	(15,789)
- NET INCOME OF THE GROUP	6,165	23,449	(2,784)	4,863

3. NET FINANCIAL POSITION			
<i>(in thousands of euro)</i>			
	30.09.2011	30.06.2011	31:12:2010
A. Cash and bank deposits	444,691	372,235	612,322
B. Other cash equivalents (*)	142,371	159,758	144,480
C. Securities held for trading	630,904	225,076	229,259
D. Cash and cash equivalents (A) + (B) + (C)	1,217,966	757,069	986,061
E. Current financial receivables	100,491	63,266	54,996
F. Current bank borrowings	(246,480)	(273,712)	(244,584)
G. Bonds and notes issued	--	(52)	(157,978)
H. Current part of non-current debt	(705,557)	(113,262)	(114,475)
I. Other current borrowings	--	(2,171)	(2)
J. Current financial debt (F) + (G) + (H) + (I)	(952,037)	(389,197)	(517,039)
K. Current net financial position (J) + (E) + (D)	366,420	431,138	524,018
L. Non-current bank borrowings	(1,943,941)	(2,047,828)	(1,994,968)
M. Bonds and notes issued	(557,245)	(560,326)	(547,455)
N. Other non-current payables	(195,941)	(140,596)	(176,148)
O. Non-current financial debt (L) + (M) + (N)	(2,697,127)	(2,748,750)	(2,718,571)
P. Net financial position (K) + (O)	(2,330,707)	(2,317,612)	(2,194,553)

(*) At December 31 2010 excluding the investment in Banca Intermobiliare d'Investimento e Gestioni S.p.A.