



PRESS RELEASE

Board of Directors approves Financial Report as of September 30 2010

COFIDE GROUP: NET INCOME FOR FIRST NINE MONTHS OF 23.4 MILLION EURO

The decline compared to the 2009 result is due to the lower contribution of the subsidiary CIR, whose earnings last year contained non-recurring gains of 117 million euro. Revenues and margins are up thanks to the improvement in the operating results of the CIR group

Results of the first nine months of 2010

- **Revenues: € 3,513.7 million (+11.5%); EBITDA: € 285.6 million (+41.8%)**
- **Net income: € 23.4 million (€ 61.1 million in 9M 2009)**
- **Net debt of COFIDE: € 31 million (€ 35.5 million at 30/06/2010)**
- **Consolidated net debt: € 2,249.4 million (€ 2,226.5 million at 30/06/2010)**
- **Total equity: € 2,488.6 million (€ 2,363 million at 31/12/2009)**

Milan, October 28 2010 - The **Board of Directors** of **COFIDE-Compagnia Finanziaria De Benedetti SpA**, which met today under the chairmanship of **Francesco Guasti**, examined and approved the **Interim Financial Report** of the group as of **September 30 2010**.

Performance of operations

In the first nine months of 2010 **COFIDE** reported **consolidated net income** of **23.4 million** euro, compared to 61.1 million euro in the same period of last year. The result was mainly determined by the contribution of the subsidiary CIR (26 million euro versus 67 million euro in the first nine months of 2009).

COFIDE is the controlling **shareholder** of **CIR-Compagnie Industriali Riunite SpA**, the company at the head of an industrial group active in energy, media, automotive components, healthcare and financial investments. In the COFIDE group is also **Euvis**, the company in which J.P Morgan has an interest, which has been operating in Italy since 2005 in the sector of lifetime or reverse mortgages for the elderly. At September 30 2010 Euvis had 82.7 million euro of lifetime mortgages under management, of which 26.7 million euro were originated in the first nine months of this year.

Consolidated results

The **consolidated revenues** of COFIDE in the first nine months of 2010 came in at **3,513.7 million** euro, up from 3,152 million in the same period of 2009 (**+11.5%**). The **consolidated gross operating margin (EBITDA)** for the first nine months was **285.6 million** euro, up **41.8%** on the figure for the first nine months of 2009 (201.4 million euro). The **consolidated operating result (EBIT)** was **156.3 million** euro, **up 55.7%** from 100.4 million euro in the same period of 2009. The rise in the consolidated margins was due principally to the **significant rise in the profitability** of the CIR group.

The financial management result, a negative 54.1 million euro, was determined by net financial expense of 76.8 million euro, partly offset by net gains from trading and valuing securities of 18.3 million euro and positive adjustments to the value of financial assets of 4.4 million euro. The change compared to the positive result of 78.5 million euro for the first nine months of 2009 was due mainly to the non-recurring gains that were present last year, for a total of approximately 117 million euro.

Consolidated net income for the first nine months of 2010 came to **23.4 million** euro, down from 61.1 million euro in the same period of 2009. The change from last year was due mainly to the lower contribution of the subsidiary CIR (26 million euro versus 67 million euro in the first nine months of 2009), whose net income figure benefited in 2009 from non-recurring income. Net of this income, CIR's earnings in the first nine months of 2010 would be higher than in 2009.

The **net financial debt of the COFIDE holding** stood at **31 million** euro at September 30 2010 (35.5 million euro at June 30 2010). The **consolidated net financial debt of the COFIDE group** totalled **2,249.4 million** euro at September 30 2010, compared to 2,226.5 million euro at June 30 2010.

Total consolidated equity amounted to **2,488.6 million** euro at September 30 2010, up from 2,363 million at December 31 2009. The **total consolidated equity of the group** rose from 704.2 million euro at December 31 2009 to **734.9 million** euro at September 30 2010.

Outlook for the year

In the last part of the year the COFIDE group will continue with its management efficiency actions and with the investment programs planned for the development of all sectors of the business. The group confirms that for the subsidiary CIR there is not expected to be any non-recurring income as there was last year. The consolidated net income of the COFIDE group for 2010 should, therefore, be lower in absolute terms than that of 2009.

Amendment of the Company Bylaws

As documented by a Notary Deed, the Board of Directors has voted to amend Articles 1, 7, 8, 9, 11, 22 and 23 of the Company Bylaws in order to bring them into line with the mandatory requirements set out in D.Lgs. 27/2010. The most significant changes are on the subject of the following: filing the lists of candidates for the position of Director and Statutory Auditor; calling the Shareholders' Meeting; intervention and voting rights at the Shareholders' Meeting.

Approval of the procedure for related party transactions

In compliance with the rules contained in Consob Resolution no. 17221, the Board of Directors has adopted the "Procedure for related party transactions" and has set up a "Committee for related party transactions" (whose members are the same as those of the Internal Control Committee).

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

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).

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Attached are key figures from the consolidated and statutory balance sheets and income statements.

COFIDE GROUP – STATEMENT OF FINANCIAL POSITION

(in thousands of euro)

ASSETS	30.09.2010	30.06.2010	31.12.2009
NON-CURRENT ASSETS	4,724,720	4,704,651	4,327,036
INTANGIBLE ASSETS	1,388,286	1,386,634	1,352,322
TANGIBLE ASSETS	2,446,111	2,427,870	2,187,892
INVESTMENT PROPERTY	22,433	22,550	18,965
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	314,687	309,788	275,899
OTHER EQUITY INVESTMENTS	6,230	5,221	9,629
OTHER RECEIVABLES	208,085	199,115	208,075
SECURITIES	92,419	101,846	83,051
DEFERRED TAXES	246,469	251,627	191,203
CURRENT ASSETS	2,455,647	2,653,197	2,476,754
INVENTORIES	164,988	155,229	156,150
CONTRACTED WORK IN PROGRESS	5,039	11,344	3,464
TRADE RECEIVABLES	1,100,483	1,090,004	1,042,030
OTHER RECEIVABLES	184,671	191,184	204,465
FINANCIAL RECEIVABLES	47,301	280,787	27,229
SECURITIES	292,181	384,986	338,264
AVAILABLE-FOR-SALE FINANCIAL ASSETS	156,737	176,396	119,527
CASH AND CASH EQUIVALENTS	504,247	363,267	585,625
ASSETS HELD FOR DISPOSAL	723	761	700
TOTAL ASSETS	7,181,090	7,358,609	6,804,490
LIABILITIES AND EQUITY	30.09.2010	30.06.2010	31.12.2009
TOTAL EQUITY	2,488,589	2,476,825	2,363,015
SHARE CAPITAL	359,605	359,605	359,605
RESERVES	80,889	87,582	73,587
RETAINED EARNINGS (LOSSES)	270,902	270,902	208,678
NET INCOME FOR THE PERIOD	23,449	18,586	62,293
EQUITY OF THE GROUP	734,845	736,675	704,163
MINORITY SHAREHOLDERS' EQUITY	1,753,744	1,740,150	1,658,852
NON-CURRENT LIABILITIES	3,063,659	2,970,820	3,018,964
BONDS AND NOTES	570,044	563,210	718,262
OTHER BORROWINGS	2,100,656	2,008,592	1,903,227
OTHER PAYABLES	1,907	1,389	1,211
DEFERRED TAXES	186,782	190,821	181,489
PERSONNEL PROVISIONS	126,715	130,057	137,856
PROVISIONS FOR RISKS AND LOSSES	77,555	76,751	76,919
CURRENT LIABILITIES	1,628,842	1,910,964	1,422,511
BANK OVERDRAFTS	213,486	257,743	66,294
BONDS AND NOTES	155,678	153,373	731
OTHER BORROWINGS	193,044	432,166	192,499
TRADE PAYABLES	731,294	734,657	837,060
OTHER PAYABLES	250,603	246,019	230,249
PROVISIONS FOR RISKS AND LOSSES	84,737	87,006	95,678
TOTAL LIABILITIES AND EQUITY	7,181,090	7,358,609	6,804,490

COFIDE GROUP – INCOME STATEMENT

(in thousands of euro)

	1/1-30/9 2010	1/1-30/9 2009	3rd Quarter 2010	3rd Quarter 2009
SALES REVENUES	3,513,720	3,151,992	1,170,644	949,160
CHANGE IN INVENTORIES	5,737	(6,145)	(718)	1,667
COSTS FOR THE PURCHASE OF GOODS	(2,146,386)	(1,896,781)	(726,206)	(556,903)
COSTS FOR SERVICES	(565,962)	(541,852)	(178,349)	(171,759)
PERSONNEL COSTS	(503,497)	(492,504)	(156,257)	(155,827)
OTHER OPERATING INCOME	59,541	49,725	14,968	9,406
OTHER OPERATING COSTS	(117,913)	(99,117)	(38,059)	(26,415)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	40,331	36,129	8,487	6,438
AMORTIZATION, DEPRECIATION & WRITEDOWNS	(129,239)	(101,043)	(43,445)	(34,153)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)	156,332	100,404	51,065	21,614
FINANCIAL INCOME	41,981	45,381	11,926	13,049
FINANCIAL EXPENSE	(118,763)	(128,381)	(37,271)	(38,665)
DIVIDENDS	115	519	27	54
GAINS FROM TRADING SECURITIES	23,130	160,560	9,001	18,335
LOSSES FROM TRADING SECURITIES	(4,973)	(35,461)	(1,101)	(16,016)
ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS	4,421	35,843	5,585	24,260
INCOME/LOSS BEFORE TAXES	102,243	178,865	39,232	22,631
INCOME TAXES	10,694	(30,149)	(18,580)	(6,760)
RESULT BEFORE TAXES FROM OPERATING ACTIVITY	112,937	148,716	20,652	15,871
NET INCOME/(LOSS) FROM ASSETS HELD FOR DISPOSAL	--	--	--	--
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	112,937	148,716	20,652	15,871
- NET INCOME MINORITY SHAREHOLDERS	(89,488)	(87,664)	(15,789)	(9,638)
- NET INCOME OF THE GROUP	23,449	61,052	4,863	6,233

COFIDE GROUP – NET FINANCIAL POSITION

(in thousands of euro)

	30.09.2010	30.06.2010	31.12.2009
A. Cash and bank deposits	504,247	363,267	585,625
B. Other cash equivalents	139,826	159,509	105,169
C. Securities held for trading	292,181	384,986	338,264
D. Cash and cash equivalents (A) + (B) + (C)	936,254	907,762	1,029,058
E. Current financial receivables	47,301	280,787	27,229
F. Current bank borrowings	(287,599)	(332,271)	(157,510)
G. Bonds and notes issued	(155,678)	(153,373)	(731)
H. Current part of non-current debt	(118,881)	(357,223)	(101,281)
I. Other current borrowings	(50)	(415)	(2)
J. Current financial debt (F) + (G) + (H) + (I)	(562,208)	(843,282)	(259,524)
K. Current net financial position (J) + (E) + (D)	421,347	345,267	796,763
L. Non-current bank borrowings	(1,924,475)	(1,802,489)	(1,676,126)
M. Bonds and notes issued	(570,044)	(563,210)	(718,262)
N. Other non-current payables	(176,181)	(206,103)	(227,101)
O. Non-current financial debt (L) + (M) + (N)	(2,670,700)	(2,571,802)	(2,621,489)
P. Net financial position (K) + (O)	(2,249,353)	(2,226,535)	(1,824,726)