



## **PRESS RELEASE**

*Board of Directors approves Interim Financial Report as of September 30 2009*

# **COFIDE GROUP: NET INCOME FOR NINE MONTHS OF 61.1 MILLION EURO**

## **Consolidated results at September 30 2009**

**Net income: € 61.1 million (€ 64.2 million in 9M 2008)**  
**Aggregate net financial debt: € 30.1 million (€ 29.2 million at June 30 2009)**  
**Consolidated net debt: € 1,753.1 million (€ 1,701.4 million at June 30 2009)**  
**Total equity: € 2,298.3 million (€ 2,099.6 million at December 31 2008)**  
**Equity of the group: € 691.8 million (€ 644.1 million at December 31 2008)**

Milan, October 26 2009 - 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 2009**.

## **Performance of operations**

In the first nine months of 2009 **COFIDE** reported **consolidated net income** of **61.1 million** euro, down slightly (**-4.8%**) compared to the figure of 64.2 million euro in the same period of 2008. Last year's result had benefited from a positive contribution of 12.1 million euro from financial activity. In the first nine months of 2009 the subsidiary **CIR-Compagnie Industriali Riunite SpA** contributed 67 million euro to the net result of COFIDE, up from 56.7 million euro in 2008.

COFIDE is the controlling **shareholder** of **CIR**, the company at the head of an industrial group active in the sectors of energy, media, automotive components, healthcare and financial services. Belonging to the COFIDE group is also **Euvis**, the company in which J.P Morgan has a holding and which has been operating in Italy since 2005 in the business of lifetime mortgages for the elderly. At September 30 2009 the lifetime mortgages managed by this company amounted to **51.5 million** euro.

## **Consolidated results**

The **consolidated revenues** of COFIDE in the first nine months of 2009 were **3,152 million** euro, versus 3,532.9 million in the same period of 2008 (**-10.8%**). The **consolidated gross operating margin (EBITDA)** in the first nine months came in at **201.4 million** euro, **down** by **42.8%** from the figure for the same period of 2008 (352.1 million euro). The **consolidated operating margin (EBIT)** was **100.4 million** euro, down from 249.1 million euro in the first nine months of 2008. The change in operating results was due mainly to the lower profitability of the CIR group.

**Consolidated net income** for the period came in at **61.1 million** euro, down from 64.2 million euro in the same period of 2008 (**-4.8%**).

**Consolidated net invested capital** stood at **4,051.4 million** euro at September 30 2009, up from 3,832.1 million at the end of 2008.

The **aggregate net financial debt** at September 30 2009 of the companies COFIDE and COFIDE International amounted to **30.1 million** euro (29.2 million euro at June 30 and 29 million euro at December 31 2008). The **consolidated net financial debt of the COFIDE group** at September 30 2009 stood at **1,753.1 million** euro, up from 1,701.4 million euro at June 30 2009 and 1,732.5 million euro at December 31 2008.

The consolidated net financial position includes the investment in Medinvest, which at September 30 2009 amounted to an overall 81.3 million euro. The performance of Medinvest since inception (April 1994) until December 31 2008 gave a weighted annual return on the portfolio of 7.7%. In the first nine months of 2009 performance was positive (+8.9%).

**Total consolidated equity** at September 30 stood at **2,298.3 million** euro, up from 2,099.6 million at December 31 2008. The **consolidated equity of the group** went up from 644.1 million euro at December 31 2008 to **691.8 million** euro at September 30 2009.

### **Outlook for the year**

In the fourth quarter of 2009 too, the companies of the group headed by the subsidiary CIR will continue to pursue the efficiency actions put in place at the first signs of the current economic recession. These actions will involve all sectors, especially the media and automotive components businesses. The measures taken should produce their positive effects in the coming quarters and further strengthen the competitive positioning of all the main subsidiaries of the CIR group.

*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.*

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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).
- **Aggregate net financial debt:** an indicator of the financial structure of COFIDE and COFIDE International; 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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*Below are highlights from the consolidated financial position and income statement*

## COFIDE GROUP – CONSOLIDATED BALANCE SHEET

*(in thousands of euro)*

<b>ASSETS</b>	<i>30.09.2009</i>	<i>30.06.2009</i>	<i>31.12.2008</i>
<b>NON-CURRENT ASSETS</b>	<b>4,184,774</b>	<b>4,045,491</b>	<b>3,855,142</b>
INTANGIBLE ASSETS	1,340,947	1,339,099	1,299,872
TANGIBLE ASSETS	2,079,565	1,951,981	1,790,561
INVESTMENT PROPERTY	19,108	19,251	19,537
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	266,109	260,491	282,824
OTHER EQUITY INVESTMENTS	18,425	10,171	9,682
OTHER RECEIVABLES	231,120	230,740	247,312
SECURITIES	83,396	88,589	84,978
DEFERRED TAXES	146,104	145,169	120,376
<b>CURRENT ASSETS</b>	<b>2,547,411</b>	<b>2,553,668</b>	<b>3,272,993</b>
INVENTORIES	160,490	150,971	195,311
CONTRACTED WORK IN PROGRESS	4,641	4,435	2,915
TRADE RECEIVABLES	1,076,347	1,136,244	1,233,689
OTHER RECEIVABLES	190,565	199,375	367,458
FINANCIAL RECEIVABLES	18,913	35,164	25,721
SECURITIES	290,291	202,397	589,340
AVAILABLE-FOR-SALE FINANCIAL ASSETS	97,293	128,252	235,208
CASH AND CASH EQUIVALENTS	708,871	696,830	623,351
ASSETS HELD FOR DISPOSAL	684	730	653
<b>TOTAL ASSETS</b>	<b>6,732,869</b>	<b>6,599,889</b>	<b>7,128,788</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<i>30.09.2009</i>	<i>30.06.2009</i>	<i>31.12.2008</i>
<b>SHAREHOLDERS' EQUITY</b>	<b>2,298,298</b>	<b>2,298,596</b>	<b>2,099,628</b>
SHARE CAPITAL	359,605	359,605	359,605
RESERVES	62,449	64,576	74,981
RETAINED EARNINGS (LOSSES)	208,678	208,678	157,324
NET INCOME FOR THE PERIOD	61,052	54,819	52,165
<b>SHAREHOLDERS' EQUITY OF THE GROUP</b>	<b>691,784</b>	<b>687,678</b>	<b>644,075</b>
MINORITY SHAREHOLDERS' EQUITY	1,606,514	1,610,918	1,455,553
<b>NON-CURRENT LIABILITIES</b>	<b>2,862,410</b>	<b>2,711,516</b>	<b>3,082,740</b>
BONDS AND NOTES	744,655	739,180	895,458
OTHER BORROWINGS	1,734,285	1,587,041	1,803,542
OTHER PAYABLES	5,245	3,329	3,367
DEFERRED TAXES	175,693	180,329	174,903
PERSONNEL PROVISIONS	139,007	140,052	148,779
PROVISIONS FOR RISKS AND LOSSES	63,525	61,585	56,691
<b>CURRENT LIABILITIES</b>	<b>1,572,161</b>	<b>1,589,777</b>	<b>1,946,420</b>
BANK OVERDRAFTS	122,285	132,229	170,918
BONDS AND NOTES	--	733	347,445
OTHER BORROWINGS	250,734	287,752	120,948
TRADE PAYABLES	824,636	802,299	947,720
OTHER PAYABLES	273,639	272,782	279,389
PROVISIONS FOR RISKS AND LOSSES	100,867	93,982	80,000
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>6,732,869</b>	<b>6,599,889</b>	<b>7,128,788</b>

# COFIDE GROUP – CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	1/1-30/9 2009	1/1-30/9 2008	III Quarter 2009	III Quarter 2008
SALES REVENUES	3,151,992	3,532,900	949,160	1,174,235
CHANGE IN INVENTORIES	(6,145)	10,363	1,667	2,951
COSTS FOR THE PURCHASE OF GOODS	(1,896,781)	(2,114,224)	(556,903)	(745,677)
COSTS FOR SERVICES	(541,852)	(582,237)	(171,759)	(184,740)
PERSONNEL COSTS	(492,504)	(516,543)	(155,827)	(164,984)
OTHER OPERATING INCOME	49,725	66,576	9,406	24,254
OTHER OPERATING EXPENSE	(99,117)	(79,722)	(26,415)	(27,479)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS				
CONSOLIDATED AT EQUITY	36,129	34,943	6,438	27,757
AMORTIZATION, DEPRECIATION & WRITE-DOWNS	(101,043)	(102,966)	(34,153)	(36,865)
<b>EARNINGS BEFORE INTEREST AND TAXES (E B I T)</b>	<b>100,404</b>	<b>249,090</b>	<b>21,614</b>	<b>69,452</b>
FINANCIAL INCOME	45,381	54,506	13,049	19,202
FINANCIAL EXPENSE	(128,381)	(146,740)	(38,665)	(48,547)
DIVIDENDS	519	2,509	54	18
GAINS FROM TRADING SECURITIES	160,560	201,484	18,335	68,008
LOSSES FROM TRADING SECURITIES	(35,461)	(10,943)	(16,016)	(505)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	35,843	(98,749)	24,260	(94,564)
<b>EARNINGS BEFORE TAXES</b>	<b>178,865</b>	<b>251,157</b>	<b>22,631</b>	<b>13,064</b>
INCOME TAXES	(30,149)	(66,503)	(6,760)	(9,307)
<b>RESULT AFTER TAXES FROM OPERATING ACTIVITY</b>	<b>148,716</b>	<b>184,654</b>	<b>15,871</b>	<b>3,757</b>
INCOME/(LOSS) FROM ASSETS HELD FOR DISPOSAL	--	--	--	--
<b>NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS</b>	<b>148,716</b>	<b>184,654</b>	<b>15,871</b>	<b>3,757</b>
- NET INCOME OF MINORITY SHAREHOLDERS	(87,664)	(120,435)	(9,638)	(5,546)
<b>- NET INCOME OF THE GROUP</b>	<b>61,052</b>	<b>64,219</b>	<b>6,233</b>	<b>(1,789)</b>

# COFIDE GROUP – NET FINANCIAL POSITION

(in thousands of euro)

	30.09.2009	30.06.2009	31.12.2008
A. Cash and bank deposits	708,871	696,830	623,351
B. Other cash equivalents	80,804	111,114	217,420
C. Securities held for trading	290,291	202,397	589,340
<b>D. Cash and cash equivalents (A) + (B) + (C)</b>	<b>1,079,966</b>	<b>1,010,341</b>	<b>1,430,111</b>
<b>E. Current financial receivables</b>	<b>18,913</b>	<b>35,164</b>	<b>175,721</b>
F. Current bank borrowings	(243,802)	(356,183)	(229,871)
G. Bonds and notes issued	--	(733)	(347,445)
H. Current part of non-current debt	(129,215)	(63,796)	(61,924)
I. Other current borrowings	(2)	(2)	(71)
<b>J. Current financial debt (F) + (G) + (H) + (I)</b>	<b>(373,019)</b>	<b>(420,714)</b>	<b>(639,311)</b>
<b>K. Net current financial position (J) + (E) + (D)</b>	<b>725,860</b>	<b>624,791</b>	<b>966,521</b>
L. Non-current bank borrowings	(1,514,579)	(1,325,950)	(1,498,298)
M. Bonds and notes issued	(744,655)	(739,180)	(895,458)
N. Other non-current payables	(219,706)	(261,091)	(305,244)
<b>O. Non-current financial debt (L) + (M) + (N)</b>	<b>(2,478,940)</b>	<b>(2,326,221)</b>	<b>(2,699,000)</b>
<b>P. Net financial position (K) + (O)</b>	<b>(1,753,080)</b>	<b>(1,701,430)</b>	<b>(1,732,479)</b>