



PRESS RELEASE

Board of Directors approves results as of June 30 2013

COFIDE GROUP: REVENUES FOR THE FIRST HALF STABLE AT € 2.4 BLN, RESULTS AFFECTED BY WRITE-DOWNS

***The net loss is due exclusively to the negative contribution of CIR due to write-downs.
The result of the COFIDE group net of these write-downs would have been break-even.
The parent company COFIDE SpA reports net income of € 1.2 million***

Milan, July 29 2013 - The **Board of Directors of COFIDE-Gruppo De Benedetti SpA**, which met today in Milan under the chairmanship of **Rodolfo De Benedetti**, approved the **results of the group as of June 30 2013**.

Performance of operations

In the first half of 2013 the COFIDE group reported a consolidated net loss of € 79.5 million (a loss of € 3.3 million in the first half of 2012), resulting entirely from the negative contribution of the subsidiary CIR due to the write-down of assets by Sorgenia. Net of these write-downs, COFIDE would have reported a result of substantial break-even. The parent company COFIDE SpA achieved net income of € 1.2 million.

COFIDE is the controlling **shareholder of CIR-Compagnie Industriali Riunite SpA**, the company at the head of an industrial group active in the sectors of energy, media, automotive components, healthcare and non-core investments. COFIDE has also invested in **Jargonnant**, the private equity fund specializing in real estate assets in Germany and Eastern Europe.

The consolidated results and the results of the parent company

The **consolidated revenues** of the COFIDE group came to **€ 2,409.6 million** in the first half of 2013, and were **substantially unchanged** from the € 2,406.9 million reported in 2012 (+0.1%). **Consolidated EBITDA** net of the write-downs made by the CIR group came to **€ 224.7 million, up by 31.6%** compared to the figure for 2012 (€ 170.8 million). **Consolidated EBITDA** including the write-downs made by the CIR group came in at € 93.7 million, **down by 45.1%** compared to the figure for 2012.

The net result of financial management, a negative € 72 million (a negative € 45.1 million in the first six months of 2012), consisted of net financial expense of € 71.3 million and net losses from trading and valuing securities of € 0.7 million.

The **consolidated net result** for the first half was **-€ 79.5 million** (-€ 3.3 million in the same period of 2012), solely because of the negative contribution of the subsidiary CIR (of -€ 80.7 million) due to the write-down of assets by Sorgenia. **Net of these write-downs, the net result of the COFIDE group would have been close to break-even (-€ 0.1 million).**

The **parent company of the group COFIDE SpA** reported **net income** for the first half of **€ 1.2 million** versus net income of € 7 million in the first half of 2012. The decline was due essentially to the fact that the subsidiary CIR did not distribute a dividend for the year 2012.

The **net debt of COFIDE SpA** stood at **€ 33.6 million** at June 30 2013 (€ 33.4 million at March 31 2013 and € 34.4 million at December 31 2012). The **consolidated net financial debt of the group** came to **€ 2,402.6 million** at June 30 2013, down from € 2,444.6 million at March 31 2013 and € 2,537.7 million at December 31 2012.

Total consolidated equity amounted to **€ 1,981.5 million** at June 30 2013 versus € 2,298.6 million at December 31 2012. The **consolidated equity of the group** went down from € 650.4 million at December 31 2012 to **€ 577.1 million** euro at June 30 2013 with the reduction due mainly to the result for the period.

Outlook for the year 2013

The performance of the COFIDE group in the second half of 2013 will be affected by the evolution of the macroeconomic environment, especially the performance of the Italian economy, which is currently characterized by a continuing recession, the intensity of which cannot at the moment be predicted. In this scenario all the companies of the group will be continuing their actions to improve operating efficiency without however sacrificing their business development initiatives. The consolidated net result for the full year will be affected by the write-downs reported by the CIR group.

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

Mariella Speciale

Tel.: +39 02 722701

e-mail: infostampa@cirgroup.it

www.cofide.it

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 corresponds to the algebraic sum of financial receivables, securities, available-for-sale financial assets and cash and cash equivalents in current assets, and bonds and notes and other borrowings in non-current liabilities, bank overdrafts, bonds and notes and other borrowings in current liabilities

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

COFIDE GROUP – CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	30.06.2013	31/12/2012 (*)
NON-CURRENT ASSETS	4,483,935	4,880,969
INTANGIBLE ASSETS	1,344,901	1,501,522
TANGIBLE ASSETS	2,320,354	2,367,976
INVESTMENT PROPERTY	22,817	23,393
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	218,713	353,070
OTHER EQUITY INVESTMENTS	5,882	5,580
OTHER RECEIVABLES	237,118	238,907
<i>of which with related parties</i>	16,688	30,944
SECURITIES	115,270	127,030
DEFERRED TAXES	218,880	263,491
CURRENT ASSETS	3,160,004	3,192,310
INVENTORIES	170,751	170,757
CONTRACTED WORK IN PROGRESS	34,931	42,258
TRADE RECEIVABLES	1,180,845	1,447,836
<i>of which with related parties</i>	6,011	7,760
OTHER RECEIVABLES	412,938	309,366
<i>of which with related parties</i>	312	7,546
FINANCIAL RECEIVABLES	35,801	35,489
SECURITIES	363,139	410,343
AVAILABLE-FOR-SALE FINANCIAL ASSETS	105,990	105,511
CASH AND CASH EQUIVALENTS	855,609	670,750
ASSETS HELD FOR DISPOSAL	--	34,444
TOTAL ASSETS	7,643,939	8,107,723
LIABILITIES AND EQUITY	30.06.2013	31.12.2012
EQUITY	1,981,554	2,298,620
SHARE CAPITAL	359,605	359,605
RESERVES	73,243	66,719
RETAINED EARNINGS (LOSSES)	223,818	280,308
NET INCOME (LOSS) FOR THE PERIOD	(79,542)	(56,255)
EQUITY OF THE GROUP	577,124	650,377
MINORITY SHAREHOLDERS' EQUITY	1,404,430	1,648,243
NON-CURRENT LIABILITIES	3,223,408	3,280,985
BONDS AND NOTES	616,636	496,379
OTHER BORROWINGS	2,183,237	2,341,678
OTHER PAYABLES	3,230	2,922
DEFERRED TAXES	179,526	179,507
PERSONNEL PROVISIONS	137,638	141,140
PROVISIONS FOR RISKS AND LOSSES	103,141	119,359
CURRENT LIABILITIES	2,438,977	2,527,734
BANK OVERDRAFTS	215,374	165,885
BONDS AND NOTES	9,691	4,354
OTHER BORROWINGS	738,189	751,496
<i>of which from related parties</i>	--	13
TRADE PAYABLES	941,381	1,192,934
<i>of which to related parties</i>	6,573	41,385
OTHER PAYABLES	414,422	307,890
<i>of which to related parties</i>	2,251	2,355
PROVISIONS FOR RISKS AND LOSSES	119,920	105,175
LIABILITIES HELD FOR DISPOSAL	--	384
TOTAL LIABILITIES AND EQUITY	7,643,939	8,107,723

COFIDE GROUP – CONSOLIDATED INCOME STATEMENT

		1st Half 2013	1st Half 2012
TRADE REVENUES		2,409,561	2,406,946
<i>of which from related parties</i>	66,611	32,012	
CHANGE IN INVENTORIES		(2,315)	12,893
COSTS FOR THE PURCHASE OF GOODS		(1,379,944)	(1,393,518)
<i>of which from related parties</i>	(47,323)	(75,751)	
COSTS FOR SERVICES		(394,498)	(428,053)
<i>of which from related parties</i>	(892)	(648)	
PERSONNEL COSTS		(377,639)	(385,007)
OTHER OPERATING REVENUES		64,086	58,171
<i>of which from related parties</i>	1,701	9,879	
OTHER OPERATING COSTS		(89,768)	(96,711)
<i>of which with related parties</i>	(12)	(50)	
ADJUSTMENTS TO THE VALUE OF INVESTMENTS			
CONSOLIDATED AT EQUITY		(135,802)	(3,897)
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS		(281,929)	(120,282)
INCOME BEFORE FINANCIAL ITEMS			
AND TAXES (E B I T)		(188,248)	50,542
FINANCIAL INCOME		27,050	40,091
<i>of which from related parties</i>	7,125	6,352	
FINANCIAL EXPENSE		(98,378)	(100,646)
<i>of which with related parties</i>	(6,889)	(5,086)	
DIVIDENDS		325	389
<i>of which from related parties</i>	3	14	
GAINS FROM TRADING SECURITIES		7,541	6,449
LOSSES FROM TRADING SECURITIES		(1,504)	(1,357)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS		(7,001)	9,886
INCOME (LOSS) BEFORE TAXES		(260,215)	5,354
INCOME TAXES		(64,728)	(16,471)
RESULT AFTER TAXES FROM			
OPERATING ACTIVITY		(324,943)	(11,117)
INCOME (LOSS) FROM ASSETS HELD FOR DISPOSAL		--	--
NET INCOME (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS		(324,943)	(11,117)
- NET LOSS (INCOME) MINORITY SHAREHOLDERS		245,401	7,800
- NET INCOME (LOSS) OF THE GROUP		(79,542)	(3,317)
BASIC EARNINGS (LOSS) PER SHARE (in euro)		(0.1106)	(0.0046)
DILUTED EARNINGS (LOSS) PER SHARE (in euro)		(0.1106)	(0.0046)

COFIDE GROUP – CONSOLIDATED CASH FLOW STATEMENT

	<i>1st Half 2013</i>	<i>1st Half 2012</i>
OPERATING ACTIVITY		
NET INCOME (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS:	(324,943)	(11,117)
ADJUSTMENTS:		
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	281,929	120,282
PRO-RATA RESULT OF COMPANIES CONSOLIDATED AT EQUITY	135,802	3,897
ACTUARIAL CHANGE IN STOCK OPTION PLANS	4,349	5,082
CHANGE IN PERSONNEL PROVISIONS, PROVISIONS FOR RISKS AND LOSSES	(4,975)	3,410
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	7,001	(9,886)
INCREASE (REDUCTION) IN NON-CURRENT RECEIVABLES/PAYABLES	80,787	(17,567)
(INCREASE) REDUCTION IN NET WORKING CAPITAL	25,731	(89,815)
CASH FLOW FROM OPERATING ACTIVITY	205,681	4,286
of which:		
- interest received (paid)	(39,073)	(34,238)
- income tax payments	(19,610)	(26,316)
INVESTING ACTIVITY		
(PURCHASE) SALE OF SECURITIES	49,737	5,159
(PURCHASE) SALE OF FIXED ASSETS	(77,110)	(181,803)
CASH FLOW FROM INVESTING ACTIVITY	(27,373)	(176,644)
FINANCING ACTIVITY		
INFLOWS FROM CAPITAL INCREASES	592	18,120
OTHER CHANGES IN EQUITY	15,460	(24,872)
DRAWDOWN/(REPAYMENT) OF OTHER BORROWINGS	(46,466)	80,709
BUYBACK OF OWN SHARES OF THE GROUP	(615)	(2,164)
DIVIDENDS PAID OUT	(11,909)	(39,611)
CASH FLOW FROM FINANCING ACTIVITY	(42,938)	32,182
INCREASE (REDUCTION) IN NET CASH AND CASH EQUIVALENTS	135,370	(140,176)
NET CASH AND CASH EQUIVALENTS AT START OF PERIOD	504,865	363,750
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	640,235	223,574

COFIDE GROUP –CHANGES IN CONSOLIDATED EQUITY

	Attributable to the Shareholders of the Parent Company					Minority interests	Total
	Share capital	Reserves	Retained earnings (losses)	Net income (losses) for the period	Total		
<i>(in thousands of euro)</i>							
FINANCIAL STATEMENTS AS OF DECEMBER 31 2011	359,605	78,234	286,576	1,015	725,430	1,777,376	2,502,806
Capital increases	--	--	--	--	--	24,868	24,868
Dividends to Shareholders	--	--	(7,192)	--	(7,192)	(32,418)	(39,610)
Retained earnings	--	91	924	(1,015)	--	--	--
Effects of equity changes In subsidiaries	--	2,759	--	--	2,759	(19,822)	(17,063)
<i>Comprehensive result for the period</i>							
Fair value measurement of hedging instruments	--	(4,570)	--	--	(4,570)	(16,469)	(21,039)
Fair value measurement of securities	--	1,761	--	--	1,761	(900)	861
Securities fair value reserve released to income statement	--	845	--	--	845	882	1,727
Effects of equity changes In subsidiaries	--	(1,960)	--	--	(1,960)	(4,331)	(6,291)
Currency translation differences	--	(4,482)	--	--	(4,482)	(8,851)	(13,333)
Actuarial gains (losses)	--	(5,959)	--	--	(5,959)	(15,481)	(21,440)
Result for the period	--	--	--	(56,255)	(56,255)	(56,611)	(112,866)
<i>Total comprehensive result for the period</i>	--	(14,365)	--	(56,255)	(70,620)	(101,761)	(172,381)
FINANCIAL STATEMENTS AS OF DECEMBER 31 2012 (*)	359,605	66,719	280,308	(56,255)	650,377	1,648,243	2,298,620
Capital increases	--	--	--	--	--	592	592
Dividends to Shareholders	--	--	--	--	--	(11,909)	(11,909)
Retained earnings	--	235	(56,490)	56,255	--	--	--
Effects of equity changes In subsidiaries	--	960	--	--	960	503	1,463
<i>Comprehensive result for the period</i>							
Fair value measurement of hedging instruments	--	3,910	--	--	3,910	11,327	15,237
Fair value measurement of securities	--	3,385	--	--	3,385	6,005	9,390
Securities fair value reserve released to income statement	--	--	--	--	--	--	--
Effects of equity changes In subsidiaries	--	773	--	--	773	2,402	3,175
Currency translation differences	--	(2,468)	--	--	(2,468)	(6,655)	(9,123)
Actuarial gains (losses)	--	(271)	--	--	(271)	(677)	(948)
Result for the period	--	--	--	(79,542)	(79,542)	(245,401)	(324,943)
<i>Total comprehensive result for the period</i>	--	5,329	--	(79,542)	(74,213)	(232,999)	(307,212)
FINANCIAL STATEMENTS AS OF JUNE 30 2013	359,605	73,243	223,818	(79,542)	577,124	1,404,430	1,981,554

(*) Some values at December 31 2012 have been re-stated following the application of the amendment made to IAS 19 – Employee Benefits