



PRESS RELEASE

Board of Directors approves results as of June 30 2014

COFIDE GROUP: NET INCOME AT € 0.6 M IN FIRST HALF

At June 30 2013 the group had reported a loss of € 79.5 million

***Sorgenia classified as an asset held for sale, in application of IFRS 5
(it is included only in the net result)***

Milan, July 28 2014 - The **Board of Directors of COFIDE-Gruppo De Benedetti S.p.A.**, which met today in Milano under the chairmanship of **Rodolfo De Benedetti**, approved the **Interim Financial Report as of June 30 2014**.

Foreword

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

On July 23 2014, the subsidiary CIR signed an agreement with the lending banks of Sorgenia functional to the restructuring of the debt of the energy company.

The debt restructuring process for Sorgenia will follow the "ex 182 bis" procedure which will involve, subject to ratification of the plan, a capital increase of 400 million euro in which the current shareholders will not take part and which will be subscribed entirely by the lending banks through the conversion of their receivables into capital.

Once the deal has been completed, CIR will no longer hold any shares in Sorgenia.

In view of what is stated above, the COFIDE group, in application of international accounting standard IFRS 5, is required to change the consolidation method for the Sorgenia group as from this Interim Financial Report as of June 30 2014. On the basis of this standard, the Sorgenia group must be classified as an asset held for sale.

Therefore the financial position of Sorgenia is included in the consolidated financial statements of COFIDE in the item "Assets/Liabilities held for sale", separated out from the other assets and liabilities shown in the statement of financial position, and thus is no longer fully consolidated on a line-by-line basis.

A similar procedure was followed for the income statement, which shows the results of Sorgenia in the item "Income/Loss from assets held for sale".

Therefore, specifically, the revenues, EBITDA and EBIT of the consolidated income statement of COFIDE do not include the contribution of Sorgenia, which is however included in the net result. Moreover, for the purposes of comparison, the consolidated income statement for the same period of last year was re-stated in the same way. The comments on the items of the financial statements take this reclassification into account.

Consolidated results and results of the parent company

The **consolidated revenues** of COFIDE in the first half of 2014 came in at **€ 1,213 million**, compared to € 1,240.3 million in the same period of 2013 (-2.2%). **EBITDA** came to **€ 106.6 million, down by 12.3%** from € 121.5 million in 2013 as an effect of the lower profitability of the CIR group.

Financial management resulted in net expense of € 27.3 million (€ 24.2 million in 2013), caused by financial expense of € 50.7 million, partly offset by positive adjustments to the value of financial assets of € 0.7 million, financial income of € 13.3 million and net gains from trading and valuing securities of € 9.4 million.

Consolidated net income for the first half came to **€ 0.6 million**. The result was the combination of the positive contribution of the subsidiary CIR (€ 2.6 million) and the loss of the parent company COFIDE S.p.A. (€ 2 million). At June 30 2013 COFIDE had reported a consolidated net loss of € 79.5 million.

The **parent company COFIDE S.p.A.** at June 30 2014 posted a loss of € 2 million which compares with net income of € 1.2 million in the same period of 2013, due essentially to a positive fair value adjustment of the securities portfolio.

The **net debt of the parent company COFIDE S.p.A.** amounted to **€ 32.6 million** at June 30 2014 (versus € 31 million at December 31 2013).

The **consolidated net financial debt of the COFIDE group** stood at **€ 89.2 million** at June 30 2014. The consolidated net debt at December 31 2013 (€ 1,876.3 million) also included the debt of Sorgenia. This amount, however, is not longer included in the net debt of the group but in liabilities associated with assets held for sale.

Total consolidated equity stood at **€ 1,595.3 million** at June 30 2014, up from € 1,585.8 million at December 31 2013. The **consolidated equity of the group** rose from € 535.9 million at December 31 2013 to **€ 536.7 million** euro at June 30 2014.

The **equity of the parent company COFIDE S.p.A.** amounted to **€ 555.3 million** at June 30 2014 versus € 557.3 million at December 31 2013 with the change due to the result for the period.

Outlook for the year 2014

The performance of the COFIDE group in the second half of 2014 will be affected by the evolution of the Italian economic climate, which is still uncertain and has a significant impact particularly on the media sector, and also by the performance of the Brazilian market for the automotive component sector.

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.

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This press release can also be consulted on the website:

<http://www.cofide.it/index.php?id=20>

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 financial items and taxes);
- **Consolidated net financial debt:** an indicator of the financial structure of the group; it is the algebraic sum of financial receivables, securities, available-for-sale financial assets and cash and cash equivalents in current assets, of bonds and notes and other borrowings in non-current liabilities, and of bank overdrafts, bonds and notes and other borrowings in current liabilities;

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

Consolidated Statement of Financial Position

(In thousands of euro)

| ASSETS | 30.06.2014 | 31.12.2013 |
|---|------------------|------------------|
| NON-CURRENT ASSETS | 2,102,098 | 3,791,617 |
| INTANGIBLE ASSETS | 989,695 | 1,161,522 |
| TANGIBLE ASSETS | 598,369 | 1,998,818 |
| INVESTMENT PROPERTY | 22,000 | 22,310 |
| INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY | 165,802 | 81,988 |
| OTHER EQUITY INVESTMENTS | 4,940 | 5,636 |
| OTHER RECEIVABLES | 138,151 | 234,043 |
| <i>of which with related parties</i> | 27,761 | 18,125 |
| SECURITIES | 88,704 | 94,319 |
| DEFERRED TAXES | 94,437 | 192,981 |
| CURRENT ASSETS | 1,871,852 | 2,830,738 |
| INVENTORIES | 138,435 | 160,945 |
| CONTRACTED WORK IN PROGRESS | 29,721 | 30,926 |
| TRADE RECEIVABLES | 484,681 | 1,192,627 |
| <i>of which with related parties</i> | 9,636 | 28,895 |
| OTHER RECEIVABLES | 113,754 | 210,029 |
| <i>of which with related parties</i> | 104 | 589 |
| FINANCIAL RECEIVABLES | 27,044 | 1,433 |
| SECURITIES | 212,862 | 175,670 |
| AVAILABLE-FOR-SALE FINANCIAL ASSETS | 94,563 | 98,013 |
| CASH AND CASH EQUIVALENTS | 770,792 | 961,095 |
| ASSETS HELD FOR SALE | 2,514,704 | -- |
| ELISIONS OF ASSETS TO/FROM DISCONTINUED OPERATIONS | (52,043) | -- |
| TOTAL ASSETS | 6,436,611 | 6,622,355 |
| LIABILITIES AND EQUITY | | |
| EQUITY | 1,595,283 | 1,585,807 |
| SHARE CAPITAL | 359,605 | 359,605 |
| RESERVES | 83,179 | 82,858 |
| RETAINED EARNINGS (LOSSES) | 93,370 | 223,785 |
| NET INCOME (LOSS) FOR THE YEAR | 580 | (130,360) |
| EQUITY OF THE GROUP | 536,734 | 535,888 |
| MINORITY SHAREHOLDERS' EQUITY | 1,058,549 | 1,049,919 |
| NON-CURRENT LIABILITIES | 1,203,811 | 1,375,915 |
| BONDS | 475,735 | 365,558 |
| OTHER BORROWINGS | 366,549 | 541,674 |
| OTHER PAYABLES | 310 | 964 |
| DEFERRED TAXES | 141,594 | 215,120 |
| PERSONNEL PROVISIONS | 124,008 | 128,711 |
| PROVISIONS FOR RISKS AND LOSSES | 95,615 | 123,888 |
| CURRENT LIABILITIES | 1,180,001 | 3,660,633 |
| BANK OVERDRAFTS | 22,181 | 194,114 |
| BONDS | 192,837 | 230,719 |
| OTHER BORROWINGS | 137,155 | 1,780,434 |
| <i>of which from related parties</i> | -- | -- |
| TRADE PAYABLES | 456,372 | 1,011,769 |
| <i>of which to related parties</i> | -- | 860 |
| OTHER PAYABLES | 286,481 | 334,231 |
| <i>of which to related parties</i> | 47,359 | 1,211 |
| PROVISIONS FOR RISKS AND LOSSES | 84,975 | 109,366 |
| LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE | 2,509,559 | -- |
| ELISIONS OF LIABILITIES TO/FROM DISCONTINUED OPERATIONS | (52,043) | -- |
| TOTAL LIABILITIES AND EQUITY | 6,436,611 | 6,622,355 |

Consolidated Income Statement

| | 1st half 2014 | 1st half 2013 |
|--|------------------|------------------|
| SALES REVENUES | 1,212,990 | 1,240,310 |
| <i>of which from related parties</i> | -- | -- |
| CHANGE IN INVENTORIES | 4,082 | (1,091) |
| COSTS FOR THE PURCHASE OF GOODS | (434,096) | (427,406) |
| <i>of which from related parties</i> | -- | -- |
| COSTS FOR SERVICES | (307,200) | (321,666) |
| <i>of which from related parties</i> | (2,977) | (874) |
| PERSONNEL COSTS | (348,328) | (354,480) |
| OTHER OPERATING INCOME | 18,138 | 15,592 |
| <i>of which from related parties</i> | 1,122 | 1,783 |
| OTHER OPERATING COSTS | (40,381) | (31,615) |
| <i>of which with related parties</i> | -- | -- |
| ADJUSTMENTS TO THE VALUE OF INVESTMENTS | | |
| CONSOLIDATED AT EQUITY | 1,441 | 1,845 |
| AMORTIZATION, DEPRECIATION AND WRITE-DOWNS | (55,702) | (53,283) |
| EARNINGS BEFORE INTEREST AND TAXES (E B I T) | 50,944 | 68,206 |
| FINANCIAL INCOME | 13,269 | 20,209 |
| <i>of which from related parties</i> | 5,094 | 6,891 |
| FINANCIAL EXPENSE | (50,657) | (49,652) |
| <i>of which with related parties</i> | (4,989) | (6,889) |
| DIVIDENDS | 82 | 322 |
| <i>of which from related parties</i> | -- | -- |
| GAINS FROM TRADING SECURITIES | 12,963 | 7,541 |
| LOSSES FROM TRADING SECURITIES | (3,641) | (1,504) |
| ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS | 669 | (1,164) |
| INCOME (LOSS) BEFORE TAXES | 23,629 | 43,958 |
| INCOME TAXES | (15,851) | (23,956) |
| RESULT AFTER TAXES FROM OPERATING ACTIVITY | 7,778 | 20,002 |
| NET INCOME (LOSS) FROM ASSETS HELD FOR SALE | (66) | (344,945) |
| NET INCOME (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS | 7,712 | (324,943) |
| - LOSS (NET INCOME) OF MINORITY SHAREHOLDERS | (7,132) | 245,401 |
| - NET INCOME (LOSS) OF THE GROUP | 580 | (79,542) |
| BASIC EARNINGS (LOSS) PER SHARE (in euro) | 0.0008 | (0.1106) |
| DILUTED EARNINGS (LOSS) PER SHARE (in euro) | 0.0008 | (0.1106) |

Consolidated Net Financial Position

| <i>(in thousands of euro)</i> | <i>30.06.2014</i> | <i>31.12.2013</i> |
|--|-------------------|--------------------|
| A. Cash and bank deposits | 770,792 | 961,095 |
| B. Other cash equivalents | 94,563 | 98,013 |
| C. Securities held for trading | 212,862 | 175,670 |
| D. Cash and cash equivalents (A) + (B) + (C) | 1,078,217 | 1,234,778 |
| E. Current financial receivables | 27,044 | 1,433 |
| F. Current bank borrowings | (144,476) | (1,886,721) |
| G. Bonds issued | (192,837) | (230,719) |
| H. Current part of non-current debt | (14,860) | (87,827) |
| I. Other current financial payables | -- | -- |
| J. Current financial debt (F) + (G) + (H) + (I) | (352,173) | (2,205,267) |
| K. Net current financial position (J) + (E) + (D) | 753,088 | (969,056) |
| L. Non-current bank borrowings | (224,762) | (335,808) |
| M. Bonds issued | (475,735) | (365,558) |
| N. Other non-current payables | (141,787) | (205,866) |
| O. Non-current financial debt (L) + (M) + (N) | (842,284) | (907,232) |
| P. Net financial position (K) + (O) | (89,196) | (1,876,288) |

Statement of Changes in Consolidated Equity

| (in thousands of euro) | Attributable to the shareholders of the parent company | | | | | Minority Interests | Total |
|--|--|----------|-------------------------------|--------------------------------------|-----------|-----------------------|-----------|
| | Share capital | Reserves | Retained earnings (losses) | Net income (loss) for the year | Total | | |
| BALANCE AT DECEMBER 31 2012 | 359,605 | 66,752 | 280,308 | (56,288) | 650,377 | 1,648,243 | 2,298,620 |
| Capital increases | -- | -- | -- | -- | -- | 3,246 | 3,246 |
| Dividends to Shareholders | -- | -- | -- | -- | -- | (11,982) | (11,982) |
| Retained earnings | -- | 235 | (56,523) | 56,288 | -- | -- | -- |
| Effects of equity changes in subsidiaries | -- | 834 | -- | -- | 834 | (431) | 403 |
| Comprehensive result for the year | | | | | | | |
| Fair value measurement of hedging instruments | -- | 14,878 | -- | -- | 14,878 | 42,833 | 57,711 |
| Fair value measurement of securities | -- | 6,418 | -- | -- | 6,418 | 9,751 | 16,169 |
| Securities fair value reserve released to income statement | -- | (1,798) | -- | -- | (1,798) | (1,883) | (3,681) |
| Effects of equity changes in subsidiaries | -- | 1,472 | -- | -- | 1,472 | 4,429 | 5,901 |
| Currency translation differences | -- | (7,219) | -- | -- | (7,219) | (18,138) | (25,357) |
| Actuarial gains (losses) | -- | 1,286 | -- | -- | 1,286 | 3,435 | 4,721 |
| Result for the year | -- | -- | -- | (130,360) | (130,360) | (629,584) | (759,944) |
| Total comprehensive result for the year | -- | 15,037 | -- | (130,360) | (115,323) | (589,157) | (704,480) |
| BALANCE AT DECEMBER 31 2013 | 359,605 | 82,858 | 223,785 | (130,360) | 535,888 | 1,049,919 | 1,585,807 |
| Capital increases | -- | -- | -- | -- | -- | 4,207 | 4,207 |
| Dividends to Shareholders | -- | -- | -- | -- | -- | (1,046) | (1,046) |
| Retained earnings | -- | 55 | (130,415) | 130,360 | -- | -- | -- |
| Effects of equity changes in subsidiaries | -- | 989 | -- | -- | 989 | 513 | 1,502 |
| Comprehensive result for the year | | | | | | | |
| Fair value measurement of hedging instruments | -- | (651) | -- | -- | (651) | (2,632) | (3,283) |
| Fair value measurement of securities | -- | (776) | -- | -- | (776) | (846) | (1,622) |
| Securities fair value reserve released to income statement | -- | -- | -- | -- | -- | -- | -- |
| Effects of equity changes in subsidiaries | -- | -- | -- | -- | -- | -- | -- |
| Currency translation differences | -- | 948 | -- | -- | 948 | 1,930 | 2,878 |
| Actuarial gains (losses) | -- | (244) | -- | -- | (244) | (628) | (872) |
| Result for the year | -- | -- | -- | 580 | 580 | 7,132 | 7,712 |
| Total comprehensive result for the year | -- | (723) | -- | 580 | (143) | 4,956 | 4,813 |
| BALANCE AT JUNE 30 2014 | 359,605 | 83,179 | 93,370 | 580 | 536,734 | 1,058,549 | 1,595,283 |