

**PRESS RELEASE**

*Board of Directors approves results as of March 31 2014*

**COFIDE GROUP: NET RESULT OF -€ 2.3 MLN IN FIRST QUARTER**

*Milan, June 30 2014* - The **Board of Directors** of **COFIDE-Gruppo De Benedetti S.p.A.**, which met today under the chairmanship of **Rodolfo De Benedetti**, approved the **Interim Financial Report of the group as of March 31 2014**.

**Performance of operations**

The COFIDE group closed the first quarter of 2014 with a small loss (-€ 2.3 million) compared to net income of € 4.4 million in the same period of 2013. The contribution of -€ 1.3 million of the main subsidiary CIR had a significant impact on this result.

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. The COFIDE group also has investments in **Jargonnant**, the private equity fund specializing in real estate assets in Germany and Eastern Europe.

**Consolidated results**

The **consolidated revenues** of COFIDE for the first quarter came in at **€ 1,069.7 million**, compared to € 1,241.4 million in the same period of 2013 (-13.8%). **EBITDA** came to **€ 71.8 million** and was **down** by **32.6%** from € 106.6 million in 2013 because of the lower profitability of the CIR group.

Financial management produced a charge of € 35.2 million (€ 23.8 million in 2013), which came from net financial expense of € 37.2 million, negative adjustments to the value of financial assets of € 2 million and net gains from trading and valuing securities of € 4 million.

The **consolidated net result** for the first quarter was **-€ 2.3 million**, compared to earnings of € 4.4 million in 2013. This result was determined mainly by the contribution of the subsidiary CIR (-€ 1.3 million), which in the quarter lost € 2.6 million as an effect of the lower result obtained by the parent company (which in 2013 had benefited from positive adjustments to its securities portfolio) and of the loss reported by Sogefi because of the extraordinary restructuring charges recognized in the period.

The **net financial debt of the parent company COFIDE S.p.A.** stood at **€ 31.9 million** at March 31 2014 (versus € 33.4 million at March 31 2013 and € 31 million at December 31 2013).

The **consolidated net financial debt of the COFIDE group** amounted to **€ 1,975 million** at March 31 2014, compared to € 2,444.6 million at March 31 2013 and € 1,876.3 million euro at December 31 2013. The increase in the quarter was due to the higher consolidated debt of the CIR group.

**Total consolidated equity** stood at **€ 1,587.1 million** at March 31 2014, up slightly from € 1,585.8 million at December 31 2013. The **consolidated equity of the group** declined from € 535.9 million at December 31 2013 to **€ 535.2 million** euro at March 31 2014.

## Outlook for the year 2014

The performance of the COFIDE group in the coming months of 2014 will be affected not only by the evolution of the macroeconomic climate, which is still uncertain, but also by the outcome of the restructuring of the debt of Sorgenia (a subsidiary of CIR). Regarding the latter, discussions between the banking system, the company and its shareholders are continuing actively, which is evidence of the will of the parties to reach an agreement.

*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>

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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 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.*

*It should be noted that these results have not been subject to an external audit.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*(in thousands of euro)*

<b>ASSETS</b>	<i>31.03.2014</i>	<i>31.12.2013</i>	<i>31.03.2013</i>
<b>NON-CURRENT ASSETS</b>	<b>3,796,876</b>	<b>3,791,617</b>	<b>4,881,187</b>
INTANGIBLE ASSETS	1,159,651	1,161,522	1,515,941
TANGIBLE ASSETS	1,991,517	1,998,818	2,363,157
INVESTMENT PROPERTY	22,124	22,310	23,209
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	84,070	81,988	350,875
OTHER EQUITY INVESTMENTS	5,541	5,636	7,437
OTHER RECEIVABLES	237,481	234,043	237,262
SECURITIES	97,042	94,319	126,441
DEFERRED TAXES	199,450	192,981	256,865
<b>CURRENT ASSETS</b>	<b>2,698,889</b>	<b>2,830,738</b>	<b>3,295,401</b>
INVENTORIES	172,304	160,945	167,381
CONTRACTED WORK IN PROGRESS	29,928	30,926	38,238
TRADE RECEIVABLES	1,033,848	1,192,627	1,335,265
OTHER RECEIVABLES	325,889	210,029	421,559
FINANCIAL RECEIVABLES	1,628	1,433	34,096
SECURITIES	215,522	175,670	354,718
AVAILABLE-FOR-SALE FINANCIAL ASSETS	95,403	98,013	110,402
CASH AND CASH EQUIVALENTS	824,367	961,095	833,742
ASSETS HELD FOR DISPOSAL	18,258	--	13,676
<b>TOTAL ASSETS</b>	<b>6,514,023</b>	<b>6,622,355</b>	<b>8,190,264</b>
<b>LIABILITIES AND EQUITY</b>	<i>31.03.2014</i>	<i>31.12.2013</i>	<i>31.03.2013</i>
<b>EQUITY</b>	<b>1,587,073</b>	<b>1,585,807</b>	<b>2,326,591</b>
SHARE CAPITAL	359,605	359,605	359,605
RESERVES	84,521	82,858	75,065
RETAINED EARNINGS (LOSSES)	93,369	223,785	222,735
NET INCOME (LOSS) FOR THE PERIOD	(2,314)	(130,360)	4,444
<b>EQUITY OF THE GROUP</b>	<b>535,181</b>	<b>535,888</b>	<b>661,849</b>
MINORITY SHAREHOLDERS' EQUITY	1,051,892	1,049,919	1,664,742
<b>NON-CURRENT LIABILITIES</b>	<b>1,406,581</b>	<b>1,375,915</b>	<b>3,197,271</b>
BONDS AND NOTES	261,441	257,724	500,094
OTHER BORROWINGS	680,935	649,508	2,283,899
OTHER PAYABLES	583	964	1,924
DEFERRED TAXES	206,274	215,120	182,946
PERSONNEL PROVISIONS	125,794	128,711	140,093
PROVISIONS FOR RISKS AND LOSSES	131,554	123,888	88,315
<b>CURRENT LIABILITIES</b>	<b>3,502,390</b>	<b>3,660,633</b>	<b>2,666,077</b>
BANK OVERDRAFTS	189,828	194,114	172,398
BONDS AND NOTES	233,209	230,719	7,005
OTHER BORROWINGS	1,746,506	1,780,434	814,192
TRADE PAYABLES	782,733	1,011,769	1,128,172
OTHER PAYABLES	454,284	334,231	435,129
PROVISIONS FOR RISKS AND LOSSES	95,830	109,366	109,181
LIABILITIES HELD FOR DISPOSAL	17,979	--	325
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,514,023</b>	<b>6,622,355</b>	<b>8,190,264</b>

## CONSOLIDATED INCOME STATEMENT

*(in thousands of euro)*

	<i>01/01-31/03</i>	<i>01/01-31/03</i>
	<i>2014</i>	<i>2013</i>
TRADE REVENUES	1,069,696	1,241,420
CHANGE IN INVENTORIES	1,943	(1,890)
COSTS FOR THE PURCHASE OF GOODS	(625,639)	(746,941)
COSTS FOR SERVICES	(181,097)	(202,105)
PERSONNEL COSTS	(178,546)	(182,248)
OTHER OPERATING INCOME	24,323	42,860
OTHER OPERATING COSTS	(41,177)	(42,611)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	2,309	(1,921)
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	(36,158)	(54,055)
<b>INCOME BEFORE FINANCIAL ITEMS AND TAXES ( E B I T )</b>	<b>35,654</b>	<b>52,509</b>
FINANCIAL INCOME	7,466	13,478
FINANCIAL EXPENSE	(44,625)	(47,775)
DIVIDENDS	26	1
GAINS FROM TRADING SECURITIES	3,962	3,934
LOSSES FROM TRADING SECURITIES	(28)	(1,019)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(1,970)	7,601
<b>INCOME BEFORE TAXES</b>	<b>485</b>	<b>28,729</b>
INCOME TAXES	(3,338)	(19,862)
<b>NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS</b>	<b>(2,853)</b>	<b>8,867</b>
- NET INCOME OF MINORITY SHAREHOLDERS	539	(4,423)
<b>- NET INCOME OF THE GROUP</b>	<b>(2,314)</b>	<b>4,444</b>

## CONSOLIDATED NET FINANCIAL POSITION

*(in thousands of euro)*

	31.03.2014	31.12.2013	31.03.2013
A. Cash and bank deposits	824,367	961,095	833,742
B. Other cash equivalents	95,403	98,013	110,402
C. Securities held for trading	215,522	175,670	354,718
<b>D. Cash and cash equivalents (A) + (B) + (C)</b>	<b>1,135,292</b>	<b>1,234,778</b>	<b>1,298,862</b>
<b>E. Current financial receivables</b>	<b>1,628</b>	<b>1,433</b>	<b>34,096</b>
F. Current bank borrowings	(1,862,547)	(1,886,721)	(356,520)
G. Bonds and notes issued	(233,209)	(230,719)	(7,005)
H. Current part of non-current debt	(73,787)	(87,827)	(629,929)
I. Other current financial receivables	--	--	(141)
<b>J. Current financial debt (F) + (G) + (H) + (I)</b>	<b>(2,169,543)</b>	<b>(2,205,267)</b>	<b>(993,595)</b>
<b>K. Current net financial position (J) + (E) + (D)</b>	<b>(1,032,623)</b>	<b>(969,056)</b>	<b>339,363</b>
L. Non-current bank borrowings	(360,591)	(335,808)	(2,027,532)
M. Bonds and notes issued	(261,441)	(257,724)	(500,094)
N. Other non-current payables	(320,344)	(313,700)	(256,367)
<b>O. Non-current financial debt (L) + (M) + (N)</b>	<b>(942,376)</b>	<b>(907,232)</b>	<b>(2,783,993)</b>
<b>P. Net financial position (K) + (O)</b>	<b>(1,974,999)</b>	<b>(1,876,288)</b>	<b>(2,444,630)</b>