



PRESS RELEASE

Board of Directors approves results as of September 30 2013

COFIDE GROUP: NET INCOME FOR FIRST NINE MONTHS AT € 7.1 MLN (LOSS OF € 10.1 MLN IN 2012)

Milan, October 28 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 September 30 2013**.

Performance of operations

In the first nine months of 2013 the COFIDE group reported consolidated net income of € 7.1 million (a loss of € 10.1 million in the same period of 2012), thanks particularly to the positive contribution of the main subsidiary CIR. In the third quarter the CIR group benefited from the positive impact on its income statement of the definitive ruling of the Civil Court of Cassation on the Lodo Mondadori case (€ 319.3 million), which more than compensated for the effect of the write-downs made in the nine months by the subsidiary Sorgenia (€ 287.2 million net of minority interests).

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 also has an investment in **Jargonnant**, the private equity fund specializing in real estate assets in Germany and Eastern Europe.

Consolidated results

The **revenues** of the COFIDE group came to **€ 3,550.6 million** in the first nine months of 2013, and were **down slightly (-2.1%)** from € 3,625.8 million in the same period of 2012. **EBITDA before non-recurring items**, consisting of the write-downs made by the CIR group, came to **€ 261.2 million** and was **up by 3.2%** on the figure for 2012 (€ 246.4 million). **EBITDA after non-recurring items**, however, was **-€ 48.6 million**.

The net result of financial management, a negative € 84 million (a negative € 70.4 million in the first nine months of 2012), was a combination of net financial expense of € 81.5 million, adjustments to the value of financial assets of € 10.4 million and net gains from trading and valuing securities of € 7.9 million.

The **net result** of the first nine months was a **positive € 7.1 million** (a loss of € 10.1 million in the same period of 2012), thanks especially to the contribution of the main subsidiary CIR of € 5.2 million (compared to a negative contribution of € 4.9 million in 2012). The subsidiary CIR reported consolidated net income of € 10 million in the first nine months of 2013 versus a loss of € 10.7 million in 2012. This result includes significant non-recurring items: on the one hand the negative effect of the write-downs made by Sorgenia (€ 287.2 million net of minority interests), on the other the positive impact on the income statement of the definitive ruling by the Court of Cassation on the Lodo Mondadori (€ 319.3 million).

COFIDE's result for the first nine months also benefited from the positive adjustment to the fair value of equity investments held for trading.

The **net debt** at September 30 2013 of the **parent company COFIDE SpA** stood at **€ 32.9 million** (€ 33.6 million at June 30 2013 and € 34.4 million at December 31 2012). The **consolidated net financial debt of the COFIDE group** totalled **€ 1,862.8 million** at September 30 2013, **down significantly** from the figure of € 2,402.6 million at June 30 2013 and € 2,537.7 million at December 31 2012.

This figure benefited from the sharp fall in the consolidated debt of the CIR group, thanks to the rise in the net financial surplus of the parent company following the definitive ruling on the Lodo Mondadori and the reduction in the debt of the operating subsidiaries.

Total consolidated equity stood at **€ 2,016.1 million** at September 30 2013 down from € 2,298.6 million at December 31 2012. The **consolidated equity pertaining to the COFIDE group** rose from € 650.4 million at December 31 2012 to **€ 662.8 million** euro at September 30 2013, the increase being due mainly to the result for the period.

Outlook for the year 2013

The performance of the COFIDE group in the last part of 2013 will be affected by the evolution of the macroeconomic environment, especially the performance of the Italian economy, which is characterized by a continuing recession. In this scenario all the companies of the group will be continuing their actions to improve operating efficiency without however sacrificing business development initiatives.

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.

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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 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.
It should be noted that these results have not been audited by the firm of independent auditors.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	30.09.2013	30.06.2013	31/12/2012 (*)
NON-CURRENT ASSETS	4,229,111	4,483,935	4,880,969
INTANGIBLE ASSETS	1,255,855	1,344,901	1,501,522
TANGIBLE ASSETS	2,279,723	2,320,354	2,367,976
INVESTMENT PROPERTY	22,612	22,817	23,393
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	98,970	218,713	353,070
OTHER EQUITY INVESTMENTS	5,832	5,882	5,580
OTHER RECEIVABLES	235,500	237,118	238,907
SECURITIES	104,826	115,270	127,030
DEFERRED TAXES	225,793	218,880	263,491
CURRENT ASSETS	2,988,025	3,160,004	3,192,310
INVENTORIES	170,651	170,751	170,757
CONTRACTED WORK IN PROGRESS	32,393	34,931	42,258
TRADE RECEIVABLES	1,162,507	1,180,845	1,447,836
OTHER RECEIVABLES	331,845	412,938	309,366
FINANCIAL RECEIVABLES	35,745	35,801	35,489
SECURITIES	369,726	363,139	410,343
AVAILABLE-FOR-SALE FINANCIAL ASSETS	103,784	105,990	105,511
CASH AND CASH EQUIVALENTS	781,374	855,609	670,750
ASSETS HELD FOR DISPOSAL	--	--	34,444
TOTAL ASSETS	7,217,136	7,643,939	8,107,723

LIABILITIES AND EQUITY	30.09.2013	30.06.2013	31.12.2012
EQUITY	2,016,141	1,981,554	2,298,620
SHARE CAPITAL	359,605	359,605	359,605
RESERVES	72,343	73,243	66,719
RETAINED EARNINGS (LOSSES)	223,818	223,818	280,308
NET INCOME (LOSS) FOR THE PERIOD	7,078	(79,542)	(56,255)
EQUITY OF THE GROUP	662,844	577,124	650,377
MINORITY SHAREHOLDERS' EQUITY	1,353,297	1,404,430	1,648,243
NON-CURRENT LIABILITIES	3,171,028	3,223,408	3,280,985
BONDS AND NOTES	611,559	616,636	496,379
OTHER BORROWINGS	2,135,045	2,183,237	2,341,678
OTHER PAYABLES	1,072	3,230	2,922
DEFERRED TAXES	182,627	179,526	179,507
PERSONNEL PROVISIONS	137,911	137,638	141,140
PROVISIONS FOR RISKS AND LOSSES	102,814	103,141	119,359
CURRENT LIABILITIES	2,029,967	2,438,977	2,527,734
BANK OVERDRAFTS	223,543	215,374	165,885
BONDS AND NOTES	12,400	9,691	4,354
OTHER BORROWINGS	170,909	738,189	751,496
TRADE PAYABLES	977,414	941,381	1,192,934
OTHER PAYABLES	537,864	414,422	307,890
PROVISIONS FOR RISKS AND LOSSES	107,837	119,920	105,175
LIABILITIES HELD FOR DISPOSAL	--	--	384
TOTAL LIABILITIES AND EQUITY	7,217,136	7,643,939	8,107,723

(*) Some values at December 31 2012 were restated following application of the amendment to IAS 19 – Employee benefits

CONSOLIDATED INCOME STATEMENT

	1/1-30/9 2013	1/1-30/9 2012	III Quarter 2013	III Quarter 2012
TRADE REVENUES	3,550,630	3,625,795	1,141,069	1,218,849
CHANGE IN INVENTORIES	(4,318)	10,922	(2,003)	(1,971)
COSTS FOR THE PURCHASE OF GOODS	(2,071,066)	(2,154,015)	(691,122)	(760,497)
COSTS FOR SERVICES	(626,114)	(616,664)	(231,616)	(188,611)
PERSONNEL COSTS	(544,882)	(554,813)	(167,243)	(169,806)
OTHER OPERATING INCOME	87,783	77,294	23,697	19,123
OTHER OPERATING COSTS	(182,414)	(136,529)	(92,646)	(39,818)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	(258,245)	(5,589)	(122,443)	(1,692)
AMORTIZATION, DEPRECIATION & WRITE-DOWNS	(440,523)	(176,877)	(158,594)	(56,595)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)	(489,149)	69,524	(300,901)	18,982
FINANCIAL INCOME	65,406	54,975	38,356	14,884
FINANCIAL EXPENSE	(146,941)	(146,353)	(48,563)	(45,707)
DIVIDENDS	325	396	--	7
GAINS FROM TRADING SECURITIES	10,840	10,832	3,299	4,383
LOSSES FROM TRADING SECURITIES	(3,237)	(2,844)	(1,733)	(1,487)
ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS	(10,397)	12,531	(3,396)	2,645
NON-RECURRING INCOME (LOSSES)	491,312	--	491,312	--
INCOME BEFORE TAXES	(81,841)	(939)	178,374	(6,293)
INCOME TAXES	(209,999)	(20,666)	(145,271)	(4,195)
RESULT AFTER TAXES FROM OPERATING ACTIVITY	(291,840)	(21,605)	33,103	(10,488)
INCOME/(LOSS) FROM ASSETS HELD FOR DISPOSAL	--	(5,906)	--	(5,906)
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	(291,840)	(27,511)	33,103	(16,394)
- (NET INCOME) LOSS MINORITY SHAREHOLDERS	298,918	17,415	53,517	9,615
- NET INCOME (LOSS) OF THE GROUP	7,078	(10,096)	86,620	(6,779)

CONSOLIDATED NET FINANCIAL POSITION

<i>(in thousands of euro)</i>		30.09.2013	30.06.2013	31.12.2012
A.	Cash and bank deposits	781,374	855,609	670,750
B.	Other cash equivalents	103,784	105,990	105,511
C.	Securities held for trading	369,726	363,139	410,343
D.	Cash and cash equivalents (A) + (B) + (C)	1,254,884	1,324,738	1,186,604
E.	Current financial receivables	35,745	35,801	35,489
F.	Current bank borrowings	(345,530)	(331,247)	(292,822)
G.	Bonds and notes issued	(12,400)	(9,691)	(4,354)
H.	Current part of non-current debt	(48,922)	(622,316)	(624,546)
I.	Other current financial receivables	--	--	(13)
J.	Current financial debt (F) + (G) + (H) + (I)	(406,852)	(963,254)	(921,735)
K.	Current net financial position (J) + (E) + (D)	883,777	397,285	300,358
L.	Non-current bank borrowings	(1,898,315)	(1,941,728)	(2,080,760)
M.	Bonds and notes issued	(611,559)	(616,636)	(496,379)
N.	Other non-current payables	(236,730)	(241,509)	(260,918)
O.	Non-current financial position (L) + (M) + (N)	(2,746,604)	(2,799,873)	(2,838,057)
P	Net financial position (K) + (O)	(1,862,827)	(2,402,588)	(2,537,699)