



PRESS RELEASE

Board of Directors approves results as of September 30 2014

COFIDE GROUP: NET INCOME AT € 1.6 MLN IN THE FIRST NINE MONTHS

***At September 30 2013 the group had reported earnings of € 7.1 million,
due to the non-recurring items of the subsidiary CIR***

Milan, October 27 2014 - The **Board of Directors of COFIDE-Gruppo De Benedetti S.p.A.**, which met today in Milan under the chairmanship of **Rodolfo De Benedetti**, approved the **Interim Financial Report of the group as of September 30 2014**.

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 **Jargonant**, the private equity fund specializing in real estate assets in Germany and Eastern Europe.

Foreword

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

The debt restructuring process for Sorgenia will follow the procedure "as per Art. 182 bis" and envisages that, subject to ratification of the plan, there will be a capital increase of 400 million euro, in which the current shareholders will not take part and which will be wholly subscribed to by the lending banks through the conversion of receivables into capital. Once the deal has been completed, CIR will no longer hold any shares in Sorgenia.

Given what has been stated above, the COFIDE group, starting from its Semi-annual Interim Report as of June 30 2014, has adopted international accounting standard IFRS 5 for the consolidation of the Sorgenia group. On the basis of this standard the Sorgenia group must be classified as an asset held for sale.

Therefore the statement of financial position of Sorgenia is included in the consolidated financial statements of COFIDE in the item "Assets/Liabilities held for disposal", separated out from the other assets and liabilities shown in the statement of financial position, and no longer consolidated according to the full line-by-line method. A similar presentation is used for the income statement which includes Sorgenia's results in the item "Income/Loss from assets held for disposal".

Therefore, more 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. For the purposes of comparison the consolidated income statement of the corresponding period of last year was also reclassified in the same way. The comments on the balance sheet items take this reclassification into account.

Consolidated results

The **consolidated revenues** of COFIDE in the first nine months of 2014 came in at **€ 1,776.6 million**, compared to € 1,804.5 million in the same period of 2013 (-1.5%).

EBITDA came to **€ 152.6 million, up by 9.6%** from € 139.2 million in 2013 as an effect of the higher profitability of the CIR group.

The **consolidated net income** of the nine months totalled **€ 1.6 million**. The result was the balance of the positive contribution of the subsidiary CIR (€ 2.6 million) and of the loss of the parent company COFIDE S.p.A. (€ 1 million). At September 30 2013 the COFIDE group had reported net income of € 7.1 million due mainly to the contribution of CIR (€ 5.2 million).

It should be noted that the result of CIR for the first nine months of 2013 (net income of € 10.7 million) contained two offsetting non-recurring items one with a plus and one with a minus sign: on the one hand the negative effect of the Sorgenia write-downs, on the other the positive impact of the final ruling on the Mondadori case.

The **net debt of the parent company COFIDE S.p.A.** amounted to **€ 31.6 million** at September 30 2014 (versus € 31 million at December 31 2013).

The **consolidated net financial debt of the COFIDE group** stood at **€ 188.4 million** at September 30 2014 versus € 1,876.3 million at December 31 2013; the change was due to the deconsolidation of Sorgenia's debt following the application of accounting standard IFRS 5.

The increase in the net financial position of the group compared to June 30 2014 (-€ 89.2 million) was due mainly to the expected disbursements for taxes made by CIR and already recognized in the accounts in 2013, in relation to the Lodo Mondadori ruling.

Total consolidated equity stood at **€ 1,608.6 million** at September 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 **€ 542.6 million** euro at September 30 2014.

Regarding the investment in the Jargonnant fund, the value of the investment at September 30 2014 was € 15 million, unchanged from December 31 2013.

Outlook for the rest of 2014

The performance of the COFIDE group in the last part 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 South American market for the automotive component sector.

It should be noted that the net result of the year of the subsidiary CIR will be affected by non-recurring costs of approximately € 16.5 million for the buyback of the 2024 Notes, which will be recognized to the accounts in the fourth quarter.

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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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 accounts have not been subjected to an audit by the firm of auditors.*

Consolidated Statement of financial position

(in thousands of euro)

ASSETS	30.09.2014	30.06.2014	31.12.2013
NON-CURRENT ASSETS	2,127,637	2,102,098	3,791,617
INTANGIBLE ASSETS	994,196	989,695	1,161,522
TANGIBLE ASSETS	609,922	598,369	1,998,818
INVESTMENT PROPERTY	21,746	22,000	22,310
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	165,677	165,802	81,988
OTHER EQUITY INVESTMENTS	4,984	4,940	5,636
OTHER RECEIVABLES	138,648	138,151	234,043
SECURITIES	94,744	88,704	94,319
DEFERRED TAXES	97,720	94,437	192,981
CURRENT ASSETS	1,769,369	1,871,852	2,830,738
INVENTORIES	134,246	138,435	160,945
CONTRACTED WORK IN PROGRESS	28,408	29,721	30,926
TRADE RECEIVABLES	444,602	484,681	1,192,627
OTHER RECEIVABLES	114,573	113,754	210,029
FINANCIAL RECEIVABLES	64,558	27,044	1,433
SECURITIES	232,467	212,862	175,670
AVAILABLE-FOR-SALE FINANCIAL ASSETS	101,079	94,563	98,013
CASH AND CASH EQUIVALENTS	649,436	770,792	961,095
ASSETS HELD FOR DISPOSAL	2,412,467	2,514,704	--
ELISION OF ASSETS TO/FROM DISCONTINUED OPERATIONS	(1,558)	(52,043)	--
TOTAL ASSETS	6,307,915	6,436,611	6,622,355

LIABILITIES AND EQUITY	30.09.2014	30.06.2014	31.12.2013
EQUITY	1,608,618	1,595,283	1,585,807
ISSUED CAPITAL	359,605	359,605	359,605
RESERVES	88,006	83,179	82,858
RETAINED EARNINGS (LOSSES)	93,370	93,370	223,785
NET INCOME (LOSS) FOR THE PERIOD	1,649	580	(130,360)
EQUITY OF THE GROUP	542,630	536,734	535,888
MINORITY SHAREHOLDERS' EQUITY	1,065,988	1,058,549	1,049,919
NON-CURRENT LIABILITIES	1,003,653	1,203,811	1,375,915
BONDS AND NOTES	269,626	475,735	365,558
OTHER FINANCIAL PAYABLES	370,005	366,549	541,674
OTHER PAYABLES	349	310	964
DEFERRED TAXES	144,086	141,594	215,120
PERSONNEL PROVISIONS	123,478	124,008	128,711
PROVISIONS FOR RISKS AND LOSSES	96,109	95,615	123,888
CURRENT LIABILITIES	1,288,210	1,180,001	3,660,633
BANK OVERDRAFTS	22,101	22,181	194,114
BONDS AND NOTES	413,739	192,837	230,719
OTHER FINANCIAL LIABILITIES	160,426	137,155	1,780,434
TRADE PAYABLES	393,763	456,372	1,011,769
OTHER PAYABLES	215,130	286,481	334,231
PROVISIONS FOR RISKS AND LOSSES	83,051	84,975	109,366
LIABILITIES HELD FOR DISPOSAL	2,408,992	2,509,559	--
ELISION OF LIABILITIES TO/FROM DISCONTINUED OPERATIONS	(1,558)	(52,043)	--
TOTAL LIABILITIES AND EQUITY	6,307,915	6,436,611	6,622,355

Consolidated Income Statement

<i>(in thousands of euro)</i>	<i>1/1-30/9 2014</i>	<i>1/1-30/9 2013</i>	<i>3rd Quarter 2014</i>	<i>3rd Quarter 2013</i>
SALES REVENUES	1,776,648	1,804,508	569,596	573,648
CHANGE IN INVENTORIES	(1,570)	(3,359)	(5,652)	(2,268)
COSTS FOR THE PURCHASE OF GOODS	(636,203)	(631,850)	(202,142)	(204,466)
COSTS FOR SERVICES	(451,077)	(497,808)	(145,534)	(177,093)
PERSONNEL COSTS	(503,846)	(510,661)	(155,968)	(156,690)
OTHER OPERATING INCOME	23,885	21,959	6,073	6,492
OTHER OPERATING COSTS	(56,453)	(44,856)	(17,314)	(13,696)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	1,186	1,226	(255)	(619)
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	(74,761)	(74,069)	(24,326)	(26,085)
INCOME BEFORE INTEREST AND TAXES (E B I T)	77,809	65,090	24,478	(777)
FINANCIAL INCOME	19,782	46,481	6,380	26,143
FINANCIAL EXPENSE	(74,536)	(65,034)	(23,892)	(15,395)
DIVIDENDS	98	322	16	--
GAINS FROM TRADING SECURITIES	16,173	10,840	3,210	3,299
LOSSES FROM TRADING SECURITIES	(3,662)	(3,237)	(21)	(1,733)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	1,317	3,089	2,163	4,253
NON-RECURRING GAINS (LOSSES)	--	491,312	--	491,312
INCOME BEFORE TAXES	36,981	548,863	12,334	507,102
INCOME TAXES	(23,432)	(197,123)	(6,908)	(173,840)
RESULT AFTER TAXES FROM OPERATING ACTIVITY	13,549	351,740	5,426	333,262
NET INCOME/(LOSS) FROM ASSETS HELD FOR DISPOSAL	(2,785)	(643,580)	(2,374)	(300,159)
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	10,764	(291,840)	3,052	33,103
- (NET INCOME) LOSS OF MINORITY SHAREHOLDERS	(9,115)	298,918	(1,983)	53,517
- NET INCOME (LOSS) OF THE GROUP	1,649	7,078	1,069	86,620

Consolidated Net Financial Position

<i>(in thousands of euro)</i>		30.09.2014	30.06.2014	31.12.2013
A.	Cash and bank deposits	649,436	770,792	961,095
B.	Other cash equivalents	101,079	94,563	98,013
C.	Securities held for trading	232,467	212,862	175,670
D.	Cash and cash equivalents (A) + (B) + (C)	982,982	1,078,217	1,234,778
E.	Current financial receivables	64,558	27,044	1,433
F.	Current bank borrowings	(150,671)	(144,476)	(1,886,721)
G.	Bonds and notes issued	(413,739)	(192,837)	(230,719)
H.	Current part of non-current debt	(31,856)	(14,860)	(87,827)
I.	Other current financial payables	--	--	--
J.	Current financial debt (F) + (G) + (H) + (I)	(596,266)	(352,173)	(2,205,267)
K.	Current net financial position (J) + (E) + (D)	451,274	753,088	(969,056)
L.	Non-current bank borrowings	(225,812)	(224,762)	(335,808)
M.	Bonds and notes issued	(269,626)	(475,735)	(365,558)
N.	Other non-current payables	(144,193)	(141,787)	(205,866)
O.	Non-current financial debt (L) + (M) + (N)	(639,631)	(842,284)	(907,232)
P.	Net financial position (K) + (O)	(188,357)	(89,196)	(1,876,288)