



## **PRESS RELEASE**

*Board of Directors approves results for the year 2012*

**COFIDE GROUP: REVENUES +11.9% TO OVER 5 BLN  
NET RESULT AFTER WRITE-DOWNS -57.6 MLN  
NET INCOME OF THE PARENT COMPANY DOUBLES TO 4.7 MLN**

***The Board of Director will propose to the Shareholders' Meeting that no dividend be distributed***

Milan, March 11 2013 - The **Board of Directors** of **COFIDE-Gruppo De Benedetti SpA**, which met today in Milan under the chairmanship of **Francesco Guasti**, approved the **proposed statutory financial statements and the consolidated financial statements of the group for the year 2012**.

### **Performance of operations**

The COFIDE group closed 2012 with a negative net result of over 50 million euro caused by the write-down of goodwill and the negative contribution of the subsidiary CIR. The results were weighed down by the write-downs of goodwill made by Sorgenia, a subsidiary of CIR. The parent company COFIDE SpA reported net income of 4.7 million euro, more than double the figure of 2011.

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.

### **Consolidated results and results of the parent company**

The **consolidated revenues** of COFIDE came to **5,063 million** euro in 2012, up from 4,522.7 million in 2011 (+11.9%). **Consolidated EBITDA** came in at **301.8 million** euro, **down by 34.7%** compared to the figure for 2011 (462.1 million euro). The contraction in margins was caused by the significant decline in the profitability of the CIR group, negatively affected also by the write-downs made by the subsidiary Sorgenia. The **consolidated operating result (EBIT)** was **18.6 million** euro, down from 248.6 million in 2011.

The net result of financial management, a negative figure of 106.7 million euro (a negative 131.4 million euro in 2011), was the result of net financial expense of 126.4 million euro, dividends and net gains on trading and valuing securities of 10.8 million euro and positive adjustments to the value of financial assets of 8.9 million euro.

The **consolidated net result** for 2012 was a **loss of 57.6 million** euro, compared to net income of 1 million euro in 2011. The loss is due mainly to the write-down of the goodwill relating to the investment in CIR (35.4 million euro) and to the negative contribution of the latter (-16.2 million euro). Following the write-down, the goodwill recognized by COFIDE for CIR is now zero. The results of COFIDE and CIR were affected by the write-downs made by Sorgenia on certain assets following impairment tests, in line with what various other Italian and European utilities did recently in the light of the economic climate and the difficulties in the energy sector.

The **parent company COFIDE SpA** reported **net income** of **4.7 million** euro in 2012, which was more than double the figure of 1.8 million euro posted for 2011. The change was due essentially to the improvement in the financial management result.

The **net financial debt of COFIDE SpA** totalled **34.4 million** euro at December 31 2012 (32.4 million euro at September 30 2012 and 28.9 million euro at December 31 2011). The **consolidated net debt of the group** came to **2,537.7 million** euro at December 31 2012, versus **2,623.4 million** euro at September 30 2012 and 2,360.3 million euro at December 31 2011.

**Total consolidated equity** stood at **2,315.4 million** euro at December 31 2012, down from 2,502.8 million at December 31 2011. The **consolidated equity of the group** went down from 725.4 million euro at December 31 2011 to **655.1 million** euro at December 31 2012.

The **equity of COFIDE SpA** stood at **557 million** euro at December 31 2012 versus 558.5 million euro at December 31 2011.

### **Outlook for the year 2013**

The performance of the COFIDE group in 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 of the group companies will continue their actions to improve operating efficiency without however neglecting business development initiatives.

### **Shareholders' Meeting**

The Board of Directors will propose to the Shareholders' Meeting that no dividends be distributed for 2012 in order to preserve the financial solidity of the company. The Shareholders' Meeting of COFIDE has been convened for April 26 2013 at the first call and for April 29 2013 if a second call is necessary. The Board has approved the following resolutions:

- To put before the Shareholders' Meeting a motion to cancel and renew the Board's authorization for a period of 18 months to buy back a maximum of 30 million own shares, with a maximum disbursement limit of 25 million euro, at a unit price that cannot be more than 10% higher or lower than the benchmark price recorded by the shares on regulated markets on the trading day preceding each single buyback transaction.  
The main reasons why this authorization is being renewed are, on the one hand, the possibility of investing in shares of the company at prices below their actual value based on the real economic value of its equity and its income generating prospects, and on the other hand, the possibility of reducing the company's average cost of capital.
- To put forward a proposal for the replacement of an alternate auditor.
- To put before the Extraordinary Meeting of the Shareholders the proposal to renew the authorization of the Board of Directors to increase the share capital up to a maximum amount of 250 million euro and to issue convertible bonds within the limits imposed by law.

The Shareholders' Meeting will also be called upon to adopt a resolution on the renewal of the Board of Directors.

Lastly, In addition to the "Annual Report on Corporate Governance" for 2012, the Board of Directors has approved the "Code of Conduct COFIDE SpA", which contains a description of the main duties and functions of the corporate bodies, and of the internal control and risk management system of the Company. The document will be available on the website [www.cofide.it](http://www.cofide.it).

*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.*

\*\*\*

Contacts:

**CIR Group Communication Department**

Salvatore Ricco

Mariella Speciale

Tel.: +39 02 722701

e-mail: [infostampa@cirgroup.it](mailto:infostampa@cirgroup.it)

[www.cofide.it](http://www.cofide.it)

\*\*\*

**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 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*

**COFIDE GROUP – CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*(in thousands of euro)*

<b>ASSETS</b>	<b>31.12.2012</b>	<b>31.12.2011 (**)</b>
<b>NON-CURRENT ASSETS</b>	<b>4,887,880</b>	<b>4,968,139</b>
INTANGIBLE ASSETS	1,501,522	1,536,195
TANGIBLE ASSETS	2,367,976	2,401,032
INVESTMENT PROPERTY	23,393	24,403
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	353,070	386,253
OTHER EQUITY INVESTMENTS	5,580	22,903
OTHER RECEIVABLES	249,140	247,208
<i>of which with related parties (*)</i>	<i>30,944</i>	<i>29,481</i>
SECURITIES	127,030	118,807
DEFERRED TAXES	260,169	231,338
<b>CURRENT ASSETS</b>	<b>3,192,310</b>	<b>2,967,521</b>
INVENTORIES	170,757	184,530
CONTRACTED WORK IN PROGRESS	42,258	35,330
TRADE RECEIVABLES	1,447,836	1,215,226
<i>of which with related parties (*)</i>	<i>7,760</i>	<i>9,352</i>
OTHER RECEIVABLES	309,366	273,662
<i>of which with related parties (*)</i>	<i>7,546</i>	<i>2,603</i>
FINANCIAL RECEIVABLES	35,489	11,956
SECURITIES	410,343	613,877
AVAILABLE-FOR-SALE FINANCIAL ASSETS	105,511	126,699
CASH AND CASH EQUIVALENTS	670,750	506,241
ASSETS HELD FOR DISPOSAL	34,444	1,924
<b>TOTAL ASSETS</b>	<b>8,114,634</b>	<b>7,937,584</b>
<b>LIABILITIES AND EQUITY</b>	<b>31.12.2012</b>	<b>31.12.2011 (**)</b>
<b>EQUITY</b>	<b>2,315,433</b>	<b>2,502,806</b>
SHARE CAPITAL	359,605	359,605
RESERVES	72,763	78,234
RETAINED EARNINGS (LOSSES)	280,308	286,576
NET INCOME FOR THE YEAR	(57,573)	1,015
<b>EQUITY OF THE GROUP</b>	<b>655,103</b>	<b>725,430</b>
MINORITY INTERESTS	1,660,330	1,777,376
<b>NON-CURRENT LIABILITIES</b>	<b>3,245,149</b>	<b>3,139,522</b>
BONDS	496,379	525,802
OTHER BORROWINGS	2,341,678	2,234,914
OTHER PAYABLES	2,922	1,890
DEFERRED TAXES	181,860	177,698
PERSONNEL PROVISIONS	128,885	124,529
PROVISIONS FOR RISKS AND LOSSES	93,425	74,689
<b>CURRENT LIABILITIES</b>	<b>2,553,668</b>	<b>2,294,959</b>
BANK OVERDRAFTS	165,885	142,491
BONDS	4,354	4,243
OTHER BORROWINGS	751,496	711,600
<i>of which from related parties (*)</i>	<i>13</i>	<i>2</i>
TRADE PAYABLES	1,192,934	981,110
<i>of which to related parties (*)</i>	<i>41,385</i>	<i>36,629</i>
OTHER PAYABLES	333,824	370,128
<i>of which to related parties (*)</i>	<i>2,355</i>	<i>251</i>
PROVISIONS FOR RISKS AND LOSSES	105,175	85,387
LIABILITIES HELD FOR DISPOSAL	384	297
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8,114,634</b>	<b>7,937,584</b>

**COFIDE GROUP – CONSOLIDATED STATEMENT OF INCOME**
*(in thousands of euro)*

	2012	2011 (**)
TRADE RECEIVABLES	5,062,978	4,522,722
<i>of which from related parties (*)</i>	112,240	17,551
CHANGE IN INVENTORIES	9,099	(6,582)
COSTS FOR THE PURCHASE OF GOODS	(3,073,946)	(2,543,548)
<i>of which with related parties (*)</i>	(328,757)	(227,860)
COSTS FOR SERVICES	(830,024)	(847,136)
<i>of which from related parties (*)</i>	(1,699)	(1,550)
PERSONNEL COSTS	(748,354)	(722,935)
OTHER OPERATING INCOME	173,323	227,374
<i>of which from related parties (*)</i>	36,698	1,117
OTHER OPERATING COSTS	(254,695)	(189,764)
<i>of which with related parties (*)</i>	(54)	(295)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS		
CONSOLIDATED AT EQUITY	(36,534)	21,928
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	(283,272)	(213,428)
<b>INCOME BEFORE FINANCIAL ITEMS AND TAXES ( E B I T )</b>	<b>18,575</b>	<b>248,631</b>
FINANCIAL INCOME	68,365	63,960
<i>of which from related parties (*)</i>	10,990	8,796
FINANCIAL EXPENSE	(194,736)	(181,296)
<i>of which with related parties (*)</i>	(10,228)	(7,629)
DIVIDENDS	403	285
<i>of which from related parties (*)</i>	14	11
GAINS FROM TRADING SECURITIES	22,155	15,980
LOSSES FROM TRADING SECURITIES	(11,759)	(5,502)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	8,925	(24,866)
<b>INCOME (LOSS) BEFORE TAXES</b>	<b>(88,072)</b>	<b>117,192</b>
INCOME TAXES	(29,714)	(59,325)
<b>RESULT BEFORE TAXES FROM OPERATING ACTIVITY</b>	<b>(117,786)</b>	<b>57,867</b>
INCOME (LOSS) FROM ASSETS HELD FOR DISPOSAL	--	--
<b>NET INCOME (LOSS) FOR THE YEAR INCLUDING MINORITY INTERESTS</b>	<b>(117,786)</b>	<b>57,867</b>
- LOSS (INCOME) OF MINORITY INTERESTS	60,213	(56,852)
<b>- NET INCOME (LOSS) OF THE GROUP</b>	<b>(57,573)</b>	<b>1,015</b>
<b>BASIC EARNINGS (LOSS) PER SHARE (in euro)</b>	<b>(0.0801)</b>	<b>0.0014</b>
<b>DILUTED EARNINGS (LOSS) PER SHARE (in euro)</b>	<b>(0.0801)</b>	<b>0.0014</b>

(\*) As per Consob resolution no. 6064293 of July 28 2006

(\*\*) some values for the year 2011 were restated following the completion, by the Sogefi group, of the Purchase Price Allocation process of Systèmes Moteurs S.A.S

# COFIDE GROUP – CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euro)

	2012	2011 (*)
<b>OPERATING ACTIVITY</b>		
NET INCOME FOR THE YEAR INCLUDING MINORITY INTERESTS:	(117,786)	57,867
ADJUSTMENTS:		
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	283,272	213,428
SHARE OF THE RESULT OF COMPANIES CONSOLIDATED AT EQUITY	36,534	(21,928)
ACTUARIAL CHANGE IN STOCK OPTION PLANS	11,048	11,518
CHANGE IN PERSONNEL PROVISIONS, PROVISIONS FOR RISKS AND LOSSES	42,880	(2,901)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(8,925)	24,866
INCREASE (DECREASE) IN NON-CURRENT RECEIVABLES AND PAYABLES	(61,711)	(95,901)
INCREASE (DECREASE) IN NET WORKING CAPITAL	(85,018)	34,122
<b>CASH FLOW FROM OPERATING ACTIVITY</b>	<b>100,294</b>	<b>221,071</b>
of which:		
- interest collected (paid)	(95,072)	(103,580)
- payments for income taxes	(64,448)	(46,826)
<b>INVESTMENT ACTIVITY</b>		
CONSIDERATION PAID FOR BUSINESS COMBINATIONS	(6,518)	(146,501)
NET FINANCIAL POSITION OF COMPANIES ACQUIRED	514	8,311
(PURCHASE) SALE OF SECURITIES	238,380	(387,945)
(PURCHASE) SALE OF FIXED ASSETS	(204,735)	(133,531)
<b>CASH FLOW FROM INVESTMENT ACTIVITY</b>	<b>27,641</b>	<b>(659,666)</b>
<b>FINANCING ACTIVITY</b>		
INFLOWS FROM CAPITAL INCREASES	24,868	34,844
OTHER CHANGES IN EQUITY	(62,579)	(60,061)
DRAWDOWN/(REPAYMENT) OF OTHER BORROWINGS	93,815	445,912
BUYBACK OF OWN SHARES	(3,314)	(18,349)
DIVIDENDS PAID OUT	(39,610)	(38,647)
<b>CASH FLOW FROM FINANCING ACTIVITY</b>	<b>13,180</b>	<b>363,699</b>
<b>INCREASE (DECREASE) IN NET CASH AND CASH EQUIVALENTS</b>	<b>141,115</b>	<b>(74,896)</b>
<b>NET CASH AND CASH EQUIVALENTS AT START OF YEAR</b>	<b>363,750</b>	<b>438,646</b>
<b>NET CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>504,865</b>	<b>363,750</b>

(\*) some values for the year 2011 were restated following the completion, by the Sogefi group, of the Purchase Price Allocation process of Systèmes Moteurs S.A.S

**COFIDE GROUP - STATEMENT OF CHANGES IN CONSOLIDATED EQUITY**

	Attributable to the shareholders of the parent company					Minority interests	Total
	Share capital	Reserves	Retained earnings (losses)	Net income(loss) for the year	Total		
<i>(in thousands of euro)</i>							
<b>BALANCE AT DECEMBER 31 2010</b>	<b>359,605</b>	<b>94,080</b>	<b>270,902</b>	<b>22,866</b>	<b>747,453</b>	<b>1,803,486</b>	<b>2,550,939</b>
Capital increases	--	--	--	--	--	34,844	34,844
Dividends to Shareholders	--	--	(7,192)	--	(7,192)	(31,455)	(38,647)
Retained earnings	--	--	22,866	(22,866)	--	--	--
Effects of equity changes in subsidiaries	--	8,576	--	--	8,576	(27,859)	(19,283)
<i>Comprehensive result for the year</i>							
Fair value measurement of hedging instruments	--	(16,033)	--	--	(16,033)	(49,027)	(65,060)
Fair value measurement of securities	--	(6,397)	--	--	(6,397)	(7,185)	(13,582)
Securities fair value reserve recognized to income statement	--	(1,908)	--	--	(1,908)	370	(1,538)
Effects of equity changes in subsidiaries	--	(886)	--	--	(886)	(1,898)	(2,784)
Currency translation differences	--	802	--	--	802	(752)	50
Result for the year	--	--	--	1,015	1,015	56,852	57,867
<i>Total comprehensive result for the year</i>	--	(24,422)	--	1,015	(23,407)	(1,640)	(25,047)
<b>BALANCE AT DECEMBER 31 2011</b>	<b>359,605</b>	<b>78,234</b>	<b>286,576</b>	<b>1,015</b>	<b>725,430</b>	<b>1,777,376</b>	<b>2,502,806</b>
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	--	2,761	--	--	2,761	(19,824)	(17,063)
<i>Comprehensive result for the year</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 recognized 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	--	(4,399)	--	--	(4,399)	(8,641)	(13,040)
Result for the year	--	--	--	(57,573)	(57,573)	(60,213)	(117,786)
<i>Total comprehensive result for the year</i>	--	(8,323)	--	(57,573)	(65,896)	(89,672)	(155,568)
<b>BALANCE AT DECEMBER 31 2012</b>	<b>359,605</b>	<b>72,763</b>	<b>280,308</b>	<b>(57,573)</b>	<b>655,103</b>	<b>1,660,330</b>	<b>2,315,433</b>