

PRESS RELEASE

Board of Directors approves results as of December 31 2014

COFIDE GROUP: IN 2014 REDUCES LOSS TO - € 14.5 MLN (- € 130.4 MLN IN 2013)

The result is affected by the non-recurring charges of the subsidiary CIR

The Board of Directors will propose to the AGM that no dividend be distributed given the result for the period

Milan, March 9 2015 - 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 **proposed financial statements for the year and the consolidated financial statements of the group for 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. The COFIDE group also has investments in **Jargonant**, the private equity fund specializing in real estate assets in Germany and Eastern Europe.

Foreword

During financial year 2014 Sorgenia, the company controlled by the subsidiary CIR, formulated and shared with its lending banks a debt restructuring plan, which led to the filing on November 19 with the Milan Court of Law of a petition for the ratification as per Article 182-bis of the said plan. On February 25 2015 the Milan Court of Law granted ratification of the debt restructuring plan for the Sorgenia group. On the outcome of this operation, and specifically after the approval of the financial statements for 2014 by the Annual General Meeting of the Shareholders and the completion of the capital increase, in accordance with the agreements signed with the lending banks on July 23 2014, CIR will no longer hold any shares in Sorgenia.

Given the above, the COFIDE group, as from the Semi-annual Financial Report as of June 30 2014, has been adopting international accounting standard IFRS 5 for the consolidation of the Sorgenia group. In accordance with this principle, 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 balance sheet 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 is no longer fully consolidated on a line-by-line basis. A similar classification has been made for the income statement.

Consolidated results and results of the Parent Company

The **consolidated revenues** of COFIDE in 2014 came in at **€ 2,392.6 million**, substantially in line with the figure of € 2,403.4 million in 2013 (-0.4%).

Consolidated EBITDA came to **€ 194.7 million** (8.1% of revenues), **up by 4.2%** from € 186.9 million in 2013 as an effect of the higher profitability of the CIR group.

The **consolidated net loss** for the year was - **€ 14.5 million**, down from - € 130.4 million in 2013.

The result was due to the negative contribution of the subsidiary CIR (- € 11.5 million), caused by non-recurring charges, and to the **net loss of the parent company COFIDE S.p.A.** (- € 3 million compared to net income of € 1.1 million in 2013) as an effect of the lower gains from trading and valuing securities compared to the previous year.

In 2014 the net result of the CIR group was - € 23.4 million versus a net loss of - € 269.2 million in 2013. Financial years 2013 and 2014 were affected by significant non-recurring charges: excluding these items, the consolidated net result of CIR for 2014 would have been a positive figure of € 12 million compared to a net loss of - € 32.6 million in the previous year.

The **net financial debt of the parent company COFIDE S.p.A.** amounted to **€ 32.8 million** at December 31 2014 (versus € 31 million at December 31 2013).

The **consolidated net financial debt of the COFIDE group** stood at **€ 145.6 million** at December 31 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.

Total consolidated equity stood at **€ 1,558.5 million** at December 31 2014, down 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 **€ 528.4 million** euro at December 31 2014.

The **equity of the parent company COFIDE S.p.A.** amounted to **€ 559.1 million** at December 31 2014 (€ 557.3 million at the end of 2013).

Regarding the investment in the **Jargonnant** fund, the value of the investment at December 31 2014 was **€ 18.6 million**, up from € 15 million at December 31 2013 mainly because of fair value changes during the year.

Outlook for the year 2015

The performance of the COFIDE group in 2015 will be influenced by the evolution of the Italian economic environment, the impact of which is significant particularly for the media and healthcare sectors, and by the performance of the South American market for the automotive components sector. During the year the group should see a return to profit, unless there are any events of an extraordinary nature that cannot at the moment be foreseen.

Annual General Meeting of the Shareholders

The Board of Directors will propose to the Shareholders' Meeting that no dividends be distributed for the year 2014 in view of the result for the year. The Shareholders' Meeting (AGM) has been convened for April 24 at the first call and for April 27 at the second call. The Board has resolved:

- 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 50 million own shares with a maximum disbursement limit of € 35 million, 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.

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.

Consolidated Statement of Financial Position

(in thousands of euro)

ASSETS	31.12.2014	31.12.2013
NON-CURRENT ASSETS	2,090,919	3,791,617
INTANGIBLE ASSETS	977,733	1,161,522
TANGIBLE ASSETS	622,695	1,998,818
INVESTMENT PROPERTY	21,291	22,310
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	148,301	81,988
OTHER EQUITY INVESTMENTS	22,585	5,636
OTHER RECEIVABLES	89,239	234,043
<i>of which with related parties</i>	23,973	18,125
SECURITIES	93,122	94,319
DEFERRED TAXES	115,953	192,981
CURRENT ASSETS	1,340,994	2,830,738
INVENTORIES	128,664	160,945
CONTRACTED WORK IN PROGRESS	29,546	30,926
TRADE RECEIVABLES	431,691	1,192,627
<i>of which with related parties</i>	6,826	28,895
OTHER RECEIVABLES	92,181	210,029
<i>of which with related parties</i>	104	589
FINANCIAL RECEIVABLES	10,092	1,433
SECURITIES	149,044	175,670
AVAILABLE-FOR-SALE FINANCIAL ASSETS	150,891	98,013
CASH AND CASH EQUIVALENTS	348,885	961,095
ASSETS HELD FOR DISPOSAL	2,539,260	--
ELISIONS TO/FROM DISCONTINUED OPERATIONS	(10,308)	--
TOTAL ASSETS	5,960,865	6,622,355
LIABILITIES AND EQUITY	31.12.2014	31.12.2013
SHAREHOLDERS' EQUITY	1,558,457	1,585,807
SHARE CAPITAL	359,605	359,605
RESERVES	89,883	82,858
RETAINED EARNINGS (LOSSES)	93,369	223,785
NET INCOME (LOSS) FOR THE YEAR	(14,468)	(130,360)
EQUITY OF THE GROUP	528,389	535,888
MINORITY SHAREHOLDERS' EQUITY	1,030,068	1,049,919
NON-CURRENT LIABILITIES	1,045,432	1,375,915
BONDS	270,568	365,558
OTHER FINANCIAL PAYABLES	382,650	541,674
OTHER PAYABLES	7,137	964
DEFERRED TAXES	143,313	215,120
PERSONNEL PROVISIONS	143,854	128,711
PROVISIONS FOR RISKS AND LOSSES	97,910	123,888
CURRENT LIABILITIES	858,226	3,660,633
BANK OVERDRAFTS	15,671	194,114
BONDS	4,677	230,719
OTHER FINANCIAL PAYABLES	130,955	1,780,434
<i>of which with related parties</i>	--	--
TRADE PAYABLES	417,191	1,011,769
<i>of which to related parties</i>	7,408	860
OTHER PAYABLES	207,077	334,231
<i>of which to related parties</i>	--	1,211
PROVISIONS FOR RISKS AND LOSSES	82,655	109,366
LIABILITIES HELD FOR DISPOSAL	2,509,058	--
ELISIONS TO/FROM DISCONTINUED OPERATIONS	(10,308)	--
TOTAL LIABILITIES AND EQUITY	5,960,865	6,622,355

Consolidated Income Statement

(in thousands of euro)

	2014	2013
SALES REVENUES	2,392,620	2,403,400
<i>of which from related parties</i>	--	--
CHANGE IN INVENTORIES	(2,821)	(10,259)
COSTS FOR THE PURCHASE OF GOODS	(852,212)	(832,123)
<i>of which from related parties</i>	--	--
COSTS FOR SERVICES	(630,821)	(661,830)
<i>of which from related parties</i>	(2,075)	(1,718)
PERSONNEL COSTS	(658,094)	(663,671)
OTHER OPERATING INCOME	38,606	34,856
<i>of which from related parties</i>	2,080	3,140
OTHER OPERATING COSTS	(95,989)	(86,245)
<i>of which with related parties</i>	--	--
ADJUSTMENTS TO THE VALUE OF INVESTMENTS		
CONSOLIDATED AT EQUITY	3,455	2,811
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	(116,226)	(171,907)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)	78,518	15,032
FINANCIAL INCOME	55,901	54,299
<i>of which from related parties</i>	10,637	12,298
FINANCIAL EXPENSE	(97,062)	(86,996)
<i>of which with related parties</i>	(10,061)	(11,839)
DIVIDENDS	368	544
<i>of which from related parties</i>	--	--
GAINS FROM TRADING SECURITIES	25,839	18,211
LOSSES FROM TRADING SECURITIES	(23,698)	(6,202)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(4,481)	(8,414)
NON-RECURRING INCOME (EXPENSE)	--	491,312
INCOME (LOSS) BEFORE TAXES	35,385	477,786
INCOME TAXES	(28,628)	(183,591)
RESULT AFTER TAXES FROM OPERATING ACTIVITY	6,757	294,195
INCOME (LOSS) FROM ASSETS HELD FOR DISPOSAL	(18,271)	(1,054,139)
NET INCOME (LOSS) FOR THE YEAR INCLUDING MINORITY INTERESTS	(11,514)	(759,944)
- LOSS (NET INCOME) MINORITY SHAREHOLDERS	(2,954)	629,584
- NET INCOME (LOSS) OF THE GROUP	(14,468)	(130,360)
BASIC EARNINGS (LOSS) PER SHARE (in euro)	(0.0201)	(0.1813)
DILUTED EARNINGS (LOSS) PER SHARE (in euro)	(0.0201)	(0.1813)

Net Financial Position

<i>(in thousands of euro)</i>	<i>31.12.2013</i>	<i>31.12.2013</i>
A. Cash and bank deposits	348,885	961,095
B. Other cash equivalents	150,891	98,013
C. Securities held for trading	149,044	175,670
D. Cash and cash equivalents (A) + (B) + (C)	648,820	1,234,778
E. Current financial receivables	10,092	1,433
F. Current bank borrowings	(109,272)	(1,886,721)
G. Bonds issued	(4,677)	(230,719)
H. Current part of non-current debt	(37,354)	(87,827)
I. Other current financial receivables	--	--
J. Current financial debt (F) + (G) + (H) + (I)	(151,303)	(2,205,267)
K. Net current financial position (J) + (E) + (D)	507,609	(969,056)
L. Non-current bank borrowings	(275,934)	(335,808)
M. Bonds issued	(270,568)	(365,558)
N. Other non-current payables	(106,716)	(205,866)
O. Non-current financial debt (L) + (M) + (N)	(653,218)	(907,232)
P. Net financial position (K) + (O)	(145,609)	(1,876,288)

Statement of Changes in Consolidated Equity

<i>(in thousands of euro)</i>	<i>Attributable to the Shareholders of the parent company</i>					<i>Minority interests</i>	<i>Total</i>
	<i>Share Capital</i>	<i>Reserves</i>	<i>Retained earnings (losses)</i>	<i>Net income (losses) for the year</i>	<i>Total</i>		
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 changes in equity of subsidiaries	--	834	--	--	834	(431)	403
<i>Comprehensive result for the year</i>							
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 changes in equity of 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)
<i>Total comprehensive result for the year</i>	--	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	--	--	--	--	--	5,170	5,170
Dividends to Shareholders	--	--	--	--	--	(3,153)	(3,153)
Retained earnings	--	56	(130,416)	130,360	--	--	--
Effects of changes in equity of subsidiaries	--	3,252	--	--	3,252	(13,555)	(10,303)
<i>Comprehensive result for the year</i>							
Fair value measurement of hedging instruments	--	(2,392)	--	--	(2,392)	(6,902)	(9,294)
Fair value measurement of securities	--	7,543	--	--	7,543	3,381	10,924
Securities fair value reserve released to income statement	--	(674)	--	--	(674)	(696)	(1,370)
Effects of changes in equity of subsidiaries	--	--	--	--	--	--	--
Currency translation differences	--	5,527	--	--	5,527	9,086	14,613
Actuarial gains (losses)	--	(6,287)	--	--	(6,287)	(16,136)	(22,423)
Result for the year	--	--	--	(14,468)	(14,468)	2,954	(11,514)
<i>Total comprehensive result for the year</i>	--	3,717	--	(14,468)	(10,751)	(8,313)	(19,064)
BALANCE AT DECEMBER 31 2014	359,605	89,883	93,369	(14,468)	528,389	1,030,068	1,558,457