

PRESS RELEASE

*Board of Directors approves results as of June 30 2017*

**COFIDE GROUP: REVENUES AT € 1,392.4 MLN (+5.6%), EBITDA AT € 147.5 MLN (+18.8%)  
NET INCOME FOR THE FIRST HALF AT € 14.6 MLN (€ 17.5 MLN IN 2016)**

**Higher contribution to earnings by the subsidiary CIR (€ 14.9 million),  
lower contribution of the parent company of the group COFIDE S.p.A.**

**Financial highlights for 1H 2017**

(in millions of €)

	<u>1H 2016</u>	<u>1H 2017</u>	Δ%
Revenues	1,319.1	<b>1,392.4</b>	+5.6%
EBITDA	124.2	<b>147.5</b>	+18.8%
Net result	17.5	<b>14.6</b>	
	<u>30/6</u>	<u>30/6</u>	
Net debt (end of period)	244.8	<b>192.5</b>	

*Milan, July 28 2017* - 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 **Semi-Annual Financial Report as of June 30 2017**.

**COFIDE** is the controlling **shareholder** of **CIR-Compagnie Industriali Riunite S.p.A.**, the company at the head of an industrial group active mainly in the media sector (*GEDI Gruppo Editoriale*), automotive components (*Sogefi*) and healthcare (*KOS*). The COFIDE group also has financial investments in **Jargonnant**, the private equity fund specializing in real estate assets in Germany and Eastern Europe, and in **Three Hills Decalia**, the investment fund that supports the growth of small and medium European enterprises.

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

The **revenues** of the COFIDE group in the first half of 2017 totalled **€ 1,392.4 million, up by 5.6%** from € 1,319.1 million in the same period of 2016. The increase reflects the performance of the revenues of the CIR group, driven mainly by the significant growth of *Sogefi*.

**EBITDA** came to **€ 147.5 million** (10.6% of revenues), **up by 18.8%** from € 124.2 million (9.4% of revenues) in the first half of 2016. The figure benefited from the higher EBITDA of the CIR group.

In first half of 2017 the COFIDE group obtained **net income of € 14.6 million**, down from € 17.5 million in the same period of the previous year. This result consisted of a **positive contribution of € 14.9 million from the subsidiary CIR**, up from € 14.1 million in the first half of 2016, and the contribution substantially equal to zero of the **parent company COFIDE S.p.A.** (- € 0.3 million versus € 3.4 million in 2016).

The contribution of the parent company COFIDE S.p.A to consolidated earnings consists of the result obtained by the company in the period, a positive € 13.5 million, minus the dividends received from the subsidiary CIR S.p.A. (€ 13.8 million). In the first half of 2016 the net income of COFIDE S.p.A. had been € 19.4 million as an effect of higher financial income.

In the first half of 2017 the CIR group reported net income of € 27.1 million, up from € 25.9 million in the first half of 2016.

The **consolidated net debt of the COFIDE group** totalled **€ 192.5 million** at June 30 2017 compared to € 166.9 million at December 31 2016 and € 244.8 million at June 30 2016.

The **net financial debt** of the **parent company COFIDE S.p.A.** came to **€ 29.5 million** at June 30 2017 (€ 23.3 million at December 31 2016 and € 26.6 million at June 30 2016). The change in the first half was due to the increase resulting from the buyback of own shares for € 7.3 million and from net investment in private equity funds for € 1.8 million offset by the receipt of dividends, net of those paid out, for € 3.9 million.

**Total consolidated equity** stood at **€ 1,579.2 million** at June 30 2017, up from € 1,506.9 million at December 31 2016.

The **consolidated equity of the group** amounted to **€ 539.1 million** at June 30 2017 versus € 563.4 million at December 31 2016. The change was essentially due to the dilution resulting from the merger of the *ITEDI Group* into *GEDI*, the distribution of dividends and the buyback of own shares. These effects were partly offset by the results for the period.

The value of the investment in the *Jargonnant* fund was **€ 4.7 million** at June 30 2017 compared to € 6.3 million at the end of 2016 after the distributions that took place in the first half of the year. The COFIDE group also has an investment in the *Three Hills Decalia* fund, specializing in small and medium enterprises in Europe: the value of the investment at June 30 2017 was **€ 6.6 million** (€ 5.6 million at the end of 2016).

At June 30 2017 the COFIDE group had **14,613 employees** (14,329 at December 31 2016).

### **Outlook for 2017**

Regarding the performance of the COFIDE group for the whole year 2017, a positive result should be confirmed unless there are any extraordinary events that cannot for the moment be foreseen.

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For further information on the results of the subsidiary CIR, see the press release published by the company today ([goo.gl/ywTYFZ](http://goo.gl/ywTYFZ)).

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*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 other borrowings in non-current liabilities, and of bank overdrafts, bonds 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	30.06.2017	31.12.2016
<b>NON-CURRENT ASSETS</b>	<b>2,187,981</b>	<b>2,070,459</b>
INTANGIBLE ASSETS	1,108,989	988,003
TANGIBLE ASSETS	682,224	671,159
INVESTMENT PROPERTY	19,767	20,144
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	125,041	129,987
OTHER EQUITY INVESTMENTS	6,547	5,323
OTHER RECEIVABLES	78,465	79,099
<i>of which with related parties</i>	1,644	1,644
SECURITIES	78,569	85,009
DEFERRED TAXES	88,379	91,735
<b>CURRENT ASSETS</b>	<b>1,376,325</b>	<b>1,349,077</b>
INVENTORIES	145,052	137,406
CONTRACTED WORK IN PROGRESS	43,034	40,947
TRADE RECEIVABLES	462,697	414,246
<i>of which with related parties</i>	1,168	1,542
OTHER RECEIVABLES	108,587	92,863
<i>of which with related parties</i>	105	105
FINANCIAL RECEIVABLES	19,211	30,183
SECURITIES	64,834	66,157
AVAILABLE-FOR-SALE FINANCIAL ASSETS	232,571	234,012
CASH AND CASH EQUIVALENTS	300,339	333,263
ASSETS HELD FOR DISPOSAL	3,418	3,418
<b>TOTAL ASSETS</b>	<b>3,567,724</b>	<b>3,422,954</b>
<b>LIABILITIES AND EQUITY</b>	<b>30.06.2017</b>	<b>31.12.2016</b>
<b>EQUITY</b>	<b>1,579,196</b>	<b>1,506,896</b>
ISSUED CAPITAL	359,605	359,605
less OWN SHARES	(6,170)	--
SHARE CAPITAL	353,435	359,605
RESERVES	73,227	95,041
RETAINED EARNINGS (LOSSES)	97,759	87,519
NET INCOME (LOSS) FOR THE YEAR	14,629	21,249
<b>EQUITY OF THE GROUP</b>	<b>539,050</b>	<b>563,414</b>
MINORITY SHAREHOLDERS' EQUITY	1,040,146	943,482
<b>NON-CURRENT LIABILITIES</b>	<b>1,029,660</b>	<b>975,300</b>
BONDS	266,201	283,742
OTHER BORROWINGS	345,013	311,815
OTHER PAYABLES	15,391	15,175
DEFERRED TAXES	180,744	149,833
PERSONNEL PROVISIONS	140,186	131,058
PROVISIONS FOR RISKS AND LOSSES	82,125	83,677
<b>CURRENT LIABILITIES</b>	<b>958,868</b>	<b>940,758</b>
BANK OVERDRAFTS	18,273	12,771
BONDS	19,979	20,980
OTHER BORROWINGS	159,980	201,179
TRADE PAYABLES	455,579	433,354
<i>of which with related parties</i>	1,208	2,189
OTHER PAYABLES	215,694	199,697
PROVISIONS FOR RISKS AND LOSSES	89,363	72,777
LIABILITIES HELD FOR DISPOSAL	--	--
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,567,724</b>	<b>3,422,954</b>

## CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	1st Half 2017	1st Half 2016
SALES REVENUES	1,392,360	1,319,146
<i>of which from related parties</i>	--	--
CHANGE IN INVENTORIES	2,487	1,325
COSTS FOR THE PURCHASE OF GOODS	(536,702)	(498,046)
<i>of which from related parties</i>	--	--
COSTS FOR SERVICES	(326,481)	(307,988)
<i>of which from related parties</i>	(1,168)	(2,703)
PERSONNEL COSTS	(362,817)	(363,987)
OTHER OPERATING INCOME	13,157	11,980
<i>of which from related parties</i>	945	834
OTHER OPERATING COSTS	(34,461)	(38,190)
<i>of which with related parties</i>	--	--
AMORTIZATION, DEPRECIATION AND WRITEDOWNS	(65,186)	(58,776)
<b>INCOME BEFORE FINANCIAL ITEMS AND TAXES ( E B I T )</b>	<b>82,357</b>	<b>65,464</b>
FINANCIAL INCOME	5,253	5,935
<i>of which from related parties</i>	1	19
FINANCIAL EXPENSE	(26,657)	(31,018)
<i>of which with related parties</i>	--	--
DIVIDENDS	40	7,953
<i>of which with related parties</i>	--	--
GAINS FROM TRADING SECURITIES	9,104	10,053
LOSSES FROM TRADING SECURITIES	(33)	(538)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	(664)	2,186
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	1,316	1,433
<b>NET INCOME(LOSS) BEFORE TAXES</b>	<b>70,716</b>	<b>61,468</b>
INCOME TAXES	(24,723)	(17,202)
<b>RESULT BEFORE TAXES FROM OPERATING ACTIVITY</b>	<b>45,993</b>	<b>44,266</b>
NET INCOME (LOSS) FROM ASSETS HELD FOR DISPOSAL	1,000	1,000
<b>NET INCOME (LOSS) FOR PERIOD INCLUDING MINORITY INTERESTS</b>	<b>46,993</b>	<b>45,266</b>
- LOSS (INCOME) OF MINORITY SHAREHOLDERS	(32,364)	(27,723)
<b>- NET INCOME (LOSS) OF THE GROUP</b>	<b>14,629</b>	<b>17,543</b>
<b>BASIC EARNINGS (LOSS) PER SHARE (in euro)</b>	<b>0.0205</b>	<b>0.0244</b>
<b>DILUTED EARNINGS (LOSS) PER SHARE (in euro)</b>	<b>0.0205</b>	<b>0.0244</b>

## CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euro)

	1st Half 2017	1st Half 2016
<b>OPERATING ACTIVITY</b>		
NET INCOME/(LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS CONTINUING OPERATIONS	45,993	44,266
ADJUSTMENTS:		
AMORTIZATION, DEPRECIATION AND WRITEDOWNS	65,186	58,776
SHARE OF THE RESULT OF COMPANIES CONSOLIDATED AT EQUITY	4,946	(2,186)
ACTUARIAL VALUATION OF STOCK OPTION/STOCK GRANT PLANS	1,792	2,405
CHANGE IN PERSONNEL PROVISIONS/PROVISIONS FOR RISKS AND LOSSES	(5,302)	(13,201)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(1,316)	(1,433)
LOSSES (GAINS) ON SALE OF FIXED ASSET SECURITIES	(6,028)	(4,720)
INCREASE (REDUCTION) IN NON-CURRENT RECEIVABLES AND PAYABLES	10,786	10,804
(INCREASE) REDUCTION IN NET WORKING CAPITAL	(37,357)	(13,199)
<b>CASH FLOW FROM OPERATING ACTIVITY CONTINUING OPERATIONS</b>	<b>78,700</b>	<b>81,512</b>
of which:		
- interest received (paid)	(16,897)	(19,922)
- income tax payments	(12,601)	(3,740)
<b>INVESTMENT ACTIVITY</b>		
CONSIDERATION FOR BUSINESS COMBINATIONS	(3,761)	(100)
NET FINANCIAL POSITION OF ACQUIRED COMPANIES	9,053	--
PURCHASE OF MINORITY SHAREHOLDINGS	--	(84,457)
(PURCHASE) SALE OF SECURITIES	4,195	74,438
PURCHASE OF FIXED ASSETS	(47,538)	(26,154)
<b>CASH FLOW FROM INVESTMENT ACTIVITY CONTINUING OPERATIONS</b>	<b>(38,051)</b>	<b>(36,273)</b>
<b>FINANCING ACTIVITY</b>		
INFLOWS FROM CAPITAL INCREASES	973	10,696
OTHER CHANGES IN EQUITY	(2,201)	(11,429)
DRAWDOWN/(EXTINGUISHMENT) OF OTHER FINANCIAL PAYABLES/RECEIVABLES	(32,334)	(31,526)
BUYBACK OF OWN SHARES	(16,751)	(17,164)
DIVIDENDS PAID	(29,762)	(41,673)
<b>CASH FLOW FROM FINANCING ACTIVITY CONTINUING OPERATIONS</b>	<b>(80,075)</b>	<b>(91,096)</b>
<b>INCREASE (REDUCTION) IN NET CASH AND CASH EQUIVALENTS CONTINUING OPERATIONS</b>	<b>(39,426)</b>	<b>(45,857)</b>
<b>CASH FLOW/NET CASH AND CASH EQUIVALENTS AT START OF PERIOD DISCONTINUED OPERATIONS</b>	<b>1,000</b>	<b>1,000</b>
<b>NET CASH AND CASH EQUIVALENTS AT START OF PERIOD</b>	<b>320,492</b>	<b>293,126</b>
<b>NET CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>282,066</b>	<b>248,269</b>

## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

<i>(in thousands of euro)</i>	Attributable to the Shareholders of the parent company							Minority interests	Total
	Issued capital	less own shares	Share capital	Reserves	Retained earnings (losses)	Net income (losses) for the year	Total		
<b>BALANCE AT DECEMBER 31 2015</b>	<b>359,605</b>	--	<b>359,605</b>	<b>110,571</b>	<b>78,901</b>	<b>18,687</b>	<b>567,764</b>	<b>1,005,314</b>	<b>1,573,078</b>
Capital increases	--	--	--	--	--	--	--	11,487	11,487
Dividends to Shareholders	--	--	--	--	(10,069)	--	(10,069)	(34,604)	(44,673)
Retained earnings	--	--	--	--	18,687	(18,687)	--	--	--
Effects of equity changes in subsidiaries	--	--	--	(12,258)	--	--	(12,258)	(73,323)	(85,581)
<i>Comprehensive result for the year</i>									
Fair value measurement of hedging instruments	--	--	--	486	--	--	486	1,091	1,577
Fair value measurement of securities	--	--	--	(274)	--	--	(274)	2,351	2,077
Securities fair value reserve released to income statement	--	--	--	(314)	--	--	(314)	(260)	(574)
Effects of equity changes in subsidiaries	--	--	--	92	--	--	92	188	280
Currency translation differences	--	--	--	751	--	--	751	852	1,603
Actuarial gains (losses)	--	--	--	(4,013)	--	--	(4,013)	(8,853)	(12,866)
Result for the year	--	--	--	--	--	21,249	21,249	39,239	60,488
<i>Total comprehensive result for the year</i>	--	--	--	(3,272)	--	21,249	17,977	34,608	52,585
<b>BALANCE AT DECEMBER 31 2016</b>	<b>359,605</b>	--	<b>359,605</b>	<b>95,041</b>	<b>87,519</b>	<b>21,249</b>	<b>563,414</b>	<b>943,482</b>	<b>1,506,896</b>
Capital increases	--	--	--	--	--	--	--	84,625	84,625
Dividends to Shareholders	--	--	--	--	--	(10,069)	(10,069)	(19,693)	(29,762)
Retained earnings	--	--	--	940	10,240	(11,180)	--	--	--
Adjustment for own share transactions	--	(6,170)	(6,170)	(1,179)	--	--	(7,349)	--	(7,349)
Effects of equity changes in subsidiaries	--	--	--	(15,382)	--	--	(15,382)	7,232	(8,150)
<i>Comprehensive result for the year</i>									
Fair value measurement of hedging instruments	--	--	--	620	--	--	620	1,355	1,975
Fair value measurement of securities	--	--	--	(2,032)	--	--	(2,032)	(1,202)	(3,234)
Securities fair value reserve released to income statement	--	--	--	(439)	--	--	(439)	(358)	(797)
Effects of equity changes in subsidiaries	--	--	--	(94)	--	--	(94)	(331)	(425)
Currency translation differences	--	--	--	(4,987)	--	--	(4,987)	(8,950)	(13,937)
Actuarial gains (losses)	--	--	--	739	--	--	739	1,622	2,361
Result for the year	--	--	--	--	--	14,629	14,629	32,364	46,993
<i>Total comprehensive result for the year</i>	--	--	--	(6,193)	--	14,629	8,436	24,500	32,936
<b>BALANCE AT JUNE 30 2017</b>	<b>359,605</b>	<b>(6,170)</b>	<b>353,435</b>	<b>73,227</b>	<b>97,759</b>	<b>14,629</b>	<b>539,050</b>	<b>1,040,146</b>	<b>1,579,196</b>