



PRESS RELEASE

Board of Directors approves results as of March 31 2015

COFIDE GROUP: 1ST QUARTER EARNINGS € 13.6 MLN (LOSS OF € 2.3 MLN IN 2014)

The result benefited from the positive contribution of the main subsidiary CIR and the return to profit of the parent company of the group COFIDE S.p.A. thanks to the improvement in the financial management result

Milan, April 27 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 **Interim Financial Report of the group as of March 31 2015**.

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 media, auto components and healthcare sectors, and in non-core investments. The **COFIDE** group also has investments in **Jargonnant**, the private equity fund specializing in real estate assets in Germany and Eastern Europe

Foreword

In the first quarter of 2015 Sorigenia was not included in the consolidation because as from March 27 2015 the subsidiary CIR no longer holds any interest in the company. For the purposes of comparison, in application of IFRS 5, in the first quarter of 2014 Sorigenia was classified as an asset held for disposal. It should also be noted that the contribution of Sorigenia to the net result of the COFIDE group at March 31 2014 was zero, as the interest had been entirely written off at the end of 2013.

Consolidated results

The **revenues** of the **COFIDE** group in the first quarter of 2015 came in at **€ 628 million** and were **up by 6.7%** from € 588.7 million in the same period of 2014.

EBITDA came to **€ 61 million** (9.7% of revenues), posting **growth of 33.8%** from the figure of € 45.6 million (7.7% of revenues) in the first quarter of 2014. **EBIT** came to **€ 35.8 million** (5.7% of revenues), **up by 65.7%** compared to the € 21.6 million (3.7% of revenues) reported in 2014. The consolidated margins of **COFIDE** benefited from the higher profitability of the **CIR** group.

In the first quarter the **COFIDE** group obtained a **positive net result of € 13.6 million** compared to a loss of € 2.3 million in the same period of 2014. This result was due mainly to the positive contribution of the main subsidiary **CIR** (€ 10.7 million in the quarter, versus a negative € 1.3 million in 2014) but partly also to the return to profit of the parent company of the group **COFIDE S.p.A.** (€ 2.9 million versus a loss of € 1 million in 2014) thanks to the improvement in financial management.

In first quarter 2015 the net result of the **CIR** group was a positive € 21.2 million compared to a net loss of € 2.6 million in the first quarter of 2014.

The net debt of the parent company of the group COFIDE S.p.A. stood at **€ 26 million** at March 31 2015 (€ 32.8 million at December 31 2014).

The consolidated net financial debt of the COFIDE group amounted to € 183.4 million at March 31 2015 compared to € 145.6 million at December 31 2014: the change was due to the higher net financial position of CIR.

Total consolidated equity stood at € 1,599.9 million at March 31 2015 versus € 1,558.5 million at December 31 2014. The consolidated equity of the group rose from € 528.4 million at December 31 2014 to € 551.9 million euro at March 31 2015.

Regarding the investment in the Jargonnant fund, the value of this investment at March 31 2015 was equal to € 13.1 million.

Outlook for the year 2015

The performance of the COFIDE group in the next three quarters of 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 European and South American markets 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.

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 results have not been audited by the firm of Auditors.

1. Consolidated Statement of Financial Position

ASSETS	31.03.2015	31.12.2014	31.03.2014
NON-CURRENT ASSETS	2,168,190	2,090,919	3,796,876
INTANGIBLE ASSETS	1,010,767	977,733	1,159,651
TANGIBLE ASSETS	662,965	622,695	1,991,517
INVESTMENT PROPERTY	21,106	21,291	22,124
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	147,109	148,301	84,070
OTHER EQUITY INVESTMENTS	4,970	4,980	5,541
OTHER RECEIVABLES	91,662	89,239	237,481
SECURITIES	110,515	110,727	97,042
DEFERRED TAXES	119,096	115,953	199,450
CURRENT ASSETS	1,370,227	1,340,994	2,698,889
INVENTORIES	138,588	128,664	172,304
CONTRACTED WORK IN PROGRESS	32,341	29,546	29,928
TRADE RECEIVABLES	432,093	431,691	1,033,848
OTHER RECEIVABLES	107,326	92,181	325,889
FINANCIAL RECEIVABLES	31,939	10,017	1,628
SECURITIES	174,129	149,044	215,522
AVAILABLE-FOR-SALE FINANCIAL ASSETS	157,165	150,966	95,403
CASH AND CASH EQUIVALENTS	296,646	348,885	824,367
ASSETS HELD FOR DISPOSAL	26,910	2,539,260	18,258
ELISIONS TO/FROM DISCONTINUED OPERATIONS	--	(10,308)	--
TOTAL ASSETS	3,565,327	5,960,865	6,514,023
LIABILITIES AND EQUITY	31.03.2015	31.12.2014	31.03.2014
EQUITY	1,599,918	1,558,457	1,587,073
SHARE CAPITAL	359,605	359,605	359,605
RESERVES	99,865	89,883	84,521
RETAINED EARNINGS (LOSSES)	78,901	93,369	93,369
NET INCOME (LOSS) FOR THE PERIOD	13,567	(14,468)	(2,314)
EQUITY OF THE GROUP	551,938	528,389	535,181
MINORITY SHAREHOLDERS' EQUITY	1,047,980	1,030,068	1,051,892
NON-CURRENT LIABILITIES	1,028,773	1,045,432	1,406,581
BONDS	284,438	270,568	261,441
OTHER BORROWINGS	373,972	382,650	680,935
OTHER PAYABLES	7,147	7,137	583
DEFERRED TAXES	147,047	143,313	206,274
PERSONNEL PROVISIONS	143,151	143,854	125,794
PROVISIONS FOR RISKS AND LOSSES	73,018	97,910	131,554
CURRENT LIABILITIES	936,636	858,226	3,502,390
BANK OVERDRAFTS	25,102	15,671	189,828
BONDS	5,414	4,677	233,209
OTHER FINANCIAL PAYABLES	154,391	130,955	1,746,506
TRADE PAYABLES	452,606	417,191	782,733
OTHER PAYABLES	221,020	207,077	454,284
PROVISIONS FOR RISKS AND LOSSES	78,103	82,655	95,830
LIABILITIES HELD FOR DISPOSAL	--	2,509,058	17,979
ELISIONS TO/FROM DISCONTINUED OPERATIONS	--	(10,308)	--
TOTAL LIABILITIES AND EQUITY	3,565,327	5,960,865	6,514,023

Consolidated Income Statement

(in thousands of euro)

	01/01-31/03 2015	01/01-31/03 2014
SALES REVENUES	627,956	588,657
CHANGE IN INVENTORIES	4,082	1,952
COSTS FOR THE PURCHASE OF GOODS	(236,467)	(213,198)
COSTS FOR SERVICES	(153,798)	(147,849)
PERSONNEL COSTS	(177,872)	(169,221)
OTHER OPERATING INCOME	9,371	7,304
OTHER OPERATING COSTS	(13,400)	(23,071)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	1,096	998
AMORTIZATION, DEPRECIATION AND WRITEDOWNS	(25,179)	(23,974)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)	35,789	21,598
FINANCIAL INCOME	7,764	5,830
FINANCIAL EXPENSE	(17,940)	(22,722)
DIVIDENDS	--	26
GAINS FROM TRADING SECURITIES	17,981	3,962
LOSSES FROM TRADING SECURITIES	(83)	(28)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	1,253	(1,647)
INCOME BEFORE TAXES	44,764	7,019
INCOME TAXES	(8,940)	(8,784)
RESULT AFTER TAXES FROM OPERATING ACTIVITIES	35,824	(1,765)
INCOME/(LOSS) FROM ASSETS HELD FOR DISPOSAL	--	(1,088)
NET INCOME (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	35,824	(2,853)
- (NET INCOME) MINORITY SHAREHOLDERS	(22,257)	539
- NET INCOME (LOSS) OF THE GROUP	13,567	(2,314)

2. Financial Position

(in thousands of euro)

	31.03.2015	31.12.2014	31.03.2014
A. Cash and bank deposits	296,646	348,885	824,367
B. Other cash equivalents	157,165	150,966	95,403
C. Securities held for trading	174,129	149,044	215,522
D. Cash and cash equivalents (A) + (B) + (C)	627,940	648,895	1,135,292
E. Current financial receivables	31,939	10,017	1,628
F. Current bank borrowings	(146,843)	(109,272)	(1,862,547)
G. Bonds issued	(5,414)	(4,677)	(233,209)
H. Current part of non-current debt	(32,650)	(37,354)	(73,787)
I. Other current financial payables	--	--	--
J. Current financial debt (F) + (G) + (H) + (I)	(184,907)	(151,303)	(2,169,543)
K. Current net financial position (J) + (E) + (D)	474,972	507,609	(1,032,623)
L. Non-current bank borrowings	(263,539)	(275,934)	(360,591)
M. Bonds issued	(284,438)	(270,568)	(261,441)
N. Other non-current payables	(110,433)	(106,716)	(320,344)
O. Non-current financial debt (L) + (M) + (N)	(658,410)	(653,218)	(942,376)
P. Net financial position (K) + (O)	(183,438)	(145,609)	(1,974,999)