INTERIM FINANCIAL REPORT

AS OF 30 SEPTEMBER 2015

COMPAGNIE INDUSTRIALI RIUNITE

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R.E.A. n. 1950112 – Milan Company Register / Fiscal Code / VAT no. 00519120018
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INTERIM REPORT ON OPERATIONS

1. Key figures

In the first nine months of 2015, the CIR Group achieved a **turnover** of € 1,897.4 million, up 7.1% compared with € 1,771.2 million in the same period of 2014. The increase is driven by Sogefi and KOS, which reported growth of 11.5% and 12.6% respectively.

Consolidated EBITDA amounts to € 174.4 million (9.2% of revenues), an increase of 13% compared with € 154.4 million (8.7% of revenues) in the first nine months of last year. This growth is mainly thanks to the results achieved by the Sogefi and KOS Groups; the Espresso Group has posted a profit margin in line with the first nine months of 2014.

The **consolidated operating margin (EBIT)** was € 96.7 million, an increase compared with € 83.4 million (4.7% of revenues) in the same period of 2014; as for EBITDA, the improvement is thanks to Sogefi and KOS.

Consolidated net income was € 39.6 million compared with € 5.4 million in the same period last year.

The contribution made by the CIR Group's industrial subsidiaries was positive for € 25.0 million, compared with € 4.4 million in the first nine months of last year, thanks to the improvement in the results of all three groups.

In particular, the Espresso Group achieved a net result of € 24.6 million (€ 4.6 in the first nine months of 2014), thanks to the ability to maintain the operating result, despite the fact that the state of the industry is still difficult, and to the reduction in financial expense and taxes and the gain on the disposal of the TV channel Deejay TV.
Sogefi achieved net income of € 7.4 million compared with a loss of € 5.8 million in the first nine months of 2014. The improvement is due to growth in revenues, a slight improvement in profitability and a reduction in financial expense.
Lastly, KOS posted a net result of € 13.3 million, compared with € 10.1 million in the first nine months of 2014, thanks to the measures taken to develop the company over the last two years.

The parent company CIR S.p.A. and its non-industrial subsidiaries contributed net income of € 14.6 million compared with € 1.1 million in the first nine months of 2014; financial expense has decreased due to the buy-back of bonds carried out in October 2014, while higher income from financial management has been recorded.

Consolidated net debt at 30 September 2015 was € 202.9 million (€ 112.8 million at 31 December 2014); the increase is mainly due to the acquisitions made by KOS, Sogefi's increase in working capital and the treasury share purchases during the period. The Espresso Group improved its net financial position thanks in part to the sale of Deejay TV.
The net financial position of the parent company and its non-industrial subsidiaries at 30 September 2015 amounted to € 360.2 million, down from € 379.5 million at the end of 2014, mainly as a result of share buy-backs.

Group equity at 30 September 2015 was € 1,106 million (€ 1,104.5 million at 31 December 2014). The change is the net of an increase due to growth in the result for the period and a decrease due to the share buy-backs carried out by the Group during the nine months.

The tables on the following pages provide a breakdown by business sector of the Group's results and financial position, a breakdown of the contribution made by the main subsidiaries and the aggregate results of CIR, the parent company, and the other non-industrial subsidiaries.

INCOME STATEMENT BY BUSINESS SECTOR AND CONTRIBUTIONS TO THE RESULTS OF THE GROUP

(in millions of euro)

CONSOLIDATED / AGGREGATE	*1/1-30/9 2015*													*1/1-30/9 2014*
	Revenues	*Costs of production* (1)	*Other operating income and expense* (2)	*Adjustments to the value of investments consolidated at equity*	*Amortisation, depreciation and write-downs*	*EBIT*	*Net financial income and expense* (3)	*Dividends, net gains and losses on trading and the valuation of securities* (4)	*Non-recurring income (expense)*	*Income taxes*	*Income (loss) from assets held for sale*	*Minority interests*	*Net result of the Group*	*Net result of the Group*
Espresso Group	439.6	(399.6)	(0.9)	1.8	(11.0)	29.9	(6.5)	9.5		(8.2)	(0.1)	(10.7)	13.9	2.5
Sogefi Group	1,126.6	(1,006.0)	(29.2)	--	(48.2)	43.2	(23.6)	--		(9.5)	--	(5.8)	4.3	(3.3)
KOS Group	326.3	(263.1)	(11.9)	--	(17.8)	33.5	(9.5)	(0.1)		(9.3)	--	(7.8)	6.8	5.2
Total for main subsidiaries	**1,892.5**	**(1,668.7)**	**(42.0)**	**1.8**	**(77.0)**	**106.6**	**(39.6)**	**9.4**	**--**	**(27.0)**	**(0.1)**	**(24.3)**	**25.0**	**4.4**
Other subsidiaries	4.9	(8.2)	3.6	--	(0.2)	0.1	(0.1)	0.5		--	--	(0.1)	0.4	(0.2)
Total subsidiaries	**1,897.4**	**(1,676.9)**	**(38.4)**	**1.8**	**(77.2)**	**106.7**	**(39.7)**	**9.9**	**--**	**(27.0)**	**(0.1)**	**(24.4)**	**25.4**	**4.2**
CIR and other holding companies														
Revenues	--												--	--
Net operating costs		(10.0)											(10.0)	(12.1)
Other operating income & expense			0.5										0.5	1.1
Adjustments to the value of investments consolidated at equity				--									--	0.8
Amortisation, depreciation & write-downs					(0.5)								(0.5)	(0.6)
EBIT						(10.0)								
Net financial income & expense							4.0						4.0	(6.8)
Dividends and net gains from securities trading								19.1					19.1	14.3
Income taxes										1.1			1.1	4.6
Total CIR and other holding companies	**--**	**(10.0)**	**0.5**	**--**	**(0.5)**	**(10.0)**	**4.0**	**19.1**	**--**	**1.1**	**--**	**--**	**14.2**	**1.3**
Result prior to assets held for sale	**1,897.4**	**(1,686.9)**	**(37.9)**	**1.8**	**(77.7)**	**96.7**	**(35.7)**	**29.0**	**--**	**(25.9)**	**(0.1)**	**(24.4)**	**39.6**	**5.5**
Assets held for sale	--					--	--	--					--	(0.1)
Consolidated total for the Group	**1,897.4**	**(1,686.9)**	**(37.9)**	**1.8**	**(77.7)**	**96.7**	**(35.7)**	**29.0**	**--**	**(25.9)**	**(0.1)**	**(24.4)**	**39.6**	**5.4**

1) *This item is the sum of "changes in inventories", "costs for the purchase of goods", "costs for services" and "personnel costs" in the consolidated income statement. This item does not take into consideration the € (1.8) million effect of intercompany eliminations.*
2) *This item is the sum of "other operating income" and "other operating costs" in the consolidated income statement. This item does not take into consideration the € 1.8 million effect of intercompany eliminations.*
3) *This item is the sum of "financial income" and "financial expense" in the consolidated income statement.*
4) *This item is the sum of "dividends", "gains from trading securities", "losses from trading securities" and "adjustments to the change of financial assets" in the consolidated income statement.*

CONSOLIDATED FINANCIAL POSITION BY BUSINESS SECTOR

(in millions of euro)

CONSOLIDATED / AGGREGATE	30.09.2015 Fixed assets (1)	Other net non-current assets and liabilities (2)	Net working capital (3)	Net financial position (4)	Total equity	of which: Minority interests	Group equity	31.12.2014 Group equity
Espresso Group	726.5	(178.4)	54.0	(8.1)	594.0	259.9	334.1	316.9
Sogefi Group	532.5	(22.4)	22.2	(339.7)	192.6	92.6	100.0	93.1
KOS Group	548.5	(25.7)	(38.8)	(218.3)	265.7	133.2	132.5	128.6
Sorgenia Group	--	--	--	--	--	--	--	(1.2)
Other subsidiaries	4.1	4.2	(8.0)	3.0	3.3	(0.1)	3.4	1.3
Total subsidiaries	**1,811.6**	**(222.3)**	**29.4**	**(563.1)**	**1,055.6**	**485.6**	**570.0**	**538.7**
<u>CIR and other holding companies</u>								
Fixed assets	51.6				51.6		51.6	51.9
Other net non-current assets and liabilities		145.0			145.0		145.0	154.7
Net working capital			(20.8)		(20.8)		(20.8)	(20.3)
Net financial position				360.2	360.2		360.2	379.5
Consolidated total for the Group	**1,863.2**	**(77.3)**	**8.6**	**(202.9)**	**1,591.6**	**485.6**	**1,106.0**	**1,104.5**

1) *This item is the sum of "intangible assets", "tangible assets", "investment property", "investments in companies consolidated at equity" and "other equity investments" of the consolidated statement of financial position.*

2) *This item is the sum of "other receivables", "securities" and "deferred taxes" under non-current assets and of "other payables", "deferred taxes", "personnel provisions" and "provisions for risks and losses" under non-current liabilities of the consolidated statement of financial position.This item also includes the "assets held for sale" and "liabilities held for sale" in the consolidated statement of financial position.*

3) *This item is the sum of "inventories", "contract work in progress", "trade receivables" and "other receivables" under current assets, and of "trade payables", "other payables" and "provisions for risks and losses" under current liabilities in the consolidated statement of financial position.*

4) *This item is the sum of "financial receivables", "securities", "available-for-sale financial assets" and "cash and cash equivalents" under current assets, "bonds" and "other borrowings" under non-current liabilities, and "bank overdrafts", "bonds" and "other borrowings" under current liabilities in the consolidated statement of financial position.*

2. Performance of the Group

- *First nine months of 2015*

Consolidated sales revenues for the first nine months of 2015 came in at € 1,897.4 million versus € 1,771.2 million in the same period of 2014, an increase of € 126.2 million (+7.1%). Sogefi recorded an 11.5% increase in turnover, KOS one of 12.6%, while the revenues of the Espresso Group fell by 5.6%, as a consequence of the ongoing crisis that is affecting the entire publishing industry.

Consolidated revenues is broken down by business sector as follows:

(in millions of euro)	*1/1-30/09 2015*	*%*	*1/1-30/09 2014*	*%*	*Change absolute*	*%*
Media						
Espresso Group	439.6	23.2	465.8	26.3	(26.2)	(5.6)
Automotive components						
Sogefi Group	1,126.6	59.4	1,010.2	57.0	116.4	11.5
Healthcare						
KOS Group	326.3	17.2	289.7	16.4	36.6	12.6
Other sectors	4.9	0.2	5.5	0.3	(0.6)	(10.9)
Total consolidated revenues	**1,897.4**	**100.0**	**1,771.2**	**100.0**	**126.2**	**7.1**

The CIR Group's **key income statement figures** for the first nine months are as follows:

(in millions of euro)	*1/1-30/09 2015*	*1/1-30/09 2014 (*)*
Revenues	1,897.4	1,771.2
Consolidated EBITDA	**174.4**	**154.4**
Consolidated operating income (EBIT)	**96.7**	**83.4**
Financial management result	(6.7)	(41.4)
Income taxes	(25.9)	(25.0)
Income (loss) from assets held for sale	(0.1)	(5.3)
Net income including minority interests	**64.0**	**11.7**
Minority interests	(24.4)	(6.3)
Net income of the Group	**39.6**	**5.4**

(*) Figures for 2014 have been restated following the application of IFRS 5 carried out by the Espresso Group.

In the first nine months of 2015, **consolidated EBITDA** came to € 174.4 million (9.2% of revenues) compared with € 154.4 million (8.7% of revenues) in the first nine months of 2014, an increase of € 20 million (+13%). The growth is mainly due to an improvement in the margins of the Sogefi and KOS Groups, while the Espresso Group's margin was broadly in line with that of the first nine months of 2014.

The **consolidated operating margin (EBIT)** for the first nine months of 2015 was € 96.7 million (5.1% of revenues) versus € 83.4 million (4.7% of revenues) in the same period of 2014 (+15.9%); as for EBITDA, the improvement is thanks to Sogefi and KOS.

Financial management generated a net charge of € 6.7 million compared with one of € 41.4 million in the first nine months of 2014. In detail:

- net financial expense came to € 53 million compared with € 72.8 million in the first nine months of last year. The reduction is due to the buy-back of CIR bonds during the fourth quarter of 2014, a reduction in financial expense of the Espresso Group and the elimination of non-recurring financial expense at the Sogefi Group;
- financial income came to € 17.3 million compared with € 19.7 million in the first nine months of 2014;
- net gains on trading of securities amounted to € 38.7 million compared with € 9.5 million in the first nine months of 2014; in particular, the Espresso Group reported a capital gain of € 9.5 million on the sale of Deejay TV and CIR with its non-industrial subsidiaries posted a result of € 28.7 million due to the sale of part of its hedge fund portfolio and net gains from private equity investments;
- negative adjustments in the value of financial assets were recorded for € 9.7 million, compared with positive adjustments of € 2.2 million in the first nine months of 2014.

The **condensed consolidated statement of financial position** of the CIR Group at 30 September 2015, with comparative figures at 30 June 2015 and 31 December 2014, is as follows:

(in millions of euro) (1)	*30.09.2015*	*30.06.2015*	*31.12.2014*
Fixed assets	1,863.2	1,873.1	1,773.7
Other net non-current assets and liabilities	(77.3)	(72.7)	(64.3)
Net working capital	8.6	20.9	(23.4)
Net invested capital	**1,794.5**	**1,821.3**	**1,686.0**
Net financial debt	**(202.9)**	**(209.5)**	**(112.8)**
Total equity	**1,591.6**	**1,611.8**	**1,573.2**
Group equity	1,106.0	1,123.3	1,104.5
Minority interests	485.6	488.5	468.7

1) These figures are the result of a different aggregation of the items in the financial statements. For a definition, see the notes to the "Consolidated statement of financial position by business sector" shown earlier.

Net invested capital at 30 September 2015 amounted to € 1,794.5 million compared with € 1,686 million at 31 December 2014 and € 1,821.3 million at 30 June 2015.

The **consolidated net financial position** at 30 September 2015 showed net debt of € 202.9 million (compared with € 112.8 million at 31 December 2014 and € 209.5 million at 30 June 2015) caused by:

- a financial surplus for CIR and its non-industrial subsidiaries of € 360.2 million, which compares with € 379.5 million at 31 December 2014. The reduction of € 19.3 million was caused mainly by share buy-backs in the first nine months for € 40.3 million, partly offset by positive financial management flows;
- by total debt of the industrial subsidiaries of € 563.1 million compared with € 492.3 million at 31 December 2014. The increase of € 70.8 million is mainly attributable to disbursements made for acquisitions by the KOS Group. The Sogefi Group reported an increase in net debt of € 35.4 million due to the increase in working capital, the cash outlay on restructuring charges recorded the previous year and the payment of a provisional amount related to product warranty costs

for € 18 million, which took place in the first half of the year; the Espresso Group has reduced its debt by € 26.1 million, thanks to the funds generated by the sale of Deejay TV.

Total equity at 30 September 2015 came to € 1,591.6 million compared with € 1,573.2 million at 31 December 2014 (€ 1,611.8 million at 30 June 2015), a net rise of € 18.4 million.

Group equity at 30 September 2015 amounted to € 1,106.0 million compared with € 1,104.5 million at 31 December 2014 (€ 1,123.3 million at 30 June 2015), with a net increase of € 1.5 million. The change is the net of an increase due to growth in the result for the period and a decrease due to the share buy-backs carried out by the Group during the nine months.

Minority interests at 30 September 2015 came to € 485.6 million compared with € 468.7 million at 31 December 2014 (€ 488.5 million at 30 June 2015), an increase of € 16.9 million.

The **consolidated statement of cash flows** for the first nine months of 2015, prepared according to a managerial format which shows the changes in net financial position, can be summarised as follows:

(in millions of euro)	*1/1-30/09 2015*	*1/1-30/09 2014 (*)*
SOURCES OF FUNDS		
Result for the period including minority interests from continuing	64.1	17.0
Amortisation, depreciation, write-downs and other non-monetary	48.5	73.4
Self-financing	**112.6**	**90.4**
Change in working capital	**(0.3)**	**(142.5)**
CASH FLOW GENERATED BY OPERATIONS FROM CONTINUING	**112.3**	**(52.1)**
Increases in capital	0.2	4.4
TOTAL SOURCES OF FUNDS	**112.5**	**(47.7)**
APPLICATIONS OF FUNDS		
Net investment in fixed assets	(81.4)	(124.2)
Price paid for business combinations	(51.1)	--
Net financial position of acquired companies	(20.4)	--
Buy-back of own shares	(42.5)	(1.3)
Payment of dividends	(7.2)	(3.1)
Other changes	(0.0)	4.9
TOTAL APPLICATIONS OF FUNDS FROM CONTINUING OPERATIONS	**(202.6)**	**(123.7)**
FINANCIAL SURPLUS (DEFICIT) FROM CONTINUING OPERATIONS	**(90.1)**	**(171.4)**
CASH FLOW / NET FINANCIAL POSITION FROM DISCONTINUED	**-**	**1,859.9**
FINANCIAL SURPLUS (DEFICIT)	**(90.1)**	**1,688.5**
NET FINANCIAL POSITION AT THE BEGINNING OF THE PERIOD	**(112.8)**	**(1,845.3)**
NET FINANCIAL POSITION AT THE END OF THE PERIOD	**(202.9)**	**(156.8)**

(*) Figures for 2014 have been restated following the application of IFRS 5 carried out by the Espresso Group.

In the first nine months of 2015, the change in the Group's net financial position shows a deficit of € 90.1 million, which is the result of sources of funding for € 112.5 million and applications for a total of € 202.6 million.

Applications of funds of € 202.6 million include the investments by the KOS Group for development and acquisitions (€ 85 million) and the buy-back of own shares (€ 42.5 million).

For a breakdown of the items making up the net financial position, reference should be made to the section containing the financial statements.

At 30 September 2015 the Group had 14,108 employees, compared with 13,846 at 31 December 2014.

- *Third quarter of 2015*

The **CIR Group's key income statement figures** for the third quarter, with comparatives, are as follows:

(in millions of euro)	*3rd quarter 2015*	*3rd quarter 2014(*)*
Revenues	606.7	568.0
Consolidated EBITDA	**53.8**	**49.3**
Consolidated operating income (EBIT)	**27.5**	**26.1**
Financial management result	(10.9)	(13.7)
Income taxes	(9.4)	(7.2)
Income (loss) from assets held for sale	-	(3.2)
Net income including minority interests	**7.2**	**2.0**
Minority interests	(4.0)	(1.9)
Net income of the Group	**3.2**	**0.1**

(*) Figures for 2014 have been restated following the application of IFRS 5 carried out by the Espresso Group.

In the third quarter of 2015, **consolidated revenues** came to € 606.7 million, an increase of 6.8% compared with € 568.0 million in the same period of 2014, because of the growth in sales on the part of the Sogefi and KOS Groups.

The **consolidated gross operating margin (EBITDA)** in the third quarter of 2015 was € 53.8 million (8.9% of revenues) versus € 49.3 million (8.7% of revenues) in the same period of 2014.

Consolidated EBIT in the third quarter of 2015 was € 27.5 million compared with € 26.1 million in the same period of 2014, a rise of € 1.4 million.

Net income in the third quarter of 2015 amounted to € 3.2 million, compared with a net income of € 0.1 million in the corresponding period of 2014.

Main Group investments
at 30 September 2015

CIR

	56.4% (*)	**57.6% (*)**	**51.3% (*)**	
	Gruppo Editoriale L'Espresso Spa	SOGEFI	KOS	**non-core Investments**
BUSINESSES	*All media sectors from dailies and periodicals to radio, internet and advertising*	*Global automotive components supplier (filters, engine air, and cooling systems and suspensions*	*Nursing homes, rehabilitation and Hospital management*	• *Private Equity*

(*) the percentage is calculated net of treasury shares

3. *Performance of the business sectors*

■ MEDIA

The main performance indicators of the Espresso Group for the current year are shown below, with comparative figures for the equivalent periods last year.

Results for the period 1 January-30 September 2015

(in millions of euro)	*1/1-30/9 2015*	*1/1-30/9 2014*	*Change absolute*	*%*
Revenues	439.6	465.8	(26.2)	(5.6)
Net result	24.6	4.6	20.0	n.a.

3rd quarter 2015 results

(in millions of euro)	*3rd quarter 2015*	*3rd quarter 2014*	*Change absolute*	*%*
Revenues	133.9	143.1	(9.2)	(6.4)
Net result	2.5	0.8	1.7	n.a.

Situation at 30 September 2015

	30/09/2015	*30/06/2015*	*31/12/2014*
Net financial position	(8.1)	(5.0)	(34.2)
No. of employees	2,216	2,276	2,310

In the first nine months of 2015 the Espresso Group had consolidated revenues of € 439.6 million, 5.6% down on the same period of 2014 (€ 465.8 million).

According to figures published by Nielsen Media Research, overall advertising expenditure in first eight months of 2015 fell by 2.3% compared with the same period of 2014; this trend is similar to the one recorded the previous year, which closed with a decrease of 2.5%.

All media have seen their advertising in decline, with the sole exception of radio: television (-2.7%), print (-6.2%) and internet (-2.1%, excluding Search and Social Network). Radio, on the other hand, posted a significant increase (+9.7% on the same period last year). In terms of circulation, ADS figures for the period January to August 2015 indicate a 9.4% fall in newspaper sales, in line with the trend in 2014.

The Group's circulation revenues amounted to € 166 million, a decrease of 5.6% on the same period last year (€ 175.8 million), in a market that is continuing to see a significant reduction in the circulation of daily newspapers (-9.4%). *La Repubblica*, according to ADS (August 2015), confirms its ranking as the top newspaper in terms of copies sold on newsstands, subscriptions and other channels; and according to Audipress (Survey 2015/2) the print edition has 2.3 million readers per day.
The local newspapers, whose average daily readership according to Audipress surveys is 2.8 million readers, turned in a less negative performance in terms of circulation than the sector as a whole.

Lastly, with regard to the digital editions of the Group's publications, this year there were 93 thousand subscribers on average.

Advertising revenues went down by 4.4%; trends are mixed: if print advertising reflects the general performance of the market, which is still negative, radio and the Internet have been showing a positive trend. Radio has grown by 6.1%, with double-digit increases for *Radio Capital* and *m2o*. In contrast to the market, Internet has grown by 2.8%, helped by Repubblica.it's leadership position with a Total Digital Audience of 1.5 million unique daily users, with a gap of 26% between it and the website that came second; there is also a positive trend in the websites of local newspaper websites that have reached an average Total Digital Audience of 410 thousand unique daily users.

Costs are down by 6.6%, with a reduction that is greater than that of revenues; fixed industrial costs, in particular, have fallen by 12.4% thanks to the ongoing reorganisation of the Group's production structure, whereas logistic and distribution costs have been cut (-5.9%) following a rationalisation of transport, administration and other operating costs (-2.2%), thanks to the measures taken to hold down labour costs and general expenses.

Consolidated EBITDA was € 40.9 million compared with € 41.8 million in the first nine months of 2014.

Consolidated EBIT came to € 29.9 million in line with € 30 million in the same period last year. Profitability by business sector shows a good level of resilience on the part of daily newspapers and an increase on the part of radio.

Financial expense has fallen from € 9.8 million in the first nine months of 2014 to the current € 6.5 million, thanks to the reduction in debt and the new targeted funding programme in 2014.

DeejayTV was sold to Discovery Italia during 2015, generating a capital gain of € 9.5 million.

Taking account of the above, consolidated net income came to € 24.6 million, compared with € 4.6 million in the first nine months of 2014. Even excluding the net capital gain (€ 9.5 million), net income posted significant growth, reaching € 15.1 million, thanks to resilient results on the part of the core business while still in a critical context, to the reorganisation of TV activities (whose contribution to consolidated net income, excluding the above gain, went from - € 2.4 million to + € 1.5 million), to the reduction in financial expenses and the lower tax charge.

Consolidated net debt of € 8.1 million at 30 September 2015 shows a further reduction compared with € 34.2 million at 31 December 2014. The financial surplus for the period amounted to € 26.1 million, of which € 12 million generated by the sale of Deejay TV (during the period, the Group collected the shareholder loan granted to Persidera for € 21.3 million and incurred extraordinary restructuring charges for € 21.8 million).

The Group had 2,216 employees at 30 September 2015, including those on fixed-term contracts, and the average workforce for the period was 4.7% lower than in the first nine months of 2014.

As regards forecasts for the entire year, despite the fact that the advertising market, as a whole, still shows a recessionary trend and no signs of recovery to date, it can reasonably be assumed that the Group will manage to improve its net income compared with the previous year, even excluding the capital gain.

AUTOMOTIVE COMPONENTS

The main performance indicators of the Sogefi Group for the current year are shown below, with comparative figures for the equivalent periods last year.

Results for the period 1 January-30 September 2015

(in millions of euro)	*1/1-30/9 2015*	*1/1-30/9 2014*	*Change absolute*	*%*
Revenues	1,126.6	1,010.2	116.4	11.5
Net result	7.4	(5.8)	13.2	n.a.

3rd quarter 2015 results

(in millions of euro)	*3rd quarter 2015*	*3rd quarter 2014*	*Change absolute*	*%*
Revenues	362.9	327.3	35.6	10.9
Net result	(2.3)	1.5	(3.8)	n.a.

Situation at 30 September 2015

	30/09/2014	30/06/2015	31/12/2014
Net financial position	(339.7)	(348.0)	(304.3)
No. of employees	6,689	6,736	6,668

In the first nine months of 2015, world car production increased by 1%, benefiting from the strong recovery in the European market (+6.1%) and further expansion on the part of the North American market (+3%). Production in Asia has slowed to +2.5% as a result of the decline in China in the third quarter (-5%). The recession in South America continued, with production down by 15%.

In this context, in the first nine months of 2015, Sogefi achieved a considerable increase in revenues (+11.5%, +8.7% at constant exchange rates), which amounted to € 1,126.6 million compared with € 1,010.2 million in the corresponding period of 2014, thanks to the positive contribution of all business units and all geographical areas except for Latin America.

Europe, which is the main market for the Group, showed an increase of 9.3% in the first nine months of 2015 and of 6.7% in the third quarter alone, supported by the recovery of the market with a positive contribution by all business areas.
In North America, Sogefi turned in a better performance than that of the market thanks to its positioning vis-à-vis local car manufacturers with an acceleration of revenues in the third quarter of 2015 (+30.6% at constant exchange rates).
In South America, despite the decline in the market, sales during the quarter went up by 7.6% at constant exchange rates (-4.5% at actual exchange rates) thanks to the resilience of Sogefi activities and the positive contribution made by the suspension segment.
In Asia, despite the slowdown that hit the Chinese market, Sogefi reported revenue growth in the quarter of 10.2% at constant exchange rates.

In October, Sogefi launched a new internal organisation that is leaner and more product-oriented with the definition of three business units: *Suspension*, *Filtration* and *Air&Cooling*, while reducing the number of head office departments from seven to three. This will enable the Group to strengthen its competitiveness by relying on quality, efficiency and innovation.

In the first nine months of 2015, all business units achieved a considerable increase in revenues: *Suspension* raised its sales by 11% over the previous year, *Filtration* by 13.7% and *Air&Cooling* by 9.5%.

In the third quarter, the revenues of the *Suspension* business unit grew by 10.6% at constant exchange rates, benefiting from the positive moment in Europe and the increase in market share in South America.
Revenues of the *Filtration* business unit increased by 10.2% at constant exchange rates in the third quarter, supported by the European activity, by the aftermarket and by growth in North America. OEM sales of specific filters for diesel engines represent less than 10% of total revenues of the *Filtration* segment.
Sales of the *Air&Cooling* business unit rose in the quarter thanks to higher market shares in North America and Europe.

EBITDA came to € 91.3 million, up 13.1% compared with the first nine months of 2014, stable at 8.1% of revenues.

€ 16.8 million of non-recurring charges were recorded in the first nine months of 2015 (€ 17.9 million in the corresponding period of 2014, all relating to restructuring costs), of which € 11.8 million in the second quarter for the *Air&Cooling* business unit to make a provision for product warranties relating to Systèmes Moteurs and € 4 million for restructuring charges. In particular, EBITDA for the third quarter was affected by higher non-operating costs, mainly attributable to exchange losses, without which it would have been in line with the first half.
The *Air&Cooling* business unit's third quarter reassessment of product warranty risks did not lead to any change in the provision.

EBIT amounted to € 43.2 million, an increase of 18.4% compared with the first nine months of 2014.

The increase in revenues, the improved absorption of fixed costs (up from 18% to 17.1% as a percentage of revenues) and lower financial expenses enabled Sogefi to achieve a positive net result for the first nine months of 2015 of € 7.4 million, compared with a loss of € 5.8 million in the same period of 2014.

Net debt at 30 September 2015 was € 339.7 million, substantially in line with the figure at the end of September 2014 (€ 348.5 million).

The Group had 6,689 employees at 30 September 2015 compared with 6,668 at 31 December 2014.

Sogefi is looking to continue its positive trend in North America and Europe. The Group should record further growth in China and India too, while market conditions in South America remain difficult.

HEALTHCARE

The main performance indicators of the KOS Group for the current year are shown below, with comparative figures for the equivalent periods last year:

Results for the period 1 January-30 September 2015

(in millions of euro)	*1/1-30/9 2015*	*1/1-30/9 2014*	*Change absolute*	*%*
Revenues	326.3	289.7	36.6	12.6
Net result	13.3	10.1	3.2	31.7

3rd quarter 2015 results

(In millions of euro)	*3rd quarter 2015*	*3rd quarter 2014*	*Change absolute*	*%*
Revenues	109.0	96.6	12.4	12.8
Net result	5.7	4.1	1.6	39.0

Situation at 30 September 2015

	30/09/2015	*30/06/2015*	*31/12/2014*
Net financial position	(218.3)	(231.0)	(157.0)
No. of employees	5,104	4,968	4,708

In the first nine months of 2015, the KOS Group achieved a consolidated turnover of € 326.3 million, up 12.6% from € 289.7 million in the same period last year.

The rise of € 36.6 million is due for € 4.7 million to activities belonging to the 2013 scope of consolidation and for € 31.9 million to those acquired and/or developed in 2014 and 2015. In particular, two events worth mentioning in the first nine months of 2015 are the acquisition of Polo Geriatrico Riabilitativo, which operates two facilities operating in the field of care homes for the elderly and rehabilitation centres with 416 beds, and the acquisition of Argento Vivo which manages two facilities consisting of a care home and a health centre, for a total of 297 beds.

Consolidated EBITDA (net income before amortisation, depreciation, write-downs and provisions) amounted to € 53.4 million, up 20.8% compared with € 44.2 million in the first nine months of 2014. Contributions to this rise of € 9.2 million included € 1.5 million of activities belonging to the scope of consolidation of 2013 and € 7.7 million those acquired and/or developed in 2014 and 2015.

Consolidated EBIT came to € 33.5 million, compared with € 27.6 million in the same period last year.

Consolidated net income came to € 13.3 million, up on € 10.1 million in the first nine months of 2014.

At 30 September 2015 the KOS Group had net debt of € 218.3 million, compared with € 157 million at 31 December 2014. The increase is due to the financial outlay for the two acquisitions mentioned above and new investments for the development or maintenance the various activities.

In the area of cancer care and diagnostics, work continues in India with the joint venture ClearMedi Healthcare Ltd and in the United Kingdom with the subsidiary Medipass Healthcare Ltd.

In October 2015, the Group opened a new facility in Turin.

The Group had 5,104 employees at 30 September 2015 compared with 4,708 at 31 December 2014.

The KOS Group currently manages 77 facilities, mainly in central and northern Italy, for a total of some 7,300 beds in use, and operates in three strategic business areas, in turn split into four segments:

1) *Care homes:* management of residential care homes for the elderly and psychiatric care communities, with 46 nursing facilities and 9 psychiatric rehabilitation facilities, for a total of 5,249 beds in use (of which 5,053 in care homes);
2) *Rehabilitation:* management of hospitals and rehabilitation centres, including 21 rehabilitation facilities (with three care homes for the elderly) and 14 hospitals, for a total of 1,878 beds;
3) *Hospital management:* management of a hospital and cancer cure and diagnostic services in 31 public and private facilities.

As for the outlook, note that growing demands for cuts in public spending, already partly introduced in certain regions where the Group operates, may reduce the resources allocated to public and private health spending; the impact on the KOS Group is not expected to be significant.

4. Non-core investments

They are represented by private equity, minority interests and other investments amounting to € 139.2 million at 30 September 2015, compared with € 150.9 million at 31 December 2014.

PRIVATE EQUITY

CIR International, a Group company, manages a diversified portfolio of investments in private equity funds. The overall fair value of the portfolio at 30 September 2015, based on the NAVs provided by the various funds, came to € 62.3 million, a decline of € 5.4 million compared with 31 December 2014. The rise is due to exchange gains of € 4 million and investments of € 1.1 million, whereas the decrease derives from capital repayments of € 8.6 million and write-downs of € 1.9 million. Total distributions in the period, amounting to € 20 million, generated a capital gain of € 11.4 million. Outstanding commitments at 30 September 2015 amounted to € 6.2 million.

OTHER INVESTMENTS

Directly or indirectly, CIR holds investments in non-strategic interests for a total value of € 33.1 million at 30 September 2015.
Specifically, at 30 September 2015 it held an investment of 17.4% in SEG (Swiss Education Group), the largest hotel management education group in Switzerland and a leading provider of hospitality management education and training internationally (hotels and restaurants). The value of the investment in education at 30 September 2015 amounted to € 22.4 million.

On 26 October 2015, CIR reached an agreement with a group of investors , which envisages the sale of its interest in SEG for an amount of 64.1 million (amount at exchange rates of 26 October 2015).
The closing of the agreement which is subject to the necessary financial and administrative requirements, is expected to complete in about a month should take place before the end of

November. Once completed, the deal will give the CIR Group a capital gain of 42.1 million in the year 2015.
In addition, CIR holds a portfolio of non performing loans totalling € 43.8 million at 30 September 2015.

5. Significant events subsequent to 30 September 2015 and outlook for operations

After 30 September 2015, it worth noting the above agreement for the sale of the interest in the SEG Group.

The performance of the CIR Group during the last quarter of the year will be influenced by developments in the Italian economy, the impact of which is significant, especially in the media sector, as well as by the performance of major global automotive markets for the components sector.

For the whole year the group should obtain a significantly positive net result after the loss in 2014, unless there are any events of an extraordinary nature that cannot be foreseen at present.

6. Other information

CIR S.p.A. – Compagnie Industriali Riunite has its registered office in Via Ciovassino 1, Milan, Italy.
CIR shares have been listed on the Milan Stock Exchange since 1973 (Reuters code: CIRX.MI, Bloomberg code: CIR IM).

This report for the period 1 January-30 September 2015 was approved by the Board of Directors on 30 October 2015.

CIR S.p.A. is subject to management and coordination by COFIDE – Gruppo De Benedetti S.p.A.

CIR GROUP

CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED NET FINANCIAL POSITION

1. Consolidated statement of financial position

(in thousands of euro)

ASSETS	*30.09.2015*	*30.06.2015*	*31.12.2014*
NON-CURRENT ASSETS	**2,164,300**	**2,155,321**	**2,070,948**
INTANGIBLE ASSETS	1,038,474	1,039,199	977,733
TANGIBLE ASSETS	651,556	660,137	622,271
INVESTMENT PROPERTY	20,106	20,276	20,439
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	147,362	147,749	148,301
OTHER INVESTMENTS	5,695	5,705	4,980
OTHER RECEIVABLES	94,820	67,690	89,122
SECURITIES	86,386	91,426	92,149
DEFERRED TAXES	119,901	123,139	115,953
CURRENT ASSETS	**1,323,936**	**1,361,500**	**1,327,946**
INVENTORIES	141,770	145,519	128,664
CONTRACT WORK IN PROGRESS	37,389	36,412	29,546
TRADE RECEIVABLES	428,176	467,784	431,691
OTHER RECEIVABLES	109,206	108,923	91,963
FINANCIAL RECEIVABLES	31,513	28,549	10,017
SECURITIES	139,801	147,270	137,918
AVAILABLE-FOR-SALE FINANCIAL ASSETS	180,404	136,095	150,963
CASH AND CASH EQUIVALENTS	255,677	290,948	347,184
ASSETS HELD FOR SALE	--	26,910	2,539,260
ELIMINATION OF ASSETS RELATED TO DISCONTINUED OPERATIONS	--	--	(10,308)
TOTAL ASSETS	**3,488,236**	**3,543,731**	**5,927,846**

LIABILITIES AND EQUITY	*30.09.2015*	*30.06.2015*	*31.12.2014*
EQUITY	**1,591,632**	**1,611,778**	**1,573,199**
SHARE CAPITAL ISSUED	397,146	397,146	397,146
less TREASURY SHARES	(47,726)	(40,847)	(27,283)
SHARE CAPITAL	349,420	356,299	369,863
RESERVES	326,339	328,916	307,108
RETAINED EARNINGS (LOSSES)	390,667	401,653	450,886
NET INCOME (LOSS) OFN THE PERIOD	39,593	36,402	(23,399)
GROUP EQUITY	**1,106,019**	**1,123,270**	**1,104,458**
MINORITY INTERESTS	485,613	488,508	468,741
NON-CURRENT LIABILITIES	**1,035,941**	**990,167**	**1,000,286**
BONDS	283,640	281,986	270,568
OTHER BORROWINGS	373,890	326,348	337,950
OTHER PAYABLES	7,414	6,958	7,102
DEFERRED TAXES	148,720	148,650	143,036
PERSONNEL PROVISIONS	140,478	144,689	143,720
PROVISIONS FOR RISKS AND LOSSES	81,799	81,536	97,910
CURRENT LIABILITIES	**860,663**	**941,786**	**855,611**
BANK OVERDRAFTS	14,195	52,054	15,671
BONDS	5,579	4,838	4,677
OTHER BORROWINGS	132,951	147,131	130,028
TRADE PAYABLES	416,968	444,697	417,002
OTHER PAYABLES	221,868	216,388	205,578
PROVISIONS FOR RISKS AND LOSSES	69,102	76,678	82,655
LIABILITIES HELD FOR SALE	--	--	2,509,058
ELIMINATION OF LIABILITIES RELATED TO DISCONTINUED OPERATIONS	--	--	(10,308)
TOTAL LIABILITIES AND EQUITY	**3,488,236**	**3,543,731**	**5,927,846**

2. Consolidated income statement

(in thousands of euro)

	1/1-30/9 2015	1/1-30/9 2014	3 rd quarter 2015	3 rd quarter 2014
SALES REVENUES	1,897,391	1,771,193	606,654	568,004
CHANGE IN INVENTORIES	13,573	(1,570)	2,903	(5,652)
COSTS FOR THE PURCHASE OF GOODS	(713,325)	(636,157)	(229,390)	(202,127)
COSTS FOR SERVICES	(460,324)	(445,198)	(136,152)	(143,802)
PERSONNEL COSTS	(525,021)	(503,159)	(163,091)	(155,793)
OTHER OPERATING INCOME	20,852	24,187	4,212	6,173
OTHER OPERATING EXPENSE	(60,531)	(56,051)	(30,920)	(17,193)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	1,770	1,186	(387)	(255)
AMORTISATION, DEPRECIATION & WRITE-DOWNS	(77,681)	(71,033)	(26,351)	(23,243)
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	**96,704**	**83,398**	**27,478**	**26,112**
FINANCIAL INCOME	17,266	19,700	3,637	6,321
FINANCIAL EXPENSE	(52,969)	(72,813)	(16,457)	(23,315)
DIVIDENDS	246	75	--	1
GAINS FROM TRADING SECURITIES	40,721	13,089	7,945	1,636
LOSSES FROM TRADING SECURITIES	(2,233)	(3,662)	(86)	(21)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(9,681)	2,175	(5,961)	1,691
INCOME BEFORE TAXES	**90,054**	**41,962**	**16,556**	**12,425**
INCOME TAXES	(25,936)	(24,980)	(9,375)	(7,235)
INCOME (LOSS) AFTER TAXES FROM OPERATING ACTIVITY	**64,118**	**16,982**	**7,181**	**5,190**
INCOME/(LOSS) FROM ASSETS HELD FOR SALE	(94)	(5,237)	--	(3,178)
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	**64,024**	**11,745**	**7,181**	**2,012**
- (NET INCOME) LOSS OF MINORITY INTERESTS	(24,431)	(6,354)	(3,990)	(1,949)
- NET INCOME (LOSS) OF THE GROUP	**39,593**	**5,391**	**3,191**	**63**

3. *Consolidated net financial position*

(in thousands of euro)

		30.09.2015	*30.06.2015*	*31.12.2014*
A.	Cash and bank deposits	255,677	290,948	347,184
B.	Other cash equivalents	180,404	136,095	150,963
C.	Securities held for trading	139,801	147,270	137,918
D.	**Cash and cash equivalents (A) + (B) + (C)**	**575,882**	**574,313**	**636,065**
E.	**Current financial receivables**	31,513	28,549	10,017
F.	Current bank payables	(113,995)	(160,207)	(108,345)
G.	Bonds	(5,579)	(4,838)	(4,677)
H.	Current portion of non-current debt	(33,151)	(38,978)	(37,354)
I.	Other current borrowings	--	--	--
J.	**Current financial debt (F) + (G) + (H) + (I)**	**(152,725)**	**(204,023)**	**(150,376)**
K.	**Current net financial position (J) + (E) + (D)**	**454,670**	**398,839**	**495,706**
L.	Non-current bank borrowings	(268,767)	(218,594)	(231,234)
M.	Bonds	(283,640)	(281,986)	(270,568)
N.	Other non-current payables	(105,123)	(107,754)	(106,716)
O.	**Non-current financial debt (L) + (M) + (N)**	**(657,530)**	**(608,334)**	**(608,518)**
P.	**Net financial position (K) + (O)**	**(202,860)**	**(209,495)**	**(112,812)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Introduction

This consolidated quarterly report at 30 September 2015 (unaudited) was prepared in accordance with IAS/IFRS international accounting standards, which since 2005 have been mandatory for consolidated financial statements of companies listed on European regulated markets.
The figures provided for comparison purposes were also determined in accordance with IAS/IFRS.

This interim report was prepared in compliance with the provisions of art. 154/ter paragraph 5 of D.Lgs. no. 58 of 24 February 1998 and subsequent amendments (TUF). The instructions contained in the international accounting standard on interim reporting (IAS 34 “Interim Financial Statements”) have not therefore been adopted.

2. Consolidation principles

Consolidation is on a line-by-line basis. The criteria adopted in applying this method are the same as those used at 31 December 2014.

The consolidated interim financial statements of the Group as of 30 September 2015, like those as of 31 December 2014, are the result of the consolidation at those dates of the financial statements of CIR, the parent company, and all of the companies directly or indirectly controlled, joint ventures or associates, except for those in liquidation. The assets and liabilities of companies due to be sold are reclassified to assets and liabilities held for sale in order to disclose them separately.

3. Accounting policies

The accounting policies adopted for the preparation of the interim financial statements as of 30 September 2015 are the same as those adopted for the financial statements for the year ended 31 December 2014.

4. Share capital

The share capital at 30 September 2015 amounts to € 397,146,183.50, the same as at 31 December 2014, and is made up of 794,292,367 shares with a nominal value of € 0.50 each).
At 30 September 2015 the Company held 95,452,706 treasury shares (12.02% of the share capital) for a value of € 150,336 thousand, compared with 54,565,814 treasury shares (6.87% of the share capital) for a value of € 110,443 thousand at 31 December 2014.

In application of IAS 32, treasury shares held by the Parent Company are deducted from total equity.

The share capital is fully subscribed and paid up. None of the shares are subject to any rights, privileges or limitations on the distribution of dividends, with the exception of treasury shares.

Note that for a period of five years from 30 June 2014 the Board of Directors was authorised to increase the share capital once or more by a maximum of
€ 500 million (nominal value) and for a further maximum of € 20 million (nominal value) in favour of directors, employees of the Company, its subsidiaries and parent companies.

Regarding stock option plans and stock grants, at 30 September 2015 there were 41,065,568 options outstanding, corresponding to an equivalent number of shares.
The notional cost of the stock options granted to employees, which is shown in a separate item of equity, amounted to € 1,559 thousand at 30 September 2015.

CERTIFICATION IN ACCORDANCE WITH THE TERMS
OF ART. 154 BIS, PARAGRAPH 2, OF D.LGS. NO. 58/1998

Re: Interim Financial Report as of 30 September 2015

The undersigned, Giuseppe Gianoglio, officer responsible for the preparation of the financial statements of the Company,

hereby declares

in accordance with paragraph 2 of Article 154 bis of the Finance Consolidation Act (TUF) that the accounting information contained in this document corresponds to the Company's documented results, books of account and accounting entries.

Milan, 30 October 2015

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