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Diffusione presunta

Oggetto : COFIDE Group: net income for first 9M
higher at 24.2m euro

Testo del comunicato

Vedi allegato.

PRESS RELEASE

Board of Directors approves results as of September 30 2016

COFIDE GROUP: NET INCOME FOR FIRST 9M HIGHER AT € 24.2M (€ 19.2M in 2015)

Result benefits from the positive contribution of CIR and the parent company COFIDE S.p.A.

Financial highlights for 9M 2016

(in millions of €)

	<u>9M 2015</u>	<u>9M 2016</u>	Δ%
Revenues	1,897.4	1,946.7	+2.6
EBITDA	173.1	189.5	+9.5
Net result	19.2	24.2	
	<u>31/12</u>	<u>30/9</u>	
Net financial debt	159.4	191.5	

Milan, October 28 2016 - The **Board of Directors** of **COFIDE-Gruppo De Benedetti S.p.A.**, which met today in Milan under the chairmanship of **Rodolfo De Benedetti**, has approved the **Interim Financial Report as of September 30 2016**.

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 (*Espresso*), in 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 enterprises in Europe.

Consolidated results

The **revenues** of the COFIDE group in the first nine months of 2016 came in at **€ 1,946.7 million** and were **up by 2.6%** from € 1,897.4 million in the same period of 2015.

EBITDA came to **€ 189.5 million** (9.7% of revenues), **up by 9.5%** from € 173.1 million (9.1% of revenues) in 2015. The figure benefited from the higher EBITDA of the CIR group.

For the first nine months the COFIDE group posted **net income of € 24.2 million, up significantly** from the earnings figure of € 19.2 million in the corresponding period of the previous year. This result was determined by the **positive contribution of the subsidiary CIR** (€ 20.4 million, substantially in line with € 20.6 million in 2015) and that of the **parent company of the group COFIDE S.p.A. (€ 3.8 million** versus a loss of € 1.4 million in 2015) thanks to income from financial management. The contribution of the parent company COFIDE S.p.A to the consolidated net result consisted of the earnings of the company net of the dividends received from the subsidiary CIR S.p.A.

In the first nine months of 2016 the CIR group reported earnings of € 37.4 million, substantially in line with the figure for the same period of last year (€ 39.6 million including the capital gain realized by *Espresso* on the sale of *All Music* to *Discovery*).

The **consolidated net financial debt of the COFIDE group** at September 30 2016 totalled **€ 191.5 million** versus € 159.4 million at December 31 2015 (€ 244.8 million at June 30 2016). The difference compared to the figure at the close of 2015 was due mainly to the increase in the net debt of the CIR group which, at the level of the parent company and non-industrial subsidiaries, made investments of € 82.7 million (€ 64.3 million to acquire a further interest in *KOS* and € 18.4 million for the buyback of own shares) and distributed dividends of € 29.5 million.

The **net financial debt of COFIDE S.p.A.** amounted to **€ 26.2 million** at September 30 2016 (€ 37.7 million at December 31 2015). The reduction was due mainly to the redemption of shares in the *Jargonnant* fund and to the receipt of dividends, net of those paid out, for € 5.9 million.

Total consolidated equity stood at **€ 1,502.6 million** at September 30 2016, versus € 1,573.1 million at December 31 2015.

The **consolidated equity of the group** totalled **€ 558.5 million** at September 30 2016 compared to € 567.8 million at December 31 2015. The reduction, despite the positive net result for the period, is due to the distribution of dividends for € 10.1 million and the recognition in the accounts in application of IFRS 3 of the further equity acquired by CIR in *KOS*.

The value of the investment in the *Jargonnant* fund at September 30 2016 was **€ 5.8 million** (€ 13.4 million at the end of 2015). The COFIDE group has also invested in the *Three Hills Decalia* fund specializing in small and medium European enterprises: the value of the investment at September 30 2016 was **€ 8.7 million** (7.3 million at the end of 2015).

At September 30 2016 the COFIDE group had **14,536 employees** (14,215 at December 31 2015).

Outlook for the rest of the year 2016

The performance of the COFIDE group in the last quarter of 2016 will be influenced by the evolution of the Italian economic environment, the impact of which is significant particularly for the media sector, and by the performance of the main world car markets for the automotive components sector.

For further information on the results of the subsidiary CIR see the press release published by the company today (goo.gl/sf9ZrO).

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.
It should be noted that these figures have not been audited by the firm of auditors.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euro)

ASSETS	30.09.2016	30.06.2016	31.12.2015
NON-CURRENT ASSETS	2,057,847	2,065,615	2,094,545
INTANGIBLE ASSETS	992,691	992,611	997,652
TANGIBLE ASSETS	649,305	647,067	659,109
INVESTMENT PROPERTY	20,484	20,674	20,916
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	131,955	130,873	131,833
OTHER EQUITY INVESTMENTS	5,049	5,443	5,830
OTHER RECEIVABLES	78,441	84,201	87,075
SECURITIES	78,869	80,518	87,383
DEFERRED TAXES	101,053	104,228	104,747
CURRENT ASSETS	1,359,085	1,346,516	1,412,396
INVENTORIES	138,532	135,058	134,055
CONTRACTED WORK IN PROGRESS	40,509	39,201	39,178
TRADE RECEIVABLES	423,118	449,392	415,937
OTHER RECEIVABLES	115,797	113,385	97,565
FINANCIAL RECEIVABLES	20,610	28,289	30,496
SECURITIES	76,690	75,140	131,012
AVAILABLE-FOR-SALE FINANCIAL ASSETS	235,596	235,398	251,510
CASH AND CASH EQUIVALENTS	308,233	270,653	312,643
ASSETS HELD FOR DISPOSAL	16,540	11,582	9,005
TOTAL ASSETS	3,433,472	3,423,713	3,515,946
LIABILITIES AND EQUITY	30.09.2016	30.06.2016	31.12.2015
SHAREHOLDERS' EQUITY	1,502,608	1,463,775	1,573,078
ISSUED CAPITAL	359,605	359,605	359,605
RESERVES	87,153	78,682	110,571
RETAINED EARNINGS (LOSSES)	87,519	87,519	78,901
NET INCOME (LOSS) FOR THE PERIOD	24,183	17,543	18,687
EQUITY OF THE GROUP	558,460	543,349	567,764
MINORITY SHAREHOLDERS' EQUITY	944,148	920,426	1,005,314
NON-CURRENT LIABILITIES	959,474	979,643	1,060,437
BONDS	276,568	275,232	288,366
OTHER BORROWINGS	314,990	342,161	421,910
OTHER PAYABLES	11,900	12,023	9,321
DEFERRED TAXES	146,039	139,537	135,235
PERSONNEL PROVISIONS	130,591	131,621	124,622
PROVISIONS FOR RISKS AND LOSSES	79,386	79,069	80,983
CURRENT LIABILITIES	965,811	970,913	875,769
BANK OVERDRAFTS	23,342	22,384	19,517
BONDS	20,748	19,990	5,011
OTHER FINANCIAL PAYABLES	197,020	194,487	150,316
TRADE PAYABLES	433,104	447,112	428,173
OTHER PAYABLES	225,244	220,248	200,985
PROVISIONS FOR RISKS AND LOSSES	66,353	66,692	71,767
LIABILITIES HELD FOR DISPOSAL	5,579	9,382	6,662
TOTAL LIABILITIES AND EQUITY	3,433,472	3,423,713	3,515,946

CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	1/1-30/9 2016	1/1-30/9 2015	III Quarter 2016	III Quarter 2015
SALES REVENUES	1,946,673	1,897,391	627,527	606,654
CHANGE IN INVENTORIES	5,910	13,573	4,585	2,903
COSTS FOR THE PURCHASE OF GOODS	(740,820)	(713,345)	(242,774)	(229,397)
COSTS FOR SERVICES	(452,980)	(461,055)	(144,992)	(148,614)
PERSONNEL COSTS	(529,560)	(525,150)	(165,573)	(163,130)
OTHER OPERATING INCOME	17,760	20,833	5,780	4,203
OTHER OPERATING COSTS	(60,402)	(60,866)	(22,212)	(18,815)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	2,890	1,770	704	(387)
AMORTIZATION, DEPRECIATION & WRITEDOWNS	(82,531)	(77,714)	(23,755)	(26,362)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)	106,940	95,437	39,290	27,055
FINANCIAL INCOME	9,375	9,785	3,440	1,105
FINANCIAL EXPENSE	(44,142)	(46,756)	(13,124)	(14,235)
DIVIDENDS	11,949	262	3,996	--
GAINS FROM TRADING SECURITIES	13,240	31,856	3,187	8,262
LOSSES FROM TRADING SECURITIES	(563)	(2,233)	(25)	(86)
ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS	3,466	(9,230)	2,033	(9,040)
NON-RECURRING INCOME (LOSSES)	--	--	--	--
INCOME BEFORE TAXES	100,265	79,121	38,797	13,061
INCOME TAXES	(35,675)	(25,936)	(18,473)	(9,210)
RESULT AFTER TAXES FROM OPERATING ACTIVITY	64,590	53,185	20,324	3,851
INCOME/(LOSS) FROM ASSETS HELD FOR DISPOSAL	1,000	9,411	--	160
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	65,590	62,596	20,324	4,011
- (NET INCOME) LOSS MINORITY SHAREHOLDERS	(41,407)	(43,414)	(13,684)	(5,154)
- NET INCOME (LOSS) OF THE GROUP	24,183	19,182	6,640	(1,143)

CONSOLIDATED NET FINANCIAL POSITION

(in thousands of euro)

	30.09.2016	30.06.2016	31.12.2015
A. Cash and bank deposits	308,233	270,653	312,643
B. Other cash equivalents	235,596	235,398	251,510
C. Securities held for trading	76,690	75,140	131,012
C Cash and cash equivalents (A) + (B) + (C)	620,519	581,191	695,165
E. Current financial receivables	20,610	28,289	30,496
F. Current bank borrowings	(175,075)	(165,260)	(116,507)
G. Bonds issued	(20,748)	(19,990)	(5,011)
H. Current part of non-current debt	(43,697)	(51,611)	(53,326)
I. Other current financial payables	(1,590)	--	--
J. Current financial debt (F) + (G) + (H) + (I)	(241,110)	(236,861)	(174,844)
K. Net current financial position (J) + (E) + (D)	400,019	372,619	550,817
L. Non-current bank borrowings	(217,843)	(243,117)	(317,643)
M. Bonds issued	(276,568)	(275,232)	(288,366)
N. Other non-current payables	(97,147)	(99,044)	(104,267)
O. Non-current financial debt (L) + (M) + (N)	(591,558)	(617,393)	(710,276)
P Net financial position (K) + (O)	(191,539)	(244,774)	(159,459)

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