



SPAFID CONNECT

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Oggetto : Cofide: net income higher at € 21.2 mln,
dividend of € 0.014 per share

Testo del comunicato

Vedi allegato.

PRESS RELEASE

Board of Directors approves results as of December 31 2016

**COFIDE GROUP: NET INCOME HIGHER AT € 21.2 MLN (€ 18.7 MLN IN 2015)
DIVIDEND OF € 0.014 PER SHARE**

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

Financial highlights for the year 2016

(in millions of €)

	<u>2015</u>	<u>2016</u>	Δ%
Revenues	2,544.4	2,620.7	+3%
EBITDA	216.4	258	+19.2%
Net result	18.7	21.2	+13.4%
	<u>31/12</u>	<u>31/12</u>	
Net debt	159.4	166.9	

Milan, March 13 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**, has approved the **proposed statutory financial statements** and the **consolidated financial statements for the year ended December 31 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 in 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 and results of the parent company

The **revenues** of the COFIDE Group for 2016 totalled **€ 2,620.7 million**, and **were up by 3%** from € 2,544.4 million in 2015.

EBITDA came in at **€ 258 million** (9.8% of sales revenues), **up by 19.2%** compared to € 216.4 million (8.5% of sales) in 2015. The figure benefited from the higher EBITDA of the CIR Group.

In 2016 the COFIDE Group obtained **net income of € 21.2 million**, posting **growth by 13.4%** compared to the net income of € 18.7 million reported in the previous year. This result was obtained with the **positive contribution of the subsidiary CIR** (€ 18.4 million versus € 22.3 million in 2015) and that of the **parent company of the group COFIDE S.p.A.** (€ 2.8 million after a loss of € 3.6 million in 2015), thanks to the income from financial management.

The contribution of the parent company COFIDE S.p.A. to the consolidated net result was the net income of the company (€ 18.8 million in 2016) excluding the dividends received from the subsidiary CIR S.p.A (€ 16 million).

In 2016 the CIR Group reported net income of € 33.8 million, compared to € 42.0 million in 2015, which included € 11 million of non-recurring gains.

The **consolidated net financial debt of the COFIDE Group** amounted to **€ 166.9 million** at December 31 2016 versus € 159.4 million at December 31 2015 (€ 191.5 million at September 30 2016). The difference compared to the figure at year end 2015 was due mainly to the subsidiary CIR which during the year, at parent company and non-industrial subsidiary level, invested € 64.3 million in a further interest in *KOS* and € 19.5 million in the buyback of own shares.

The **net financial debt** of the **parent company COFIDE S.p.A.** stood at **€ 23.3 million** at December 31 2016 (€ 37.7 million at December 31 2015). The reduction was due mainly to realized gains and the redemption of funds in the portfolio and to the receipt of dividends, net of those paid out, of € 5.9 million.

Total consolidated equity amounted to **€ 1,506.9 million** at December 31 2016, down from € 1,573.1 million at December 31 2015.

The **consolidated equity of the group** came to **€ 563.4 million** at December 31 2016 versus € 567.8 million at December 31 2015. The reduction, despite the positive net result for the period, was due to the distribution of dividends for € 10.1 million and to the recognition in the accounts of the purchase by CIR of a further interest in *KOS* recognized in application of IFRS 3.

The **equity of the parent company COFIDE S.p.A.** stood at **€ 562.2 million** at December 31 2016, up from € 556.6 million at the end of 2015. The change was due to the combination of the result for the year of € 18.8 million minus the change in the fair value reserve of € 3.1 million and the distribution of dividends for € 10.1 million.

The value of the investment in the *Jargonnant* fund was **€ 6.3 million** at December 31 2016 compared to € 13.4 million at the end of 2015 following the distributions that took place during the year. The COFIDE Group has also invested in the *Three Hills Decalia* fund, which specializes in small and medium enterprises in Europe: the value of the investment at December 31 2016 was **€ 5.6 million** (€ 7.3 million at the end of 2015), as a result of the partial repayment of the initial amount invested.

At December 31 2016 the COFIDE group had **14,329 employees** (14,254 at December 31 2015).

Outlook for the year 2017

Regarding the performance of the COFIDE group in 2017, in the automotive components sector the process of increasing profitability is forecast to continue; in the media sector, there is insufficient evidence available today to be able to predict any market evolution that is significantly different from that which characterized 2016; in healthcare the business will continue to develop especially in Italy.

Proposed dividend

The Board of Directors has decided to propose that the Annual General Meeting of the Shareholders approve a **dividend distribution of € 0.014 per share**. The dividend will be paid out on June 7 2017 with detachment of coupon no. 31 on June 5 and record date June 6.

Annual General Meeting of the Shareholders

The Annual General Meeting of the Shareholders has been called for April 27 2017 at the first call and for April 28 2017 at the second call. At the meeting held today the Board adopted the following resolutions:

- 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 70 million of the Company's own shares 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 or the date on which the price is fixed.

When the shares are bought back in the regulated market, the price must not be higher than the higher of the price of the last independent transaction and the highest current independent bid price on the same market, in compliance with what is set out in EU Delegated Regulation no. 2016/1052.

The main reasons why this authorization is being renewed are: to fulfil the obligations resulting from possible stock option plans or other awards of shares of the Company to employees or members of the Board of Directors of COFIDE or the companies that it controls; to fulfil any obligations resulting from debt instruments that are convertible into or exchangeable with equity instruments; to have a portfolio of own shares to use as consideration for any possible extraordinary transactions, even those involving an exchange of equity holdings, with other entities within the scope of transactions of interest to the Company (as treasury stock); to support market liquidity of the shares; to take advantage of opportunities for creating value, as well as investing liquidity efficiently in relation to the market trend; for any other purpose qualified by the competent Authorities as admitted market practice in accordance with applicable European or domestic rules, and with the procedures established therein.

The Shareholders' Meeting will also be called upon to adopt a resolution on the renewal of the Board of Statutory Auditors.

Significant events that have occurred since December 31 2016

On February 16 2017 COFIDE launched a plan to buy back its own shares, in accordance with and in execution of the authorization of the Annual General Meeting of the Shareholders of April 29 2016.

For further information on the results of the subsidiary CIR see the press released published by the company today (goo.gl/3Lnms).

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	31.12.2016	31.12.2015
NON-CURRENT ASSETS	2,070,459	2,094,545
INTANGIBLE ASSETS	988,003	997,652
TANGIBLE ASSETS	671,159	659,109
INVESTMENT PROPERTY	20,144	20,916
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	129,987	131,833
OTHER EQUITY INVESTMENTS	5,323	5,830
OTHER RECEIVABLES	79,099	87,075
<i>of which with related parties</i>	1,644	2,693
SECURITIES	85,009	87,383
DEFERRED TAXES	91,735	104,747
CURRENT ASSETS	1,349,077	1,412,396
INVENTORIES	137,406	134,055
CONTRACTED WORK IN PROGRESS	40,947	39,178
TRADE RECEIVABLES	414,246	415,937
<i>of which with related parties</i>	1,542	2,259
OTHER RECEIVABLES	92,863	97,565
<i>of which with related parties</i>	105	655
FINANCIAL RECEIVABLES	30,183	30,496
SECURITIES	66,157	131,012
AVAILABLE-FOR-SALE FINANCIAL ASSETS	234,012	251,510
CASH AND CASH EQUIVALENTS	333,263	312,643
ASSETS HELD FOR DISPOSAL	3,418	9,005
TOTAL ASSETS	3,422,954	3,515,946
LIABILITIES AND EQUITY	31.12.2016	31.12.2015
SHAREHOLDERS' EQUITY	1,506,896	1,573,078
SHARE CAPITAL	359,605	359,605
RESERVES	95,041	110,571
RETAINED EARNINGS (LOSSES)	87,519	78,901
NET INCOME (LOSS) FOR THE YEAR	21,249	18,687
EQUITY OF THE GROUP	563,414	567,764
MINORITY SHAREHOLDERS' EQUITY	943,482	1,005,314
NON-CURRENT LIABILITIES	975,300	1,060,437
BONDS	283,742	288,366
OTHER BORROWINGS	311,815	421,910
OTHER PAYABLES	15,175	9,321
DEFERRED TAXES	149,833	135,235
PERSONNEL PROVISIONS	131,058	124,622
PROVISIONS FOR RISKS AND LOSSES	83,677	80,983
CURRENT LIABILITIES	940,758	875,769
BANK OVERDRAFTS	12,771	19,517
BONDS	20,980	5,011
OTHER BORROWINGS	201,179	150,316
TRADE PAYABLES	433,354	428,173
<i>of which with related parties (*)</i>	2,189	2,251
OTHER PAYABLES	199,697	200,985
PROVISIONS FOR RISKS AND LOSSES	72,777	71,767

LIABILITIES HELD FOR DISPOSAL	--	6,662
TOTAL LIABILITIES AND EQUITY	3,422,954	3,515,946

CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	2016	2015
SALES REVENUES	2,620,680	2,544,410
CHANGE IN INVENTORIES	5,460	(498)
COSTS FOR THE PURCHASE OF GOODS	(988,180)	(937,923)
COSTS FOR SERVICES	(614,406)	(624,563)
<i>of which from related parties</i>	(6,272)	(979)
PERSONNEL COSTS	(712,409)	(708,634)
OTHER OPERATING INCOME	26,812	32,406
<i>of which from related parties</i>	1,778	2,891
OTHER OPERATING COSTS	(80,853)	(92,086)
<i>of which with related parties</i>	--	(236)
ADJUSTMENT TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	849	3,355
AMORTIZATION, DEPRECIATION & WRITE-DOWNS	(129,277)	(138,220)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)	128,676	78,247
FINANCIAL INCOME	13,058	13,603
<i>of which from related parties</i>	15	3,293
FINANCIAL EXPENSE	(61,352)	(64,844)
DIVIDENDS	11,557	257
GAINS FROM TRADING SECURITIES	16,582	77,343
LOSSES FROM TRADING SECURITIES	(668)	(2,360)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	3,827	(28,999)
NON-RECURRING GAINS (LOSSES)	--	--
INCOME (LOSS) BEFORE TAXES	111,680	73,247
INCOME TAXES	(53,192)	(20,946)
RESULT AFTER TAXES FROM OPERATING ACTIVITY	58,488	52,301
INCOME (LOSS) FROM ASSETS HELD FOR DISPOSAL	2,000	9,377
NET INCOME (LOSS) FOR THE YEAR INCLUDING MINORITY INTERESTS	60,488	61,678
- NET LOSS (INCOME) OF MINORITY INTERESTS	(39,239)	(42,991)
- NET INCOME (LOSS) OF THE GROUP	21,249	18,687
BASIC EARNINGS (LOSS) PER SHARE (in euro)	0.0295	0.0260
DILUTED EARNINGS (LOSS) PER SHARE (in euro)	0.0295	0.0260

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euro)

	2016	2015
OPERATING ACTIVITY		
NET INCOME/(LOSS) FOR THE YEAR INCLUDING MINORITY INTERESTS - CONTINUING OPERATIONS	58,488	52,301
ADJUSTMENTS:		
AMORTIZATION, DEPRECIATION & WRITE-DOWNS	129,277	138,220
SHARE OF RESULT OF COMPANIES CONSOLIDATED AT EQUITY	2,356	(3,355)
ACTUARIAL VALUATION OF STOCK OPTION/STOCK GRANT PLANS	4,242	4,090
CHANGE IN PERSONNEL PROVISIONS AND PROVISIONS FOR RISKS AND LOSSES	(2,952)	(32,855)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(3,827)	28,999
LOSSES (INCOME) FROM SALE OF CAPITALIZED ASSETS	(20,966)	(41,893)
INCREASE (REDUCTION) IN NON-CURRENT RECEIVABLES AND PAYABLES	38,417	26,348
(INCREASE) REDUCTION IN NET WORKING CAPITAL	8,041	(1,370)
CASH FLOW FROM OPERATING ACTIVITY - CONTINUING OPERATIONS	213,076	170,485
of which:		
- interest received (paid)	(33,133)	(42,181)
- income tax payments	(19,320)	(23,292)
INVESTING ACTIVITY		
PRICE PAID FOR BUSINESS COMBINATIONS	(9,861)	(51,139)
NET FINANCIAL POSITION OF ACQUIRED COMPANIES	53	(20,285)
(PURCHASE) SALE OF MINORITY INTERESTS	(64,330)	--
(PURCHASE) SALE OF SECURITIES	87,025	(90,902)
SALE OF CAPITAL ASSETS	23,636	73,204
PURCHASE OF CAPITAL ASSETS	(123,874)	(130,905)
CASH FLOW FROM INVESTING ACTIVITY - CONTINUING OPERATIONS	(87,351)	(220,027)
FINANCING ACTIVITY		
INFLOWS FROM CAPITAL INCREASES	11,487	289
OTHER CHANGES IN EQUITY	(212)	4,027
DRAWDOWN/(EXTINGUISHMENT) OF OTHER FINANCIAL PAYABLES/RECEIVABLES	(47,574)	57,363
BUYBACK OF OWN SHARES OF THE GROUP	(19,387)	(55,554)
DIVIDENDS PAID	(44,673)	(8,001)
CASH FLOW FROM FINANCING ACTIVITY - CONTINUING OPERATIONS	(100,359)	(1,876)
INCREASE (REDUCTION) IN NET CASH AND CASH EQUIVALENTS - CONTINUING OPERATIONS	25,366	(51,418)
CASH FLOW/NET CASH AND CASH EQUIVALENTS AT START OF YEAR - DISCONTINUED OPERATIONS	2,000	11,330
NET CASH AND CASH EQUIVALENTS AT START OF YEAR	293,126	333,214
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	320,492	293,126

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Attributable to the Shareholders of the parent company					Minority interests	Total
	Share capital	Reserves	Retained earnings (losses)	Net income (losses) for the year	Total		
<i>(in thousands of euro)</i>							
BALANCE AT DECEMBER 31 2014	359,605	89,883	93,369	(14,468)	528,389	1,030,068	1,558,457
Capital increases	--	--	--	--	--	289	289
Dividends to Shareholders	--	--	--	--	--	(8,001)	(8,001)
Retained earnings	--	--	(14,468)	14,468	--	--	--
Effects of equity changes in subsidiaries	--	15,470	--	--	15,470	(70,551)	(55,081)
<i>Comprehensive result for the year</i>							
Fair value measurement of hedging instruments	--	6,038	--	--	6,038	11,900	17,938
Fair value measurement of securities	--	1,438	--	--	1,438	239	1,677
Securities fair value reserve released to income statement	--	(7,538)	--	--	(7,538)	(7,006)	(14,544)
Effects of equity changes in subsidiaries	--	76	--	--	76	203	279
Currency translation differences	--	2,124	--	--	2,124	(2,008)	116
Actuarial gains (losses)	--	3,080	--	--	3,080	7,190	10,270
Result for the year	--	--	--	18,687	18,687	42,991	61,678
<i>Total comprehensive result for the year</i>	--	5,218	--	18,687	23,905	53,509	77,414
BALANCE AT DECEMBER 31 2015	359,605	110,571	78,901	18,687	567,764	1,005,314	1,573,078
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
BALANCE AT DECEMBER 31 2016	359,605	95,041	87,519	21,249	563,414	943,482	1,506,896

Fine Comunicato n.0097-13

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