



# SPAFID CONNECT

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Diffusione presunta

Oggetto : COFIDE: approval and publication of the  
prospectus for admission to trading

*Testo del comunicato*

Vedi allegato.



PRESS RELEASE

**MERGER OF CIR INTO COFIDE: APPROVAL AND PUBLICATION OF THE PROSPECTUS  
FOR ADMISSION TO TRADING**

**Information provided pursuant to Article 114, paragraph 5, of Legislative Decree No. 58/98**

Milan, 13 February 2020 – Further to the press release published on 3 February 2020, COFIDE – Gruppo De Benedetti S.p.A. (“**COFIDE**”) announces that Consob today approved the prospectus (the “**Prospectus**”) relating to the admission to trading on the *Mercato Telematico Azionario* of the COFIDE shares deriving from the merger by incorporation of CIR S.p.A. – Compagnie Industriali Riunite (“**CIR**”) into COFIDE (the “**Merger**”).

The Prospectus is available to the public at the registered office of COFIDE (via Ciovassino, no. 1, Milan) and on the website of the company ([www.cofide.it](http://www.cofide.it)) as well as at the registered office of CIR (via Ciovassino, no. 1, Milan) and on the website of the company ([www.cirgroup.com](http://www.cirgroup.com)).

Following the approval by Consob of the Prospectus, the last condition precedent provided for in the Merger plan has been satisfied.

Finally, it should be noted that, in accordance with the deed of merger signed on 3 February 2020, the Merger will take effect from the third trading day following the last of the registrations of the deed of Merger with the competent Register of Companies pursuant to Article 2504-*bis* of the Italian Civil Code. COFIDE will announce the effective date of the Merger with a special press release.

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Upon request by Consob, pursuant to Article 114, paragraph 5, of Legislative Decree No. 58/98, please find below the following information.

As indicated above, today Consob approved the Prospectus.

Please find below the content of the first five paragraphs of risk factor “A.1.1 *Risks related to the profitability trends of the Issuer and of the COFIDE Group*” of the Prospectus:

*“1. On 19 July 2019 the extraordinary shareholders’ meetings of COFIDE and CIR, whose shares are admitted to trading on the Mercato Telematico Azionario, organized and managed by Borsa Italiana S.p.A., approved the merger by incorporation of CIR into COFIDE (“Merger”) on the basis of the balance sheets represented by the draft financial statements as of 31 December 2018 approved by their respective management bodies. As of the Date of the Prospectus, COFIDE controls the sub-holding CIR which, in turn, controls SOGEFI, KOS and GEDI, companies operating, respectively, in the automotive components, healthcare and media sectors. On 3 February 2020, the Deed of Merger between COFIDE and CIR was signed. As from the Effective Date of the Merger, COFIDE will assume the rights and obligations of CIR, continuing in all its relationships, including court proceedings, prior to the Merger, in accordance with Article 2504-*bis*, paragraph 1, of the Italian Civil Code. Although*

*the merger of CIR into COFIDE is expected to improve the efficiency of the business management of the COFIDE Group as a result of the integration of the listed holding companies within the COFIDE Group, COFIDE believes that the benefits deriving from the Merger in terms of cost savings are not significant.*

*2. Following the abovementioned resolution of 19 July 2019, the Companies Participating in the Merger signed/completed certain agreements for the acquisition and/or sale of assets. In particular: (i) on 2 December 2019, CIR and EXOR entered into an agreement for the purchase by EXOR, through BidCo, of the shareholding equal to 43.78% of the share capital held by CIR in GEDI for a countervalue of Euro 102,4 million and the reinvestment by CIR in BidCo, to the extent as to allow CIR to hold, indirectly, a stake in GEDI equal, in transparency, to 5% of the share capital (the "GEDI Transaction" or the "GEDI Sale and Purchase Agreement"). As of the Date of the Prospectus, the completion of the GEDI Transaction is subject to the issuance by the European Commission of the authorization required by EU rules concerning control of concentrations, since the other conditions precedent provided in the GEDI Sale and Purchase Agreement have been met; the agreement must be considered automatically terminated if such authorization is not received by 31 May 2020; (ii) on 30 October 2019 KOS completed the purchase of 100% of the share capital of Charleston Holding GmbH, for a value of approximately Euro 92 million. With reference to the GEDI Transaction there is a risk that the authorization by the European Commission, if issued, may be subject to conditions and that these conditions may have a negative impact on the profitability of the COFIDE Group. Taking into account that the GEDI Transaction has not yet been completed and that the acquisition of the Charleston group was completed after the reference date of the most recent financial statements available as of the Date of the Prospectus (30 September 2019), it should be noted that there is a limited comparability between the historical financial information of the COFIDE Group included in the Prospectus and the financial information that will be reported in the financial statements after the possible completion of the sale of the GEDI group and the acquisition of the Charleston group.*

***3. The Issuer estimates that the consolidated net result of the COFIDE Group for 2019 will be negative for approximately Euro 270.2 million (of which the portion attributable to the COFIDE Group is equal to Euro 73 million); such loss is mainly affected by the effects of the signing of the GEDI Sale and Purchase Agreement and by the subsequent adjustment of the book value of the shareholding in GEDI to the fair value expressed by the GEDI Sale and Purchase Agreement and by the result of the period of the GEDI group. Taking into account that the above estimate does not take into account the results of impairment tests on the other shareholdings held by COFIDE through CIR, as of the Date of the Prospectus there is a risk that the consolidated net loss of the COFIDE Group for 2019 will be higher than the estimate of Euro 270.2 million. With reference to the financial statements of COFIDE which will close on 31 December 2019 as of the Date of the Prospectus it cannot be excluded that the write-down of the shareholding (held by the Issuer) in CIR that may be required as a result of the GEDI Transaction and as a result of the impairment tests on the other shareholdings controlled by CIR will lead to a significant deterioration in the balance sheet of the Issuer and consequently to the need to implement capital strengthening measures in addition to the one connected with the Merger.***

*As of the Date of the Prospectus, Consob is currently carrying out further analysis on the correctness of the financial information published by the Issuer with particular reference to the impairment procedure for intangible assets, also in light of the effects of the planned disposal of GEDI.*

***4. As of the Date of the Prospectus there is a risk that if the sale of the shareholding in GEDI is not completed, the income performance of the COFIDE Group will continue to be negatively affected by the income performance of the GEDI group, taking into account that during 2018 and in the first***

*six months of 2019 the GEDI group contributed negatively to the net result of the COFIDE Group (respectively, with a loss of Euro 14.7 million and a loss of Euro 8.7 million). Moreover, even if the GEDI Transaction were to be successfully completed, the results of the COFIDE Group - following the reinvestment in 5% of the share capital of GEDI under the terms of the relevant Sale and Purchase Agreement - would be affected, albeit to a lesser extent, by the income performance of the GEDI group.*

*5. Considering only recurring income statement items (i.e. without considering, among other things, the loss resulting from the valuation of the investment in GEDI) the Issuer estimates a consolidated net income of the COFIDE Group for 2019 of Euro 41.8 million, in reduction from the corresponding figure for 2018 (equal to Euro 49.6 million). Even if the sale of the shareholding in GEDI were to be finalized, there is therefore no certainty that the COFIDE Group will be able to counteract the deterioration in profit margins. The ability of the COFIDE Group to face the reduction in its income margins is closely linked not only to the efficiencies resulting from the investments already made in the automotive components and healthcare sectors but also to its ability to make new investments according to the measures and timing expected. As of the Date of the Prospectus, the COFIDE Group has not entered into any agreement for the realization of further investments other than those already made as of the Date of the Prospectus. It should also be noted that part of the income deriving from the planned GEDI Transaction is to be reinvested for the acquisition of 5% of the share capital of GEDI under the terms of the relevant Sale and Purchase Agreement, consequently the financial resources resulting from the GEDI Transaction to be allocated to investment activity are limited. Therefore, as of the Date of the Prospectus it is not possible to estimate the timing and the measures of the benefits that could derive from the investment activity on the profitability of the COFIDE Group. In addition, should certain events occur linked to the clauses of the financial contracts and bonds of the COFIDE Group which involve limits on the use of financial resources, the value of the investment in COFIDE shares could suffer even significant losses.”*

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