

Board of Directors approves results as of March 31 2015

**CIR GROUP:
REVENUES UP (€ 628 MLN, +6.7%) AND MARGINS HIGHER (EBITDA € 61.4 MLN, +33.5%)
NET INCOME AT € 21.2 MLN (A LOSS OF € 2.6 MLN IN Q1 2014)**

Increased earnings for all the industrial businesses (Espresso, Sogefi and KOS): their contribution to the net income of the group was a positive € 13 million versus a loss of € 1.2 million in 2014

Improvement also for the contribution of the parent company and the non-industrial subsidiaries (€ 8.2 million versus a loss of € 1.4 million in 2014)

Financial highlights of Q1 2015

(in millions of €)

| | Q1 2014* | Q1 2015 | Δ% |
|------------|----------|-------------|------|
| Revenues | 588.7 | 628 | 6.7 |
| EBITDA | 46 | 61.4 | 33.5 |
| Net result | (2.6) | 21.2 | |

*Economic results at March 31 2014 reclassified in application of IFRS 5

Milan, April 27 2015 – The **Board of Directors** of **CIR-Compagnie Industriali Riunite S.p.A.**, which met today under the chairmanship of **Rodolfo De Benedetti**, approved the **Interim Financial Report of the group as of March 31 2015** as presented by Chief Executive Officer **Monica Mondardini**.

Foreword

In the first quarter of 2015 Sorigenia was not included in the consolidation because as from March 27 2015 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 CIR 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 CIR group in the first quarter of 2015 came to **€ 628 million and were up by 6.7%** from € 588.7 million in the same period of the previous year. The increase was driven by Sogefi and KOS, which posted revenue growth of 10% and 11.8% respectively.

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EBITDA came in at **€ 61.4 million** (9.8% of revenues), posting a **rise of 33.5%** from the figure of € 46 million in the first quarter of 2014 (7.8% of revenues). **EBIT** was **€ 36.2 million** (5.7% of revenues), **up by 63.8%** from € 22.1 million last year (3.8% of revenues).

This performance was due mainly to the results obtained by Sogefi and KOS, while Espresso reported profitability that was substantially in line with the first quarter of 2014.

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

The contribution of the industrial subsidiaries to the result of the CIR group was a positive € 13 million versus a loss of € 1.2 million in the first three months of 2014. Increases were reported in the net result of all the industrial subsidiaries. Espresso obtained a net result of € 12 million (€ 2.1 million in first quarter 2014) thanks to having maintained its operating profitability, the reduction of financial expense and taxes and the capital gain on the sale of All Music. Sogefi reported net income of € 7.6 million after a loss of € 6.3 million in the first quarter of 2014. The positive change was due to the sustained growth in volumes as well as the end of the extraordinary charges for restructuring. Lastly, KOS reported a positive net result of € 3.7 million, up from € 2.5 million in the first quarter of 2014 thanks to the development activities carried out by the company in the last two years, which made it possible to achieve significant growth in revenues.

The result of the parent company and the non-industrial subsidiaries was a positive figure of € 8.2 million compared to a loss of € 1.4 million in 2014. Financial expense went down thanks to the buy-back of the bond in October 2014 and the result reported by financial management was much higher than last year particularly for the hedge fund portfolio.

The **net financial position** of the CIR group at March 31 2015 was - **€ 157.4 million**, versus - € 112.8 million at December 31 2014.

The **net financial position of the parent company of the group** at March 31 2015 was a **positive € 370.1 million**, down slightly from € 379.5 million at the end of 2014 mainly as an effect of the purchases of own shares made in the first quarter (for € 14.4 million). The total net financial position of the industrial subsidiaries grew from - € 492.3 million at December 31 2014 to - € 527.5 million at March 31 2015. The increase was due mainly to the investments for the acquisitions made in the period by KOS, with an impact on the net financial position of approximately € 48 million; Sogefi reported a rise in its net debt due to the seasonal effect on working capital and the rise in sales revenues; Espresso, however, reduced its debt by € 23 million.

The **equity of the group** at March 31 2015 stood at **€ 1,127.7 million**, up from € 1,104.5 million at December 31 2014 mainly due to the result for the period.

At March 31 2015 the CIR group had **13,980 employees** (13,846 at December 31 2014).

Results of the industrial subsidiaries of the CIR group

Media: Espresso

Gruppo Editoriale L'Espresso is one of the most important Italian publishing companies. It operates in all sectors of communication: newspapers and magazines, radio, internet and advertising. The group, which is 56.1% owned by CIR, is listed on the Stock Exchange.

The revenues of Espresso for the first quarter of 2015 came to € 146.6 million (-3.7% from € 152.3 million in 2014, as a consequence of the crisis that is affecting the entire sector). Costs went down by 3%, which was more or less equivalent to the fall in revenues. EBITDA came in at € 13.9 million, substantially unchanged from € 14.2 million in 2014.

The consolidated net result was a positive figure of € 12 million: the increase from the € 2.1 million reported in first quarter 2014 was due to lower taxes for € 2 million, to the reorganization of the television businesses for € 1.1 million and to the capital gain generated on the sale of the company All Music to Discovery for € 6.1 million. For further information on the results of Espresso, see the press release published by the company on April 23 2015 (<http://goo.gl/ULGkWS>).

Automotive components: Sogefi

Sogefi is one of the main producers worldwide in the sectors of filtration, engine systems and suspension components with 42 production plants in four continents. The company is controlled by CIR (57.7%) and is listed on the Stock Exchange.

Sogefi's revenues in the first quarter of 2015 came to € 372.5 million, and were up by 10% from € 338.7 million in the same period of 2014 (+5.9% at the same exchange rates). The rise in sales was the result of higher volumes in all the geographical areas (Europa +7.7%, South America +3.3%, North America +15.1%, Asia +39.7%) but was also partly due to favourable exchange rates. However, the erosion of contribution margins observed in previous years is still continuing. EBITDA came to € 34.9 million, up significantly from € 20.9 million in the first quarter of 2014. In the first three months of last year the group recognized restructuring charges totalling € 11.3 million, reduced to € 0.4 million in 2015.

Thanks to the rise in revenues and the lower restructuring charges, in the first quarter Sogefi reported a positive net result of € 7.6 million after posting a loss of € 6.3 million in the same period of 2014. For further information on the results of Sogefi, see the press release published by the company on April 20 2015 (<http://goo.gl/VKWHFu>).

Healthcare: KOS

KOS is one of the largest groups in Italy in the sector of healthcare and care homes (care homes, rehabilitation centres, oncology treatment, diagnostics and management of hospital facilities). The group manages 75 facilities, mainly in the centre and north of Italy, for a total of over 7,100 beds, plus another 200 or so under construction. Controlled by CIR (51.3%), KOS also has the Ardian group as a shareholder.

In the first quarter of 2015 KOS obtained revenues of € 106.8 million (+11.8% from € 95.5 million in the same period of 2014), thanks to the acquisition in the period of two facilities in the care home/rehabilitation area and to the organic growth of the businesses. EBITDA came in at € 15.3 million and was up by 23.4% from € 12.4 million in the first quarter of 2014. Net income came to € 3.7 million, up from € 2.5 million in 2014. Net debt stood at € 195.5 million at March 31 2015. The rise compared to the figure of € 157 million at December 31 2014 was due mainly to the acquisition completed in the period and to a lesser extent to new investments in the development of the businesses.

In the area of oncology treatment and diagnostics, activities are continuing in India through the joint venture ClearMedi Healthcare Ltd and in the United Kingdom through the subsidiary Medipass Healthcare Ltd.

Non-core investments

The non-core investments of the group consist of private equity initiatives, non-strategic shareholdings and other investments for a total value at March 31 2015 of € 157.7 million (€ 150.9 million at December 31 2014).

More specifically, the CIR group has a diversified portfolio of funds in the private equity sector (with a fair value at March 31 2015 of € 72.8 million, up by € 5.1 million compared to December 31 2014).

As for non-strategic equity investments, the value of these at March 31 2015 was € 35.7 million. In particular, the group holds an interest of around 17.4% in the company Swiss Education Group, a world leader in managerial training in the hospitality sector: the value of this investment at March 31 2015 was € 21.1 million.

Lastly, the CIR group has a portfolio of non-performing loans, the value of which was € 49.2 million at March 31 2015.

Outlook for the year 2015

The performance of the CIR group in the next three quarters of the year 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.

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 CIR 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;
- **Aggregate net financial surplus:** an indicator of the financial structure of CIR and its financial subsidiaries; it is determined as the balance of borrowings net of cash and cash equivalents and current financial assets (financial receivables, securities and available-for-sale financial assets).

*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

(in thousands of euro)

| ASSETS | 31.03.2015 | 31.12.2014 | 31.03.2014 |
|---|-------------------|-------------------|-------------------|
| NON-CURRENT ASSETS | 2,153,703 | 2,070,948 | 3,780,595 |
| INTANGIBLE ASSETS | 1,010,767 | 977,733 | 1,159,651 |
| TANGIBLE ASSETS | 662,560 | 622,271 | 1,991,168 |
| INVESTMENT PROPERTY | 20,254 | 20,439 | 21,272 |
| INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY | 147,109 | 148,301 | 84,070 |
| OTHER EQUITY INVESTMENTS | 4,970 | 4,980 | 5,541 |
| OTHER RECEIVABLES | 91,545 | 89,122 | 237,369 |
| SECURITIES | 97,402 | 92,149 | 82,074 |
| DEFERRED TAXES | 119,096 | 115,953 | 199,450 |
| CURRENT ASSETS | 1,351,376 | 1,327,946 | 2,686,147 |
| INVENTORIES | 138,588 | 128,664 | 172,304 |
| CONTRACTED WORK IN PROGRESS | 32,341 | 29,546 | 29,928 |
| TRADE RECEIVABLES | 432,155 | 431,691 | 1,033,964 |
| OTHER RECEIVABLES | 107,015 | 91,963 | 325,677 |
| FINANCIAL RECEIVABLES | 31,939 | 10,017 | 1,628 |
| SECURITIES | 161,037 | 137,918 | 205,165 |
| AVAILABLE-FOR-SALE FINANCIAL ASSETS | 157,165 | 150,963 | 95,401 |
| CASH AND CASH EQUIVALENTS | 291,136 | 347,184 | 822,080 |
| ASSETS HELD FOR DISPOSAL | 26,910 | 2,539,260 | 18,258 |
| ELISIONS TO/FROM DISCONTINUED OPERATIONS | -- | (10,308) | -- |
| TOTAL ASSETS | 3,531,989 | 5,927,846 | 6,485,000 |
| LIABILITIES AND EQUITY | 31.03.2015 | 31.12.2014 | 31.03.2014 |
| EQUITY | 1,613,555 | 1,573,199 | 1,604,629 |
| ISSUED CAPITAL | 397,146 | 397,146 | 397,146 |
| less OWN SHARES | (34,473) | (27,283) | (24,702) |
| SHARE CAPITAL | 362,673 | 369,863 | 372,444 |
| RESERVES | 328,613 | 307,108 | 305,704 |
| RETAINED EARNINGS (LOSSES) | 415,248 | 450,886 | 456,341 |
| NET INCOME (LOSS) FOR THE PERIOD | 21,202 | (23,399) | (2,656) |
| GROUP EQUITY | 1,127,736 | 1,104,458 | 1,131,833 |
| MINORITY INTERESTS | 485,819 | 468,741 | 472,796 |
| NON-CURRENT LIABILITIES | 983,588 | 1,000,286 | 1,361,851 |
| BONDS | 284,438 | 270,568 | 261,441 |
| OTHER BORROWINGS | 329,235 | 337,950 | 636,366 |
| OTHER PAYABLES | 7,112 | 7,102 | 549 |
| DEFERRED TAXES | 146,770 | 143,036 | 206,274 |
| PERSONNEL PROVISIONS | 143,015 | 143,720 | 125,667 |
| PROVISIONS FOR RISKS AND LOSSES | 73,018 | 97,910 | 131,554 |
| CURRENT LIABILITIES | 934,846 | 855,611 | 3,500,541 |
| BANK OVERDRAFTS | 25,102 | 15,671 | 189,828 |
| BONDS | 5,414 | 4,677 | 233,209 |
| OTHER BORROWINGS | 154,444 | 130,028 | 1,746,506 |
| TRADE PAYABLES | 452,210 | 417,002 | 782,496 |
| OTHER PAYABLES | 219,573 | 205,578 | 452,672 |
| 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 | 3,531,989 | 5,927,846 | 6,485,000 |

2. 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 | (236,460) | (213,189) |
| COSTS FOR SERVICES | (153,603) | (147,690) |
| PERSONNEL COSTS | (177,827) | (169,177) |
| OTHER OPERATING INCOME | 9,394 | 7,404 |
| OTHER OPERATING COSTS | (13,270) | (22,955) |
| ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY | 1,096 | 998 |
| AMORTIZATION, DEPRECIATION AND WRITEDOWNS | (25,168) | (23,958) |
| INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T) | 36,200 | 22,042 |
| FINANCIAL INCOME | 7,720 | 5,715 |
| FINANCIAL EXPENSE | (17,435) | (22,102) |
| DIVIDENDS | -- | 26 |
| GAINS FROM TRADING SECURITIES | 16,140 | 3,135 |
| LOSSES FROM TRADING SECURITIES | (83) | (28) |
| ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS | (712) | (752) |
| INCOME BEFORE TAXES | 41,830 | 8,036 |
| INCOME TAXES | (8,940) | (8,784) |
| RESULT AFTER TAXES FROM OPERATING ACTIVITY | 32,890 | (748) |
| INCOME/(LOSS) FROM ASSETS HELD FOR DISPOSAL | -- | (1,088) |
| NET INCOME/(LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS | 32,890 | (1,836) |
| - (INCOME) LOSS OF MINORITY INTERESTS | (11,688) | (820) |
| - NET INCOME (LOSS) OF THE GROUP | 21,202 | (2,656) |

3. Net Financial Position

(in thousands of euro)

| | 31.03.2015 | 31.12.2014 | 31.03.2014 |
|--|------------------|------------------|--------------------|
| A. Cash and bank deposits | 291,136 | 347,184 | 822,080 |
| B. Other cash equivalents | 157,165 | 150,963 | 95,401 |
| C. Securities held for trading | 161,037 | 137,918 | 205,165 |
| D. Cash and cash equivalents (A) + (B) + (C) | 609,338 | 636,065 | 1,122,646 |
| E. Current financial receivables | 31,939 | 10,017 | 1,628 |
| F. Current bank borrowings | (146,896) | (108,345) | (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) | (184,960) | (150,376) | (2,169,543) |
| K. Current net financial position (J) + (E) + (D) | 456,317 | 495,706 | (1,045,269) |
| L. Non-current bank borrowings | (218,802) | (231,234) | (316,022) |
| 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) | (613,673) | (608,518) | (897,807) |
| P. Net financial position (K) + (O) | (157,356) | (112,812) | (1,943,076) |