

S O P A F

PRESS RELEASE

Sopaf Board of Directors approves the consolidated quarterly report as of September 30, 2006

- Pre-tax income equalled euro 2.3 million, showing a rising trend against the first quarter of the 2005/2006 fiscal. Consolidated net income totalled euro 1.7 million, dropping from euro 4.4 million.
- The Group net equity as of September 30, 2006 totalled euro 126 million against euro 121.9 million as of September 30, 2005.
- The year's result is expected to be above the figure of the preceding fiscal 2005/2006.

Milan, November 13, 2006 – At today's meeting, Sopaf SpA Board of Directors approved the consolidated quarterly report as of September 30, 2006 (first quarter of the fiscal year).

Consolidated Results *

EBITDA, equal to euro 1.8 million, rose 49% against the first quarter of the preceding fiscal, when it registered euro 1.2 million.

Total revenues increased by 6%, up from euro 6.2 million to euro 6.6 million and, in particular, they include euro 2.5 million of proceeds deriving from the reduction in third party equity due to the higher value (against the cost borne by Sopaf Group during the quarter) of the LM & Partners Sca consolidated net equity. Costs for the period, equal to euro 4.8 million, dropped 5% against euro 5.0 million of the first quarter of the previous fiscal, including labor costs for euro 0.8 million (euro 0.4 million in the corresponding quarter of the 2005/2006 fiscal).

EBIT, equal to euro 1.8 million, rose 94% against euro 0.9 million of the first quarter of the preceding fiscal, which discounted euro 0.2 million in the risks and depreciation fund provision.

Investments, valued in compliance with the equity method, totalled euro 1.3 million, a drop of euro 1.0 million against the corresponding quarter of the previous fiscal. Financial charges equalled euro 0.8 million, against euro 2.1 million of net financial proceeds from the first quarter of the preceding fiscal. It should be noted that financial proceeds of the first quarter of 2005/2006 comprised euro 2.8 million of dividends from Five Star SA, which was consolidated according to the line-by-line method. In the quarter under examination, Five Star SA was consolidated in compliance with the equity method and, as

a result, dividends paid out were included in the pro quota income, equal to euro 0.5 million, itemized as “Quota of result from investments valued according to the equity method”.

Pre-tax income, equal to euro 2.3 million, rose 11% against euro 2.0 million of the first quarter of the 2005/2006 fiscal. Third party result relative to the quarter closed as of September 30, 2006 showed a negative figure for the Sopaf Group corresponding to euro 0.3 million (in the same quarter closed as of September 30, 2005 third party result was euro +2.4 million) due to the fact that LM IS Sarl did not accrue performance commissions correlated to LM&Partners Sca’s rising NAV, which, in the quarter of reference, did not increase vis-à-vis the preceding year. Consolidated net income for the first quarter equalled euro 1.7 million against euro 4.4 million for the first quarter of the preceding year.

Sopaf Group total assets as of September 30, 2006 equalled euro 382.8 million (euro 379.9 million as of September 30, 2005). Consolidated net equity as of September 30, 2006 totalled euro 177.3 million (against euro 198.6 million as of September 30, 2005), of which euro 51.3 million in third party investments (euro 76.7 million as of September 30, 2005). As a result, the Group’s net equity reached euro 126 million against euro 121.9 million as of September 30, 2005. The consolidated net financial position made for euro 162.3 million (euro 83 million as of September 30, 2005); the difference in debt is due to the increase in investments as well as to the increased real estate activity.

Events of the quarter:

- On July 7, Beven Finance Sarl underwrote the capital increase of Management & Capitali Spa for euro 13.2 million, keeping a shareholding of approximately 5%;
- In September, Sopaf established China Opportunity Sicar, a company dedicated to investments in Chinese businesses;
- In September, the Banco Popolare di Verona e Novara Group exercised a call on 10% of Delta SpA’s capital, owned by Sopaf; the transaction was completed in October.

Subsequent Events

- On October 3, Sopaf formalized an agreement for the acquisition of 70% of Cartesio Alternative Investments SGR Spa (this operation is currently under examination by the vigilance authority);
- On October 4, LM & Partners Sca acquired 24.72% of Res Rennergys Holding AG, a company operating in the sector of renewable energy, with a euro 6.2 million investment;
- On October 20, Sopaf formalized the acquisition of 66.6% of PWM Sgr Spa, a company specialized in speculative management;
- On October 10, LM Real Estate underwrote a euro 10.4 million capital increase in Omniapartecipazioni, for the purpose of the underwriting of IMMSI SpA’s capital increase.

Possible Evolution

As resolved upon by the meeting of last November 10, Sopaf has shifted the closure of the fiscal year to December 31 of each year. As a result, this fiscal will only cover 6 months and shall close as of December 31, 2006. The company's result for this period is expected to be above the figure corresponding to the same period of the preceding 2005/2006 year.

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For additional information

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Attached are the tables referring to the income statement, balance sheet and financial position of the first quarter 2006/2007. Data included in the tables was not certified by the independent auditors nor verified by the Board of Auditors.

**The consolidation area was changed vis-à-vis the first quarter of the 2005/2006 in order to include the variations that occurred in the investment portfolio and the different method of consolidation of some affiliated companies, in particular Five Star SA, formerly consolidated according to the line-by-line method, was instead consolidated in this quarter according to the equity method.*

GRUPPO SOPAF

CONTO ECONOMICO CONSOLIDATO

Valori in migliaia di euro

	01.07.2006 30.09.2006	01.07.2005 30.09.2005	01.07.2005 30.06.2006
	3 mesi	3 mesi	12 mesi
Ricavi	2.199	3.763	32.590
Altri Proventi	4.353	2.444	3.536
Acquisti di Materiali e Servizi Esterni	(3.135)	(3.335)	(29.541)
Costi del Personale	(783)	(442)	(2.212)
Altri Costi Operativi	(843)	(1.230)	(5.111)
Margine Operativo Lordo	1.791	1.200	(738)
Accantonamenti a Fondi Rischi e Svalutazioni	-	(200)	(6.567)
Ammortamenti	(18)	(88)	(43)
Utili/Perdite Derivanti da Dismissioni di Attività Non Correnti	-	-	14.592
Risultato Operativo	1.773	912	7.244
Quota dei Risultati delle Partecipazioni Valutate secondo il Metodo del Patrimonio Netto	1.321	(1.018)	(396)
Risultato prima degli Interessi e delle Imposte	3.094	(106)	6.848
<i>Proventi Finanziari</i>	705	3.475	11.427
<i>Oneri Finanziari</i>	(1.548)	(1.336)	(4.924)
Proventi (Oneri) Finanziari netti	(843)	2.139	6.503
Risultato Prima delle Imposte	2.251	2.033	13.351
<i>Imposte correnti</i>	(142)	(54)	(811)
<i>Imposte differite</i>	(98)	-	8.535
Imposte sul Reddito	(240)	(54)	7.724
Risultato Netto delle Attività in Funzionamento	2.011	1.979	21.075
Risultato delle Attività Cedute	-	-	-
Risultato Netto	2.011	1.979	21.075
Attribuibile a:			
Risultato di Pertinenza di Terzi	267	(2.375)	1.679
Risultato di Pertinenza del Gruppo	1.744	4.354	19.396
Utile per azione (in euro)			
Da attività in funzionamento e cedute:			
- Base	0,0041	0,017	0,0460
- Diluito	0,0040	0,010	0,0441
Da attività in funzionamento:			
- Base	(0,002)	0,008	0,015
- Diluito	(0,002)	0,005	0,015

STATO PATRIMONIALE CONSOLIDATO

Valori in migliaia di euro

	30.09.2006	30.09.2005	30.06.2006
Attività immateriali	48	1.036	29
Attività materiali	1.080	28.387	648
Partecipazioni in Società Collegate/a Controllo Congiunto	96.861	27.648	102.783
Attività Finanziarie	123.317	218.043	120.130
Crediti Tributari	36.653	24.082	36.310
Imposte Anticipate	6.493	-	6.998
Totale Attività Non Correnti	264.452	299.196	266.898
Rimanenze	78.031	24.536	77.636
Crediti verso Clienti ed Altre Attività Commerciali	894	4.476	760
Altri Crediti ed Attività Diverse	15.523	23.675	15.198
Altre Attività Finanziarie	328	10.254	12.578
Disponibilità Liquide	23.612	17.807	15.649
Totale Attività Correnti	118.388	80.748	121.821
Attività Non Correnti Classificate come detenute per la Vendita	-	-	-
Totale Attività	382.840	379.944	388.719
Capitale	80.000	80.000	80.000
Utili Indivisi	46.014	41.901	47.398
Patrimonio Netto di spettanza del Gruppo	126.014	121.901	127.398
Interessi di Terzi	51.277	76.690	57.024
Totale Patrimonio Netto	177.291	198.591	184.422
Obbligazioni	-	8.325	-
Debiti verso Banche ed Altri Enti Finanziatori	130.714	129.107	124.351
Altre Passività	-	7.935	-
Passività per Prestazioni Pensionistiche e Trattamento di Fine Rapporto	163	150	132
Accantonamenti	1.730	1.650	1.730
Totale Passività Non Correnti	132.607	147.167	126.213
Debiti verso Banche ed Altri Enti Finanziatori	55.509	24.033	60.215
Debiti Commerciali	5.158	6.590	7.375
Altre Passività	12.275	3.563	10.494
Totale Passività Correnti	72.942	34.186	78.084
Passività Correlate ad Attività detenute per la vendita	-	-	-
Totale Patrimonio Netto e Passivo	382.840	379.944	388.719

POSIZIONE FINANZIARIA NETTA CONSOLIDATA

Valori in migliaia di euro

POSIZIONE FINANZIARIA NETTA	30.9.2006	30.6.2006	30.9.2005
A) Cassa	283	610	12
B) Altre disponibilità liquide	23.329	15.039	17.795
C) Titoli detenuti per la negoziazione	-	-	-
D) TOTALE LIQUIDITA' (A+B+C)	23.612	15.649	17.807
E) Crediti finanziari correnti	328	12.578	52.304
F) Debiti bancari correnti	53.302	47.152	3.728
G) Parte corrente dell'indebitamento non corrente	2.031	10.244	20.143
H) Altri debiti finanziari correnti	176	2.819	161
I) INDEBITAMENTO FINANZIARIO CORRENTE (F+G+H)	55.509	60.215	24.033
J) INDEBITAMENTO FINANZIARIO CORRENTE NETTO (I-E-D)	31.569	31.988	(46.078)
K) Debiti bancari non correnti	115.885	102.736	126.507
L) Obbligazioni emesse	-	-	-
M) Altri debiti non correnti	14.837	21.616	2.600
N) INDEBITAMENTO FINANZIARIO NON CORRENTE (K+L+M)	130.722	124.352	129.107
O) INDEBITAMENTO FINANZIARIO NETTO (J+N)	162.291	156.340	83.029