

S O P A F

PRESS RELEASE

Data as of 30 September 2008 approved by the Board of Directors:

- **Consolidated net profit for the third quarter: €2.1 million** (€0.1 million for the corresponding period of 2007)
- **Consolidated net results for the first nine months: loss of €2.2 million** (profit of €40.3 million for the corresponding period of 2007)
- **Consolidated shareholders' equity: €171.9 million** (€169.3 million as of 30 June 2008 and €174.9 million as of 31 December 2007)
- **Consolidated net financial position: €149.0 million** (€160.1 million as of 30 June 2008 and €151.6 million as of 31 December 2007).

Milan, 12 November 2008 – At a meeting held today, the Sopaf S.p.A. Board of Directors approved the consolidated quarterly report as of 30 September 2008.

Consolidated results for the third quarter and the first nine months of 2008*

Revenues and other income for the third quarter of 2008 amounted to €2.0 million (€1.3 million for the corresponding period of 2007).

The earnings derived from the sale of non-current assets amounted to €3.1 million (€2.6 million in the third quarter of 2007).

Operating earnings, which incorporate €4.1 million of expenses (€3.6 million for the corresponding period of 2007), amounted to €1 million (and were instead almost nil for the corresponding period of 2007), while the pre-tax result came to €1.2 million (pre-tax loss of €1 million in the third quarter of 2007).

The Group's earnings for the third quarter of 2008 amounted to €2.1 million (€0.1 million for the corresponding period of 2007).

* * *

As to the first nine months of the year, revenues and other income amounted to €23.7 million (€5.3 million for the corresponding period of 2007). Such accounts include €3.5 million of

* Compared with the period of reference, the area of consolidation is different on account of changes in the portfolio of shareholdings and the different criterion for the consolidation of several companies in which investments are held.

commissions generated by the fully consolidated management companies and €16.9 million in relation to a capital gain arising from the sale of financial lease contracts.

The gross operating margin which incorporates €14.4 million of expenses comes to €9.3 million (loss of €10.6 million for the corresponding nine-month period in 2007), while operating earnings amounted to €9.8 million (€41.0 million for the corresponding period of 2007), with the 2008 figure including (i) €5.6 million of profits from the disposal of non-current assets and (ii) writedowns totalling €4.6 million in relation to the affiliate company, Management & Capitali, and the fund, PWM AIGGIG Multimanager.

With reference to companies in which equity investments are held, the Group's share of earnings (losses) on investments valued with the net equity method was a loss of €5.1 million (profit of €1.9 million for the corresponding period of 2007) and in particular, reflects the pro-rata losses in relation to the shareholdings in Banca Network Investimenti S.p.A. (€6.5 million) and Area Life (€1 million).

The profit before interest and taxes amounted to €4.6 million, and compares with earnings of €42.9 million for the corresponding period of 2007.

Net financial charges came to €5.4 million (versus €0.9 million for the first nine months of 2007).

The Group sustained a pre-tax loss of €0.7 million (compared with a pre-tax profit of €42.0 million for the corresponding period of 2007).

The Group's net loss comes to €2.2 million (compared to a profit of €40.3 million for the corresponding period of 2007, most of which was due to the transaction covering the sale of Omnipartecipazioni / Immsi). The net loss for the first nine months incorporates income tax provisions of €1 million and €0.7 million of earnings results in relation to assets held for sale, and benefits from the €0.3 million loss accruing to minority interests.

* * *

The balance of shareholdings and other financial assets of €243.9 million (€273.1 million as of 31 December 2007) mainly changed as the result of the acquisition of the shareholding in Aviva Previdenza, the sale of the entire investment in the Fondo FIP - Fondo Immobili Pubblici, and the reclassification of several shareholdings in the account "Assets held for sale".

Total shareholders' equity as of 30 September 2008 was €178.9 million (compared with €182.0 million as of 31 December 2007), and includes €6.9 million of minority interests (€7.2 million as of 31 December 2007) and €171.9 million of Group equity (€174.9 million as of 31 December 2007). The decrease in the balance reflects the accrual of the loss for the first nine months and the increase in own shares held.

The Group's net financial debt as of 30 September 2008 was €149.0 million and compared with €160.1 million as of 30 June 2008, €176.4 million al 31 March 2008 and €51.6 million as of 31 December 2007. The changes are mainly attributable to the acquisitions of Aviva Previdenza and Sun System, and to the recapitalization of companies in which investments are held (such as AFT); compared with the figure as of the end of March 2008, the balance at the end of the third quarter shows significant improvement due, in particular, to (i) the sale of the leasing contracts, a transaction whose financial effects were manifested in the second and third quarters of 2008, and (ii) the sale of four industrial shareholdings to the "Vintage Fund".

Principal events for the third quarter

- On 16 July, Sopaf S.p.A. subscribed the third and final tranche (\$5 million) of the private-equity Infrastructure and Growth Capital Fund managed by Abraaj Capital, a leading company in infrastructure investments in the MENASA (Middle East, North Africa and Southeast Asia). It is noted that with this subscription, Sopaf's investment totals \$10 million, or 0.5% of the units subscribed.
- On 31 July, the Sopaf Group sold four industrial shareholdings (28.9% of AFT S.p.A., or one-half of the investment held directly and indirectly by the Group as of 30 June 2008, 28.4% of Green Bit S.p.A., 26.5% of Sila Holding Industriale S.p.A. and 24.7% of Res Finco AG) to a newly incorporated foreign fund by the name of "Vintage Fund". The initial investors in the fund are Paul Capital Partners IX, L.P. (American private equity fund) and Sopaf S.p.A. with an interest equal to 5% of the fund for a total commitment of around €2.5 million (inclusive of €2 million paid at the end of July). The price for the sale of the entire portfolio was equal to €38.9 million.
- In July, a capital increase was perfected by Essere S.p.A.; Sopaf S.p.A. increased its holding from 35.77% to 81.87% via the partial conversion of the capital account payment made during the month of May for an amount equal to €491,200.
- In July and August, Sopaf S.p.A. subscribed new units of the real estate fund, Tergeste, for €7.5 million, liquidity used by the fund for perfecting several real estate transactions, including the purchase of a building in the centre of Milan for €27 million.
- On 6 August, the Vintage Fund gave a management made to Sopaf Capital Management SGR; the management commissions in relation to the mandate will amount to €1.5 million for the year 2008.
- Also on 6 August, the Board of Directors of China Opportunity SA Sicar ratified the capital increase in process, with €14.8 million subscribed and paid. Cutter S.à.r.l. subscribed the capital increase of the Class A shares for €151,300 for the Sopaf Group, whereas the Class B shares were subscribed by Sopaf S.p.A. for €2.7 million.
- In execution of a shareholder resolution of 29 April 2008, on 21 August, the shareholders of Banca Network perfected a share capital increase, with the balance of share capital rising from €16 million to €30 million, plus a share premium reserve of €6 million.
- On 22 August, Sopaf notified Delta S.p.A. that it was going to exercise its right of withdrawal from Delta S.p.A. for 16,967,900 shares, pursuant to Article 2437, Paragraph 1, Letter a) of the Italian Civil Code, as a result of the resolution passed by the extraordinary meeting of the company's shareholders held on 6 August 2008 which approved the adoption of a new by-laws that change the company's purpose in order to make it possible for it to carry out the activity of a bank holding company. In relation to the changes to the company's purpose within the by-laws and in consideration of changes in Delta S.p.A.'s earnings, capital, operations, and ownership, Sopaf has considered it essential to protect its interests by exercising the right of withdrawal, and reserving the possibility of taking all necessary actions so that the computation of the liquidation value will be that as governed by the Civil Code. In this final regard, it should be noted that during the extraordinary meeting of the company's shareholders held on 6 August, the directors of Delta S.p.A. negated the recognition of the right of withdrawal for the dissenting shareholders, explaining their decision by their opinion that the change to the company's purpose is not

sufficiently significant to trigger the possibility of exercising the right.

- On 26 September, Sopaf purchased from third-party investors a total of 20 units in the Igi Investments Quattro private-equity fund, for a subscription commitment equal to €1 million.
- On 30 September, Sopaf S.p.A. perfected an asset swap with a leading foreign bank as the counterparty; the swap provides that Sopaf, in exchange for a fixed rate, will receive earnings flows related to the distribution of dividends/non-recurring earnings of the Fondo Immobili Pubblici. The valuation at fair value of the components of this derivative instrument is equal to roughly €4.5 million, net of ancillary charges.

Material events subsequent to 30 September 2008

- On 8 October 2008, Sopaf S.p.A. perfected a contract to acquire 51% of the share capital of Polis Fondi SGR p.A. from several cooperative banks for a total price of €9.5 million. It is noted in this regard that the acquisition is subordinated to the procurement from the regulatory authorities on or before 2 March 2009 of the necessary authorizations in relation to (i) the purchase of the shareholding and (ii) the amendment to the Polis Fund rules in relation to the introduction of an Advisory Committee.
- On 8 October 2008, Sopaf purchased another 10.13% of the share capital of Essere from third-party investors, thereby increasing its shareholding from 81.87% to 92%.
- On 10 October 2008, the meeting of the shareholders of Nearco Invest S.àr.l. passed a resolution to liquidate the company voluntarily and to appoint a liquidator.
- On 15 October, Sopaf S.p.A. entered into an investment agreement with Nova Fronda S.r.l. and another investor; the agreement provides for Sopaf's subscription of 25% of Nova Fronda S.r.l. through a restricted capital increase that is to be subscribed by offsetting financing of €1.4 million disbursed in August, September and October 2008 and the related payment of another €230,000 made by Sopaf during the month of November 2008.
- On 15 October, Sopaf S.p.A., acting as sponsor, set up the Luxembourg-law company, Adenium Sicav, an open-end investment company with subfunds; a filing for the authorization from the regulatory authorities for the fund's placement in Italy is to be made in the near term, with the Sicav to be distributed exclusively by Banca Network.
- In connection with the process of reorganizing and streamlining the Sopaf Group, the regulatory authorities issued an order on 22 October 2008 approving the incorporation of PWM SGR in SCM SGR; the directors of the two companies expect to conclude the merger by 31 December 2008.
- On 7 November, the capital increase for Area Life International Assurance Ltd was subscribed for €1.6 million .

Outlook

Given the difficult economic situation at present, Sopaf's management is reshaping its activity, divesting non-strategic assets, and consequently improving the net financial position, building up the asset-management business and taking steps to reduce overhead.

It is accordingly believed that the prospects for the end of the year are better than the results achieved as of 30 September 2008.

* * *

The executive in charge of the preparation of the corporate accounting documents of Sopaf S.p.A., Alberto Ciaperoni, declares pursuant to Paragraph 2, Article 154-bis of the Consolidated Financial Act that the accounting information contained in this press release corresponds to the documented results, books and accounting records of the company.

* * *

For additional information

Marco Stella

Alberto Ciaperoni

Sopaf S.p.A.

Tel: +39 02 7214-2424

e-mail: investor.relations@sopafgroup.it

* * *

The exhibits to this press release include: the profit and loss statement, the balance sheet, and the statement of consolidated net financial position, none of which has been audited by the independent auditors.

SOPAF GROUP

CONSOLIDATED PROFIT AND LOSS STATEMENT

in €000's

	Third quarter			
	01.07.2008 30.09.2008	01.07.2007 30.09.2007	01.01.2008 30.09.2008	01.01.2007 30.09.2007
	3 months	3 months	9 months	9 months
Revenues	1,863	1,098	5,065	4,220
Other income	176	159	18,657	1,043
Materials purchases and external services	(2,470)	(1,804)	(7,820)	(8,076)
Personnel expense	(1,233)	(1,108)	(4,984)	(3,750)
Other operating expenses	(433)	(656)	(1,625)	(4,083)
Gross profit	(2,097)	(2,311)	9,293	(10,646)
Risk provisions and writedowns	-	-	(4,577)	(10,295)
Depreciation and amortization	(60)	(226)	(582)	(656)
Gains (losses) from sale of non-current assets	3,127	2,553	5,622	62,597
Operating profit	970	16	9,756	41,000
Earnings accrued on shareholdings valued with net equity method	(84)	686	(5,110)	1,911
Profit before interest and taxes	886	702	4,646	42,911
<i>Financial income</i>	4,954	360	7,064	4,690
<i>Financial charges</i>	(4,600)	(2,025)	(12,458)	(5,597)
Financial income (charges) net	354	(1,665)	(5,394)	(907)
Profit (loss) before taxes	1,240	(963)	(748)	42,004
<i>Current taxes</i>	305	87	(327)	(102)
<i>Deferred taxes</i>	1,069	824	(689)	(1,663)
Income taxes	1,374	911	(1,016)	(1,765)
Net profit (loss) from continuing operations	2,614	(52)	(1,764)	40,239
Net profit from operations held for sale	(661)	-	(731)	-
Net profit (loss)	1,953	(52)	(2,495)	40,239
Attributable to:				
Minority interests	(170)	(191)	(272)	(71)
Group	2,123	139 -	(2,223)	40,310

Earnings per share (in €)

From operations and assets held for sale:

- Primary	(0.0059)	0.09540
- Diluted	-	0.0840
From operations:		
- Base	(0.0042)	0.09540
- Diluted	-	0.0840

SOPAF GROUP

CONSOLIDATED BALANCE SHEET

in € 000's

	30.09.2008	31.12.2007
Goodwill	2,476	2,860
Intangible fixed assets	146	684
Tangible fixed assets	2,656	23,541
Shareholdings in affiliate companies / jointly controlled companies	113,691	116,117
Financial assets	130,172	157,031
Other assets	25	-
Tax credits	4,526	18,208
Deferred tax assets	6,463	5,517
Total non-current assets	260,155	323,958
Inventories	28,392	94
Customer receivables and other trade receivables	1,176	876
Other receivables and other assets	22,841	14,451
Other financial assets	36,893	7,298
Financial derivatives	6,035	-
Cash and cash equivalents	7,886	21,727
Total current assets	103,223	44,446
Non-current assets held for sale	47,436	28,208
Total assets	410,814	396,612
Capital	80,095	80,002
Own shares	(2,364)	(174)
Undivided profits	94,202	95,041
Shareholders' equity	171,933	174,869
Minority interests	6,942	7,173
Total shareholders' equity	178,875	182,042
Bonds	44,328	43,390
Due to banks and other lenders	75,036	61,557
Financial leases payable	542	14,840
Other liabilities	10,441	10,612
Pension and employment-severance liabilities	422	350
Deferred tax liabilities	124	303
Provisions	1,141	1,647
Total non-current liabilities	132,034	132,699
Bonds - current portion	269	755
Due to banks and other lenders	79,637	59,099
Financial leases payable	37	1,023
Financial derivatives	20	11
Trade accounts payable	2,899	4,896
Other liabilities	9,106	16,087
Total current liabilities	91,968	81,871
Liabilities related to assets held for sale	7,937	-
Total liabilities and shareholders' equity	410,814	396,612

SOPAF GROUP

Values in EUR/thousands

NET FINANCIAL POSITION	30.09.2008	30.06.2008	31.03.2008	31.12.2007	30.09.2007
Cash on Hand	17	10	11	10	127
Other cash equivalents	7,869	15,016	11,012	21,715	23,661
Derivatives and securities held for trading	15,337	735	1,821	3,017	1,176
TOTAL LIQUIDITY	23,223	15,761	12,844	24,742	24,964
Current financial receivables	27,590	22,835	22,199	4,282	3,042
Current bank debt	(79,612)	(81,191)	(75,760)	(57,963)	(48,294)
Other current financial debt	(330)	(22)	(11,173)	(2,914)	(738)
CURRENT FINANCIAL DEBT	(79,942)	(81,213)	(86,933)	(60,877)	(49,032)
NET CURRENT FINANCIAL DEBT	(29,129)	(42,617)	(51,890)	(31,853)	(21,026)
Non-current bank debt	(70,417)	(68,390)	(61,602)	(57,162)	(63,510)
Bonds issued	(44,328)	(43,981)	(43,639)	(43,390)	(43,314)
Other non-current debt	(5,161)	(5,095)	(19,216)	(19,234)	(8,067)
NON-CURRENT FINANCIAL DEBT	(119,906)	(117,466)	(124,457)	(119,786)	(114,891)
NET FINANCIAL DEBT	(149,035)	(160,083)	(176,347)	(151,639)	(135,917)