

# S O P A F

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## PRESS RELEASE

### **Board of Directors approves the half-year financial report as at 30 June 2009:**

- **consolidated net profit (loss): negative by EUR 18.2 million** (EUR 4.3 million in the same period of 2008)
- **Group shareholders' equity: EUR 100.3 million** (EUR 146.3 million as at 31 December 2008)
- **positive trend in the income statement and net financial position in the second half of the year compared to the position as at 30 June 2009.**

*Milan, 28 August 2009* – The Board of Directors of Sopaf S.p.A., which met today, approved the half-year financial report as at 30 June 2009.

### **Consolidated half year results\***

The consolidated profit (loss) of the first half 2009 posts a loss of EUR 18.2 million, against a loss of EUR 4.3 million recorded in the same period as at 30 June 2008.

The main components that had an adverse effect on the 1H2009 profit (loss) at consolidated level were:

- the write-down of a property held by the Sopaf Real Estate Opportunity 1 fund ("S.o.r.e.o.1"), consolidated on a line-by-line basis, by EUR 2.5 million to reflect the periodic appraisal carried out by independent experts for the purposes of quantifying the fund's net asset value for the period;
- the allocations relating to the 2009 retirement incentives of the Parent Company Sopaf S.p.A. and of Sopaf Capital Management SGR for EUR 1.3 million;
- the pro-rata loss for the half-year relating to the investment in Banca Network Investimenti S.p.A. equal to approximately EUR 4 million (inclusive of the pro-rata loss referring to the investment in Petunia S.p.A.). In this regard it is reported that, although the half-year results are lower than those forecast in the 2009-2011 plan, during the half year the bank's management implemented the actions set forth in the aforesaid business plan approved in February, acting on product profitability, the sales network (rationalisation of the commission scale and restructuring of disbursements on the basis of targets), reorganisation of financial transactions and related costs and greater treasury profitability. Given the

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\* Compared to the reference period the scope of consolidation has changed due to changes in the investments portfolio and to the different criterion for consolidation of some investees.

complexity involved in their implementation, the actions taken have not yet been reflected in the first half results, but we believe that their effects will become apparent from as early as the second half, achieving the economic effect forecast in the industrial plan;

- the loss of EUR 1.7 million recorded in the half year by the subsidiary Essere S.p.A., a wholly-owned subsidiary of Sopaf, operating in the banking product distribution sector (mortgages, personal loans, leasing and related insurance products). Assumption of control of the investment (during 2008) coincided with the liquidity crisis on the international markets which had inevitable repercussions on bank disbursements to the retail market, conditioning the company's profitability (especially in the first quarter 2009). Sopaf's new management line-up had to immediately reorganise the sales network and corporate structure in the latter part of 2008 and in the first months of 2009 it defined a new business plan which provides for product diversification and multibrands (through finalisation of new business agreements) and continuation of a drive to increase operating cost efficiency, with breakeven expected to be reached in 2010. These measures will also facilitate the process for disposal of the investment;
- the early termination of an option contract worth EUR 1.6 million on the real estate investment held in Demofonte S.r.l.

With regard to the other Group investments the following is reported:

- Sopaf Capital Management SGR S.p.A. had to deal with a rather difficult half year given the crisis sweeping through the alternative products sector. This trend led to the final liquidation of the two single manager funds included in the portfolio and the placing in liquidation of one of the multi manager funds, but at the same time, the management defined a new strategy for repositioning that provides not only for the placement of new hedge funds with institutional investors (in the private equity and real estate asset classes), but also for expansion of the non-hedge investment fund management activities, for which the company submitted application to the competent Supervisory Authorities in June 2009;
- the need to focus the Group on a smaller number of sectors and activities led Sopaf S.p.A. to finalise disposal during the half year of the investment in Life Science Capital S.p.A. for an amount of EUR 7.1 million, generating a capital gain of approximately EUR 1.8 million;
- AFT S.p.A. finalised a further capital increase subscribed by its core investors (Ramius Fund, Vintage Fund and Sopaf SpA), providing the capitalisation necessary to launch the Wi Max technology implementation plan in the Italian regions in which the company has been awarded the licence. In the half year the company also defined the commercial agreements with the technology suppliers and the financial plan to support these agreements and hence the project's state of progress can be deemed to be in line with the scheduled business plan;
- during the first half the 3.5 MW photovoltaic plant of the company Sfera S.r.l., 48% owned by Sopaf S.p.A., located in the Puglia region entered into production. The plant generated energy and cash flows in line with the business plan forecasts.

The most important transaction executed in the half year concerned the investment in Delta S.p.A. in Amministrazione Straordinaria (hereinafter, referred to as "Delta S.p.A." only). The main developments are summarised in chronological order below:

- On 30 January 2009, with regard to Sopaf's exercise of its right of withdrawal from Delta S.p.A., upon motion filed by Sopaf S.p.A., the Court of Bologna appointed an expert to determine the liquidation value of the Delta S.p.A. shares pursuant to Article 2437-ter of the Italian Civil Code. This appointment was however suspended by the Court of Bologna on 20 February 2009 following appeal filed by Delta S.p.A. after which adversarial proceedings were commenced, during which the Court of Bologna will decide on whether to confirm or revoke appointment of the expert.
- On 29 April 2009 Sopaf S.p.A. received written notice from the administrative bodies of Delta S.p.A. stating that, for reasons linked to the need to prepare appropriate information in relation to the recent events involving the company and its shareholders, the ordinary shareholders' meeting convened in first call on the same date, would be postponed to 22 May, in first call, and to 28 May 2009, in second call.
- On 4 May 2009 Sopaf S.p.A. learnt from the media that the Forlì Public Prosecutor's Office has ordered inspections to be carried out on the Delta Group and also that Banca d'Italia has commenced proceedings against the shareholders of Delta S.p.A., other than Sopaf S.p.A., concerning revocation of their authorisation to hold investments in Delta S.p.A. and ordering urgent suspension of related voting rights. As a consequence Sopaf, which holds 15.95% of Delta S.p.A., would have exercised all the rights to vote in the shareholders' meetings. On 5 May 2009 Banca d'Italia announced that it had ordered temporary administration of Delta S.p.A. and of Sedici Banca S.p.A. (a member company of the Delta Group) through the appointment of three administrators and the simultaneous suspension of the functions of the administrative and control bodies. It is also reported that on 15 May 2009 the Temporary Administrators of Delta S.p.A. informed Sopaf S.p.A. that the shareholders' meeting of Delta S.p.A. for approval of the financial statements as at 31 December 2008 convened on 22 May, in first call, and on 28 May, in second call, was postponed to 29 June 2009, in first call, and to 30 June 2009, in second call. On the same date the independent auditors of Delta S.p.A., PricewaterhouseCoopers, notified the Temporary Administrators that they intended to withdraw the report certifying the draft financial statements 2008 of Delta S.p.A. and the consolidated financial statements 2008 of the Delta Group to record the supervening events and for reasons relating to assessment of whether the company was still a going concern. The reports had already been regularly filed at the registered office for consultation by shareholders.
- With a statement issued on 29 May 2009 Banca d'Italia announced that, with decree dated 27 May 2009, the Ministry of Economy and Finance ordered the winding up of the administrative and control bodies of Delta and Sedici Banca and their subjection to the procedure of extraordinary administration, appointing the Extraordinary Administrators who will be assisted by a Supervisory Committee. In the same statement it affirms that the "extraordinary bodies must take every step to ensure a rapid solution to the Group's problems caused by the anomalies present in its ownership structure".
- After closure of the half year, on 31 July 2009, Sopaf finalised agreements, including settlement agreements, with Cassa di Risparmio di San Marino, aimed at settling the existing or potential disputes between the parties concerning Delta. These

agreements were finalised in order to facilitate rapid disposal of control of Delta by Cassa di Risparmio di San Marino as hoped by the Supervisory Authorities.

In view of finalisation of the agreement directed at Sopaf's disposal of its investment in Delta S.p.A., the second half 2009 will be dedicated to implementing those strategies that will allow the Parent Company to maintain its position as opportunistic investment company, capable of employing its own resources and those of third party investors through structured transactions.

The main lines upon which the focus will be placed are the following:

- continuation of the activity to dispose of investments no longer deemed strategic;
- activity of investment in asset classes that are characterised by limited capital absorption and a shorter period of return of the invested capital;
- maintenance of the investment/recapitalisation commitments assumed for investments deemed strategic;
- restructuring the bank debt in accordance with the previous points;
- adoption of further measures to reduce operating costs;
- placement of investment products (real estate and private equity funds) with institutional investors;
- maintaining management oversight of investments such as Banca Network Investimenti;
- optimisation of real estate assets through disposal or completion of initiatives still in progress and assessment of new opportunities.

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A closer look at the half year results shows that revenues and other income are equal to EUR 2.7 million (EUR 21.7 million in the same period of 2008).

The gross operating margin, which has been affected by EUR 12.6 million in costs, is negative by EUR 9.8 million (positive by EUR 11.4 million in the first half 2008), while the operating profit (loss), which includes EUR 0.5 million in amortisation/depreciation and provisions, is negative by EUR 10.3 million (positive by EUR 8.8 million in the same period of 2008).

With regard to investees, the portion of the profit (loss) of investments valued by the equity method is negative by EUR 2.8 million, mainly affected by the pro-rata loss for the half year relating to the investment in Banca Network Investimenti S.p.A. equal to EUR 4 million held also through the associate Petunia S.p.A. (negative by EUR 5 million in the same period of 2008).

Profit (loss) before interest and tax is therefore negative by EUR 13.1 million and compares with a profit of EUR 3.8 million in the same period of 2008.

Net financial charges are equal to EUR 5.5 million (charges of EUR 5.7 million in the first half 2008).

Pre-tax profit is negative by EUR 18.6 million (negative by EUR 2 million in the same period of 2008).

The net profit (loss) attributable to the Group, which benefits from the release of EUR 0.2 million in deferred taxes and net of the minority interests equal to EUR 0.02 million (EUR 0.1

million in the same period of 2008), is negative by EUR 18.2 million (negative by EUR 4.3 million in the same period of 2008).

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Investments and other financial assets are equal to EUR 209.5 million (EUR 231 million as at 31 December 2008).

Total shareholders' equity as at 30 June 2009 is equal to EUR 100.3 million (compared to EUR 150.9 million as at 31 December 2008), of which EUR 0.05 million in minority interests (EUR 4.5 million as at 31 December 2008) and EUR 100.3 million pertaining to the Group (EUR 146.3 million as at 31 December 2008), posting a downturn mainly due to the profit (loss) for the half year and the negative change in the fair value reserve following the value adjustments made to the investment in Delta (from EUR 80 million to EUR 55 million), in line with the considerations established in the agreement finalised with Cassa di Risparmio di San Marino on 31 July 2009.

Group net financial borrowings as at 30 June 2009 are equal to EUR 162.7 million and compare with EUR 146.9 million as at 31 December 2008 and EUR 179.2 million as at 30 June 2008. The change compared with the figure as at 31 December 2008 is mainly due to the increase in the item other financial payables following subscription to repurchase agreements. It is reminded that, in view of finalisation of the agreement with Cassa di Risparmio di San Marino, as from the next quarter the net financial position will benefit from recognition of the financial assets (represented by deposit certificates) received from the counterparty as consideration for release of the option right/availability of the investment in Delta S.p.A. for EUR 55 million, of which EUR 38.3 million maturing within 12 months.

It is also specified that, mainly as a result of finalisation of the aforesaid agreements concerning the investment in Delta S.p.A, two financial covenants relating to the Sopaf Group prescribed by the syndicated loan to support acquisition of Banca Network Investimenti S.p.A. and Area Life International Assurance Ltd., have not been satisfied. In August 2009, Sopaf S.p.A. obtained the lead arranger's agreement to renegotiation of the covenants and therefore the formal initiatives for definition of an agreement amending the terms of the contract will only be commenced with submission of the half-year financial report as at 30 June 2009 approved by the Board of Directors.

#### **Main events in the half year**

- The events relating to the investment in Delta S.p.A. have been outlined in the above section "Consolidated half year results" and for the purposes of brevity will not be repeated in this section.
- On 10 February 2009 the Extraordinary Shareholders' Meeting of Sopaf Capital Management SGR S.p.A. approved a number of changes to the by-laws to extend operating activities to include the setting up and/or management of non-hedge funds. On 17 April the company signed a letter of intent with Adenium Sicav, a variable capital investment company incorporated under Luxembourg law for which Sopaf is promoter, which states the possibility of receiving the mandate for management of the undertaking for collective investment once authorisation to expand the company's activities has been obtained from the Supervisory Authorities. On 12 June 2009 the company submitted application for management of non-hedge funds to the Supervisory Authorities.
- On 26 February 2009 Sopaf and the other banking partners with which it signed, on 8 October 2008, a contract for acquisition of 51% of the share capital of Polis Fondi SGR p.A. for a total consideration of EUR 9.5 million, finalised an extension of said

contract up to 30 June 2009 in which if the condition precedent was not met (approval by the meeting of Fondo Polis unitholders of certain amendments to the fund regulations concerning the introduction of an advisory committee), the sellers would issue joint communication in which they unilaterally waived the aforesaid condition precedent. On 17 March 2009, following call requested by the Board of Directors of Polis Fondi SGR, an extraordinary shareholders' meeting of Fondo Polis was held. The meeting did not reach the quorum required for approval of the amendments proposed by the company and therefore could not deliberate. On 30 June 2009 the time limit within which the conditions precedent were to be met expired and hence at present Sopaf S.p.A. and the vendors are discussing future strategies and whether or not to dispose of the 51% of the company's share capital, with said negotiations being conditional on a new authorisation process by the Supervisory Authorities.

- On 9 March 2009 Sopaf received from a third party investor a formal letter of offer for acquisition of the investment in Life Science Capital S.p.A. for a total of EUR 7.1 million. The offer was accepted by Sopaf on 13 March 2009.
- On 12 March 2009 Sopaf and a leading institutional investor finalised an agreement for assignment of units of a fund for a total consideration of EUR 30 million.
- Also on 12 March 2009 the forward purchase and sale contracts entered into with two leading third party investors and recognised in the financial statements as at 31 December 2008 were settled.
- On 26 March 2009 Sopaf S.p.A. acquired from a third party investor 18,000 shares of the real estate investment company Valore by Avere Asset Management SCA for a total of EUR 2 million, increasing its shareholding to 18.58% of the fund.
- On 31 March 2009 Sopaf, together with the other core shareholders, subscribed to a further tranche of the increase in the share capital of AFT S.p.A. for EUR 2.7 million. This increase was deliberated at the shareholders' meeting held on 19 June 2008.
- On 30 April 2009 the shareholders' meeting of Banca Network Investimenti S.p.A. deliberated a share capital increase totalling EUR 35 million of which EUR 15 million through conversion of the same amount entered in the item "other reserves" and EUR 20 million against payment to be offered under option to the current shareholders. It is reminded that the share capital increase is subject to prior authorisation by the competent Supervisory Authorities. The expected outlay for the Sopaf Group is equal to EUR 8.9 million.
- On 20 May 2009 Banco Popolare sent a proposal to Banca Network aimed at settling the litigation and disputes relating to the original agreement for disposal of Banca Network Investimenti (formerly Bipille.net).
- On 18 June 2009 disposal of the investment in Life Science Capital S.p.A. was finalised with recognition of a capital gain of EUR 1.8 million.
- On 30 June 2009 the time limit expired for subscription of the share capital increase of Essere S.p.A., deliberated by the shareholders' meeting on 11 May 2009 for the purpose of reconstructing the company's share capital after it was written off to make up for the losses relating to the year 2008. As at 30 June 2009 the share capital of Essere S.p.A. is equal to EUR 607,760, and has been fully subscribed by Sopaf S.p.A.

#### **Significant events after closure of the half year**

- As already reported, on 31 July 2009, Sopaf finalised agreements, including settlement agreements, with Cassa di Risparmio di San Marino aimed at settling the existing or potential disputes between the parties concerning Delta. These agreements were finalised in order to facilitate rapid disposal of control of Delta by Cassa di Risparmio di San Marino as hoped by the Supervisory Authorities.

The agreements entered into provide for:

- against a consideration of approximately EUR 55 million, the granting by Sopaf S.p.A. of a purchase/release option on the entire equity investment held in Delta S.p.A. representing 15.95% of share capital, as well as waiver by Sopaf S.p.A. of the right of withdrawal from Delta S.p.A. as well as of all the legal actions that have been brought or are being brought against Cassa di Risparmio della Repubblica di San Marino S.p.A and Delta S.p.A;
- the recovery of the relationship of collaboration upon which the original agreements between the parties were based, through assignment by Cassa di Risparmio della Repubblica di San Marino S.p.A., in favour of Sopaf S.p.A., of an advisory appointment pursuant to which Sopaf S.p.A. will offer the benefit of its experience by performing the functions of consultant and arranger for specific transactions to optimise management of the portfolio of Cassa di Risparmio della Repubblica di San Marino S.p.A.. For this activity Cassa di Risparmio della Repubblica di San Marino S.p.A. will pay Sopaf S.p.A. a minimum commission equal to EUR 15 million.

A more detailed account of the above agreements can be found in the informative document "Transaction for disposal of the investment in Delta S.p.A. in amministrazione straordinaria" released on 24 August 2009 and in the notes to the half-year financial report as at 30 June 2009.

- During August, with regard to the above mentioned proposal sent on 20 May 2009 by Banco Popolare to Banca Network aimed at settling the litigation and disputes relating to the original agreement for disposal of Banca Network Investimenti (formerly Bipille.net), the parties reached a final understanding for this agreement which includes deletion of one clause of the original agreement which provided for recognition of a "price adjustment" by the purchasers linked to the possible exceeding of specific objectives in terms of assets under management at pre-established expiry dates. On the basis of this agreement, in the quarterly report as at 30 September 2009 Sopaf will record a positive adjustment to the liability relating to the price adjustment reported in the financial statements as at 31 December 2008 and equal to EUR 944 thousand. Furthermore, with regard the indirect investment held by Sopaf in Banca Network through Petunia S.p.A., the pro-rata profit loss of the associated company will benefit for the same reason from a positive adjustment equal to EUR 1,859 thousand. The total positive effect will be equal to EUR 2.8 million and will be carried to the income statement, as in the year prior to entry of the price adjustment the cost of the investment was completely written down for impairment.

## **Business outlook**

It is expected that as the year progresses the Group will continue to exploit the opportunities to implement transactions aimed at improving the income statement and reducing the net financial position in order to create the resources required for repositioning its activities,

especially through subscription of funds launched by the Group's product companies, co-investing with other institutional entities.

In this perspective finalisation of the agreement with Cassa di Risparmio di San Marino represents an important achievement which, together with other transactions underway, will guarantee that these objectives are reached.

As a consequence of the events outlined above concerning the investment in Delta, finalisation of the agreements with Banco Popolare as well as the other transactions underway, the second half should post a positive performance that will allow the losses recorded as at 30 June 2009 to be considerably reduced.

The financial position should also post a positive trend mainly thanks to the EUR 55 million received in the form of short-term financial assets as consideration paid by Cassa di Risparmio di San Marino for the agreement finalised in July 2009.

#### **Publication of the consolidated half-year financial report as at 30 June 2009**

The consolidated half-year financial report as at 30 June 2009 will be available to the public at the company's registered office, at Borsa Italiana S.p.A. and on the company's website [www.sopafgroup.it](http://www.sopafgroup.it) in accordance with the terms established by laws in force.

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*The executive in charge of drawing up the corporate accounting documents (Alberto Ciaperoni) declares pursuant to sub-section 2, Article 154 bis of the Consolidated Financial Law that the accounting disclosures contained in this release are consistent with the documentary results, accounting books and entries.*

*For further information*

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The statements relating to the consolidated income statement, balance sheet and cash flow statement for the half year as at 30 June 2009 are attached. The Independent Auditors are currently performing a limited audit.

# SOPAF GROUP

## CONSOLIDATED INCOME STATEMENT

Amounts in EUR/thousand

	<b>01.01.2009</b>	<b>01.01.2008</b>
	<b>30.06.2009</b>	<b>30.06.2008</b>
Revenues	1,755	3,202
Other income	990	18,481
Purchases of materials and external services	(8,190)	(5,350)
Personnel costs	(3,512)	(3,751)
Other operating costs	(878)	(1,192)
<b>Gross operating Margin</b>	<b>(9,835)</b>	<b>11,390</b>
Provisions for risk and write-downs	(209)	(4,577)
Depreciation and Amortisation expense	(246)	(522)
Gains/Losses from disposal of non-current assets	-	2,495
<b>Operating Profit (Loss)</b>	<b>(10,290)</b>	<b>8,786</b>
Share of profit/loss on investments carried by the equity method	(2,774)	(5,026)
<b>Profit (Loss) before interest and tax</b>	<b>(13,064)</b>	<b>3,760</b>
Financial income	2,286	2,110
Financial charges	(7,792)	(7,858)
Net financial income(charges)	<b>(5,506)</b>	<b>(5,748)</b>
<b>Profit (Loss) before tax</b>	<b>(18,570)</b>	<b>(1,988)</b>
<i>Current taxes</i>	(15)	(632)
<i>Deferred taxes</i>	237	(1,758)
Income taxes	<b>222</b>	<b>(2,390)</b>
<b>Net Profit (Loss) from continuing operations</b>	<b>(18,348)</b>	<b>(4,378)</b>
Profit (Loss) from sold and discontinued operations	132	(70)
<b>Net result</b>	<b>(18,216)</b>	<b>(4,448)</b>
<b>Attributable to:</b>		
Minority interests	(15)	(102)
<b>Group result</b>	<b>(18,201)</b>	<b>(4,346)</b>

# SOPAF GROUP

## CONSOLIDATED BALANCE SHEET

Amounts in EUR/thousand

	<b>30.06.2009</b>	<b>31.12.2008</b>
Goodwill	2,476	2,476
Intangible assets	84	130
Property, plant and equipment	2,468	2,619
Investments in associated companies/joint ventures	113,015	116,877
Financial assets	96,437	114,089
Tax credits	4,444	4,434
Prepaid taxes	2,288	2,778
<b>Total Non-current assets</b>	<b>221,212</b>	<b>243,403</b>
Inventories	24,500	27,000
Trade receivables and other business assets	2,741	2,392
Other receivables and other assets	11,292	21,157
Derivative financial instruments	4,662	32,246
Other financial assets	19,803	3,055
Cash and cash equivalents	2,143	4,421
<b>Total Current assets</b>	<b>65,141</b>	<b>90,271</b>
Assets from discontinued operations	25,392	37,688
<b>Total Assets</b>	<b>311,745</b>	<b>371,362</b>
Capital	80,100	80,100
Treasury shares	(2,363)	(2,363)
Undivided profits	22,512	68,586
<b>Group Shareholders' Equity</b>	<b>100,249</b>	<b>146,323</b>
Minority interest	48	4,537
<b>Total shareholders' equity</b>	<b>100,297</b>	<b>150,860</b>
Bonds	45,351	44,669
Payables to banks and other lenders	38,710	73,105
Lease payables	517	534
Other liabilities	944	944
Pension scheme and Employee severance indemnity liabilities	301	465
Deferred tax liabilities	117	236
Provisions	816	1,028
<b>Total Non-current liabilities</b>	<b>86,756</b>	<b>120,981</b>
Bonds - current share	1,708	754
Payables to banks and other lenders	101,911	66,889
Lease payables	34	40
Derivative financial instruments	869	616
Trade payables	2,396	4,762
Other liabilities	13,002	21,117
<b>Total Current liabilities</b>	<b>119,920</b>	<b>94,178</b>
Liabilities from discontinued operations	4,772	5,343
<b>Total shareholders' equity and liabilities</b>	<b>311,745</b>	<b>371,362</b>

# SOPAF GROUP

Amounts in EUR/thousand

30.06.2009 30.06.2008

## CONSOLIDATED CASH FLOW STATEMENT

<b>OPERATING ACTIVITIES</b>		
<b>Net consolidated result</b>	<b>(18,216)</b>	<b>(4,448)</b>
<i>Non-monetary adjustments:</i>		
Percentage profit/loss of associated companies	2,774	5,026
Minority interest result	(15)	102
Dividends received	(228)	(224)
Financial charges	7,792	7,858
Financial income	(2,058)	(2,110)
Exchange (gains)/losses	1	4
Current taxes	15	632
Deferred taxes	(237)	1,758
Depreciation of property, plant and equipment	200	412
Amortisation of intangible assets	46	110
Write-down of available-for-sale financial assets	-	4,577
Write-down of receivables	208	-
Write-down of inventories	2,500	-
Provisions for employee severance indemnity	(35)	148
Other non-monetary income	(212)	-
Capital gains from deconsolidation of subsidiary disposals	(1,865)	-
<b>Cash flows from operating activities before changes in working capital</b>	<b>(9,330)</b>	<b>13,845</b>
(Increase)/Decrease in receivables and other assets	9,298	(13,483)
(Increase)/Decrease in inventories	-	(7)
Increase/(Decrease) in trade payables and other liabilities	(10,232)	1,359
Increase/(Decrease) in other non-current liabilities	-	203
<b>Cash generated from operating activities</b>	<b>(10,264)</b>	<b>1,917</b>
Interest paid	(5,179)	(4,887)
Change in provisions for charges	-	(442)
Payment of employee severance indemnity	(129)	(23)
Changes in non-current tax credits	(10)	(156)
<b>NET CASH GENERATED FROM (ABSORBED BY) OPERATING ACTIVITIES</b>	<b>(15,582)</b>	<b>(3,591)</b>
<b>INVESTMENT ACTIVITIES</b>		
Interest received	2,067	1,887
Dividends received from associated companies	395	593
Dividends received on financial assets	228	224
Increases in investments in associated companies	-	(15,479)
Increases in investments from share capital subscriptions	-	(2,063)
Increases in investments from grants	(376)	-
Acquisition of increase in the investment in Essere SpA	(86)	-
Increases in available-for-sale financial assets	(2,237)	(27,639)
Decreases for disposals and redemptions of available-for-sale assets	-	24,722
Changes in current financial assets	(16,748)	3,599
Net changes in derivatives	27,584	(1,290)
Increases in investments and discontinued financial assets	(2,680)	(19,767)
Disposal of investments and discontinued financial assets	10,813	164
Incoming cash associated with disposal of investment in the Life Science SpA Group	1,427	-
Changes in discontinued assets	(3,433)	(152)
Changes in liabilities of discontinued subsidiaries	249	26
Increases in property, plant and equipment	(54)	(563)
Increases in intangible assets	-	(53)
Decreases in intangible assets	-	5
Decreases in property, plant and equipment	5	9
Disposal of financial lease contract	-	6,671
<b>NET CASH GENERATED FROM (ABSORBED BY) INVESTMENT ACTIVITIES</b>	<b>17,154</b>	<b>(29,106)</b>
<b>FINANCIAL ASSETS</b>		
Increase (decrease) in payables to banks and other lenders	(318)	30,295
(Increase)/Decrease in lease payables	(23)	(848)
Changes in non-current loans	(1,425)	(1,262)
Purchase of treasury shares	-	(2,189)
Payment of dividends	(2,084)	-
<b>NET CASH GENERATED FROM/(ABSORBED BY) FINANCIAL ACTIVITIES</b>	<b>(3,850)</b>	<b>25,996</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,278)</b>	<b>(6,701)</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>4,421</b>	<b>21,727</b>
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>2,143</b>	<b>15,026</b>