



JOINT PRESS RELEASE

CIR AND F2i: AGREEMENT TO PURCHASE 46.7% OF KOS FROM ARDIAN

F2i will hold 37.3% of the company, CIR's interest will rise from 51.3% to 62.7%

International financial investors are expected to enter F2i Health Management (FHM), the investment vehicle set up for this purpose by F2i

Milan, March 16 2016 – **CIR-Compagnie Industriali Riunite S.p.A.** and **F2i** have reached an **agreement with Ardian to buy** from the latter for **€ 292 million 46.7% of KOS**, the company of the CIR group that is one of **the main operators in Italy in the healthcare and residential care-home sector**.

In detail, on completion of the deal, F2i Health Management, a company controlled by the F2i Second Fund, will acquire from Ardian a shareholding interest in KOS for € 240 million, while CIR will buy the remaining part for € 52 million. At the same time, CIR will also acquire the remaining interests from management and other minority shareholders for € 33 million. **CIR's** interest in the capital of KOS will thus **rise** from the current 51.3% to **62.7%** for a total investment of € 85 million while **F2i will hold 37.3%**.

It is expected that additional international financial operators may take part in the deal by entering F2i Health Management with a minority interest. In this case the overall financial commitment of F2i could be reduced to € 180 million.

Based on the agreement, on completion of the deal CIR and F2i have undertaken to sign a shareholder agreement that will mainly regulate, in terms of governance, the right of F2i to appoint three board members out of eight, including the chairman. There will also be a qualified majority vote on matters of particular importance and F2i will contribute to decisions relating to management.

Ardian, independent investment company, entered into the ownership of KOS in 2010, actively collaborated with CIR during these years, contributing to the development of the company's business. In these 5 years, Ardian supported the growth of KOS with important resources intended both for the completion of new residences for Senior Citizens and for the acquisition of existing facilities.

F2i is entering a business that is a market leader, both in terms of size and of quality of service provided, and which has significant prospects for growth through consolidation in a sector that is extremely fragmented. Growth and the constant improvement of efficiency and quality are the characteristics typical of the companies that F2i decides to focus its attention on.

CIR, in this new phase of development, will be able to count on the support of a qualified industrial investor in the medium-long term such as F2i.

The management of KOS has undertaken to reinvest part of the proceeds of this deal in the company.

Once the approval of the Italian Competition and Markets Authority has been obtained, the **closing** of the deal is expected to take place by the end of **May**.

KOS, a company founded by CIR in 2002, is one the main operators at national level in the healthcare and residential care-home sector with approximately **80 facilities**, approximately 7,300 beds and over **5,000 employees** in Italy. The company, which operates in the sectors of residential care homes, rehabilitation and cancer treatment units, diagnostics and the management of hospital facilities, is also active in the United Kingdom and India.



Over the years KOS has followed a path of growth through acquisitions and the launch of new facilities, with particular attention paid to continually improving the quality of the services offered to its patients. In 2015 in particular, the company acquired four new nursing homes for the elderly in Lombardy, with a total of over 700 beds, and it started managing a new nursing home for the elderly in Turin and a psychiatric rehabilitation unit in the Marche region. In 2015 KOS posted revenues of approximately € 440 million, with a compound annual growth rate (CAGR) of 6.2% since 2010, EBITDA of € 73 million (€ 42.1 million in 2010), and net income of approximately € 20 million (€ 4 million in 2010).

CIR

CIR-Compagnie Industriali Riunite S.p.A., founded in 1976, is the company at the head of one of the largest Italian industrial groups, which operates mainly in three sectors: media (Gruppo Editoriale L'Espresso), automotive components (Sogefi) and healthcare (KOS). Gruppo Editoriale L'Espresso is one of the largest publishing groups in Italy and is active in newspapers and magazines, radio, the internet, television and the collection of advertising; Sogefi is a world leader in the production of suspension components, filters and air and cooling systems; KOS is one of the largest private operators in Italy in care homes with activities in the sectors of nursing homes, rehabilitation centres, cancer treatments, diagnostics and the management of hospital facilities.

The CIR group is characterized by its long-term investment horizon. In 2015 it reported consolidated revenues of over € 2.54 billion, EBITDA of € 218.2 million and net income of € 42 million. The CIR group employs approximately 14 thousand people, more than half of whom in Italy. The parent company CIR S.p.A. is listed on the Milan Stock Exchange and is controlled by the company COFIDE-Gruppo De Benedetti S.p.A.. For further information visit www.cirgroup.com.

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F2i

F2i, the acronym of *Fondi italiani per le infrastrutture* (Italian Infrastructure Funds), is an asset management company (SGR) founded in 2007 and run by Chief Executive Renato Ravanelli. F2i is the largest infrastructure fund operating in Italy and is among the most important in Europe. The First and the Second F2i Funds raised subscriptions for a total amount of over 3.0 billion euro, approximately 70% of which are already invested in various sectors of national infrastructure (airports, motorways, gas distribution, water services, renewable energy, telecommunications, logical networks).

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ABOUT ARDIAN

Ardian, founded in 1996 and led by Dominique Senequier, is an independent private investment company with assets of US\$55bn managed or advised in Europe, North America and Asia. The company, which is majority-owned by its employees, keeps entrepreneurship at its heart and delivers investment performance to its global investors while fuelling growth in economies across the world. Ardian's investment process embodies three values: excellence, loyalty and entrepreneurship.

Ardian maintains a truly global network, with more than 410 employees working through twelve offices in Paris, London, Frankfurt, Milan, Madrid, Zurich, New York, San Francisco, Beijing, Singapore, Jersey, Luxembourg. The company offers its 470 investors a diversified choice of funds covering the full range of asset classes, including Direct Funds (Ardian Mid Cap Buyout, Ardian Infrastructure, Ardian Expansion, Ardian Growth, Ardian Co-Investment), Ardian Private Debt, Ardian Funds of Funds (primary, early secondary and secondary), Ardian Real Estate and customized mandate investment solutions with Ardian Mandates.

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