

INTERIM DECLARATION OF THE DIRECTORS OF CIR INTERNATIONAL S.A.

As required by the Circular CSSF (Commission de Surveillance du Secteur Financier) 08/337 on the entry into force of the Law 11 January 2008, in compliance with the European Directives 2004/109/EC and 2007/14/EC

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A note on the activity and the financial performance of the Company in the first nine months of the year 2008.

At 30 September 2008, CIR International's Total assets, net of depreciation, amounts to EUR 621.3 million.

The breakdown of the Total assets includes: EUR 217.7 million of investments; EUR 383.9 million of current assets and EUR 19.7 of prepaid expenses and accrued income.

The amount of the "investments", valued at cost less any durable impairment in value, includes:

- EUR 63.2 million represented by a stake (PECs and shares) of 47.1% of Oakwood Global Finance SCA ("Oakwood"), an international company specialized in retail financial services, operating in the Italian and Australian markets through the companies Ktesios and Pepper. Ktesios - the main subsidiary of the Oakwood group specializing in loans to individual secured by their salaries or pensions - is market leader in Italy in its sector, while Pepper has progressively left its activity of non-conforming mortgages in the Australian market focusing in the servicing business on behalf of loan originators.

The stake held by CIR International in Oakwood is represented by a direct investment of 35.9% and an indirect investment of 11.2% held through CIR Investment Affiliate, a company 96% owned by CIR International holding a stake of about 11.6% in Oakwood.

At 30 September 2008 the amount invested by CIR International in Oakwood is equal to Euro 135.1 million represented by a direct investment of Euro 102.8 million and an investment of Euro 32.3 million through CIR Investment Affiliate.

Considering the outstanding unamortized amount of the acquisition fees and the interests accrued from the investment date on the Oakwood PECs, at 30 September 2008 the Company recorded an amount of Euro 147.4 million as gross book value of this investment.

Due to the critical credit market situation and the consequent losses recorded by Oakwood in the year 2007 and in the first nine months of the current year, CIR International – after having posted in 2007 a provision of Euro 68.7 million – in the first nine months of the year 2008 increased this provision up to Euro 84.2 million, reducing the net book value of this investment to Euro 63.2 million.

- EUR 85.2 million representing the net book value of a diversified portfolio of minority participating interests in private equity funds. During the first nine months of the year 2008, CIR International invested an additional amount of about EUR 12.7 million in private equity funds, received reimbursement of capital for about EUR 4.3 million and cashed a global amount of EUR 2.2 million as capital gain.

- EUR 15.2 million representing the net book value of 99% of the share capital held by CIR International in CIR Ventures, L.P., a venture capital fund based in California, investing in early-stage technology companies operating in the communications, electronics and software areas.

- EUR 54.1 million of Variable Return Junior Notes due on 2025 issued by Zeus Finance s.r.l., a limited liability company incorporated in the Republic of Italy under the Securitisation Law, acting as a securitisation vehicle, duly authorised by the Italian Central Bank, purchasing portfolios of non-performing receivables sold by several financial institutions.

The "current assets", amounting to EUR 383.9 million, include: EUR 328.2 million of marketable

securities made up of investments in fixed rate government bonds, floating rate bonds, inflation linked bonds and structured products valued at lower of cost or market value; EUR 50.9 of bank deposits and EUR 4.8 of “current receivables”.

The “prepaid expenses and accrued income” are mainly represented by interest accruals on marketable securities and swaps.

The liabilities of the Company at 30 September 2008 amount to EUR 597.3 million including:

- EUR 380 million of CIR International S.A. Euro Notes 5.25% due on 10 March 2009 Guaranteed by CIR S.p.A. and EUR 175 million of CIR International S.A. Euro Notes 6.375% due on 10 January 2011 Guaranteed by CIR S.p.A., after having repurchased on the market in the first nine months of 2008 Euro 20 million of Euro Notes 5.25% due on 10 March 2009 and Euro 10 million of Euro Notes 6.375% due on 10 January 2011.
- EUR 21.2 million of “accrued expenses and deferred income” mainly represented by interest accruals on bonds and swaps.
- EUR 18.1 million of provisions for risks and charges.
- EUR 3 million of “other payables”.

The financial structure of the Company at 30 September 2008 shows a Shareholders’ equity of about EUR 24 million and a net financial indebtedness of EUR 175.9 million.

The result of the Company for the first nine months 2008 is a net loss of EUR 41.8 million including: net interest and financial charges of EUR 9.1 million, negative value adjustment on marketable securities for EUR 22.8 million, negative value adjustment on investments for 15.9 million (including EUR 15.5 million on the investment in Oakwood), income from investments for EUR 3.8 million, other net income for EUR 2.2 million.

Luxembourg, 28 October 2008