



PRESS RELEASE

**SORGENIA (CIR GROUP): VERBUND COMPLETES CAPITAL INCREASE
OF 150 MILLION EURO**

The transaction, agreed on by CIR and Verbund in 2008, is based on a 3.9 billion euro equity valuation of Sorgenia

CIR's direct and indirect control now stands at 52%: Sorgenia is the main asset of the group and has a central role in its strategy

Milan, June 17 2009 – **CIR-Compagnie Industriali Riunite SpA** informs that in execution of the agreements announced on June 10, 2008, the Austrian group **Verbund**, the company's partner in Sorgenia, has today **converted the bond of 150 million** euro underwritten last year into **shares in Sorgenia Holding SpA**. The transaction, which was completed by Verbund Italia (100% Verbund), was settled on the basis of an **equity valuation of Sorgenia SpA** of **3.9 billion** euro. Sorgenia Holding has at the same time subscribed a capital increase in its subsidiary Sorgenia SpA for the same amount.

This capital increase **does not involve a change in the control structure of the Sorgenia group**: after the transaction **CIR's direct and indirect stake** now stands at **51.85%**, while **Verbund's** total holding is now **44.77%**. As of today the Sorgenia group's shareholding structure is as follows: Sorgenia Holding, controlled by CIR with a stake of 65.03% with Verbund Italia holding 34.97%, holds 79.73% of Sorgenia SpA. The other shareholders of the latter are Verbund Italia (16.89%), Banca MPS (1.17%) and management (2.21%).

Today's transaction follows the **200 million** euro capital increase finalized on June 26, 2008. The two transactions were **agreed upon** last year **by CIR and Verbund** with the aim of **ensuring that the current development plan of Sorgenia is fully funded**.

*"The two capital increases made in the last year - said **Rodolfo De Benedetti**, chief executive of CIR – are proof of the commitment of our historical partner Verbund to join CIR in the important investment plan of Sorgenia, which in just ten years of business has become the number one private operator in the Italian electricity and gas market. Energy is CIR's main business in terms of revenues and value and has a central role in the long-term strategy of the group. Despite the difficult economic scenario, we are certain that Sorgenia has all it needs to grow in the future as well. CIR's commitment as controlling shareholder is to support the management of the company in reaching this objective".*

Sorgenia, founded in 1999 with the name of **Energia**, is the **number one private operator in the Italian electricity and natural gas market**. In the **electricity** sector, Sorgenia is the **fifth largest Italian producer**

with an **installed capacity** of around **2,900 MW**, plants under construction for a further **900 MW** and some **500 thousand** clients. The company is one of the controlling shareholders of Tirreno Power, which is one of the largest electricity producers in Italy. In the **natural gas** sector, Sorgenia buys approximately **2 billion** cubic metres of gas each year to sell to its clients plus another **3 billion** cubic metres for its production plants. In 2008 the Sorgenia group reported revenues of **2.4 billion** euro, an EBITDA of **189.7 million** euro and net income of **66.7 million** euro.

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