



PRESS RELEASE

SORGENIA: VERBUND SUBSCRIBES CAPITAL INCREASE OF 200 MILLION EURO AND BOND LOAN OF 150 MILLION EURO CONVERTIBLE INTO CAPITAL IN 2009

The **CIR Group** informs that, in completion of the agreements announced on June 10 2008, the Austrian group **Verbund**, CIR's historical partner in the Sorgenia Group since its establishment, has fully subscribed a capital increase of 200 million euro in SORGENIA Holding. At the same time, SORGENIA Holding subscribed a capital increase in SORGENIA for the same amount.

These deals took place on the basis of an equity valuation of SORGENIA SpA, before the increase, of 3.3 billion euro.

This capital increase makes no changes to the control structure of SORGENIA, CIR's principal asset, whose presence in the Group has a central role that is being reaffirmed with this deal.

Following the deal, the shareholding structure of the **SORGENIA** Group is as follows:

- **SORGENIA HOLDING** has the following shareholders: CIR 68.13% and Verbund Italia 31.87%
- **SORGENIA SpA** has the following shareholders: SORGENIA Holding 79.52%, Verbund Italia 16%, Banca MPS 1.14%, management 3.34%.

As a result of this capital increase, CIR's direct and indirect control of SORGENIA SpA has gone from 57.46% to 54.18%.

In order to guarantee that SORGENIA's current business plan is entirely funded, Verbund has also fully subscribed a convertible bond issued by SORGENIA Holding for an amount of 150 million euro. On the basis of the agreements reached, the conversion into shares will take place by the end of August 2009 on the basis of an equity valuation of SORGENIA SpA, before this capital increase, of 3.9 billion euro.

Even this further capital increase will not change the control structure of the group, which will see CIR continue in its commitment as majority shareholder in the years to come.

CIR's direct and indirect control of SORGENIA SpA will change from 54% to approximately 52%.

Milan, June 26 2008

CONTACTS

CIR GROUP www.cirgroup.it
EXTERNAL RELATIONS AND
PRESS RELEASE
Beppe Pescetto
Francesca Sagramoso
Tel.: +39 02 722701
e-mail: infostampa@cirgroup.it