



## 9 months 2009 results



## Consolidated financial structure

€ m

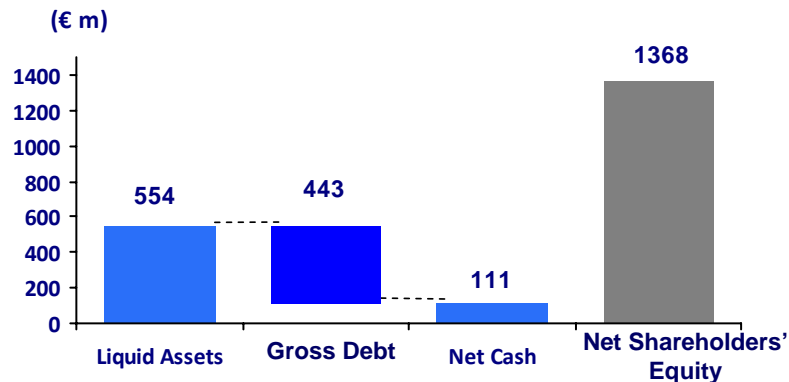
Shareholders' equity - Group	31 Dec. 2008	30 Sept. 2009
Sorgenia	450.5	530.6
Espresso	262.4	264.1
Sogefi	92.6	93.3
HSS	90.6	90.1
Other investments	21.6	16.4
<b>Total subsidiaries</b>	<b>917.7</b>	<b>994.5</b>
<b><i>CIR + CIR INTERNATIONAL</i></b>		
Fixed assets	129.9	132.8
Private equity	86.3	73.6
Oakwood	20.0	20.0
Junior Notes Zeus (Jupiter)	54.1	52.6
Other non-current assets, net	12.7	(17.0)
<b>Net cash</b>	<b>44.2</b>	<b>111.1</b>
<b>Consolidated Shareholders' equity</b>	<b>1,264.9</b>	<b>1,367.6</b>

## Net cash at “holding system” level

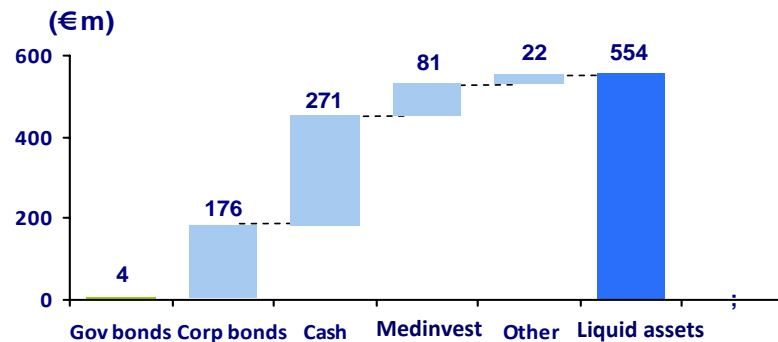
- In 9M 09 net cash amounted to €111.1 m. The improvement was due mainly to tax credits from previous periods paid out by Inland Revenue (€ 29.9 m), dividend inflows (€ 9.3m) and fair value adjustment of bonds in the portfolio (€ 40m)
- The net financial position includes Medinvest which at September 30 2009 stood at € 81.3 m

### Net Cash and Net Shareholders' Equity

*As of 30 September 2009*



### Liquid Assets as of 30 September 2009



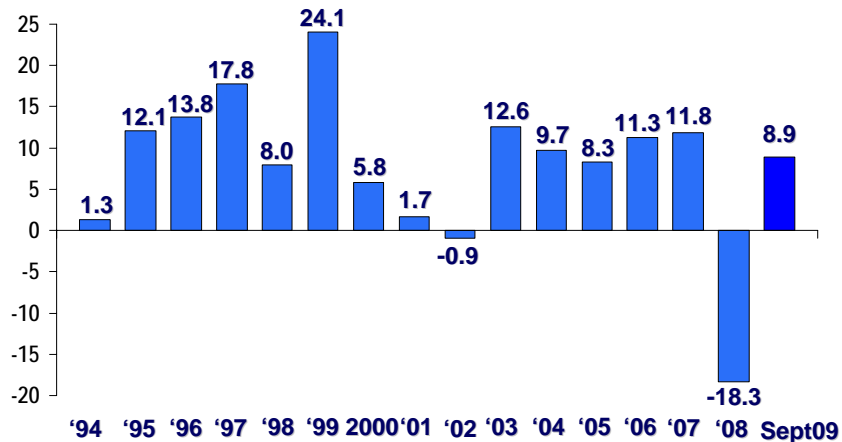
(1) Of which marketable securities = € 0.2 million; investments funds = € 18.1 million

## Medinvest: performance in US\$ since inception

- Performance 2008: - 18.3%
- CAGR since 1994 (inception): + 7.7%
- September 2009 YTD increase: +8.9%
- Average annual volatility since 1994: 6.1%
- Medinvest redemptions:
  - ▶ 2008: \$180m (€ 119m)
  - ▶ 1H2009: \$75m (€57m)
  - ▶ July 2009: \$50m (€36m)

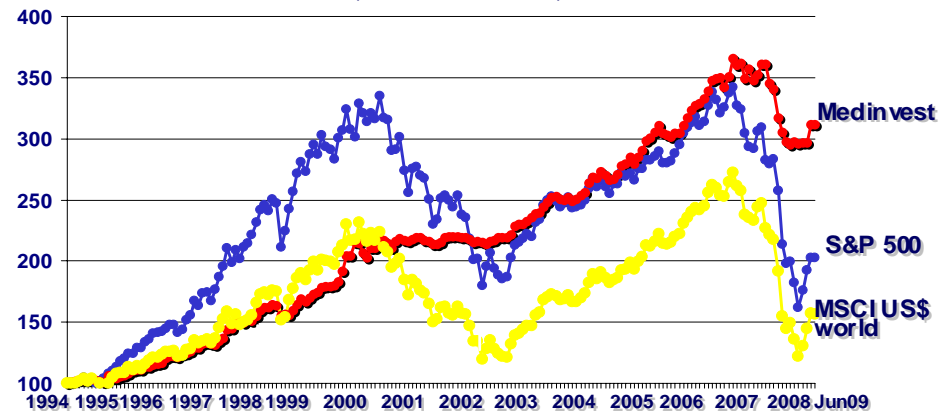
### Historical Performance per Year\*

(NAV % Annual Increase)



### Cumulative Performance

(index: 1994=100)



\*all data refer to Medinvest Ltd., incorporated in Jersey on 3 February 1994, whose assets were transferred into Medinvest Plc as of 1 May 2001

## Consolidated net financial indebtedness

€ m	31 Dec. 2008	30 Sept. 2009
Cir + Cir International	44.2	111.1
Sorgenia Group	(991.9)	(1,194.6)
Espresso Group	(278.9)	(218.9)
Sogefi Group	(257.2)	(202.7)
HSS Group	(149.5)	(161.6)
Other subsidiaries	(52.1)	(61.4)
<b>Consolidated net financial indebtedness</b>	<b>(1,685.4)</b>	<b>(1,728.1)</b>
<b>Total shareholders' equity</b>	<b>2,078.9</b>	<b>2,266.6</b>
<b>Consolidated net invested capital</b>	<b>3,764.3</b>	<b>3,994.7</b>

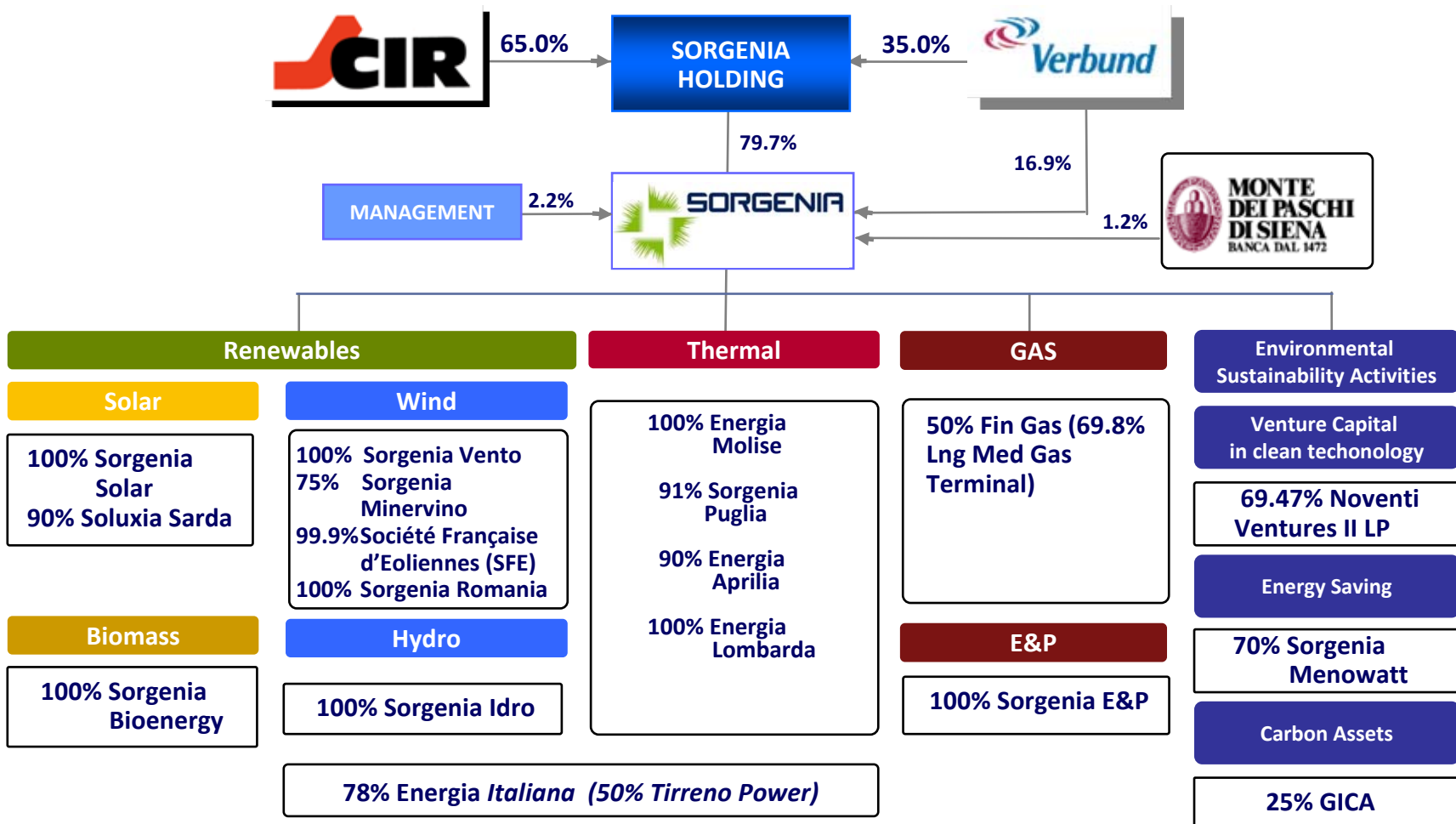
## Consolidated income statement

€ m	9M 2008	9M 2009
Sorgenia Group	21.5	10.9
Espresso Group	23.7	0.7
Sogefi Group	17.1	(4.9)
HSS Group	0.8	0.1
Other subsidiaries	(0.4)	(1.0)
<b>Total operating subsidiaries</b>	<b>62.7</b>	<b>5.8</b>
Other financial companies	55.4	40.1
<b>Total contribution from subsidiaries</b>	<b>118.1</b>	<b>45.9</b>
Cir + Cir International result	(66.2)	15.4
Non-recurrent components	65.2	76.7
<b>Net income</b>	<b>117.1</b>	<b>138.0</b>

## Mondadori ruling

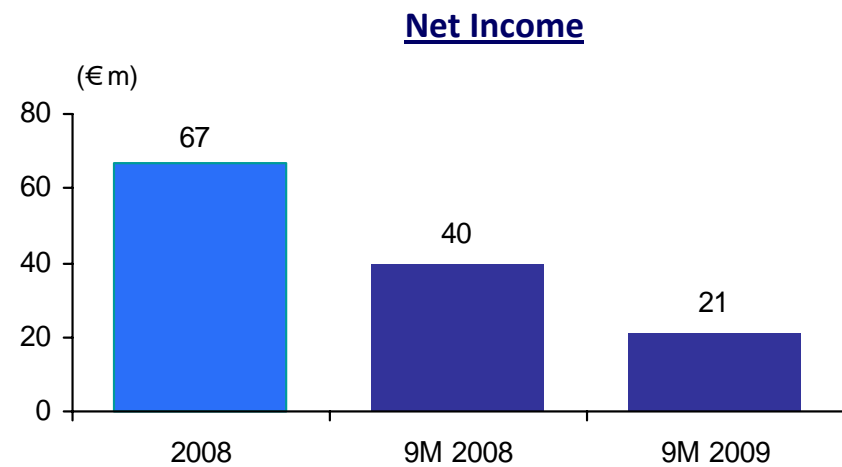
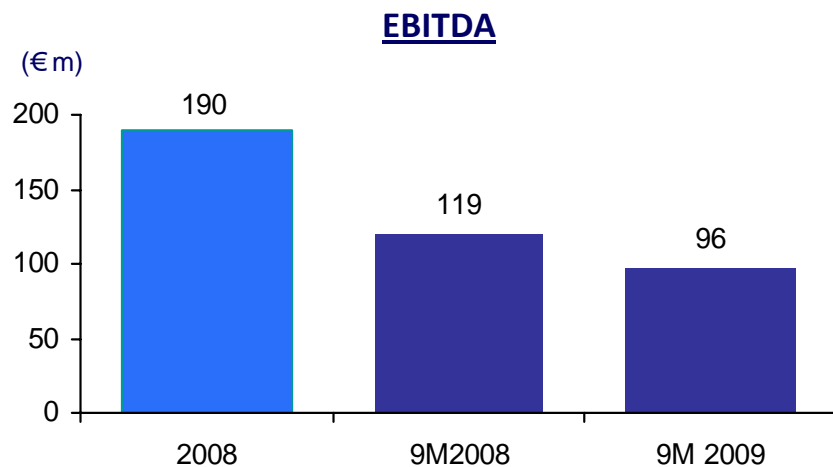
- On 3 October the ruling of the Milan Court was recorded in the civil action filed by CIR for damages caused by the corruption of the judge in the Mondadori affair (Lodo Mondadori). The judgement, which is enforceable, rules that:
  - ▶ CIR has the right to receive compensation from Fininvest for the patrimonial damage from the “missed opportunity” of an impartial verdict, which can be quantified in the sum of € 750m
  - ▶ CIR also has the right to receive compensation from Fininvest for the damage of a non-patrimonial nature suffered in the same affair. The settlement of these damages will be made in a separate ruling
- The value date for Cir’s damages is 3 October 2009 and interest at the “legal rate” will be applied from that date to the date of payment
- The counterparty has announced that it is appealing against this sentence, and has petitioned for suspension of the same

# Sorgenia - Operating structure



## Sorgenia results penalized by negative market scenario

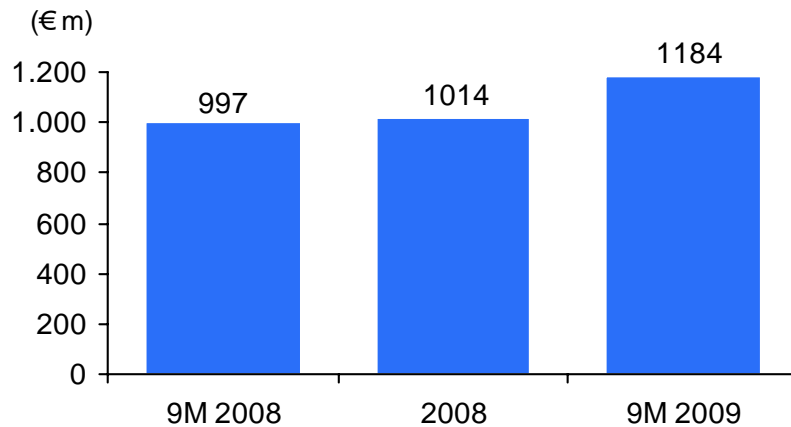
- Compared with last year, 9M 09 margins were impacted mainly by higher provisions made for client receivables, but also by the sharp contraction in demand for gas and in gas prices
- The decrease in 9M 09 net income was also affected by the rise of the so called Robin Hood tax from 5.5% to 6.5%



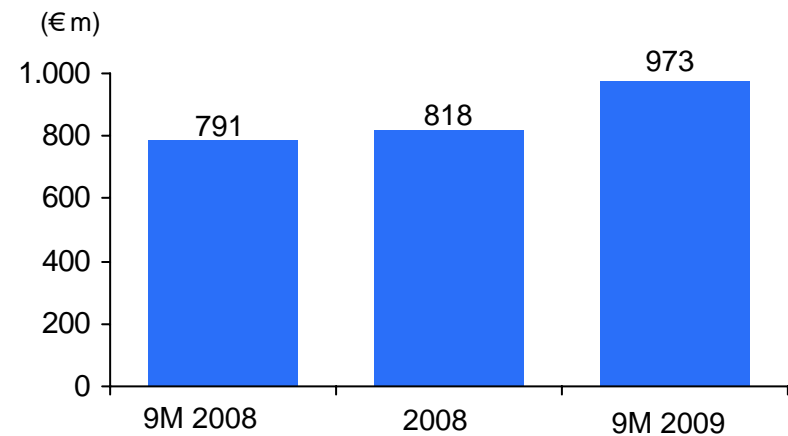
## Sorgenia increase of net debt due to investments in new plants

- During the 9M 2009 the rollout to the business plan of the Sorgenia group continued
- 9M 2009 net debt change was mainly due to financial outflows for investment in new production capacity

Net Financial Indebtedness



Total Shareholders' Equity



## Espresso: operating structure



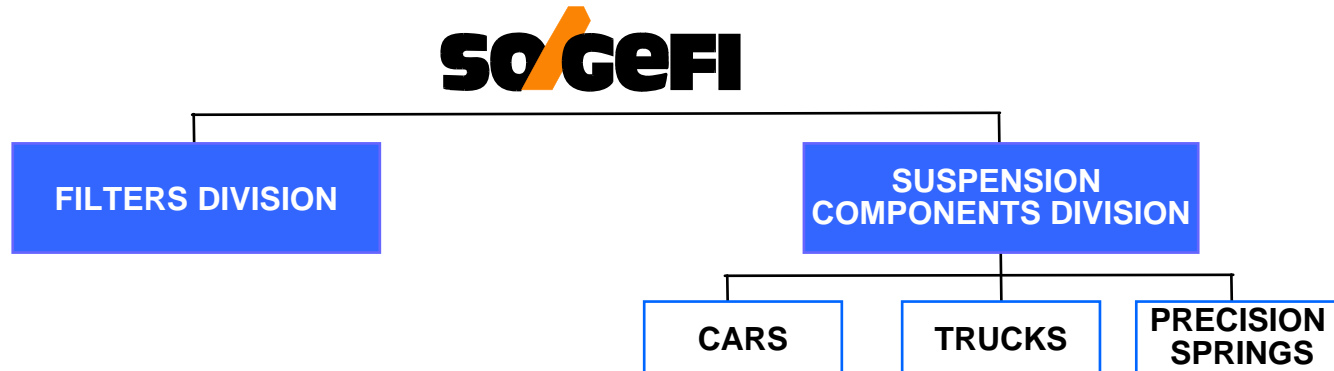
- In the first 9 months of 2009 the Espresso Group results were heavily affected by the strong decline of advertising investments
- The impact of the drastic reduction in advertising revenues was partially offset by the significant structural reduction in operating costs (-12.1%), achieved thanks to the current reorganization plan that will amount to around € 140 m on an annual basis
- In 9M 2009 a new impulse was given to the commercial activities. Managerial skills were strengthened to improve contents for new platforms.
- Specific focus was given to free cash flow generation

## Espresso: declining 9M results affected by economic slow down

### 9M Results

€ m	9M 08	9M 09
Revenues	762.3	640.9
EBITDA	125.9	60.7
Net income	43.3	1.2
Net financial indebtedness <i>(end of period)</i>	(283.3)	(218.9)

## Sogefi: operating structure



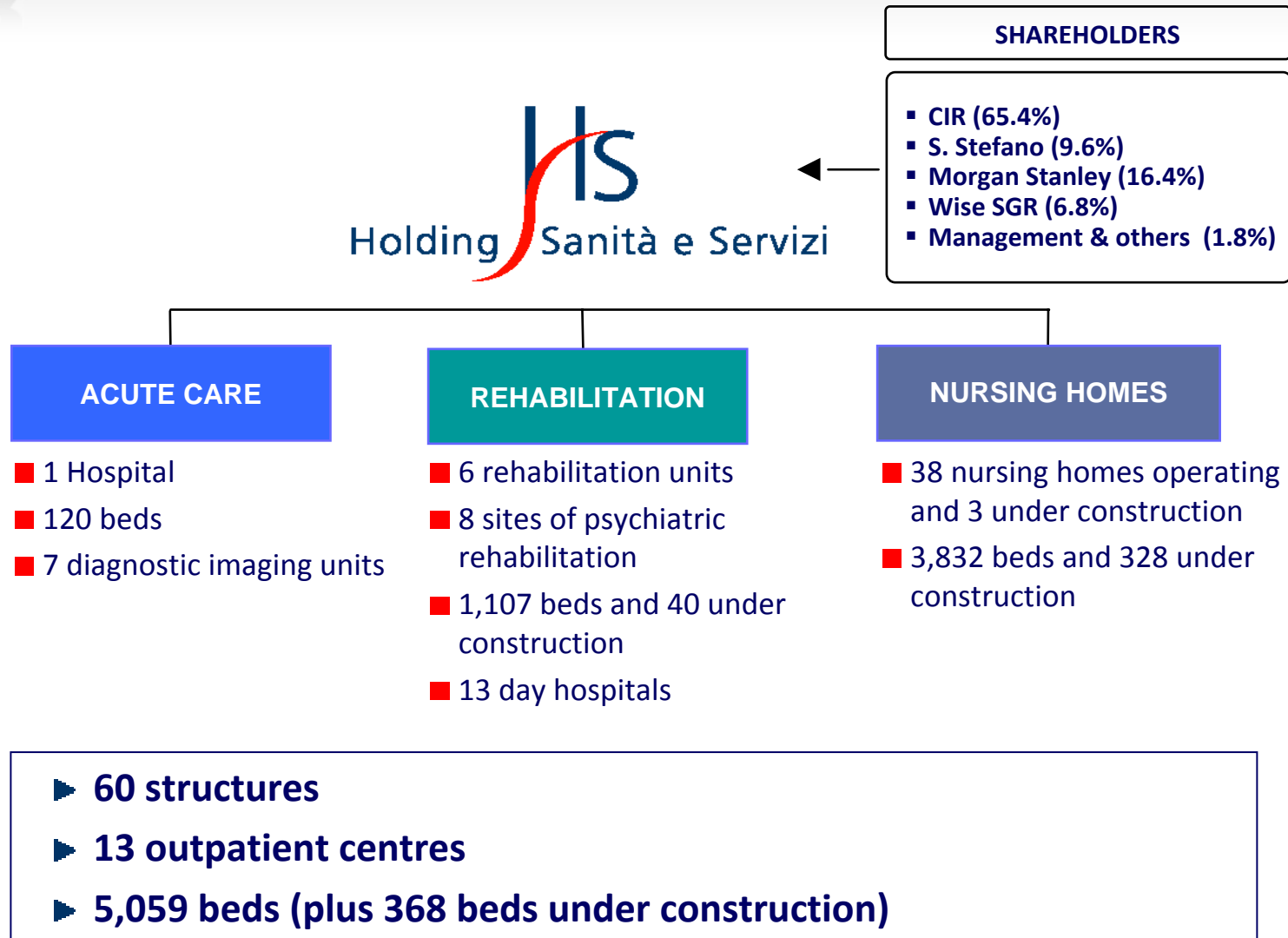
- In the 9 months of 2009 Sogefi Group's results have been hit by the sharp contraction in vehicle production worldwide
- Over the period Sogefi maintained its actions to fight the market crisis:
  - ▶ Structural reduction of fixed and variable cost
  - ▶ Rationalisation of production facilities
  - ▶ Focus on free cash flow generation
  - ▶ Expansion of initiatives in emerging markets (Brazil, China, India)

## Sogefi profitability affected by sharp fall-off in revenues

### 9M Results

€ m	9M 08	9M 09
Revenues	813.3	573.8
EBITDA	91.2	32.2
Net income (loss)	29.6	(8.6)
Net financial indebtedness ( <i>end of period</i> )	(263.3)	(202.7)

## HSS: operating structure



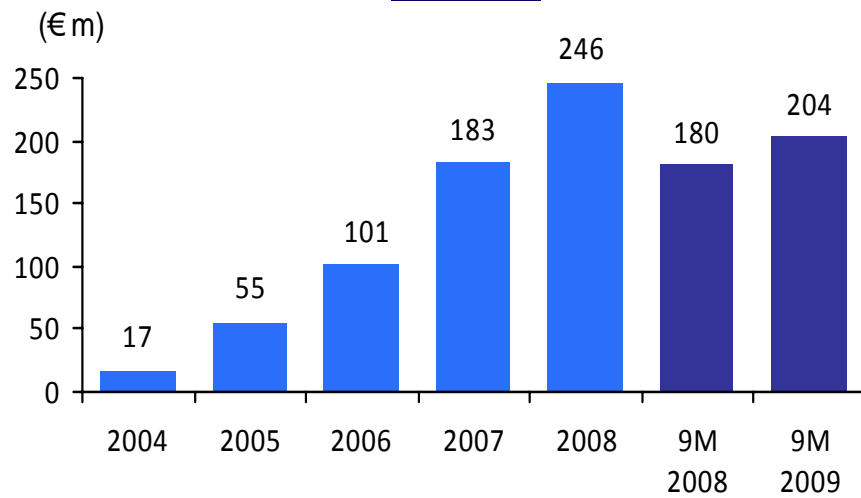
## HSS: today

- Established in 2002, **HSS** has become one of the main operators in private healthcare in Italy
- HSS is leader in Italy in nursing homes with a widespread presence in those regions with the highest potential.
- On 9 September 2009 the Board of HSS appointed Giuseppe Vailati Venturi, previously general manager, to the position of CEO. Vailati Venturi replaces Piero Micossi who died prematurely at the beginning of August
- During the first 9 months 2009 the group continued in its strategy of strengthening its operating subsidiaries and seeking new opportunities to consolidate its presence in the private healthcare sector in Italy

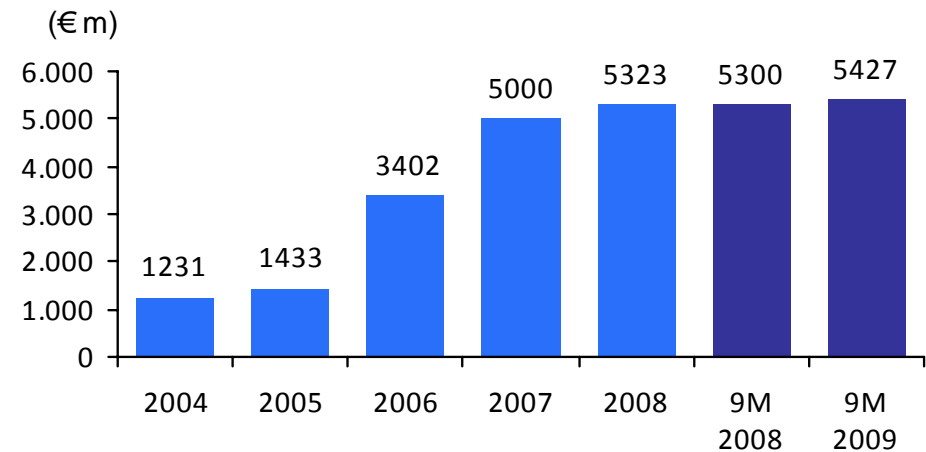
## HSS: increasing revenues

- HSS group closed 9m 2009 with double-figure growth in its revenues and gross operating margin despite the difficult general economic environment
- Following the recent acquisition of two residences in Ancona and in the Cuneo area, HSS now has reached 5,427 beds (of which 368 under construction )

### Revenues



### Number of beds



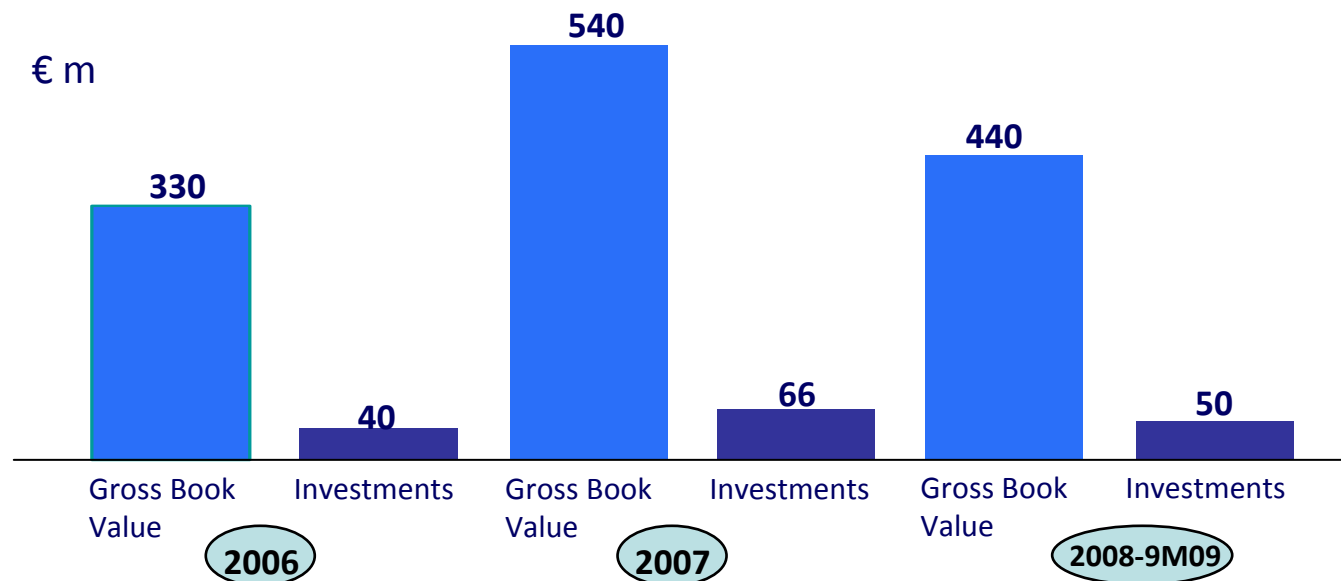
## HSS: higher results in all areas of the business

### 9M Results

€ m	9M 08	9M 09
Revenues	179.9	203.5
EBITDA	21.2	24.6
Net income	1.1	0.2
Net financial indebtedness ( <i>end of period</i> )	(125.0)	(161.6)

## Jupiter Finance: investment performance

- As of 30 September 2009 Jupiter Finance has invested € 157m cumulated since inception, acquiring non performing loans for a gross book value of € 1,3 Bln
- Cir has contributed € 61.6m (i.e. €7.5 of equity and €54.1 of Junior Notes) to finance the € 157m investment; the balance has been funded on a non recourse basis by third party financing
- At the end of September 2009 the total credit collection amounted to €87.3 million exceeding forecasts



- KTP Global Finance operates in the financial services sector through the companies Ktesios and Pepper
- On 30 September 2009 CIR's investment in KTP Global Finance is € 20 million
- *Ktesios* - the main subsidiary of KTP Global Finance specializing in loans to individuals secured on their salaries or pensions - is market leader in Italy in its sector. In 9M 2009 Ktesios originated loans for €450 m compared with €485 m of 9M 2008
- *Pepper* has progressively left its activity in the market of non-conforming mortgages focusing in the servicing business on behalf of "speciality mortgages" originators and achieving a leading position in the Australian market

## *Disclaimer*

- *This document has been prepared by CIR for information purposes only and for use in presentations of the Group's results and strategies.*
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