



9 months 2008 Results

Consolidated financial structure

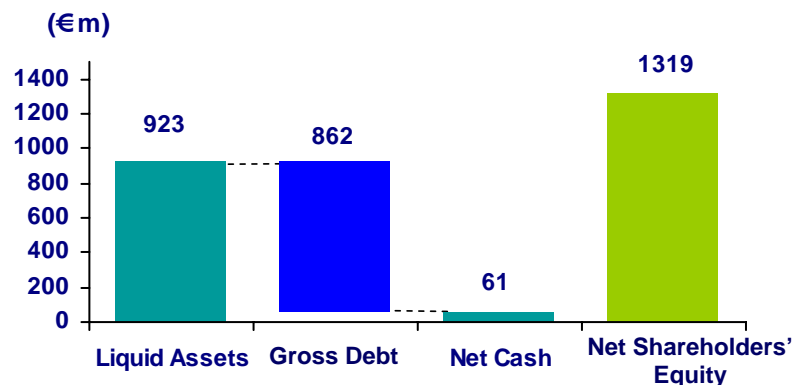
€ m

Shareholders' equity - Group	31 Dec. 2007	30 Sept. 2008
Sorgenia	301.8	432.3
Espresso	290.4	274.8
Sogefi	179.5	103.7
HSS	69.5	94.4
Other investments	15.3	23.4
Totale subsidiaries	856.5	928.6
<i>CIR + CIR INTERNATIONAL</i>		
Fixed assets	125.4	130.4
Private equity	90.9	97.2
Oakwood	69.1	19.8
Junior Notes Zeus (Jupiter)	37.9	54.1
Other non-current assets, net	27.8	28.2
Net cash	112.3	60.5
Consolidated Shareholders' equity	1,319.9	1,318.8

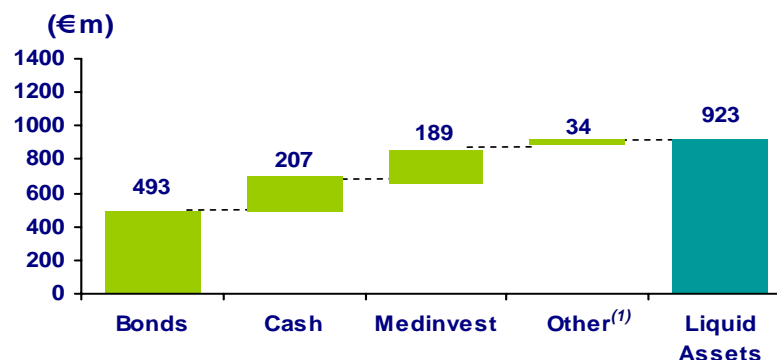
- In 9M 08 net cash amounted to €60.5 m. The decline of €51.8 m was due mainly to disbursements made for investment in subsidiaries and treasury shares for €60.3 m, and to the negative impact of € 67.2 m due to fair value adjustments of bonds
- In the first 9 months 2008 the net balance between dividends received (€ 138.7m) and dividends paid (€ 37.4m) amounted to € 101.3 m

Net Cash and Net Shareholders' Equity

As of 30 September 2008



Liquid Assets as of 30 September 2008



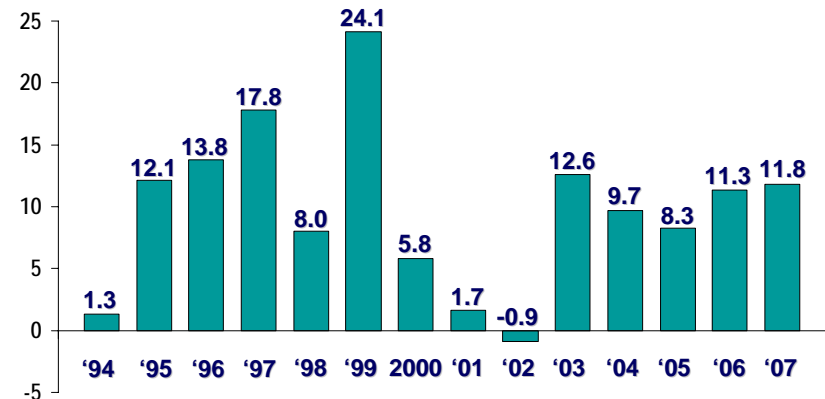
(1) Of which marketable securities = € 0.1 million; investments funds = € 21.7 million

Medinvest: performance in US\$ since inception

- Performance 2007: + 11.8%
- CAGR since 1994 (inception): + 8.3%
- September 2008 YTD decrease: -12.3%
- Average annual volatility since 1994: 5.4%
- During the first 9 months 2008 Medinvest realized redemptions for \$ 180m (of which \$ 160 m based on 30 June 08 NAV)

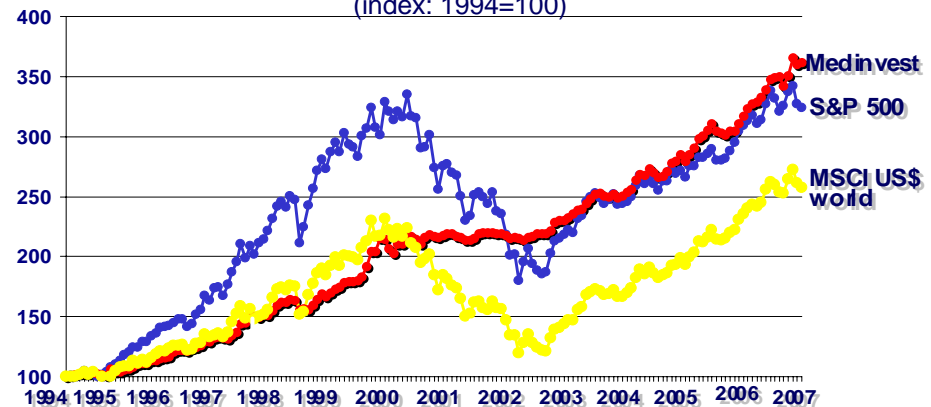
Historical Performance per Year*

(NAV % Annual Increase)



Cumulative Performance

(index: 1994=100)



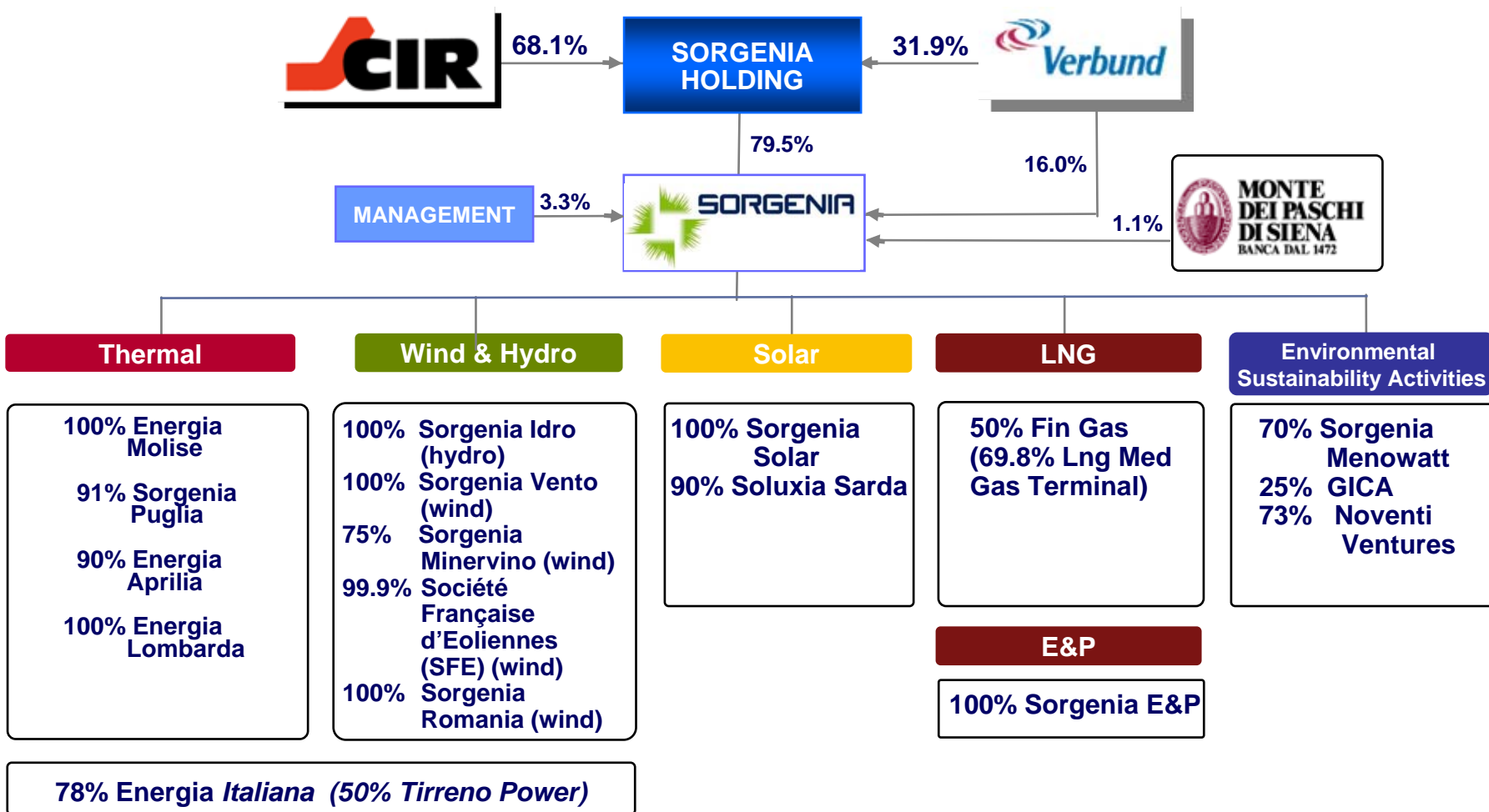
*all data refer to Medinvest Ltd., incorporated in Jersey on 3 February 1994, whose assets were transferred into Medinvest Plc as of 1 May 2001

Consolidated Net Financial indebtedness

€ m	31 Dec. 2007	30 Sept. 2008
CIR + Cir International	112.3	60.5
Sorgenia Group	(897.3)	(974.8)
Espresso Group	(264.9)	(283.3)
Sogefi Group	(92.4)	(263.3)
HSS Group	(148.6)	(125.0)
Other subsidiaries	(42.6)	(57.6)
Consolidated net financial indebtedness	(1,333.5)	(1,643.5)
Total shareholders' equity	2,041.8	2,137.1
Consolidated net invested capital	3,375.3	3,780.6

Consolidated Income Statement

€ m	2007	9M 2007	9M 2008
Sorgenia Group	37.5	33.2	21.5
Espresso Group	51.9	30.6	23.7
Sogefi Group	30.1	24.2	17.1
HSS Group	0.2	(0.1)	0.8
Other subsidiaries	0.2	(0.9)	(0.4)
Total operating subsidiaries	119.9	87.0	62.7
Other financial companies	20.1	20.3	55.4
Total contributions from subsidiaries	140.0	107.3	118.1
Cir+Cir International result	(23.1)	(21.5)	(66.2)
Non-recurrent components	(34.3)	30.3	65.2
Net income	82.6	116.1	117.1



Be among the top five national operators in the free energy market

THERMAL

Develop thermoelectric generating capacity through the acquisition (in 2003) and repowering of Tirreno Power (**2,900 MW**) and through the construction of **4** green field CCGT power plants (about **800 MW** each).

WIND

Reach a target capacity of about **1,100 MW** in wind generation, **450 MW** in Italy and 650 MW (*) in the rest of Europe.

SOLAR

Reach a target installed capacity of **50 MW** in the photovoltaic sector.

COMMERCIAL

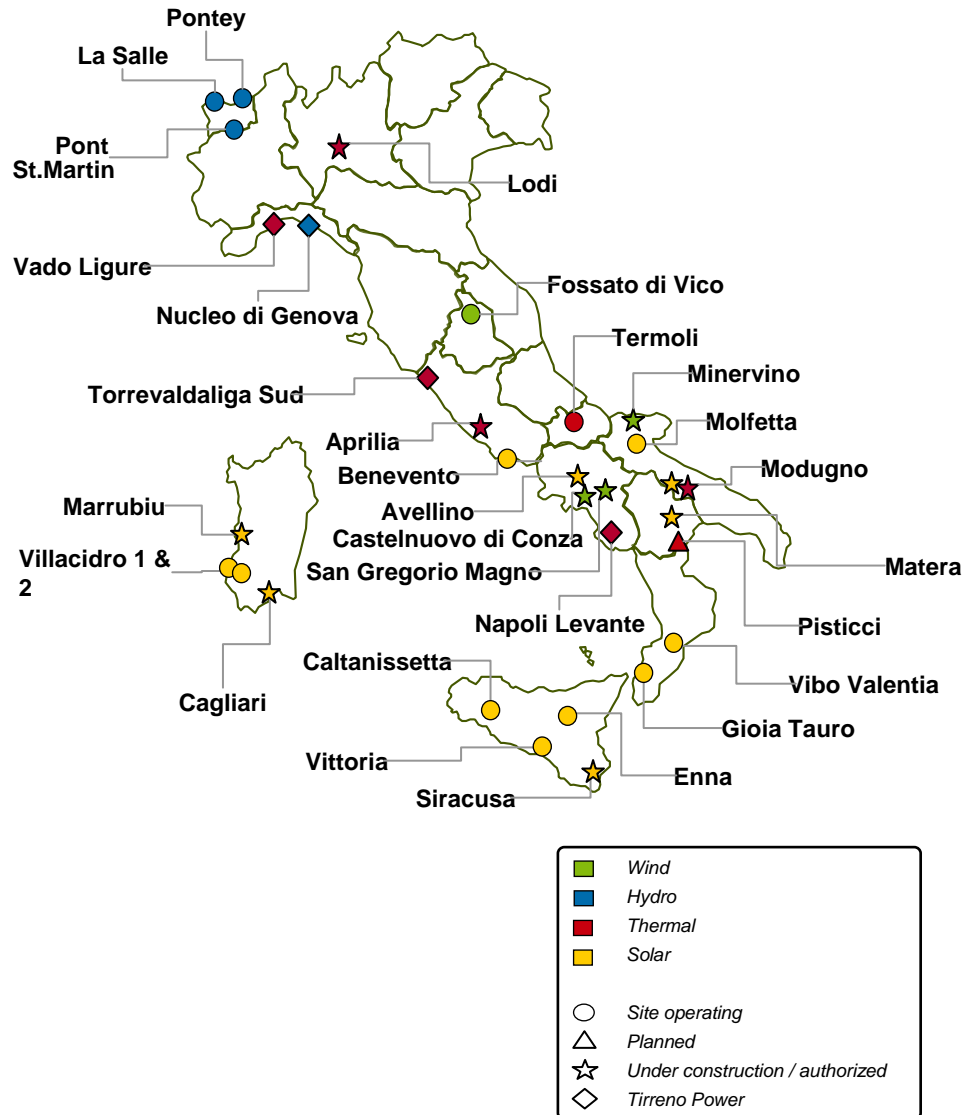
Reach a target of **500,000** customers served in 2009 (SME and SOHO) with a balanced customer portfolio. Target of more than **20 TWh** of energy sold to end customers and **2 Bcm** of gas sold. Become a dual fuel power and gas supplier.

Reach a target capacity of more than **5.2 GW (**)**

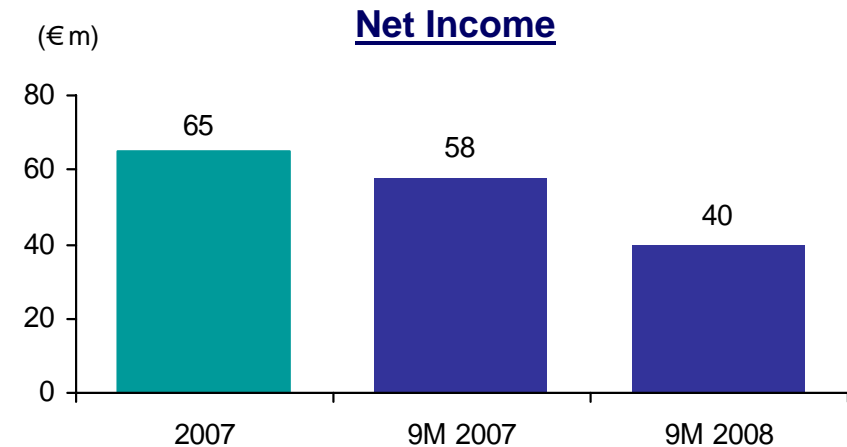
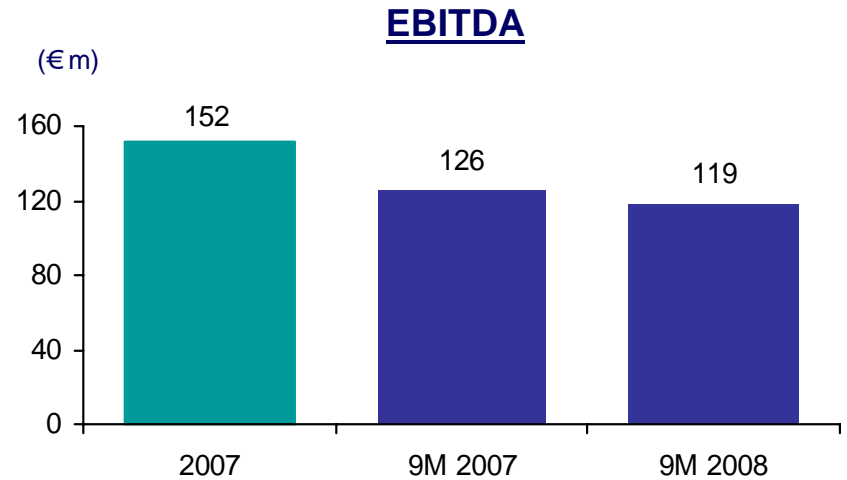
(*) 470 MW by 2012 and 650 MW by 2015

(**) Including Tirreno Power pro-rata 39%

- Tirreno Power: 50% controlled by Energia Italiana, repowering plan is almost completed
- CCGT power plants:
 - ◆ Termoli plant (770 MW) on stream
 - ◆ Modugno plant (770 MW) under construction
 - ◆ Lodi plant (800MW) under construction
 - ◆ Aprilia plant authorized
- After the acquisition of Société Française d'Eoliennes (Nov. 07), the wind sector has 101.5 MW in operation and 140 MW authorized/under construction
- The photovoltaic sector: 10 MW of solar plants operating and 5 plants under construction (start of production by the end of 2008)
- LNG Med Gas Terminal (12 Bcm) Gioia Tauro (Calabria), an equal share joint venture between Iride and Sorgenia, has obtained a favourable Environmental Impact Assessment (VIA)

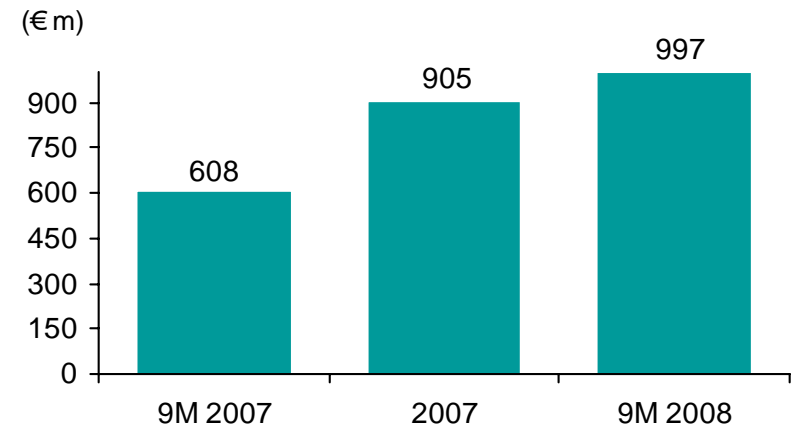


- The new tax (the so-called Robin Hood tax) heavily penalized Tirreno Power which contributes pro-rata to the EBITDA of Sorgenia Group
- Decline in net income was due to the amortization for new plants and to the increased financial expenses

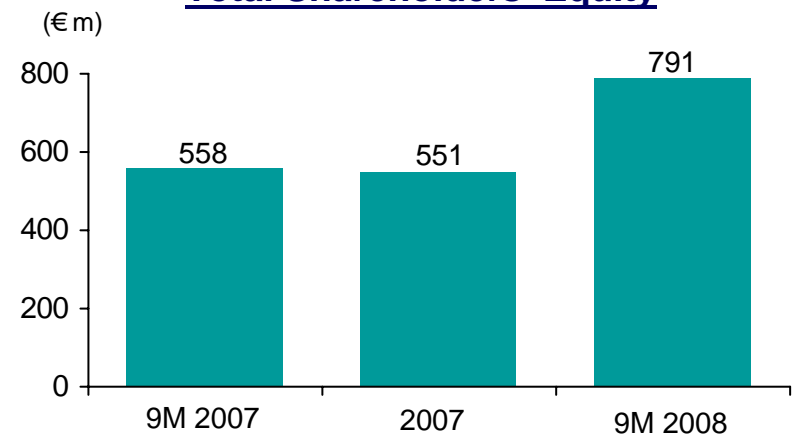


- 9M 2008 net debt change was mainly due to financial outflows for investment in new production capacity for €156m, increase of net working capital of €241m, a €200m capital increase subscribed by Verbund and cash-in of dividends for €59m and self-financing for €56m

Net Financial Indebtedness

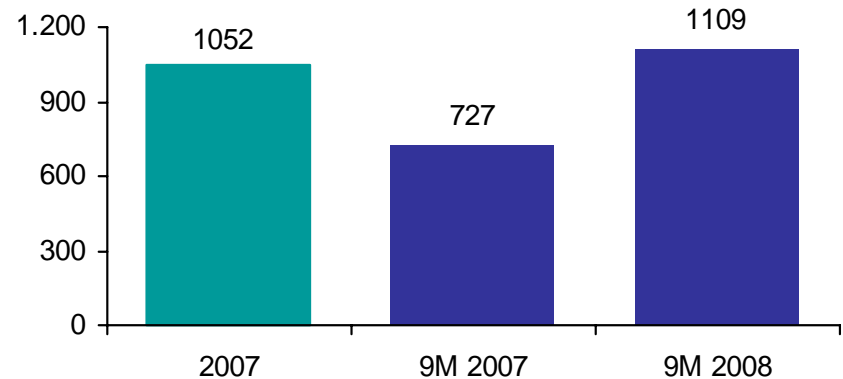


Total Shareholders' Equity

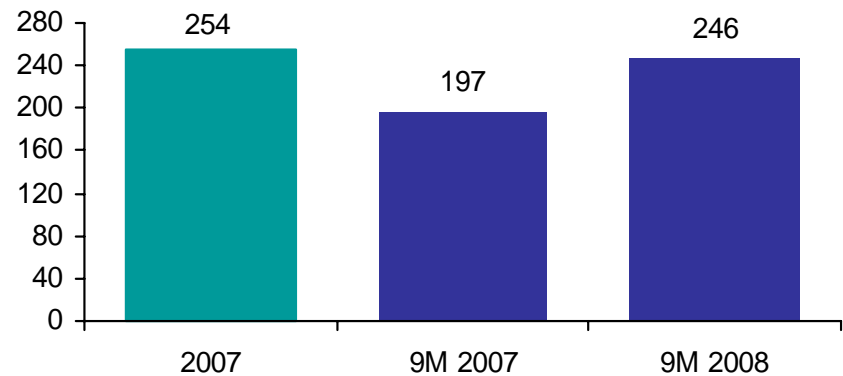


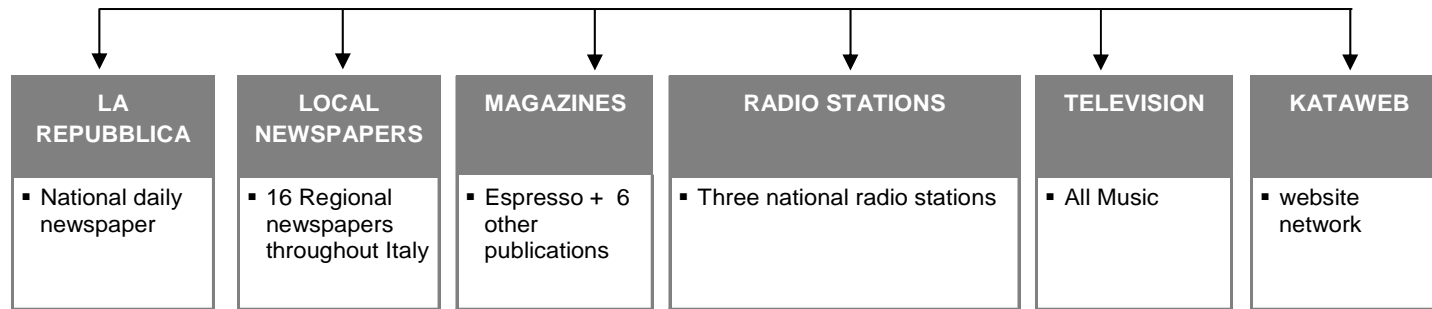
- The repowering is proceeding according to plan. The new 380 MW combined cycle unit at Napoli Levante is scheduled to start operating by the end of 2008

Revenues



EBITDA

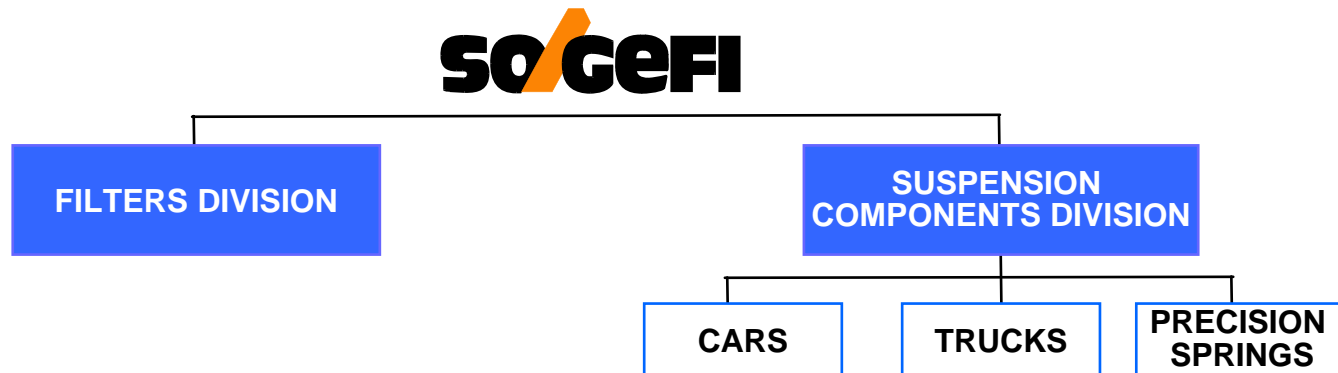




- The strategy is:
 - ▶ to capitalize on being a branded content company
 - ▶ to focus on own high-quality original contents
 - ▶ to reach its audience through different delivery channels
 - ▶ to promote the total audience concept to both existing and potential advertising investors to be reached through promotions ideas, innovative sale techniques and forms
- Advertising revenues in 9M 2008 have recorded a remarkable slowdown (- 4.6% over 9M 2007) in la Repubblica and magazines, while both local advertising and Internet advertising have recorded an increase, outperforming their respective markets
- Increase in the Internet sites traffic: Repubblica.it has confirmed its leadership. Page views attained 20.5 million in October 2008
- New CEO in place

9M Results

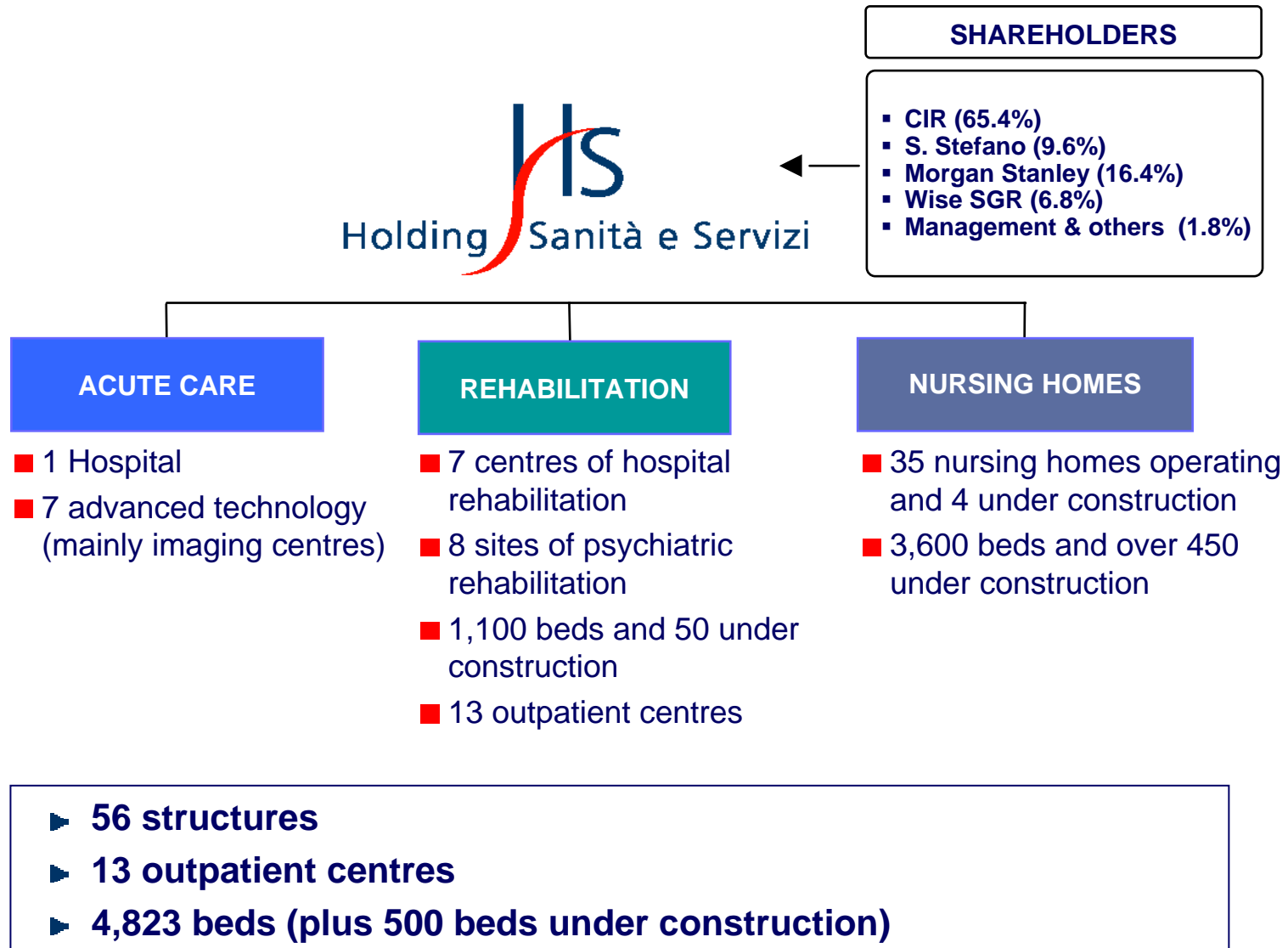
€ m	9M 07	9M 08
Revenues	797.1	762.3
EBITDA	155.3	125.9
Net income	57.1	43.3
Net financial indebtedness <i>(end of period)</i>	(266.2)	(283.3)



- European leadership in two key vehicles technologies
 - ▶ Partner supplier on all vehicles: cars, light commercial and heavy trucks, excavators, agriculture, trains, marine
 - ▶ Diversified customer base, global footprint, innovative products
 - ▶ Proven track records of growing revenues and profitability
- 9M 2008 increase in revenues while operating profit was lower than the corresponding period of 2007 (-5.8%).

9M Results

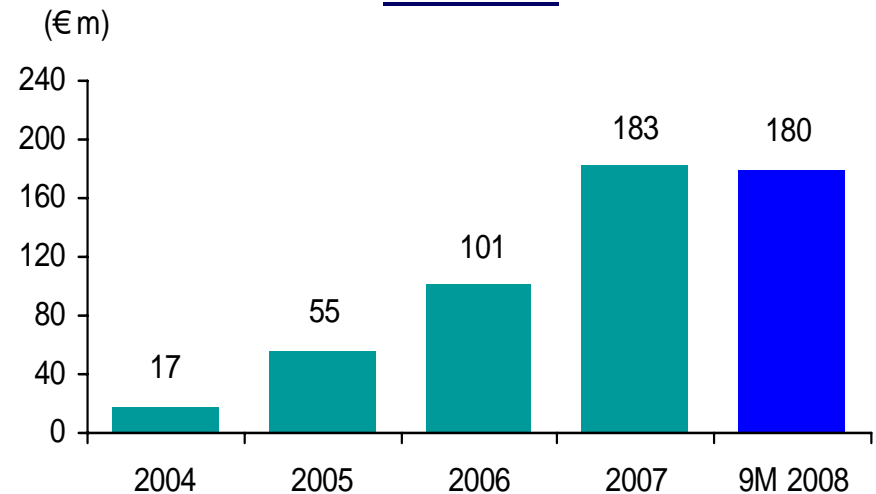
€ m	9M 07	9M 08
Revenues	797.4	813.3
EBITDA	106.8	91.2
Net income	41.9	29.6
Net financial indebtedness <i>(end of period)</i>	(102.8)	(263.3)



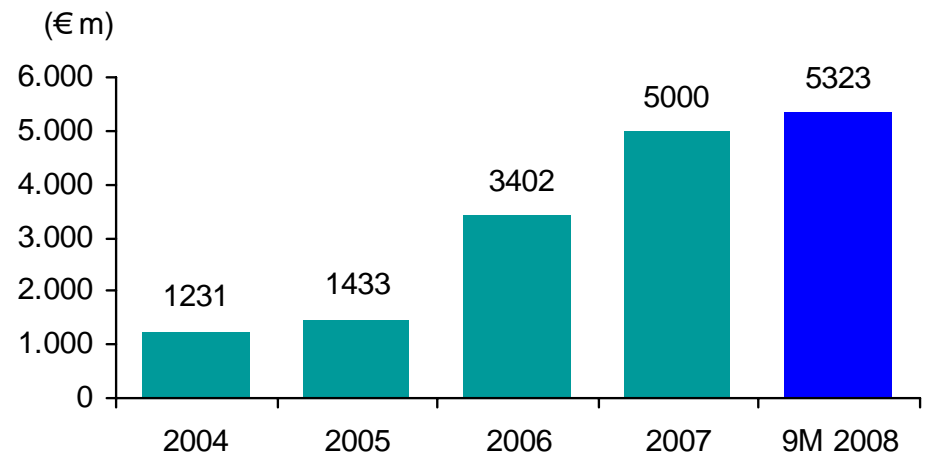
- **HSS** is leader in Italy in nursing homes with a widespread presence in those regions with the highest potential
- On June 25 2008 CIR and the Morgan Stanley funds, already shareholders of HSS, subscribed a capital increase in HSS for a total of €40m. The capital increase was subscribed by Cir for an amount of €20m and by Morgan Stanley for the same amount. The deal took place at a valuation of the company's equity, before the increase, of over €200m.
- On October 3 2008 HSS finalized the acquisition from Générale de Santé Italia of 100% of the capital of Centro Cardinal Ferrari, a company that manages a hospital specializing in neurological rehabilitation with 91 beds.

- In the last 4 years revenues and number of beds under management more than tripled thanks to acquisitions
- In 9M 2008 the total number of beds reached 5,323 units of which 4,823 are operating and 500 are under construction

Revenues

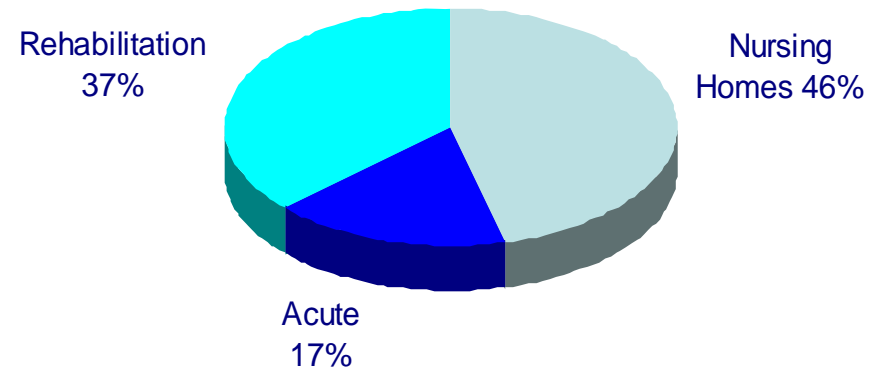


Number of beds



- Thanks to S. Stefano acquisition, rehabilitation services can count on over 1,100 beds representing more than one third of total revenues

Revenues by Type of Business⁽¹⁾



(1) 100% = 9M 2008

9M Results

€ m	9M 07	9M 08
Revenues	125.6	179.9
EBITDA	14.9	21.2
Net income	(0.1)	1.1
Net financial indebtedness <i>(end of period)</i>	(142.8)	(125.0)

Jupiter Finance aims to be a leading European player specialized in distressed debt purchasing and management:

Multi asset class

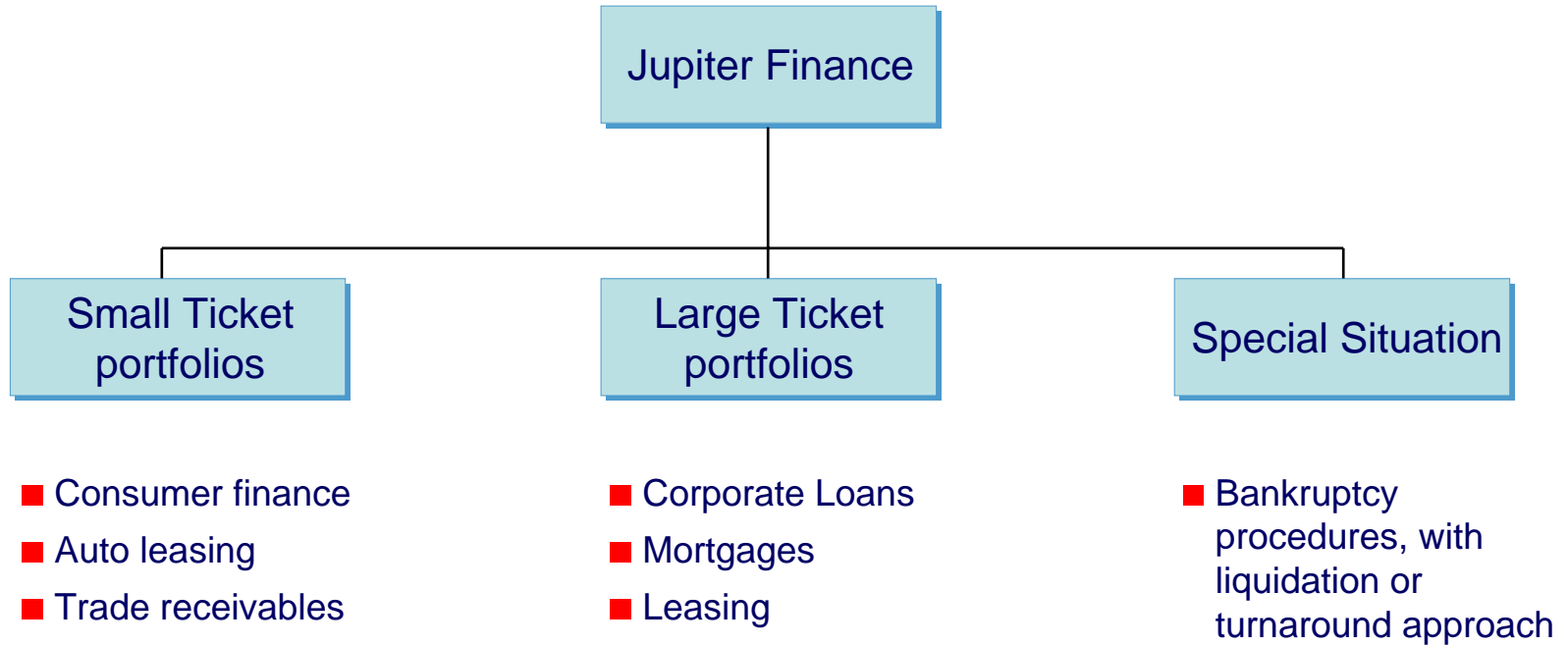
There are several categories of NPL with high profitability, high growth opportunities and different seasonality

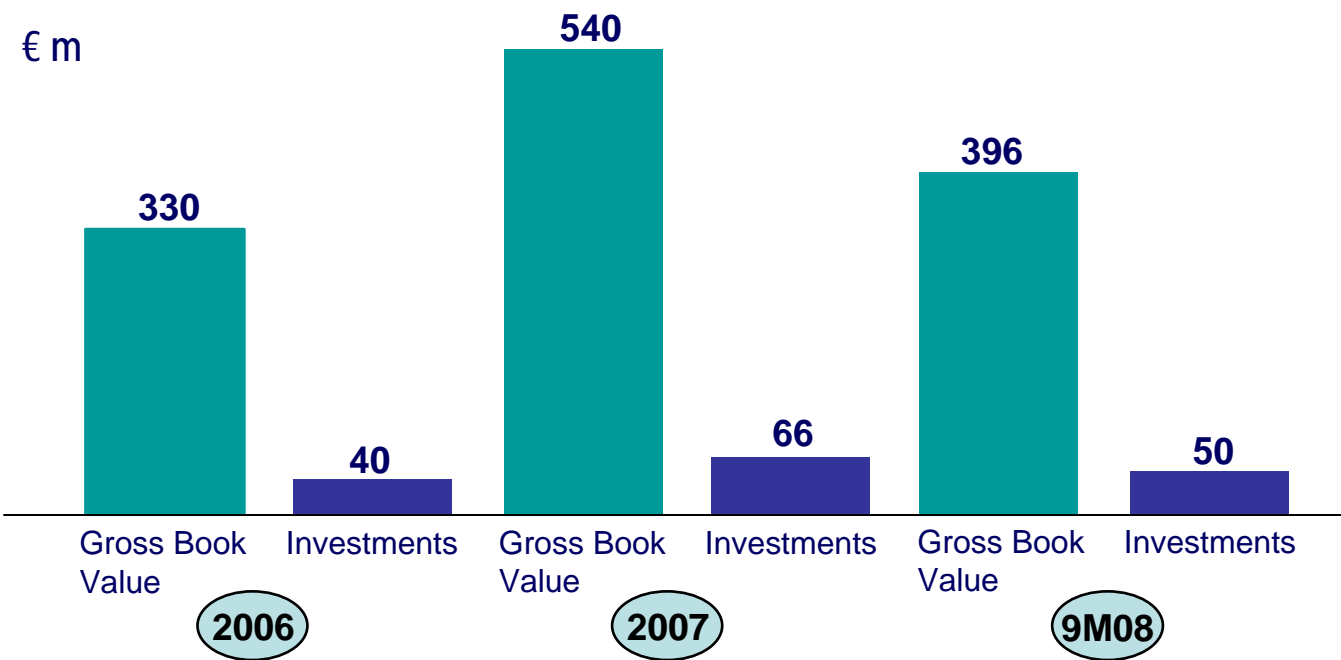
Selectively integrated

Selective integration may generate benefits in terms of efficiency, effectiveness and commercial opportunities depending on the NPL type

Multicountry

We are currently replicating the existing model to other countries in Southern and Central Europe





- As of 30 September 2008 Jupiter Finance has invested €156.2m cumulated since inception, acquiring non performing loans for a gross book value of €1,266.5m
- At the end of September 2008 the total credit collection amounted to €48.4 million exceeding forecasts
- Cir has contributed €61.6m (i.e. €7.5 of equity and €54.1 of Junior Notes) to finance the €156.2m investment; the balance has been funded on a non recourse basis by third party financing

- The Oakwood group operates in the financial services sector through the companies Ktesios and Pepper. The major dislocation in the financial markets led to a revision of the development plans of the two companies with the resulting write-down of CIR's investment by €52.6 m.
- *Ktesios* - the main subsidiary of the Oakwood group specializing in loans to individuals secured on their salaries or pensions - is market leader in Italy in its sector. In the first 9 months 2008 Ktesios originated loans for €520 m compared with €466 m of the same period of 2007;
- *Pepper* has progressively left its activity in the Australian market of non-conforming mortgages focusing in the servicing business on behalf of loan originators and achieving a leading position in the Australian market



www.cirgroup.com

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