



PRESS RELEASE

Board of Directors approves results for the year ended December 31 2009

SORGENIA (CIR GROUP): NET INCOME COMES IN AT 66.9 MILLION EURO (+0.3%)

In a market affected by a sharp decline in demand for energy, the company's revenues and margins held up substantially net of non-recurring item. Earnings were slightly up

The business plan continues to be rolled out: start of operations for the Modugno plant (BA) with an output of approximately 800 MW and for new wind parks in Italy and France

Milan, March 2 2010 - The **Board of Directors** of **Sorgenia SpA**, the company controlled by the **CIR group** in which the Austrian provider **Verbund** holds a stake, met today under the chairmanship of **Rodolfo De Benedetti** and approved the **proposed financial statements for financial year 2009**.

Consolidated results for 2009 - highlights

(in millions of euro)

	2009	2008	Δ%
Revenues	2,325.8	2,432.0	(4.4)
EBITDA	117.8	189.7	(37.9)
Net income	66.9	66.7	0.3
Net debt (at 31/12)	1,341.0	1,013.9	

Performance of operations

In an **extremely difficult market environment** due to the economic recession and the resulting sharp fall both in demand for energy and in prices in the sector, **Sorgenia** closed 2009 with **consolidated net income of 66.9 million euro**, which was **up slightly (+0.3%)** on the previous year partly thanks to a tax credit on investment in new production capacity. The **revenues and margins of the electricity business substantially held up**, benefiting from the **rise in volumes of electricity sold** (approximately 10.2 TWh) and from the **integration of generating and sales**, which enabled the company to limit its exposure to price fluctuations on the electricity exchange. There was, however, a decline, albeit less than the market, in the volumes of gas sold and the margins for this business. The repercussions of the negative trend of the economy also led to higher provisions set aside for client receivables.

As far as the **business plan** is concerned, between the end of 2009 and the beginning of 2010 the new **combined cycle (CCGT-Combined Cycle Gas Turbine) plant at Modugno (BA)** with an **output of around 800 MW started operating**. In wind generation, 2009 saw the start of operations at the **San Gregorio Magno wind park (SA)**, Sorgenia's largest in Italy in terms of output (**39 MW**), while construction work continued on the **12 MW park at San Martino in Pensilis (CB)**, which is scheduled to start operating by the end of the first half of 2010. In France, the subsidiary Société Française d'Eoliennes started operating the **12 MW wind park at Plainchamp (Meuse)**.

Consolidated results

The market scenario in 2009 was much more negative than in the previous year. At national level there was a significant decline in electricity consumption (-6.7% compared to 2008), especially for thermoelectric generation (-17.3%), and in gas consumption (-8.1%). The average price of electricity on the exchange (PUN, National Flat Rate) went down by approximately 26.7% compared to 2008 to around 63.7 euro per MWh.

In this context the Sorgenia group closed financial year 2009 with **sales revenues** of **2,325.8 million** euro, slightly lower (**-4.4%**) than those of 2008 (2,432.0 million euro). **Sales volumes of the electricity business** rose by **2.6%** from last year while **sales volumes of natural gas** were down, although by less than the market average (-6.6% compared to 2008).

The **gross operating margin (EBITDA)** came in at **117.8 million** euro, substantially unchanged from the previous year net of non-recurring items.

The decline from the figure of 189.7 million in 2008 was in fact due mainly to the following extraordinary items which were present in the figures of the previous year: the receipt of penalty payments for the late delivery of the Modugno power plant (27 million euro) and contingent gains from prior periods (15 million euro). Compared to the previous year, 2009 was also impacted by a negative differential of approximately 21 million euro from the fair value adjustment of “differential contracts” with the Sole Purchaser (Acquirente Unico).

The 2009 EBITDA figure was affected by the following factors:

- The contraction of sales margins on natural gas caused by the lower volumes sold and lower unit margins, in relation to existing contracts which are being renegotiated as per the terms of the contracts;
- Higher provisions set aside on sums receivable from clients, due to the worsening of the economic situation, which became evident during the year;
- The unscheduled shutdown of the Termoli power plant for extraordinary maintenance as from November 2009 and the high charges due to congestion on the National Electricity Grid.

These factors were partially offset by **higher production by plants using renewable sources** and by the **positive fair value adjustment of commodity hedging transactions**.

Consolidated net income came in at **66.9 million** euro, up from 66.7 million in 2008 (**+0.3%**), thanks partly to the “Tax break on investments in machinery” introduced by Law no. 102 of August 3 2009. 2009 was affected, as indeed was 2008, by the application of the so-called Robin Hood Tax which caused higher tax expense in Current Taxes due to the raising of the Ires company income surtax rate from 5.5% to 6.5%.

Consolidated net debt stood at **1,341 million** euro at December 31 2009, up from 1,183.5 million euro at September 30 2009 (1,013.9 million euro at December 31 2008). The rise in the year was due to the substantial investment made in new production capacity, especially in the field of thermoelectric generation. Some of the investments made by Sorgenia in the last two years, the Modugno (BA) and Bertónico-Turano Lodigiano (LO) power plants in particular, will start contributing to the company’s income in 2010. In July 2009 Sorgenia signed a 600 million euro ten-year loan agreement with a pool of prime banks to finance the investment in the construction of the Bertónico-Turano Lodigiano and Aprilia power plants.

The group had **380 employees** on the payroll at December 31 2009 (339 at December 31 2008).

Roll-out of the business plan

During 2009 roll-out continued of the **business plan** of the Sorgenia group.

In thermoelectric generation the new **combined cycle (CCGT)** plant at **Modugno (BA)** with an approximate output of 800 MW **started operating**. Construction work is also proceeding on the CCGT plant at **Bertonico-Turano Lodigiano (LO)** which is scheduled to start operating in the second half of this year. In July 2009, notice to proceed was given to the contractor Ansaldo Energia to start building the **Aprilia plant (LT)**.

As far as the development of **wind generation** is concerned, in 2009 the **39 MW** wind park at **San Gregorio Magno (SA)** started operating. Construction work went ahead on the **12 MW** wind park at **San Martino in Pensilis (CB)**, which is expected to start operating in the first half of 2010. In France, the subsidiary **Société Française d'Eoliennes** started operating the **12 MW wind park** at **Plainchamp (Meuse)**. The development activities of **Sorgenia Romania** are proceeding according to plan with the aim of building, managing and maintaining wind parks.

In the field of **renewable energy from biomass**, the company **Sorgenia Bioenergy** finished construction work in 2009 on a **biomass plant** of approximately **1 MW** in the local district of **Gallina (SI)** which is expected to start operating by the end of the first half of this year.

Sorgenia group: production capacity

Power Plants	<i>In operation & under commissioning</i>	<i>Under construction</i>	<i>Total</i>
Sorgenia Power (Termoli CCGT)	770		770
Sorgenia Puglia (Modugno CCGT)	800		800
Sorgenia Power (Bertonico-Turano Lodigiano CCGT)		800	800
Sorgenia Power (Aprilia CCGT)		800	800
Tirreno Power (pro-quota 39%)	1,300		1,300
SFE (Wind France)	112	32	144
Wind Italy	69	12	81
Sorgenia Idro (Hydro)	8		8
Sorgenia Solar (Photovoltaic)	13		13
Sorgenia Bioenergy (Biomass)	1		1
Total capacity (MW)	3,072	1,644	4,716

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Attached are key figures from the income statement and balance sheet at December 31 2009 of the Sorgenia group (prepared according to IAS/IFRS).

SORGENIA GROUP

EUR/thousand

RECLASSIFIED BALANCE SHEET	31/12/09	31/12/08
NET FIXED ASSETS	2,194,155	1,717,045
NET WORKING CAPITAL	230,934	167,689
Other long term liabilities	(50,261)	(52,877)
NET CAPITAL INVESTED	2,374,828	1,831,857
SHAREHOLDERS' EQUITY	1,033,818	817,941
- Shareholders' Equity of minority interests	79,210	70,992
- Shareholders' Equity of the Group	954,608	746,948
NET FINANCIAL DEBT	1,341,010	1,013,916

RECLASSIFIED INCOME STATEMENT	Year 2009	Year 2008
TRADE REVENUES	2,325,825	2,431,967
ADDED VALUE	117,201	173,692
Personnel costs	(38,846)	(33,571)
Adjustments to the value of shareholdings valued at equity	39,462	49,557
EBITDA	117,817	189,678
OPERATING RESULT	70,921	154,669
NET INCOME/LOSS BEFORE TAXES	32,988	110,688
NET INCOME/LOSS FOR THE PERIOD	80,149	79,478
- Net income/loss attributable to minority interests	13,299	12,806
- Net income/loss attributable to the Group	66,850	66,671