Compagnie Industriali Riunite

CIR





1Q 2011 Results

May 2011

Compagnie Industriali Riunite

Consolidated financial structure

€ m

Shareholders' equity - Group	31 Dec. 2010	31 March 2011
Sorgenia	586.7	602.3
Espresso	296.4	303.8
Sogefi	113.3	114.0
KOS	100.3	102.3
Other investments	16.6	18.0
Total subsidiaries	**1,113.3**	**1,140.4**
CIR & financial holdings		
Fixed assets	127.7	127.5
Private equity	80.6	78.3
Junior Notes Zeus (Jupiter)	55.4	55.4
Other assets, net	(13.6)	(9.3)
Net cash	**123.6**	**112.6**
Consolidated shareholders' equity	**1,487.0**	**1,504.9**

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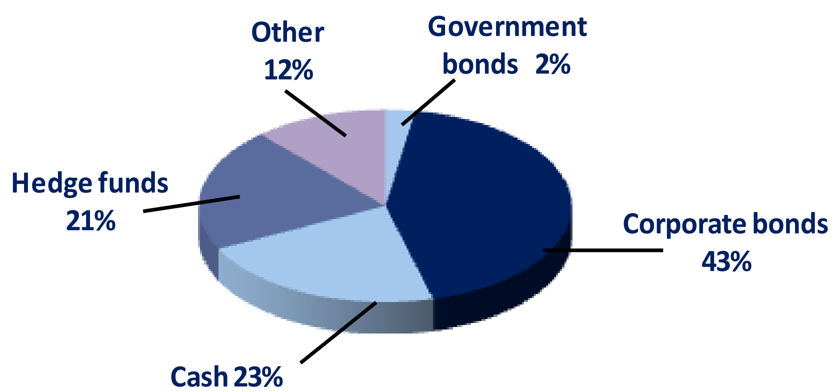
Liquid assets

€ m

	31 Dec. 2010	31 March 2011
Government bonds	10	10
Corporate bonds	157	167
Cash and bank deposits	258	84
Hedge funds	84	80
Other (stocks, investment funds)	44	45
Total liquid assets	**553**	**386**

Liquid assets at 31 March 2011



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Composition of gross financial debt

€ m

	31 Dec. 2010	31 March 2011
CIR International 2003/2011 (1)	157.2	--
CIR S.p.A. 2004/2024	268.1	272.0
Other debt	3.7	1.7
Gross financial debt	**429.0**	**273.7**

(1) On January 10 2011 the maturing bond for a remaining amount, including interest, of €157.4 m was repaid. As of today the only bond still outstanding is the one issued by CIR SpA maturing on December 16 2024 for a principal amount of €300m

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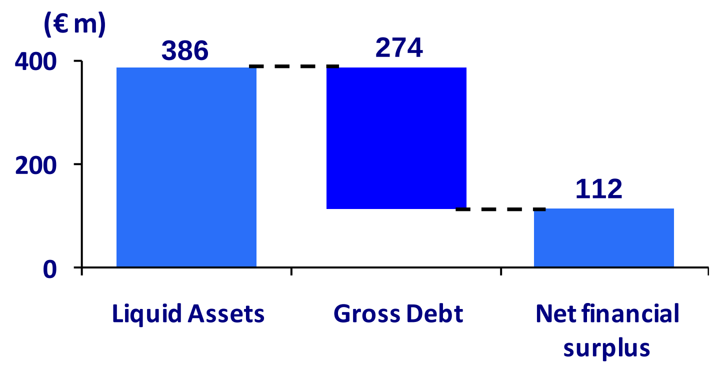
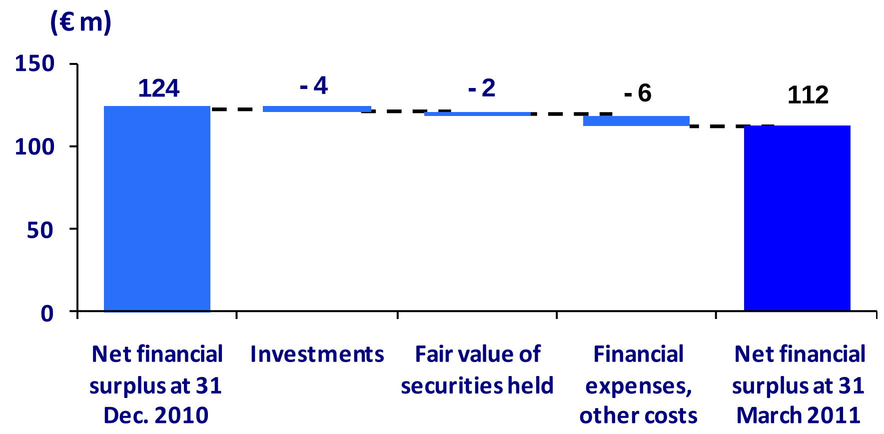
Net financial surplus at "holding system" level

- At the end of March 2011 net cash amounted to €112.6 m, down slightly on the figure at December 31 2010 (€ 123.6m)
- The net cash includes hedge funds investments (formerly Medinvest) which at March 31 2011 stood at € 80.1 m (performance YTD March 2011: + 0.6%)

Net financial surplus at 31 March 2011



Evolution of net financial surplus



Compagnie Industriali Riunite

Consolidated net financial position

€ m

	31 Dec. 2010	31 March 2011
Cir & financial holdings	123.6	112.6
Sorgenia Group	(1,738.4)	(1,775.6)
Espresso Group	(135.0)	(108.4)
Sogefi Group	(164.9)	(166.6)
KOS Group	(189.3)	(199.3)
Other subsidiaries	(62.8)	(60.7)
Consolidated net financial indebtedness	(2,166.8)	(2,198.0)
Total shareholders' equity	2,522.9	2,549.2
Consolidated net invested capital	4,689.7	4,747.2

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Consolidated income statement

€ m

	1Q 2010	1Q 2011
Sorgenia Group	(6.5)	3.5
Espresso Group	6.7	7.2
Sogefi Group	2.2	3.9
KOS Group	(0.3)	1.6
Other subsidiaries	(0.2)	(1.4)
Total operating subsidiaries	1.9	14.8
Other financial companies	(0.1)	--
Total contribution from subsidiaries	1.8	14.8
Cir + Cir International result	1.5	(0.4)
Net income	3.3	14.4

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Corporate structure

CIR

Operating subsidiaries

SORGENIA	Gruppo Editoriale L'Espresso Spa	SOGEFI	KOS	Financial investments
Revenues 2010 € 2.7 Bio EBITDA € 151 m	Revenues 2010 € 887m EBITDA € 107 m	Revenues 2010 € 925m EBITDA € 87m	Revenues 2010 € 325m EBITDA € 42m	
UTILITIES	MEDIA	AUTOMOTIVE COMPONENTS	HEALTHCARE	Venture capital funds
Renewables	Newspaper Publishing	Filters	Residential nursing homes	Private equity funds
Thermal	Magazine Publishing	Suspensions	Rehabilitation	Distressed debt purchasing
Gas	Radio		Hospitals	Start-ups
Energy saving	Television			
E&P	Internet			

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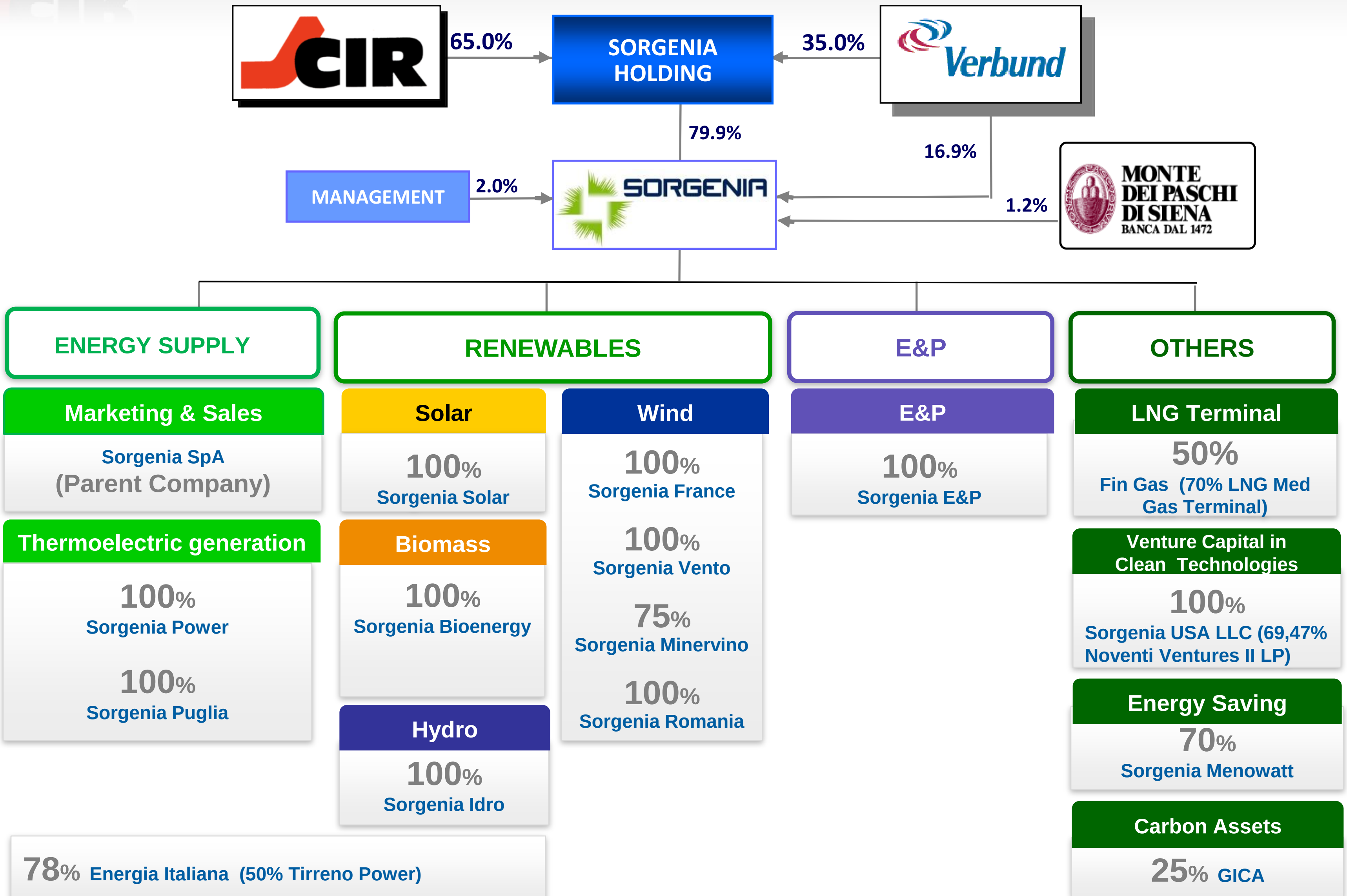
Sorgenia – operating structure



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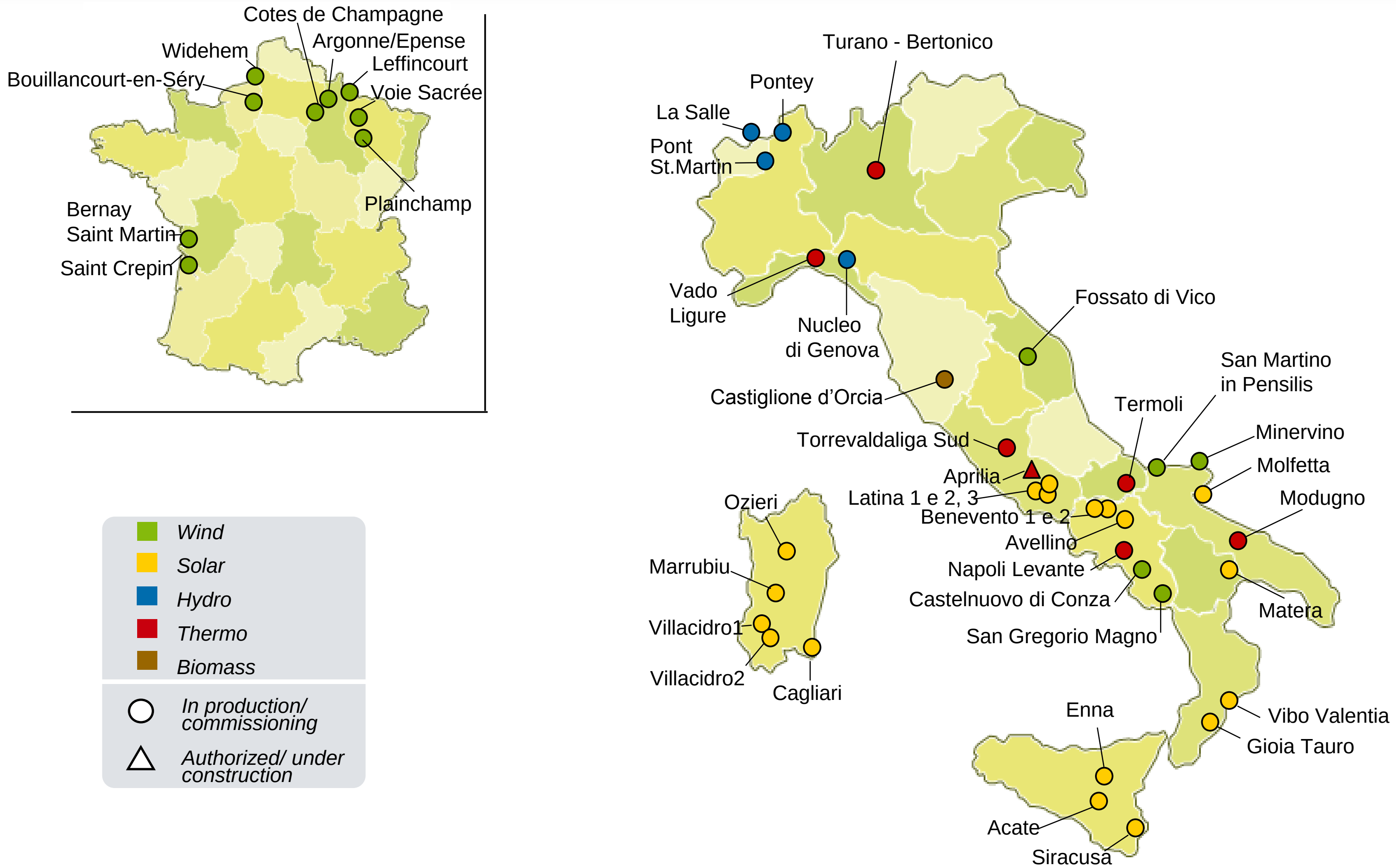
Sorgenia – power generating plants in Italy and in France



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Sorgenia – Installed capacity and capacity under construction

Plants	In operation and in commissioning	Under construction	Total
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-rata 39%)	1,300		1,300
Sorgenia France (Eolico Francia)	165		165
Eolico Italia	81		81
Sorgenia Idro (idroelettrico)	8		8
Sorgenia Solar (fotovoltaico)	23	1	24
Sorgenia Bioenergy (biomasse)	1		1
Capacità totale (MW)	**3,948**	**801**	**4,749**

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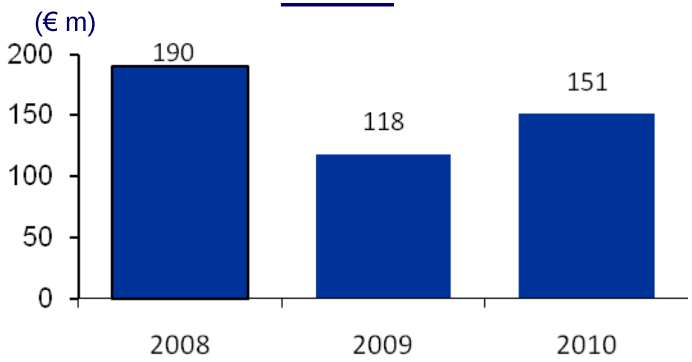
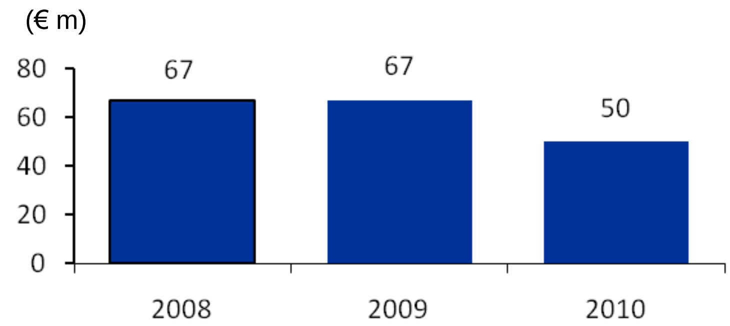
Sorgenia - increasing operating results in 2010

- 2010 EBITDA benefited in particular from the increase in electricity sales volumes, the contribution of the Modugno power plant and higher margins in generation from renewable sources
- Compared to the previous year 2010 net income was affected by higher financial expenses due to the increase in the average debt level for the period

EBITDA



Net income



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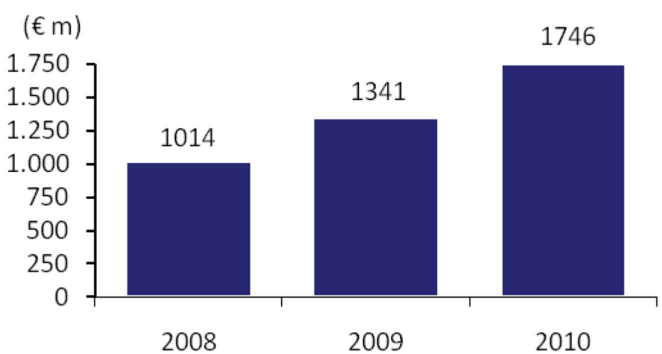
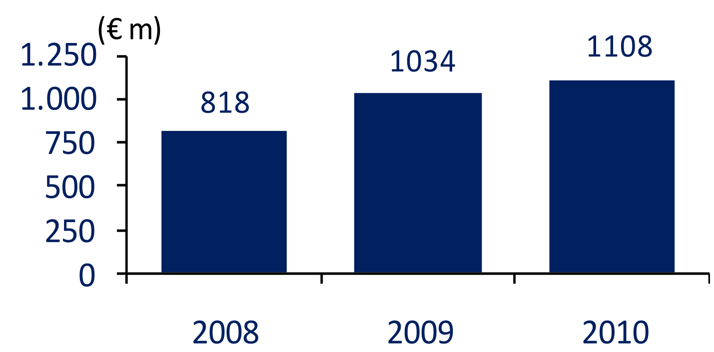
Sorgenia increase of net debt due to investments in new plants

- The change in 2010 net debt was due to the substantial investments in new production capacity, especially thermoelectric and from renewable sources

Net financial indebtedness



Total shareholders' equity



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Sorgenia – significant growth in margins

1Q Results

€ m

	1Q 2010	1Q 2011
Revenues	601.3	549.7
EBITDA	14.4	51.5
EBITDA (adjusted) *(1)*	11.5	45.5
Net result	(12.2)	6.8
Net result (adjusted) *(1)*	(14.2)	2.9
Net financial indebtedness (end of period)	(1,520.6)	(1,791.5)

(1) Figures adjusted by excluding the fair value measurement of hedging contracts

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Sorgenia Business Plan strategic guidelines

Energy Supply

Consolidate the position of integrated unregulated utility in the Italian energy market through:

- Expansion in the residential market in order to diversify Sorgenia customer base and increase margins
- Maintaining a balanced position between sales and production in order to reduce business risk
- Integrating the sale of electricity and natural gas (Dual Fuel), increasing profitability and customer loyalty
- Completion of investments in CCGTs

Renewable Energy Sources

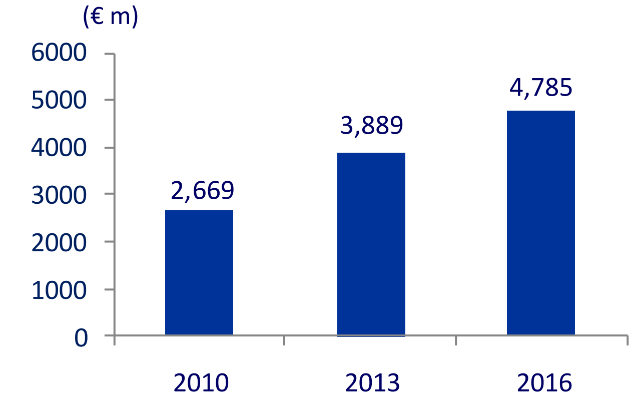
- Commit to safeguarding the environment thanks to investments in renewables
- Focus investments in an almost regulated business with low risk and regulatory support from the European Union
- Hold a position in scarce goods (suitable sites)

E&P

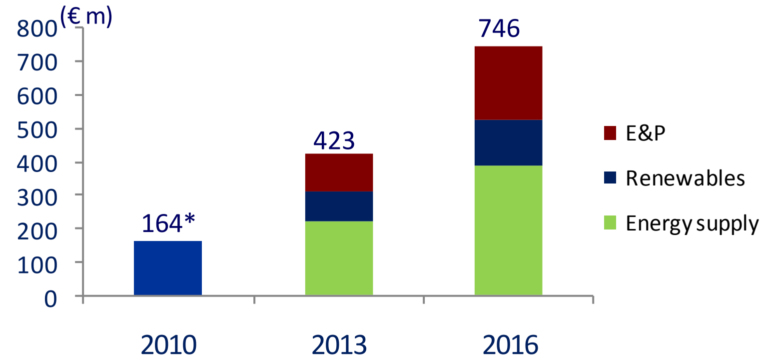
- Develop an internationally diversified portfolio: pool of investments with a balanced mix of geological, country and technology risk
- Hedge to offset a short position in fuels
- Hold a position in scarce goods (Oil & Gas)

Sorgenia Business Plan – financial highlights

REVENUES

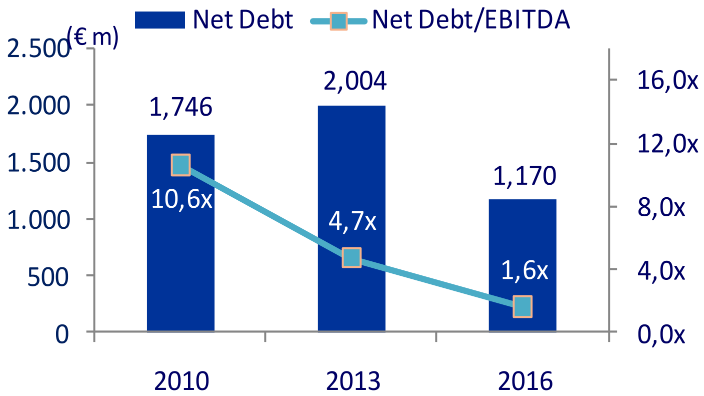


EBITDA

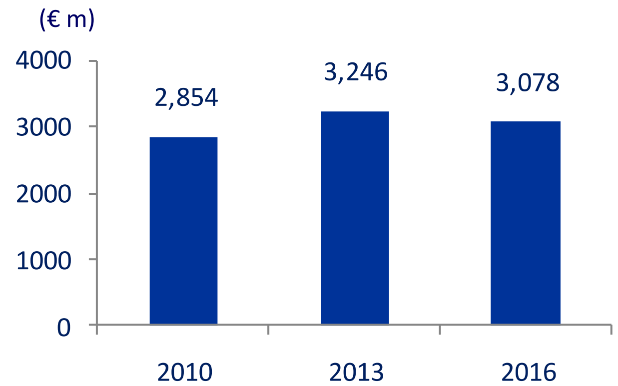


EBITDA excluding fair value contribution

NET DEBT



NET INVESTED CAPITAL



Espresso – operating structure

Gruppo Editoriale L’Espresso Spa

LA REPUBBLICA	QUOTIDIANI LOCALI	PERIODICI	RADIO	TELEVISIONE	DIGITALE	PUBBLICITA’
▪ **Quotidiano** nazionale	▪ 18 Quotidiani locali	▪ Espresso + 3 altri periodici	▪ 3 reti nazionali	▪ Deejay TV	▪ Kataweb, laRepubblica.it	▪ Manzoni

- In 2010 advertising revenues equal to €528.4 m increased 6.3% with respect to 2009
- All the Group’s main activities have recorded a remarkable profitability improvement, which for the daily newspapers was due to the drastic cost reduction related to reorganization plans, and for the radio division and the digital activities was due to the significant increase in revenues
- As regards 2011, the improving results of the first quarter, the ongoing vast program of products renewal, together with the foreseen cost reduction inteventions, should enable the Group to realize a performance in revenues and results, which are improving with respect to the previous year

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Espresso – strong increase in operating results

1Q Results

€ m

	1Q 2010	1Q 2011
Revenues	213.6	222.2
EBITDA	30.4	36.8
Net income	12.1	13.1
Net financial indebtedness (end of period)	(200.0)	(108.4)

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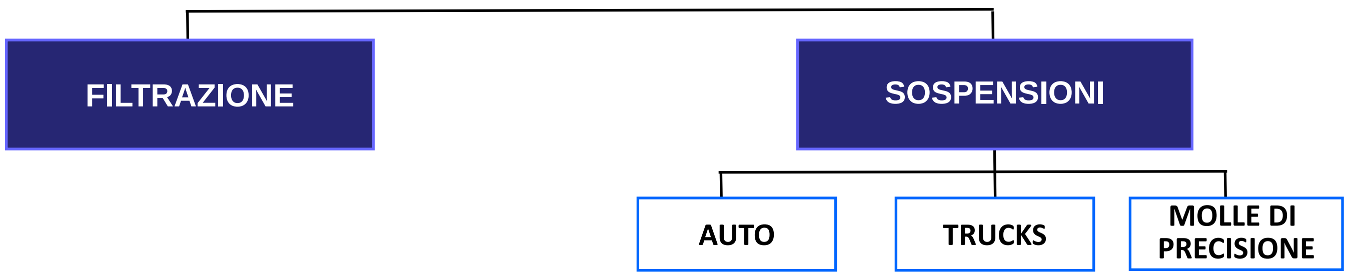
Sogefi – operating structure



- In 2010, its 30th year of business, the Sogefi group reported a significant increase in all its main performance indicators and a return to profit after the losses of 2009. Revenues recorded in Mercosur (€219.4m) for the first time overtook those of France (€207.4m) , which had for years been Sogefi's number one market
- In 2011 the group expects to see a rise in revenues associated with an opportunity to increase profitability compared to2010, confident of being able to pass the higher cost of raw material and components on to selling prices
- In the second part of the year there will be further production reorganization in the filter business, which will generate higher costs than those recorded in the first quarter

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Sogefi – in 1Q 2011 earnings continue to grow

1Q Results

€ m

	1Q 2010	1Q 2011
Revenues	214.0	255.8
EBITDA	20.6	25.0
Net invome	3.8	6.7
Net financial indebtedness (end of period)	(188.4)	(166.6)

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KOS: operating structure

KOS

SHAREHOLDERS

- CIR (56.7%)
- AXA Private Equity (41.1%)
- Management & others (2.2%)

HOSPITAL MANAGEMENT

- Hospital management and high-tech services in 18 hospitals

REHABILITATION

- 13 rehabilitation units
- 9 sites of psychiatric rehabilitation
- 13 day hospitals

NURSING HOMES

- 37 nursing homes operating
- 3,830 beds

- **60 facilities**
- **13 outpatient centres**
- **5,600 beds (plus 900 beds under construction)**

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KOS: today

- Established in 2002, **KOS** has become one of the main operators in private healthcare in Italy
- KOS is active in **three business areas**: **nursing homes, rehabilitation centres and hospital management**
- In 2010 KOS achieved an improvement in its main economic indicators compared to the same period of 2009, thanks to the development of all the companies of the group and the extension of its portfolio of activities
- In December 2010 AXA Private Equity bought a 41.1% stake in the company

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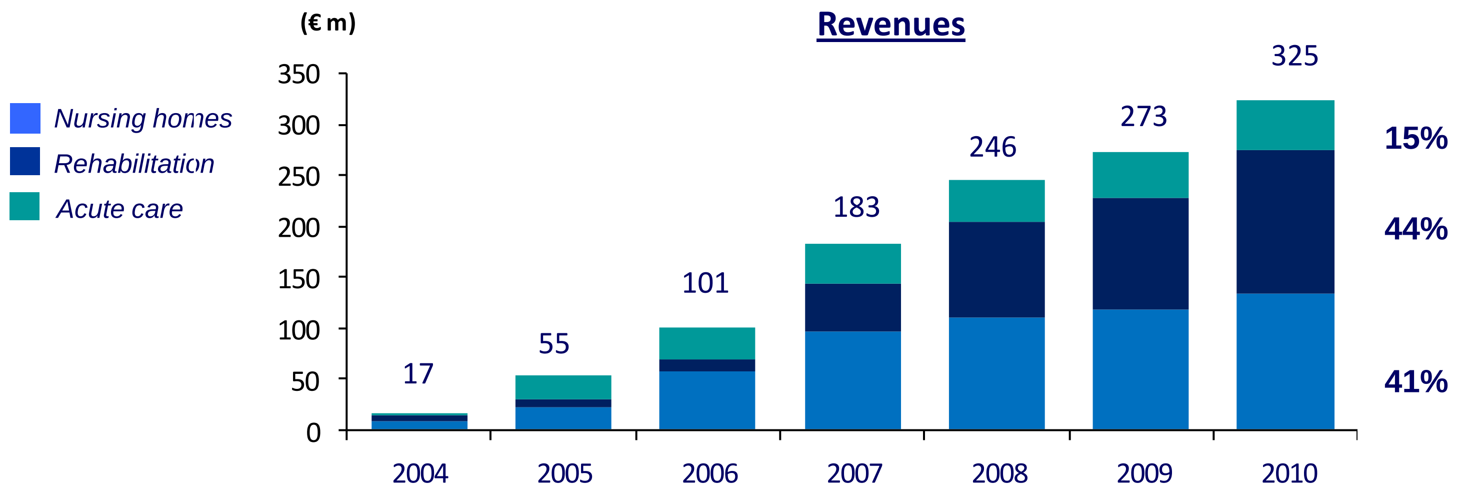
KOS: evolution of consolidated revenues

- KOS group closed 2010 with a 19% increase in revenues compared to 2009 thanks to the development of all areas of the business and to the new acquisitions made during the year
- KOS now has reached more than 5,600 beds (plus 900 under construction)



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KOS – increasing results

1Q Results

€ m

	1Q 2010	1Q 2011
Revenues	76.1	87.0
EBITDA	8.2	12.1
Net result	(0.4)	2.8
Net financial indebtedness (end of period)	(209.7)	(199.3)

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Financial investments

- CIR Ventures is the venture capital fund of the group with investments in companies operating in the sector of information and communications technology and with high growth potential:
  - Ecrio -mobile software(USA)
  - Minerva Networks- networks (USA)
  - Neato Robotics- home convenience robots (USA)
- Jupiter Finance is a financial company specializing in the acquisition and management of non performing loans and trade receivables. As at March 31 2011 the nominal value of the loans under management amounted to approximately €2.3 billion
- Private equity funds form a diversified portfolio of funds and minority private equity holdings

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