



Results and Strategy

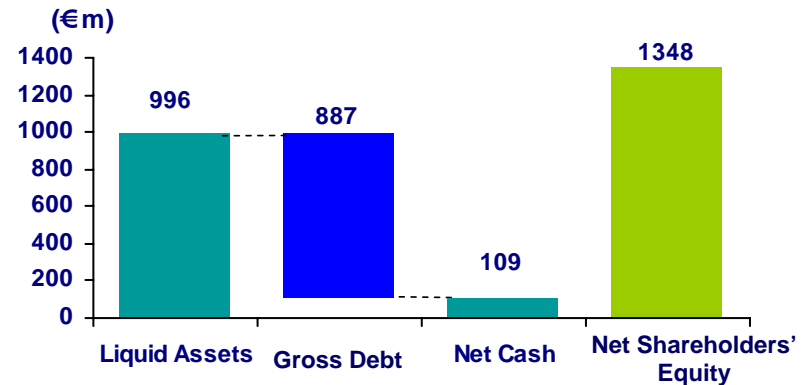
€ m

Shareholders' equity - Group	31 Dec. 2006	30 Sept 2007
Sorgenia	251.8	296.8
Espresso	293.7	275.1
Sogefi	163.3	175.1
HSS	54.2	69.1
Other investments	43.4	66.4
Total subsidiaries	806.4	882.5
<i>CIR + CIR INTERNATIONAL</i>		
Fixed assets	103.0	117.9
Private equity	93.8	96.1
Oakwood	13.5	114.4
Other non-current assets, net	(14.7)	28.7
Net cash	258.2	108.6
Consolidated Shareholders' equity	1,260.2	1,348.2

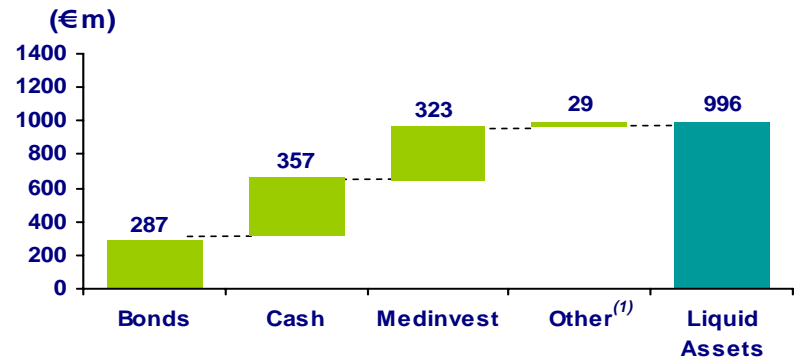
- 9M 2007 financial expenses from bond issues amount to € 36.3 m (equal to an average rate of 5.5%)
- 9M 2007 financial income from liquid assets (excluding Medinvest) amounts to € 17.4 m (equal to a return of approx. 3.5%)
- The 9M 2007 “unrealized” portion of Medinvest return is € 13.2 m

Net Cash and Net Shareholders' Equity

As of 30 September 2007



Liquid Assets as of 30 September 2007



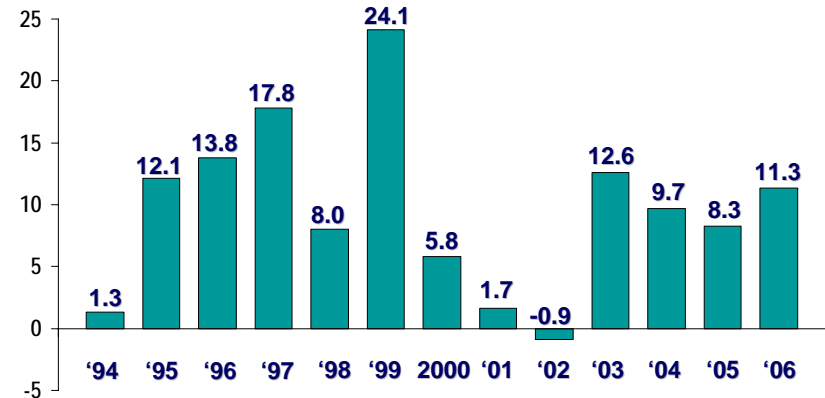
(1) Of which marketable securities = € 10.3 million; investment funds = € 4.8 million;

Medinvest: performance in US\$ since inception

- 2006 performance : + 11.3%
- CAGR since 1994 (inception): + 9.7%
- September 2007 YTD increase: + 8.6%
- Average annual volatility since 1994: 5.4%

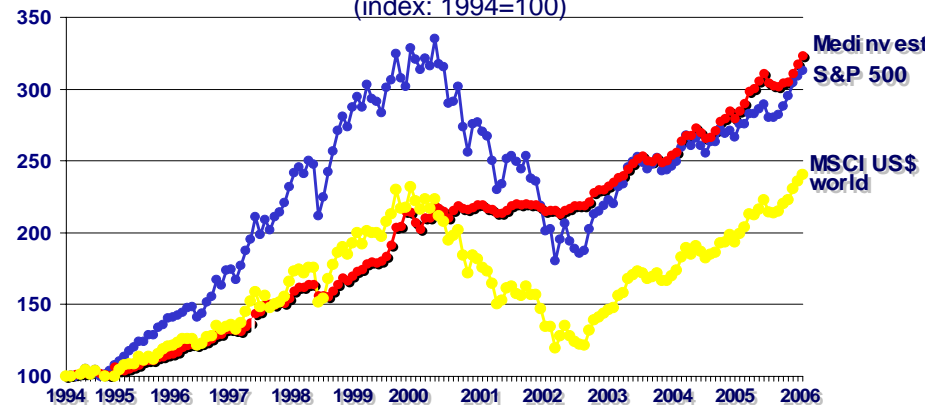
Historical Performance per Year*

(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 Picas of 1 May 2001

Decrease of financial surplus due to investments and buy back

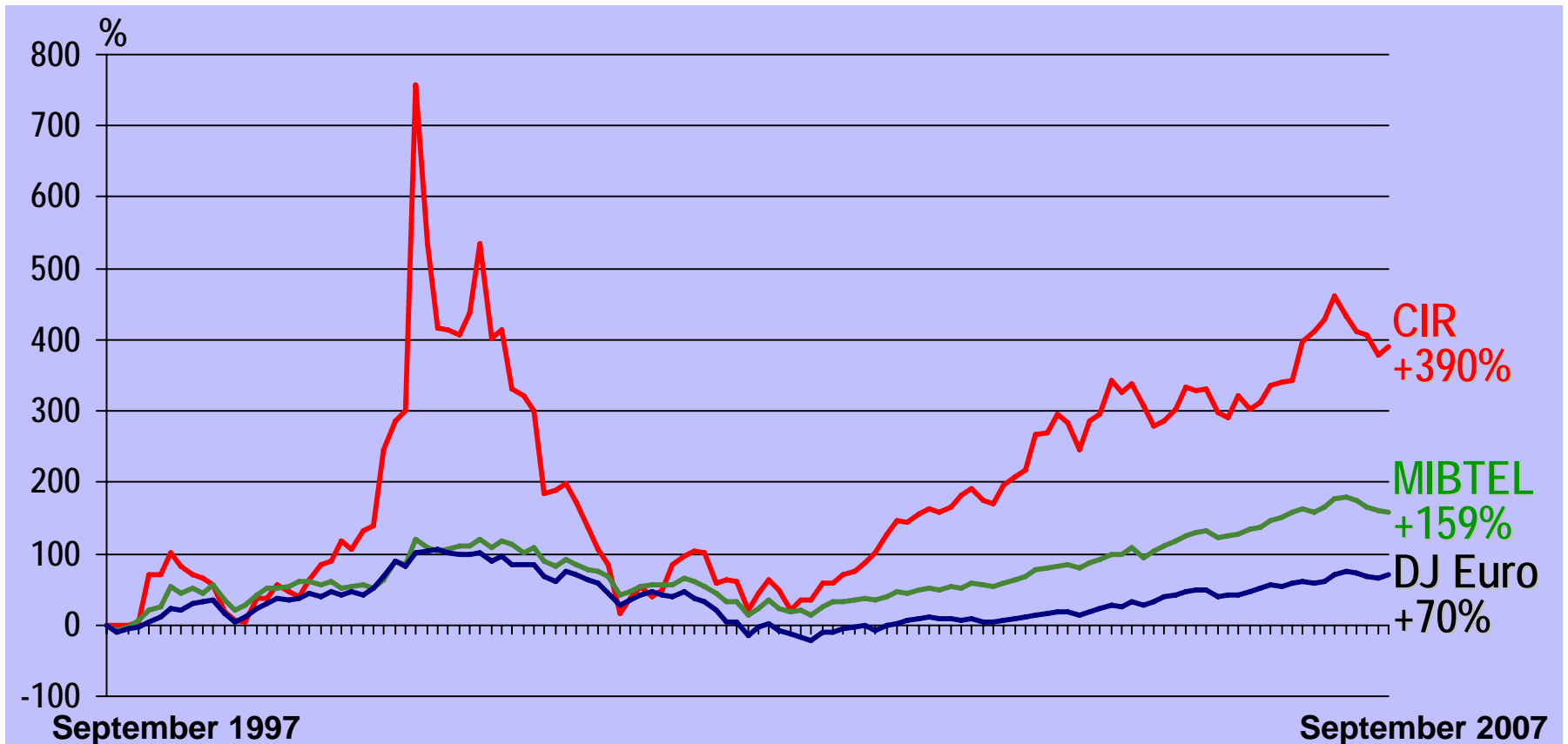
Consolidated Net Financial Indebtedness

€ m	31 Dec. 2006	30 Sept. 2007
CIR + Cir International	258.2	108.6
Sorgenia Group	(596.9)	(601.4)
Espresso Group	(262.7)	(266.2)
Sogefi Group	(126.3)	(102.8)
HSS Group	(110.7)	(142.8)
Other subsidiaries	(12.2)	(20.8)
Consolidated net financial indebtedness	(850.6)	(1,025.4)
Total shareholders' equity	1,979.9	2,071.3
Consolidated net invested capital	2,830.5	3,096.7

Consolidated Income Statement

€ m	2006	9M 2006	9M 2007
Sorgenia Group	33.1	28.2	33.2
Espresso Group	54.1	34.2	30.6
Sogefi Group	29.7	23.0	24.2
HSS Group	(3.8)	(2.0)	0.1
Other subsidiaries	(1.5)	(0.7)	(0.9)
Total operating subsidiaries	111.6	82.7	87.0
Other financial companies	15.0	14.5	20.3
Total contributions from subsidiaries	126.6	97.2	107.3
Cir+Cir International result	(25.5)	(19.7)	(21.5)
Non-recurrent components	--	--	30.3
Net income	101.1	77.5	116.1

CIR stock performance
(September 1997-September 2007)



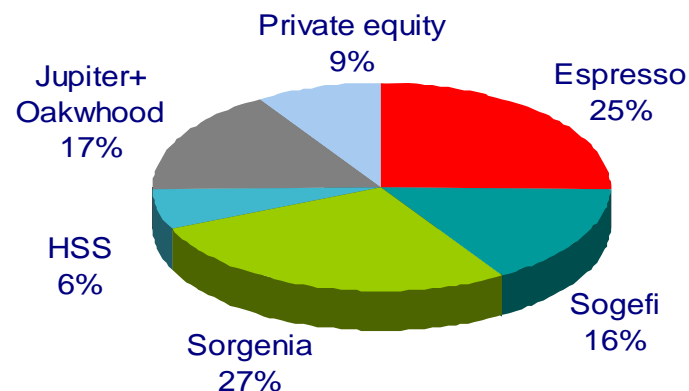
Year + %	<u>c.a.g.r. 1997/2007</u>
CIR	+ 17.2%
DJ Euro	+ 5.4%
MIBTEL	+ 10.0%

Source: Bloomberg

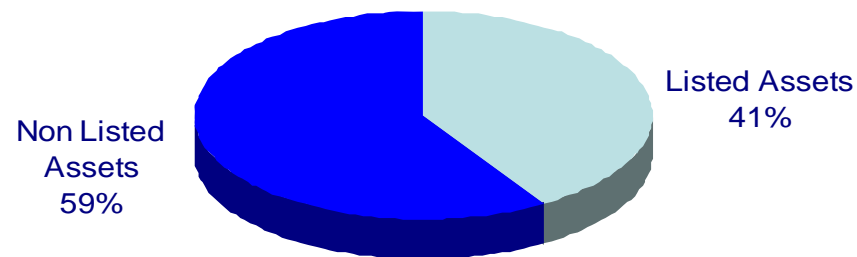
1. **We invest in people** with the objective of achieving lasting value creation
2. **We allocate capital** through the definition of strategies and the implementation of business plans carried out by the operating companies
3. We have transformed our company from a traditional holding company to a modern group able to create and sustain businesses **following an investment logic of deep value** in the long term
4. We take responsibility that each Group company is focused on **executing realistic and credible plans** in order to achieve value creation in the medium term
5. Our goal is to **increase our NAV per share at 15% per annum** and reduce the holding discount

- Diversification into high quality, non correlated businesses
- Non listed assets have now reached 59% of total investments
- Relative weight of Sorgenia and HSS set to increase further

Total Investments (1)



Listed vs. non listed



(1) 100% = Total subsidiaries+Oakwood investment +private equity (€ 1,093) book value as at 30 September 2007



Operating Subsidiaries



Sales 2006
€1.9 Bln

Sales 2006
€1.1Bln

Sales 2006
€1.0 Bln

Sales 2006
€99m



UTILITIES

Electricity & Gas trading

Energy Management

Power production

Power Saving

Engineering & Maintenance

MEDIA

Newspaper Publishing

Magazine Publishing

Radio Broadcasting

Television Broadcasting

Internet

AUTOMOTIVE COMPONENTS

Filtration Systems

Suspensions

HEALTHCARE

Residential nursing homes

Psychiatric services

Rehabilitation

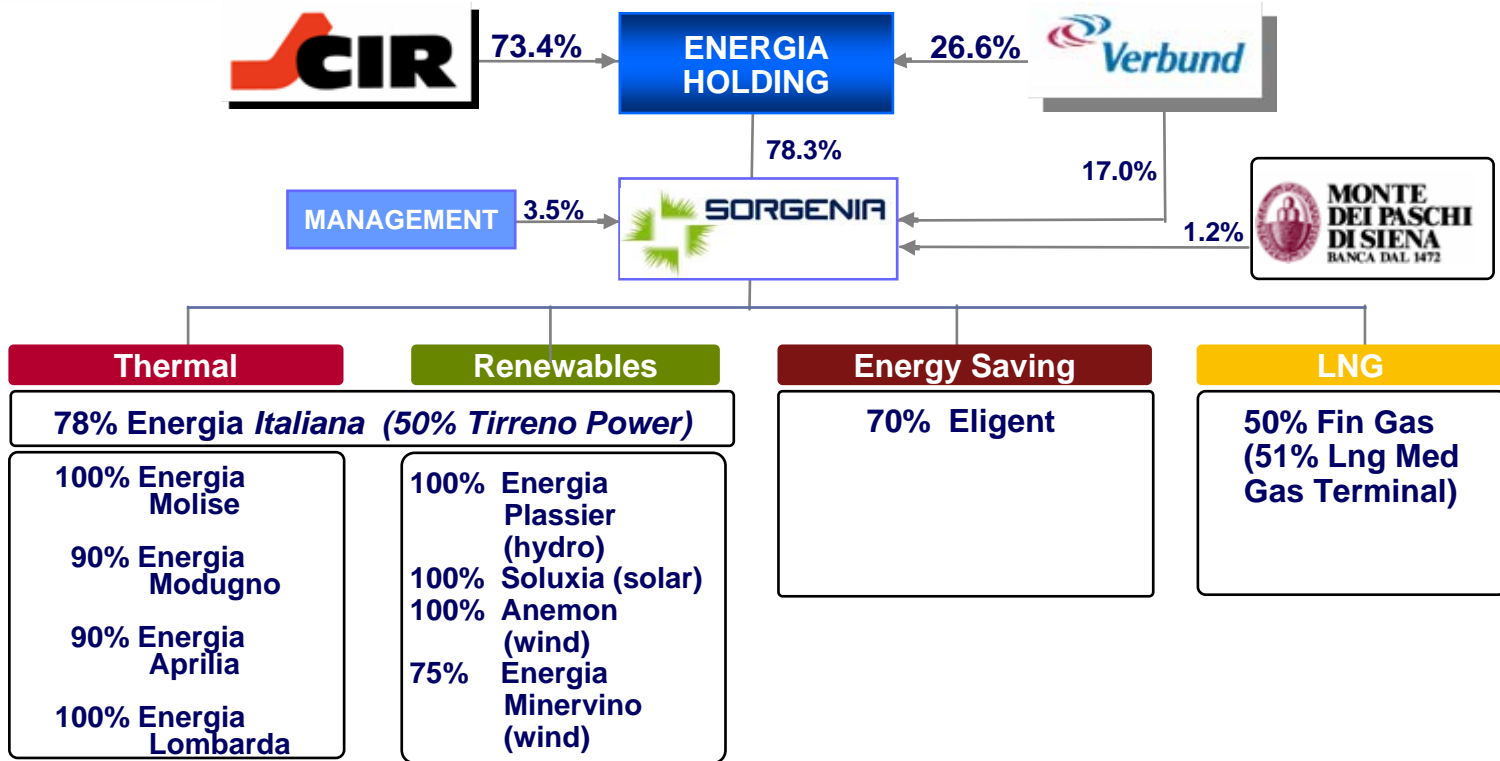
Hospitals

FINANCIAL SERVICES

Non performing loans

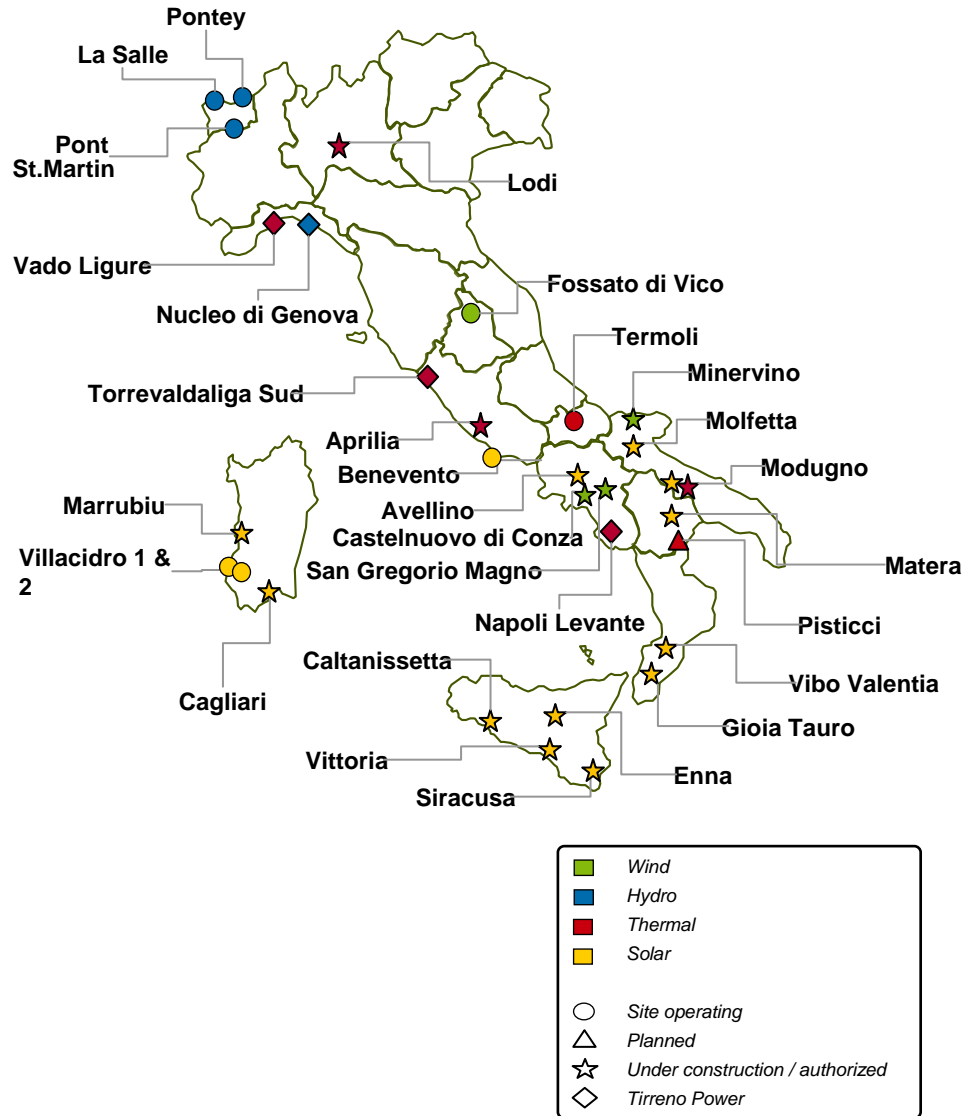
Specialty finance

Sorgenia: operating structure

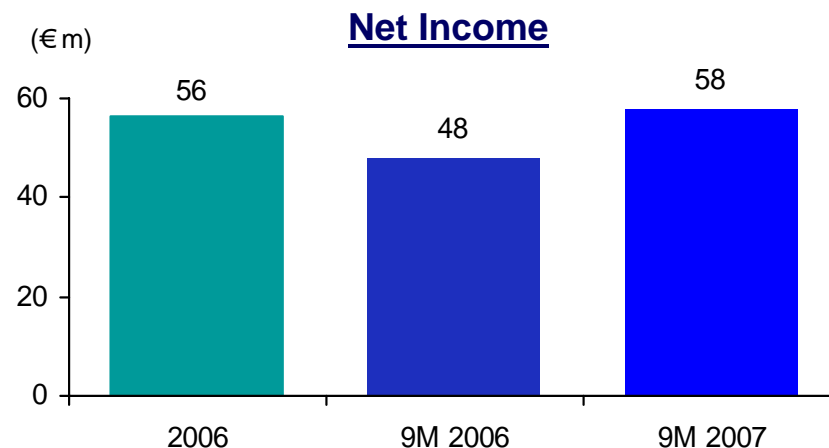
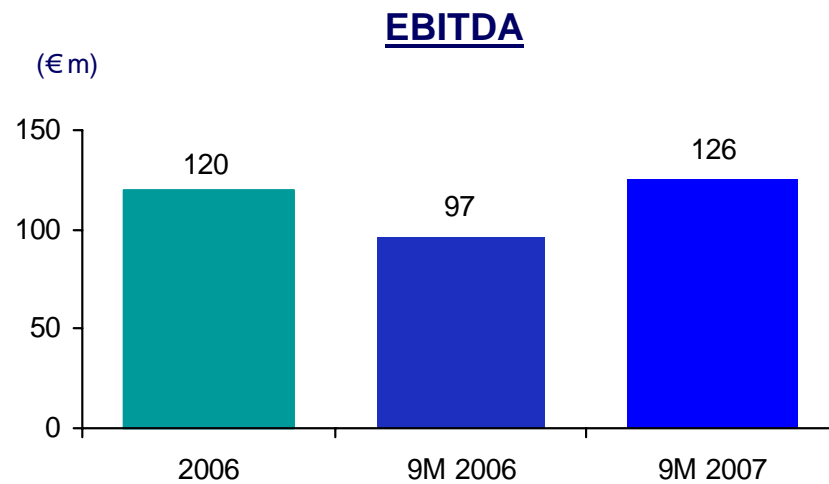


- 330,000 customers in the power sector and 580 in the natural gas sector (September 2007)
- Electricity volumes: over 10 TWh, gas volumes: 2bcm (2006)
- Sorgenia continues to diversify its product range which has now been extended to the clients of the mass market.
- The objective is to expand significantly in the power generation business, with particular attention being dedicated to sources with a low environmental impact and to renewables

- Tirreno Power: 50% controlled by Energia Italiana, repowering plan in progress
- CCGT power plants:
 - ◆ Termoli plant (770 MW) on stream
 - ◆ Modugno plant (770 MW) under construction (start of production: 2H2008)
 - ◆ Lodi and Aprilia CCGT plants fully authorized
- Development of 450MW of wind farms (of which 70 MW authorized/under construction and 1.5MW operating) and 22 MW of solar plants (of which 12MW authorized and 3MW operating)

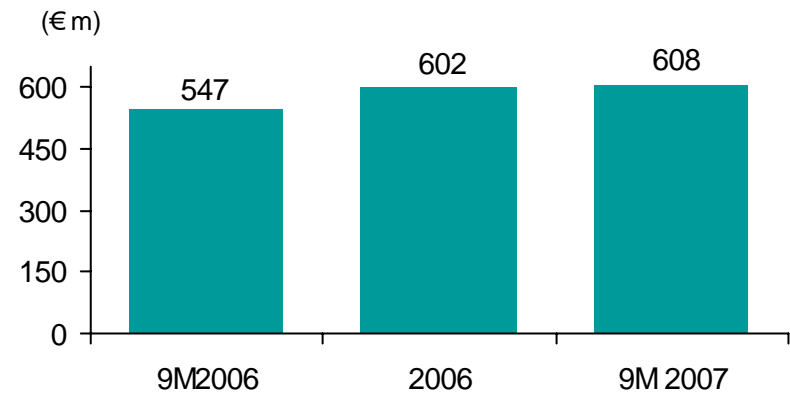


- 9M 2007 EBITDA benefited for the whole period from the energy produced by the Termoli power plant and from higher sales margins on both electricity and natural gas
- The consolidated net income rose significantly (+ 20.8%)

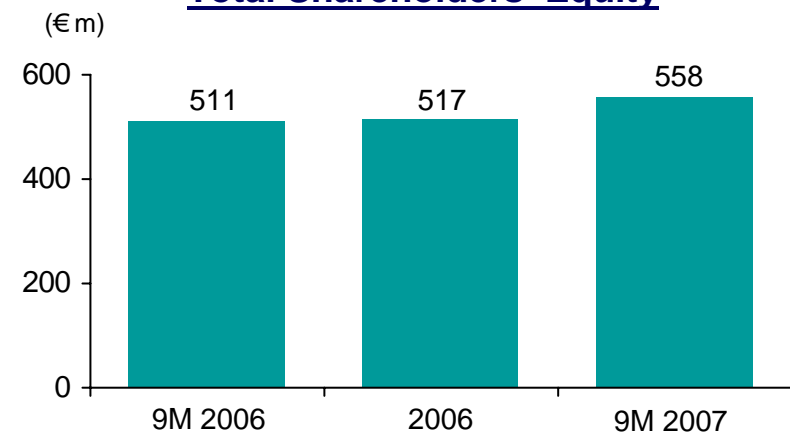


- The increase was mainly due to investment made in the roll-out of its industrial plan and in particular for the construction of the Modugno power plant

Net Financial Indebtedness

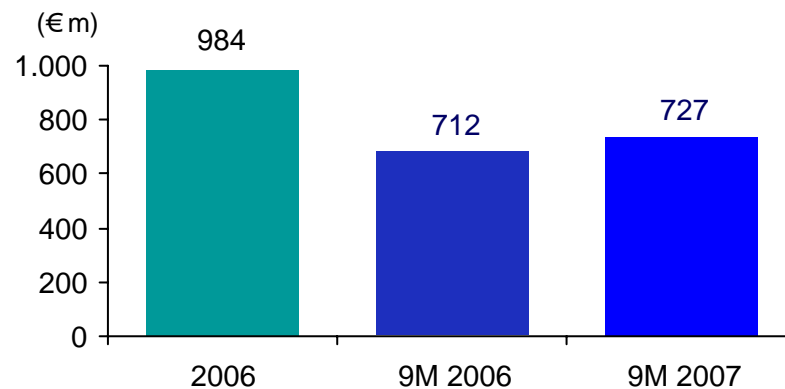


Total Shareholders' Equity

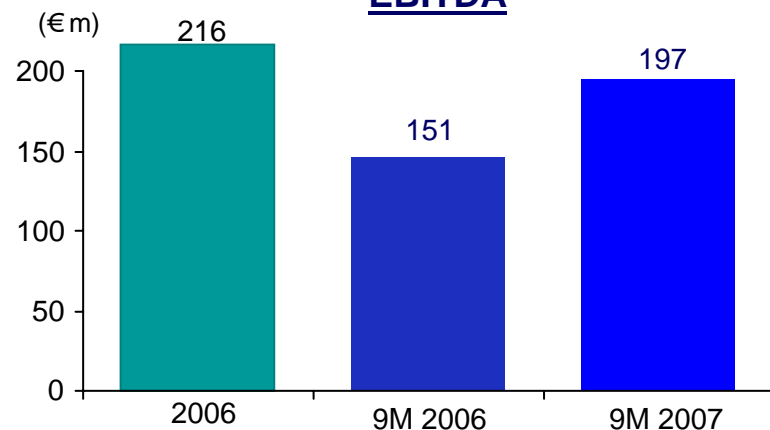


- The repowering plan is proceeding according to schedule:
 - ▶ the conversion of a section of the Vado Ligure plant to a 760 MW combined cycle, due to start operating very shortly
 - ▶ a construction of a new 380MW combined cycle module at Napoli Levante, which will enter production in 2008
- In June Tirreno Power signed a new credit facility for 1.2 billion euro to refinance an existing loan of 900 million

Revenues



EBITDA



Be in the top five national operators in the free electricity market

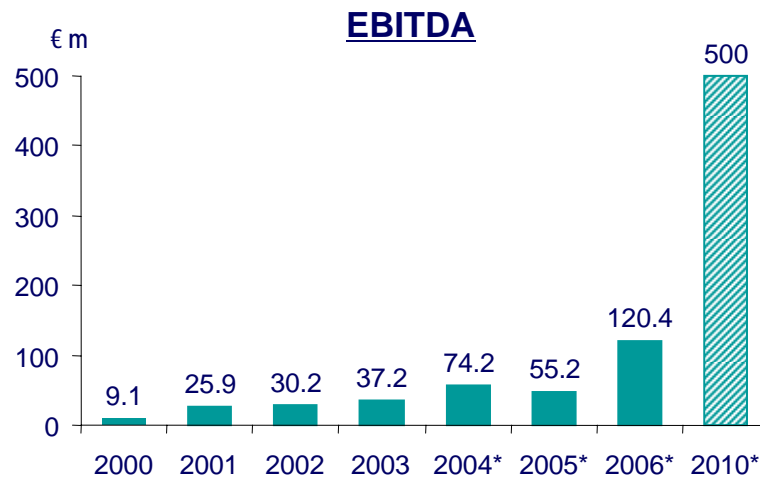
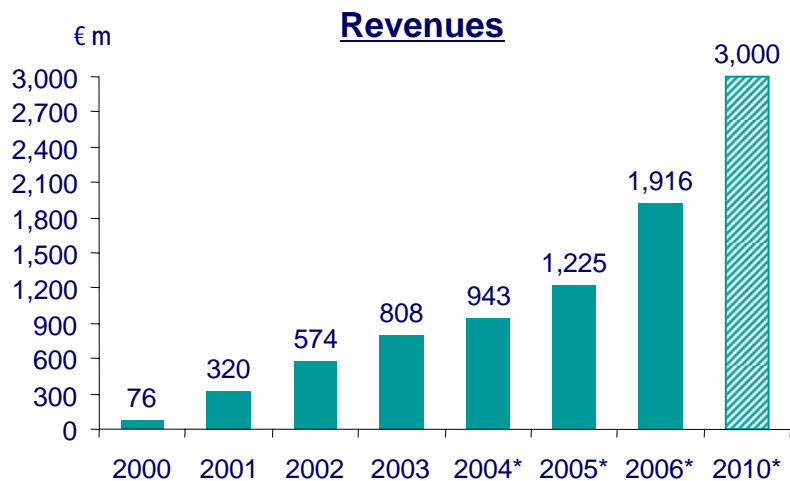
- Develop thermoelectric generating capacity through the acquisition (in 2003) and repowering of Tirreno Power (**2,900 MW**) and through the construction of four green field CCGT power plants (770 MW each)
- Reach a target capacity of 450 MW in wind-farm generation
- Reach a target capacity of 22MW in the photovoltaic sector (Large Solar Power Plants)

Reach a target capacity of more than 4.7 GW (*)

(*) Including Tirreno Power pro-quota

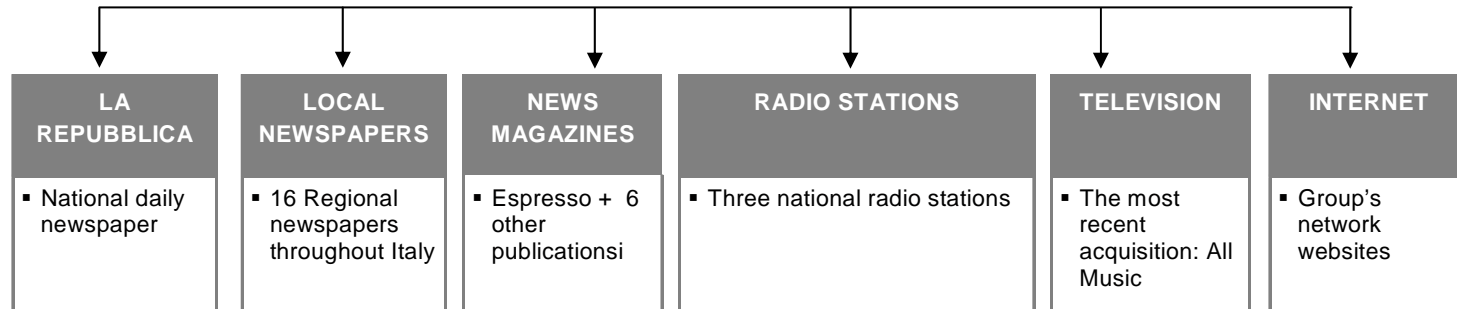
Sorgenia Group - Targets

	<u>2006</u>	<u>2010E</u>	<u>Financial Ratios</u>	<u>2010E</u>
Revenues	1,916	3,000	Net Financial Debt /EBITDA	2.8
EBITDA	120	500	EBITDA/ Total Interest Charges	6.2
Net Financial Debt	602	1,400	Debt/Net Equity	1.1
Investments 2007-2010	1,800			



Figures in EURm. Tirreno Power consolidated at Equity

(*) Figures reported in accordance with the valuation criteria established by IAS/IFRS principles



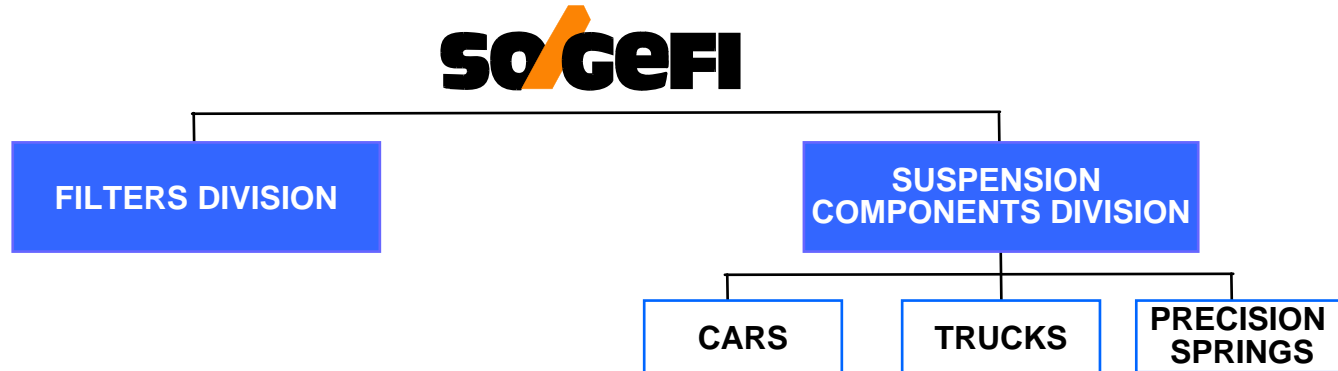
- The only Italian company capable of proposing to advertising clients a multimedia portfolio of titles (daily newspapers, magazines, the Internet, radio, analog and digital TV) leaders in the reference markets
- In 3Q 2007 increase in advertising revenues (+8.3%) and positive contribution of add-ons
- Focus on fixed cost efficiency
- On going development of the multimedia platform strategy

Espresso 9M 07 results: increase in advertising revenues (+7.4%)

9 Months Results

€ m	9M 06	9M 07
Revenues	814.1	797.1
EBITDA	145.2	155.3
Net income	65.6	57.1
Net financial indebtedness <i>(end of period)</i>	(262.7) ⁽¹⁾	(266.2)

(1) 31 December 2006

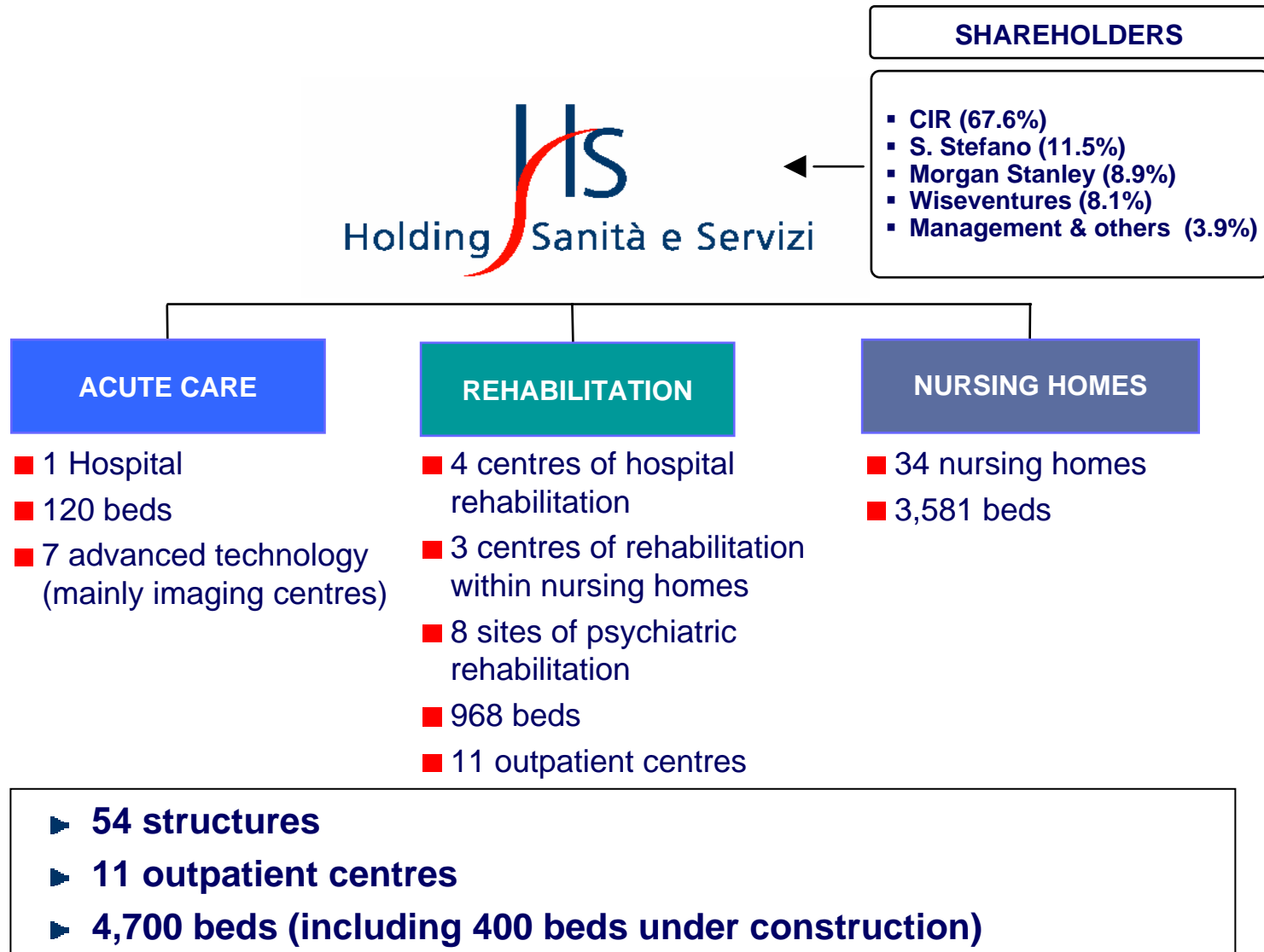


- New business expansion both in Asian and North American markets
- Average annual growth is expected to top 4% over the next four years
- Targeting external growth

9 Months Results

€ m	9M 06	9M 07
Revenues	765.5	797.4
EBITDA	102.8	106.8
Net income	39.3	41.9
Net financial indebtedness <i>(end of period)</i>	(126.3) ⁽¹⁾	(102.8)

(1) 31 December 2006

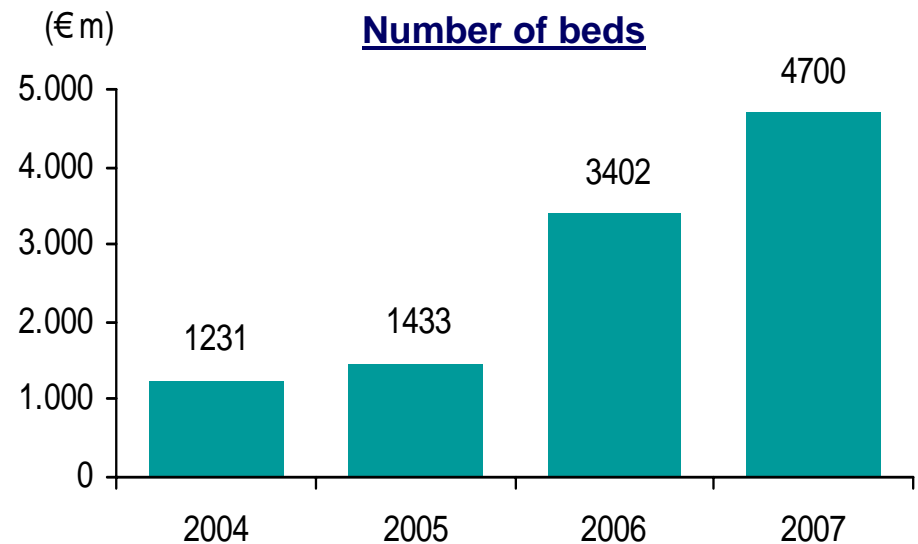
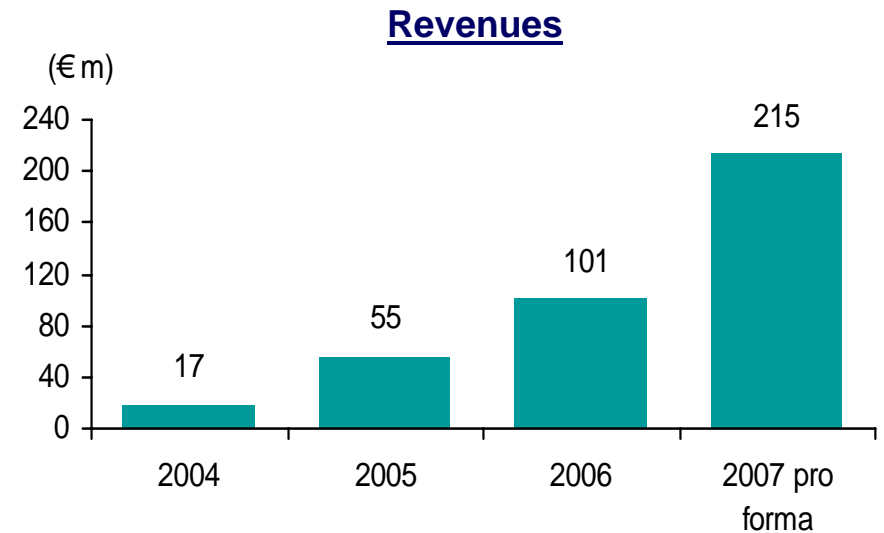


- **To create a national group:** the goal of HSS is to develop a widespread presence throughout the country, in the most attractive Italian regions
- **To develop a brand:** the development of HSS involves the creation of a brand throughout the country, highly recognizable for its high level of service, strong ethical commitment and clear patient focusing of the organisation
- **To attract the best professionals**
- **To develop a balanced mix of services** across the whole spectrum of healthcare products
- **To equate efficiency with quality of service provided,** focusing investments on management activities (which means aligning the profitability objectives of our shareholders with the demand for quality and reliability coming from our clients)

Pay Off: People serving people

- **Acquisitions** of structures or private chains already operating (acquisition of 100% or JVs with control with local entrepreneurs)
- Acquisition and **turn around** of poorly managed healthcare organizations
- Participation in tenders for **investing and managing sector specific services** (advanced technology, radiology, etc.) in public sector healthcare or social welfare organizations
- **Greenfield initiatives** with or without local partners

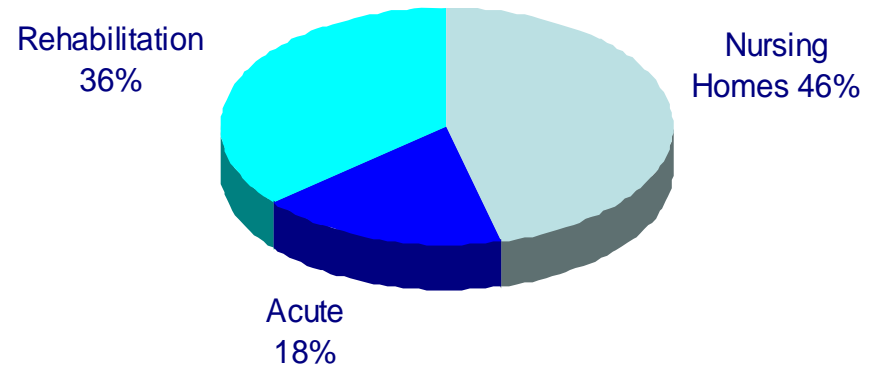
- In the last 3 years revenues and number of beds under management more than tripled thanks to acquisitions
- In 2007 the total number of beds reached 4700 units of which 4,300 are operating and 400 are under construction



- Thanks to S. Stefano acquisition, rehabilitation services can count approx. on 1,000 beds representing more than one third of total revenues

Revenues by Type of Business

100% = € 215m (revenues 2007 pro forma)



9 Months Results

€ m	9M 06	9M 07
Revenues	64.6	125.6
EBITDA	2.9	14.9
Net income (loss)	(2.3)	(0.2)
Net financial indebtedness <i>(end of period)</i>	(110.7) ⁽¹⁾	(142.8)

(1) 31 December 2006

- **April 19 2007:** two funds managed by Morgan Stanley subscribed a capital increase in HSS for an amount of € 16.3 million, thus acquiring a total stake of 10% in the capital of the company
- **May 28 2007:** HSS sold real estate properties to RAS Immobiliare (a company of the Allianz Group) for a total of €50 million. With this sale and lease-back transaction Anni Azzurri will be the lessee of the properties, thus maintaining the buildings as nursing homes providing residential care for the elderly
- **July 2007:** acquisition of 100% of S. Stefano Group. Leader for the Marche region in rehabilitation both in hospital and outside hospital. The total enterprise value of the deal is approx: €100 million, while its equity value is around €62 million, funded with own resources and bank debt. As part of this transaction the current shareholders of S. Stefano Group subscribed a capital increase in HSS for an amount of €21.1 million equal to a stake of 11.5% in HSS
- Thanks to this acquisition **HSS** will reach a **total annual turnover** of € **215** million with a total of **4,700** beds

- Non-performing loans sector is characterized by strong discontinuity and by rule changes (Basilea2 and IFRS) which may imply attractive business opportunity
- Recent financial market evolutions (i.e. raising interest rates, credit crunch) will additionally increase the flow of NPLs, both on the consumer and corporate sectors.
- Jupiter Finance aspires to be a leading player in Italy and selected central-south European countries with high growth opportunities.
- As of 30 September 2007 Jupiter Finance has acquired NPLs for €800 million in face value, with an investment of about €75 million: 80% of volumes were generated in Italy and 20% abroad.
- Jupiter Finance's portfolio is characterized by very high diversification in terms of geographical distribution, asset class and debtors (over 60,000 names).
- Collections on the acquired portfolios are ahead of business plans

- The business model is characterized by deep specialization by asset class: different origination and valuation teams, dedicated collection strategies and operations, modular financial structure.
- Different origination and valuation teams: Jupiter is investing heavily on the human capital, attracting talents from various industries with strong analytical background and proven track record.
- Dedicated collections strategies and operations: Jupiter is building solid partnerships with top collection companies, according to their specific skills and experience on corporate unsecured, retail unsecured and secured NPLs.
- Modular financial structure: Jupiter is financing the acquisition of new NPLs through an innovative securitization structure. This structure allows for the issuing of different senior notes on the various asset classes, thus tailoring the debt level on the specific risk profile.

- CIR has invested, in a joint-control partnership with Merrill Lynch, in **Oakwood Global Finance**, a company specialized on acquiring and developing specialty finance businesses internationally
- CIR investment to date is € 120.3m, with a commitment to invest another 33.5m over a 5 years horizon
- Oakwood specializes in the creation, acquisition and management of retail financing companies focusing on the non-conforming or near-prime borrowing sector, i.e. on borrowers who do not meet the traditional criteria for obtaining mortgages, consumer credit, vehicle loans and leasing solutions
- In the first half 2007 Oakwood reported a consolidated net loss of € 1.6 million due to the start up phase of some of its subsidiaries

- **Oakwood** currently operates in the Australian, British and Italian markets through five companies:
 - ▶ **Pepper** – founded in 2001 based in Australia operates in the area of “sub-prime” mortgages. 1H 2007 volumes: 505 million Australian dollars. In the year 2006 volumes were 642 million A\$
 - ▶ **Edeus** – launched in October 2006 and based in UK, specializes in offering “near-prime” residential mortgages. 1H 2007 volumes: £ 950 million
 - ▶ **Blue Motor Finance** – acquired in December 2005, based in UK, originates non-conforming auto loans. 1H 2007 volumes: £ 34 million (17 million in the first 8 months of 2006)
 - ▶ **Ktesios** – acquired during 2006, is based in Italy and specializes in salary-secured personal loans. 1H 2007 volumes: € 368 million (€ 165 in 1Q 2007)



www.cirgroup.it

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