Results and Strategy

Compagnie Industriali Riunite

May 2007

Increase of total subsidiaries portion to the Group shareholders' equity

Consolidated Financial Structure

€ m

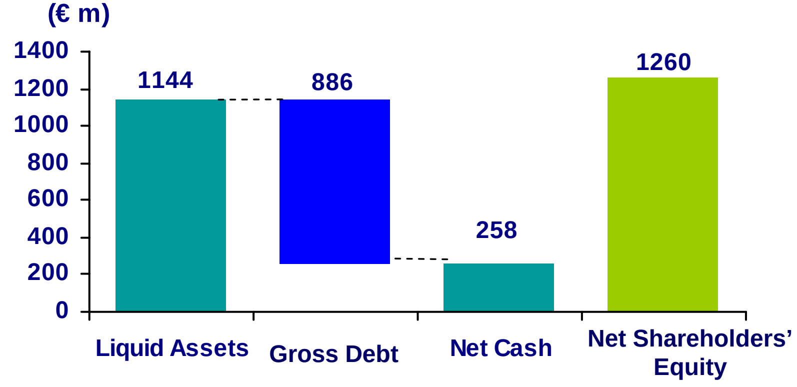
Shareholders' equity - Group	31 Dec. 2006	31 Mar. 2007
Sorgenia	251.8	262.5
Espresso	293.7	304.6
Sogefi	163.3	171.2
HSS	54.2	53.8
Other investments	43.4	53.4
Total subsidiaries	**806.4**	**845.5**
CIR + CIR INTERNATIONAL		
Fixed assets	103.0	106.6
Private equity	93.8	103.1
Investment in Oakwood	13.5	109.0
Other non-current assets, net	(14.7)	(10.2)
Net cash	**258.2**	**138.4**
Consolidated Shareholders' equity	**1,260.2**	**1,292.4**

Net cash at "holding system" level

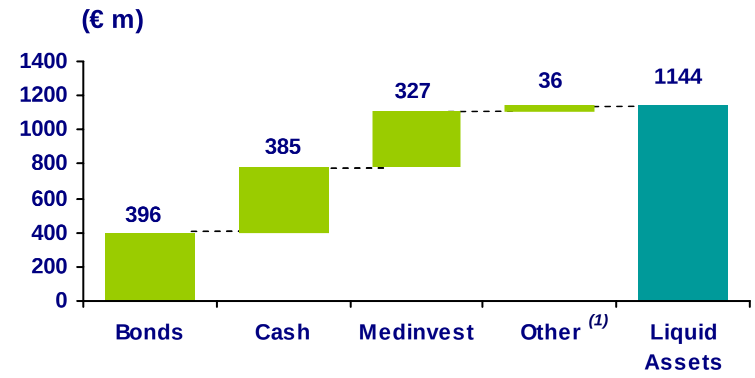
- 2006 financial expenses from bond issues amount to € 45.9 m (equal to an average rate of 5.3%)
- 2006 financial income from liquid assets (excluding Medinvest) amounts to € 24.8 m (equal to a return of approx. 3.1%)
- The 2006 "unrealized" portion of Medinvest return is € 32.2 m

Net Cash and Net Shareholders' Equity

As of 31 December 2006



Liquid Assets as of 31 December 2006



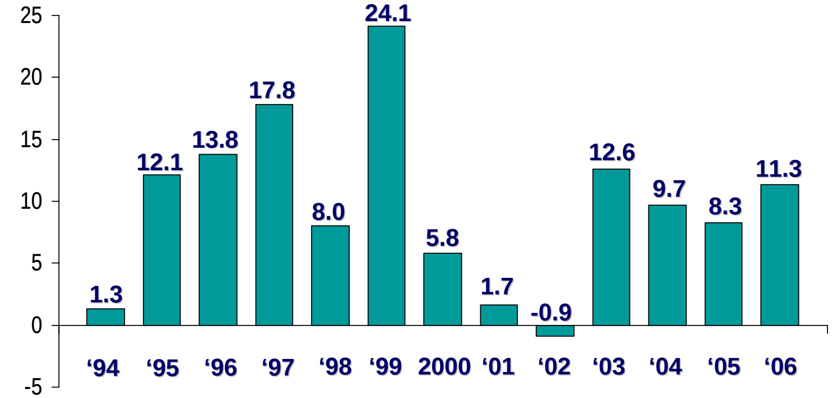
(1) Of which marketable securities = € 9.3 million; investment funds = € 5.1 million;

Medinvest: performance in US$ since inception

- 2006 performance : + 11.3%
- CAGR since 1994 (inception): + 9.7%
- March 2007 YTD increase: + 3.05%
- Average annual volatility since 1994: 5.4%

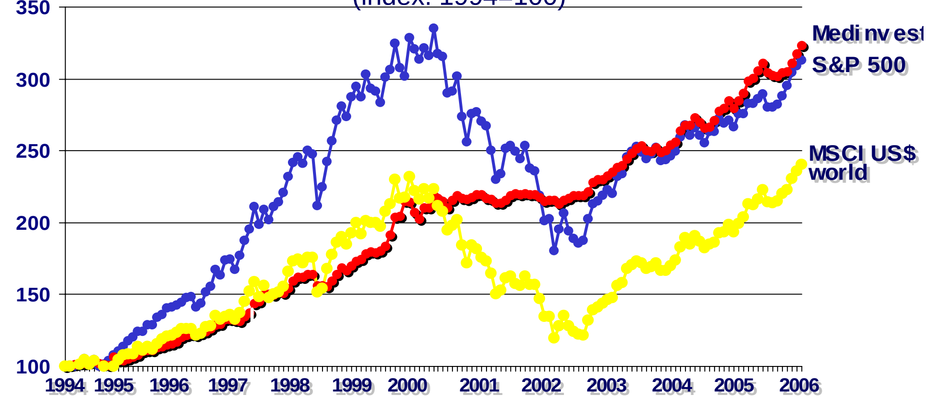
Historical Performance per Year*

(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 Plc as of 1 May 2001

Last year increase of net invested capital: + 24%

Consolidated Net Financial Indebtedness

€ m	31 Dec. 2006	31 Mar. 2007
CIR + Cir International	258.2	138.4
Sorgenia Group	(596.9)	(558.6)
Espresso Group	(262.7)	(218.3)
Sogefi Group	(126.3)	(124.5)
HSS Group	(110.7)	(108.1)
Other subsidiaries	(12.2)	(17.4)
Consolidated net financial indebtedness	**(850.6)**	**(888.5)**
Total shareholders' equity	**1,979.9**	**2,024.4**
Consolidated net invested capital	**2,830.5**	**2,912.9**

2006 contributions from operating subsidiaries:+6.6%

Consolidated Income Statement

€ m	2005	2006
Sorgenia Group	16.8	33.1
Espresso Group	59.1	54.1
Sogefi Group	26.3	29.7
HSS Group	(1.1)	(3.8)
Other subsidiaries	3.6	(1.5)
Total operating subsidiaries	**104.7**	**111.6**
Other financial companies	16.2	15.0
Total contributions from subsidiaries	**120.9**	**126.6**
Cir+Cir International result	(17.1)	(25.5)
Non-recurrent components	(16.1)	--
Net income	**87.7**	**101.1**

Compagnie Industriale Riunite

1Q contributions from operating subsidiaries: + 37,9%

Consolidated Income Statement

€ m	1Q 2006	1Q 2007
Sorgenia Group	(2.3)	10.5
Espresso Group	13.5	7.1
Sogefi Group	6.8	7.4
HSS Group	--	(0.5)
Other subsidiaries	(0.3)	(0,1)
Total operating subsidiaries	**17.7**	**24.4**
Other financial companies	1.3	8.9
Total contributions from subsidiaries	**19.0**	**33.3**
Cir+Cir International result	(8.1)	(5.0)
Non-recurrent components	--	--
Net income	**10.9**	**28.3**

Last 10 years Cir average total return: + 20.2%

CIR stock performance

(December 1996-December 2006)

	Year + %	*c.a.g.r.* 1996/2006
CIR		+ 20.2%
DJ Euro		+ 8.3%
MIBTEL		+ 14.6%

Source: Bloomberg

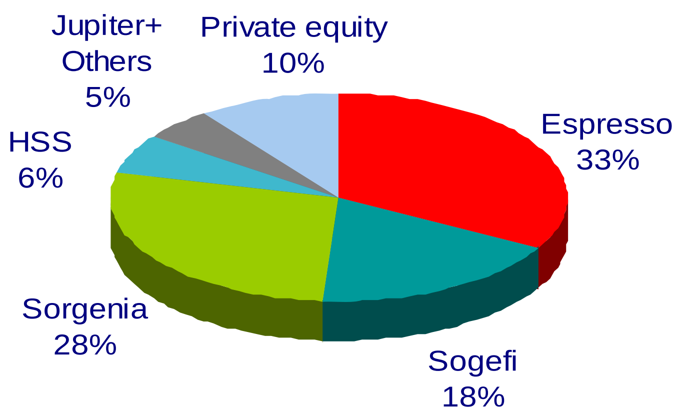
Our strategy

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

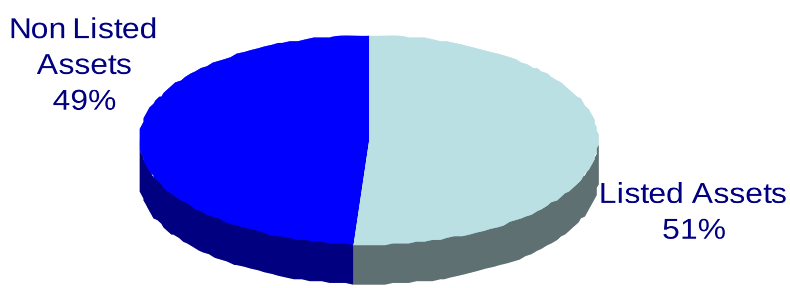
Diversified investment portfolio

- Diversification into high quality, non correlated businesses
- Non listed assets have now reached 49% of total investments
- Relative weight of Sorgenia and HSS set to increase further

<u>Total Investments *(1)*</u>



<u>Listed vs.non listed</u>



(1) !00% = Total subsidiaries+private equity (€ 900.2) book value as at 31 Dec. 2006

Group operating structure

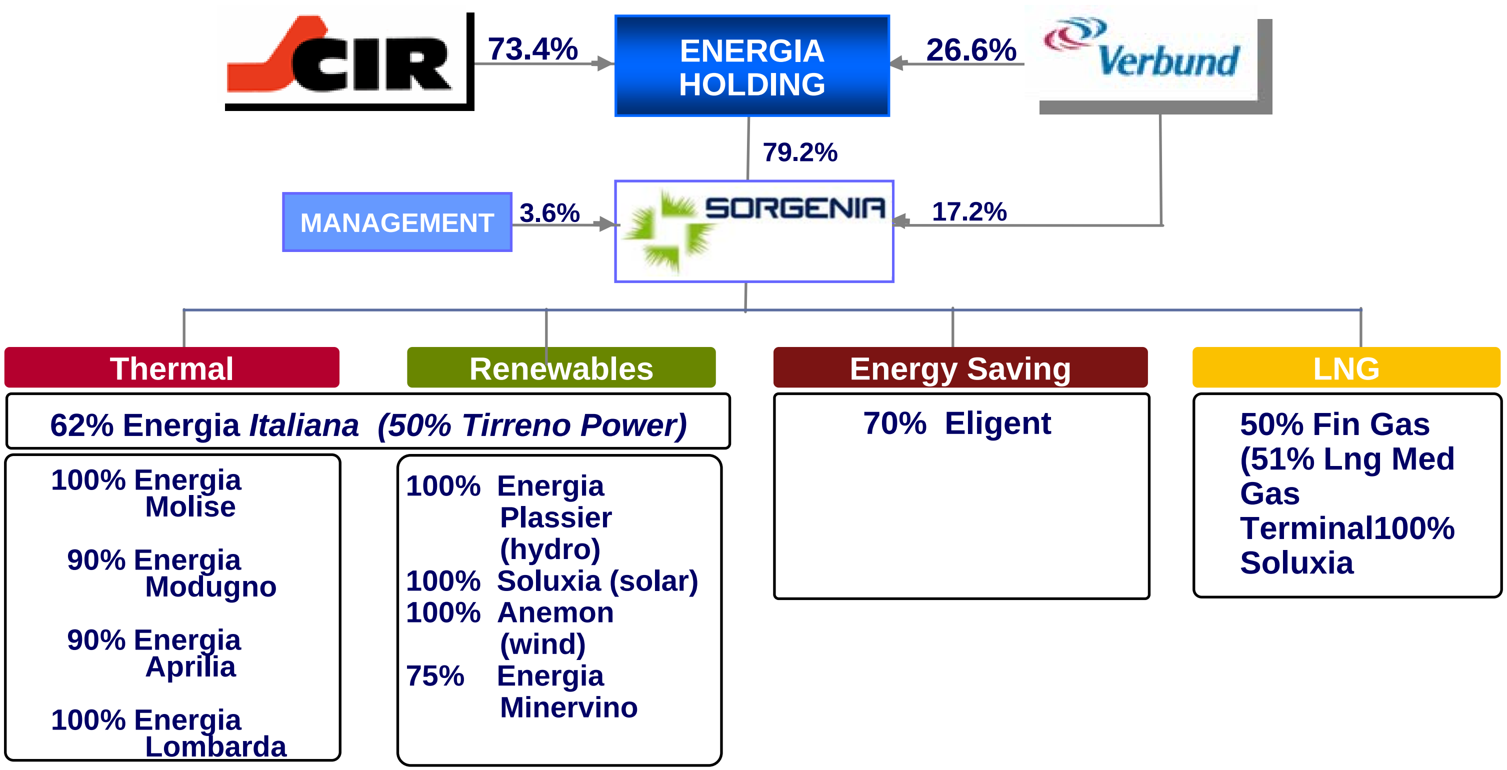
CIR

Operating Subsidiaries

SORGENIA	Gruppo Editoriale L'Espresso Spa	SOGEFI	HSS Holding Sanità e Servizi	JUPITER FINANCE
Sales 2006 € 1.9 Bln	Sales 2006 € 1.1Bln	Sales 2006 € 1.0 Bln	Sales 2006 € 99m	Oakwood Financial Services Ltd
UTILITIES	MEDIA	AUTOMOTIVE COMPONENTS	HEALTHCARE	FINANCIAL SERVICES
Electricity & Gas trading	Newspaper Publishing	Filtration Systems	Residential nursing homes	Non performing loans
Energy Management	Magazine Publishing	Suspensions	Psychiatric services	Specialty finance
Power production	Radio Broadcasting		Rehabilitation	
Power Saving	Television Broadcasting		Hospitals	
Engineering & Maintenance	Internet			

Compagnie Industriali Riunite

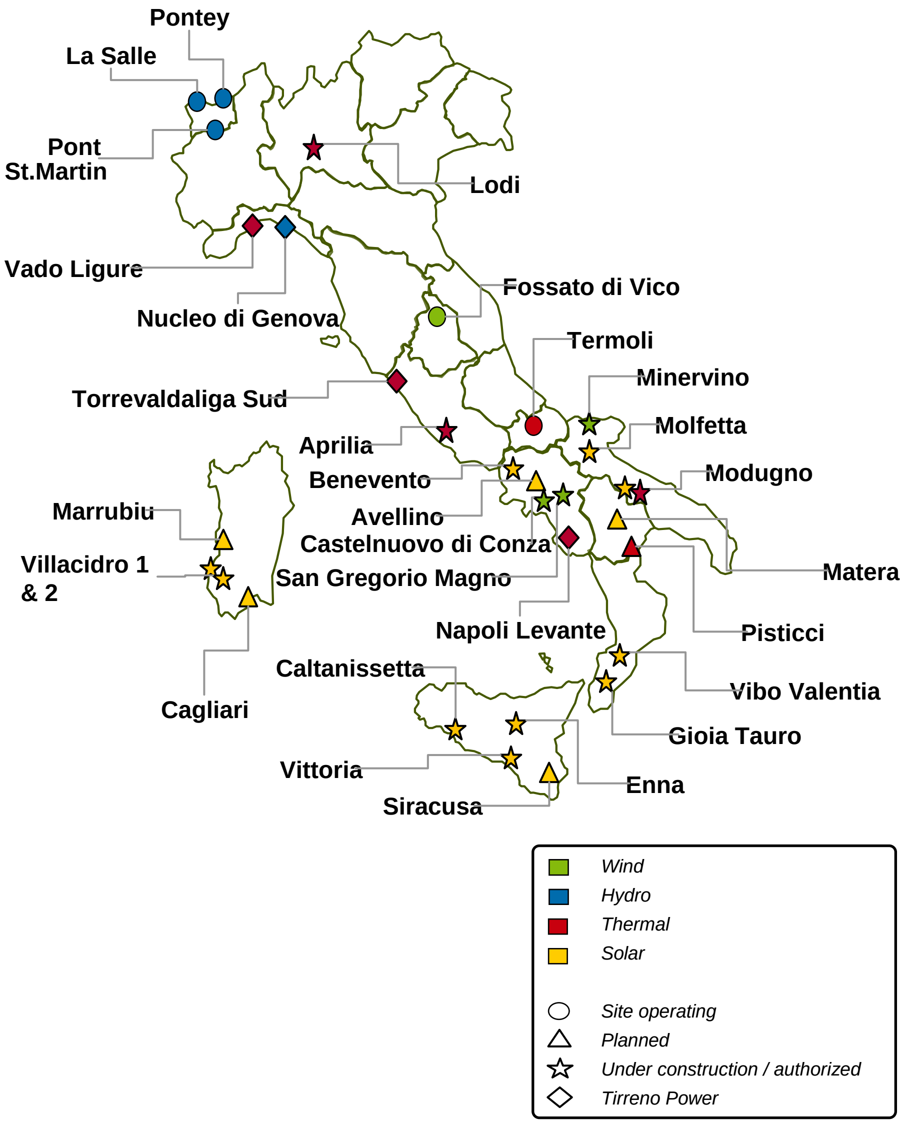
Sorgenia: operating structure



- 150,000 customers of which 500 in the natural gas sector (Dec. 2006)
- Electricity volumes: over 10 TWh, gas volumes: 2BcM (2006)
- Sorgenia continues to diversify its product range which has now been extended to the small and medium companies.
- 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

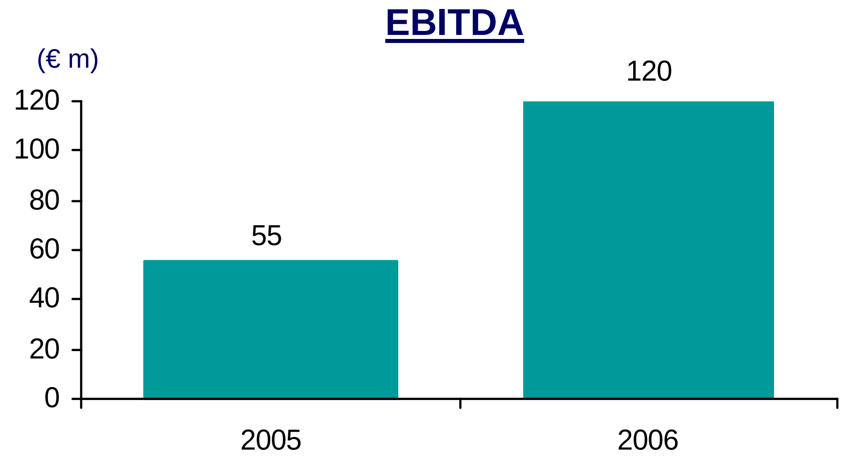
Sorgenia assets

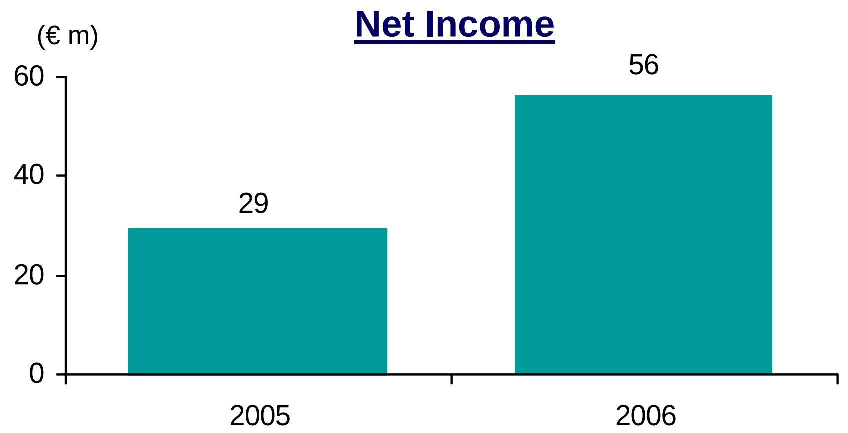
- Tirreno Power: 50% controlled by Energia Italiana, repowering plan in progress
- CCGT power plants:
  - Termoli plant (770 MW) on stream
  - Modugno plant (800 MW) under construction
  - Lodi and Aprilia CCGT plants fully authorized
- Development of 450MW of wind farms and 22 MW of solar plants (Large Solar Power Plants)



Sorgenia: strong rise in profitability in 2006

- The strong growth in 2006 EBITDA was positively impacted by the sale of the electricity produced by the Termoli plant and to the contribution of the new combined cycles of the subsidiary Tirreno Power at Torrevaldaliga

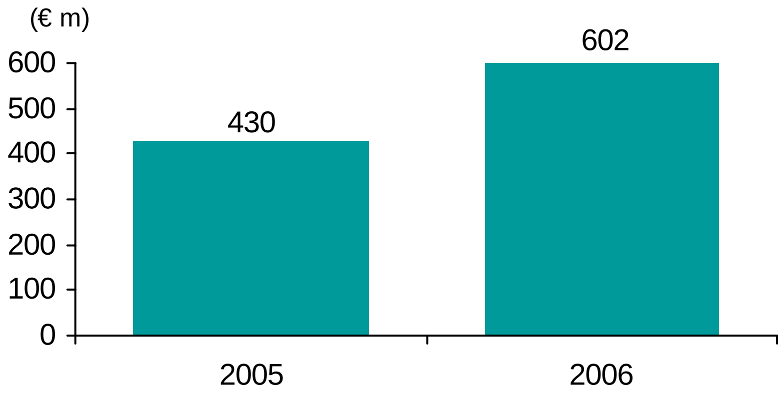




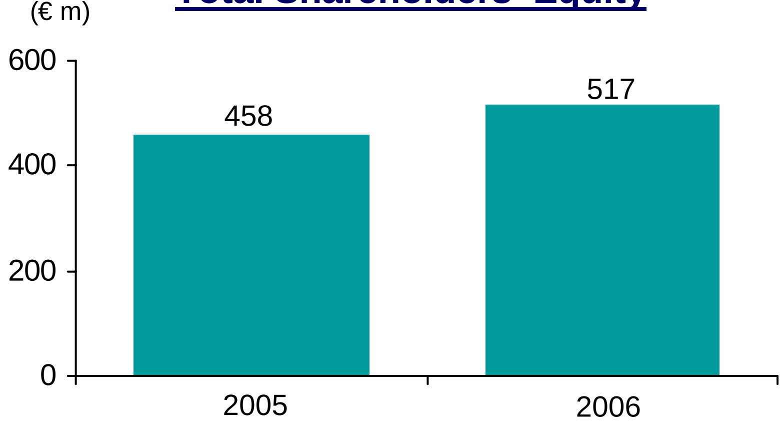
Sorgenia: increase of capex as for investment plan

- 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

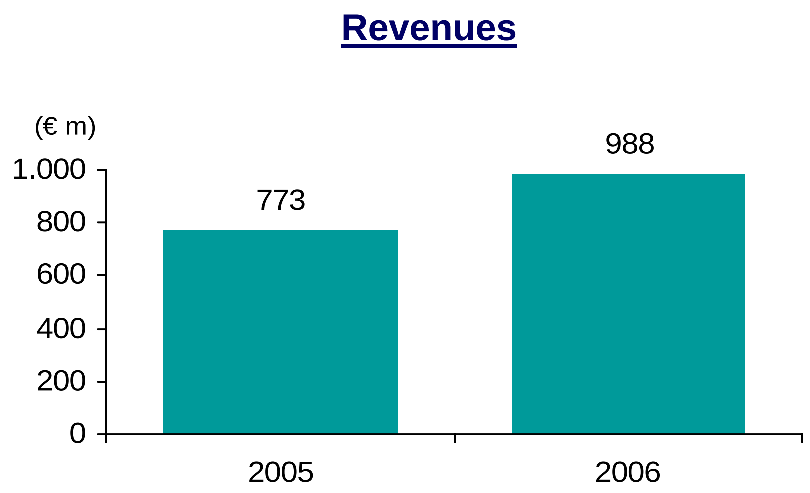


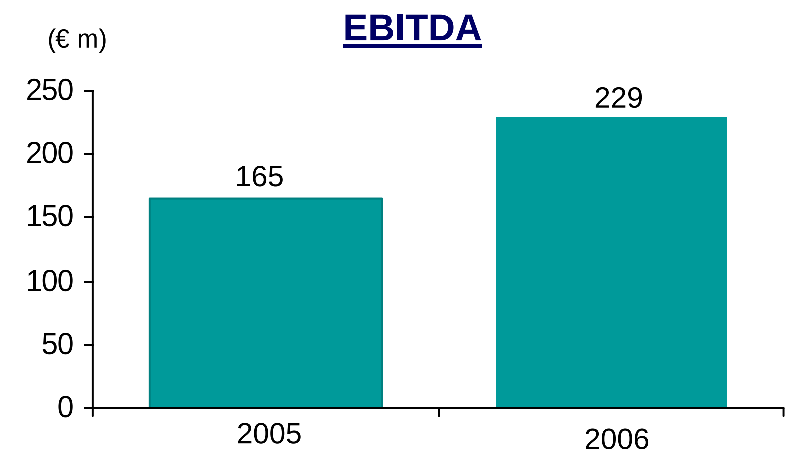
Total Shareholders' Equity



Tirreno Power: growing results

- The repowering of the Napoli Levante site has begun and this involves the construction of a new 380 MW combined cycle plant due to start operations in 2008
- Vado Ligure:
  - Conversion of a section of the Vado Ligure power station to a 760 MW combined cycle plant is proceeding
  - A new industrial reorganization program involving a substantial reduction in emissions and the construction of a new coal-fired 460 MW unit





Sorgenia: increasing volumes and margins

First Quarter Results

€ m	1Q 06	1Q 07
Revenues	454.5	505.9
EBITDA	(1.2)	41.3
Net income	(3.9)	18.1
Net financial indebtedness *(end of period)*	(601.9)[1]	(563.6)

(1) 31 December 2006

Sorgenia Group – Strategic Objectives

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)

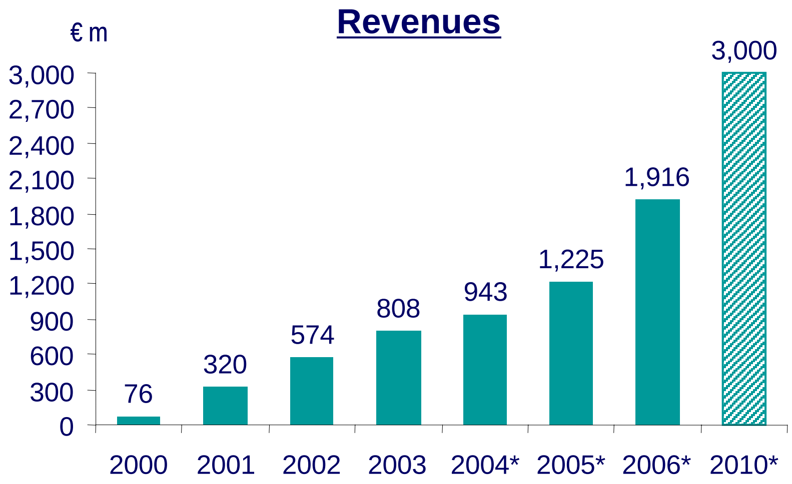
Reach a target capacity of more than 4.6 GW (*)

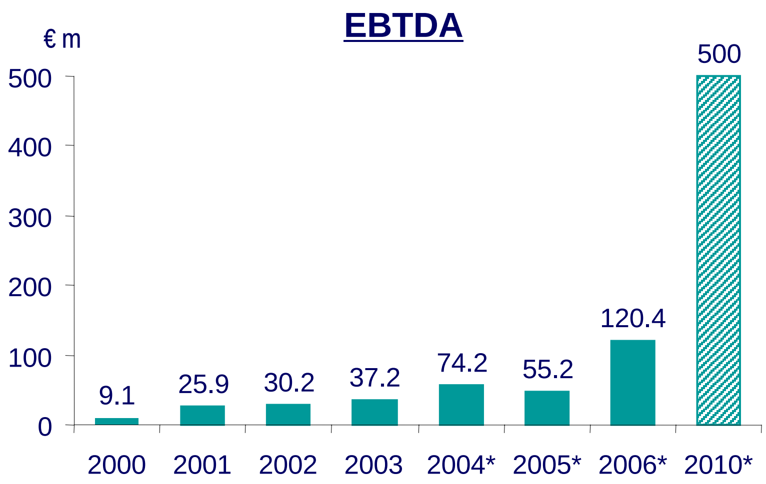
(*) Including Tirreno Power pro-quota

Sorgenia Group - Targets

	2006	2010E
Revenues	1,916	3,000
EBITDA	120	500
Net Financial Debt	602	1,400
Investments 2007-2010	1,813	

Financial Ratios	2010E
Net Financial Debt /EBITDA	2.8
EBITDA/ Total Interest Charges	6.2
Debt/Net Equity	1.1





Figures in EURm. Tirreno Power consolidated at Equity
(*) Figures reported in accordance with the valuation criteria established by IAS/IFRS principles

Compagnie Industriali Riunite

Espresso: operating structure

Gruppo Editoriale L'Espresso Spa

LA REPUBBLICA	LOCAL NEWSPAPERS	NEWS MAGAZINES	RADIO STATIONS	TELEVISION	INTERNET
▪ National daily newspaper	▪ 16 Regional newspapers throughout Italy	▪ Espresso + 6 other publicationsi	▪ Three national radio stations	▪ The most recent acquisition: All Music	▪ Group's network websites

- 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
- Increase in advertising revenues and reduction of profits from adds-on are expected in 2007
- Focus on fixed cost efficiency
- On going development of the multimedia platform strategy

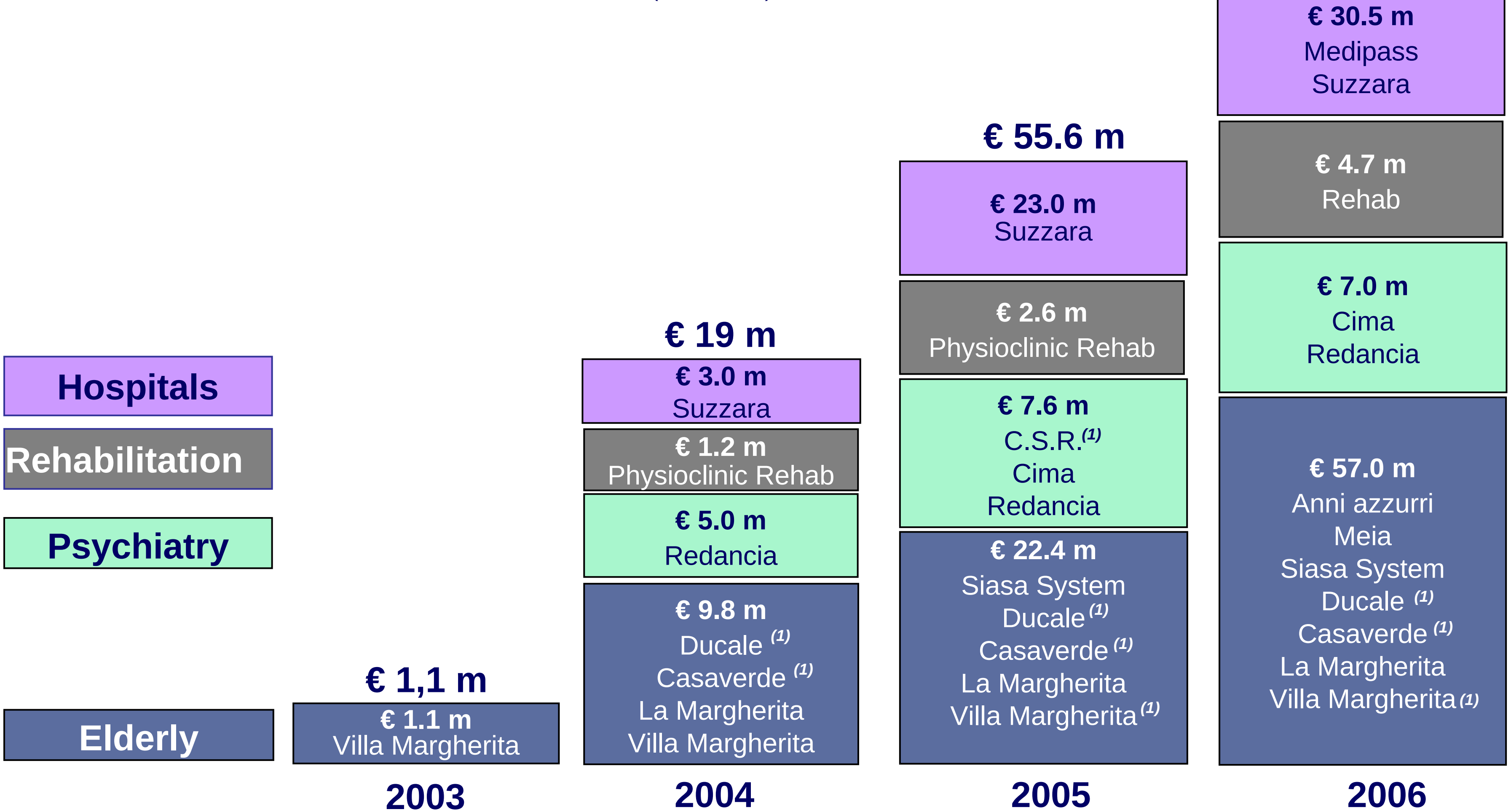
Sogefi: operating structure

- SOGEFI
  - FILTERS DIVISION
  - SUSPENSION COMPONENTS DIVISION
    - CARS
    - TRUCKS
    - PRECISION SPRINGS

- 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

HSS: increasing revenues

Revenues by business area
(2003-2006)



(1) This company was merged into another group company after the acquisition

The aims of HSS

- **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

HSS- the growth model

- **Acquisitions** of structures or private chains already operating (acquisition of 100% or JVs with control)
- Acquisition and **turn around** of poorly managed healthcare organizations
- **Participation in public tenders** for concessions to restructure and/or fully manage
- 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

HSS: economic and financial plan (with current group configuration)

Key figures

€ m	2004	2005	2006	2009 Plan
Beds	1,310	1,440	3,760	**3,760**
Revenues	19	53.8	99.2	**177**
EBITDA	(3.9)	0.4	6.4	**27**
EBITDA %	-20%	1%	6%	**15%**
Net income	(3.7)	(1.4)	(4.4)	6
Net income %	-19%	-3%	-4%	3%
Net financial indebtedness	(5.1)	4.2	(110.7)	(57)

HSS: increasing revenues and EBITDA

First Quarter Results

€ m	1Q 06	1Q 07
Revenues	15.4	35.0
EBITDA	0.7	4.2
Net income	0.0	(0.6)
Net financial indebtedness *(end of period)*	(110.7)[1]	(108.1)

(1) 31 December 2006

Jupiter Finance: company profile

- Non-performing loans sector is characterized by strong discontinuity and by rule changes (Basilea2 and IFRS) which may imply attractive business opportunity
- The Italian financial institutions market is estimated of approx. €55 billion of which €15-20 billion represented by non-performing loans of medium size banks
- Jupiter Finance is targeting the “mid market”: NPL portfolios generally ranging from € 10-100 million, originated by local banks and financial institutions
- As at 31 March 2007 Jupiter Finance has acquired about €480 million of NPL (face value) for a price of about € 55 million
- Collections on the acquired portfolios are ahead of business plans

Jupiter Finance: company profile

- 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.

Oakwood Financial Investments: company profile

- CIR has invested, in a joint-control partnership with Merrill Lynch, in **Oakwood Financial Investments**, a company specialized on acquiring and developing specialty finance businesses internationally
- CIR investment to date is € 100m, with a commitment to invest another 50m over a 5 years horizon
- Oakwood specializes in the creation, acquisition and management of retail financing companies focusing on the non-conforming or non-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 quarter 2007 Oakwood reported a consolidated net loss of € 3 million due to the start up phase of some of its subsidiaries

Oakwood Financial Investments: struttura operativa

- **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. 1Q 2007 volumes: 231 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. 1Q 2007 volumes: £ 530 million (£ 350 million in 4Q 2006)
  - **Blue Motor Finance** – acquired in December 2005, based in UK, originates non-conforming auto loans. 1Q 2007 volumes: £ 13 million (17 million in the first 8 months of 2006)
  - **One World Leasing** – set up in 2003, based in UK, originates small ticket leases. 1Q 2007 volumes: £ 17 million (13 million in 4Q 2006)
  - **Ktesios** – acquired during 2006, is based in Italy and specializes in salary-secured personal loans. 1Q 2007 volumes: € 165 million (€ 155 in 4Q 2006)

www.cirgroup.it

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