Results and Strategy

Compagnie Industriali Riunite

November 2006

Compagnie Industriali Riunite

Increase of total equity contributions

Consolidated Financial Structure

€ m

Equity contributions	31 Dec. 2005	30 Sept. 2006
Espresso	279.5	280.1
Sorgenia (1)	220.9	246.6
Sogefi	145.6	157.1
HSS	21.2	55.5
Other investments	27.6	24.1
Total equity contributions	**694.8**	**763.4**
CIR + CIR INTERNATIONAL		
Fixed assets	81.4	102.3
Private equity	58.3	80.7
Other non-current assets, net	(9.3)	(7.7)
Net cash	**359.8**	**269.2**
Total shareholders' equity	**1,185.0**	**1,207.9**

(1) Formerly ENERGIA

Net cash at "holding system" level

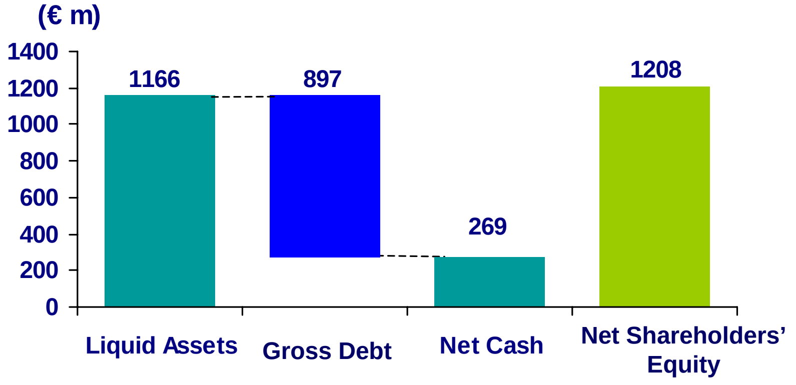
- 9M 2006 financial expenses from bond issues amount to € 32.6 m (equal to an average rate of 4.9%)

- 9M 2006 financial income from liquid assets (excluding Medinvest) amounts to € 18.4 m (equal to a return of approx. 2.9%)

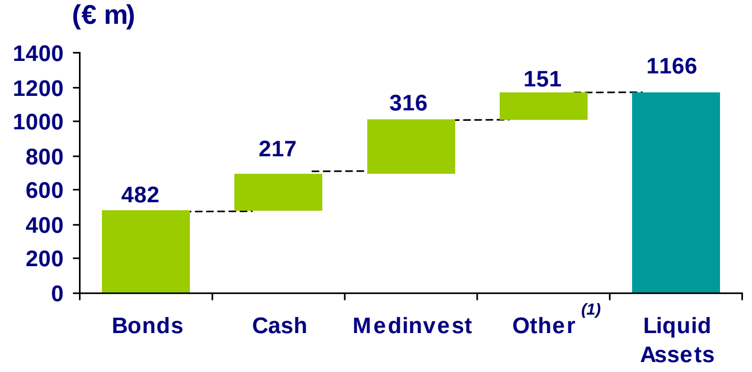
- The 9M 2006 "unrealized" portion of Medinvest return is € 12.2 m

Net Cash and Net Shareholders' Equity

As of 30 September 2006



Liquid Assets as of 30 September 2006



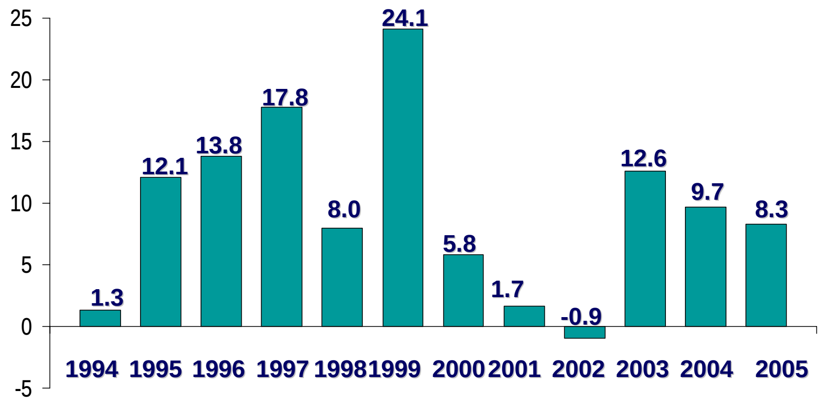
(1) *Of which marketable securities = € 5,9 million; investment funds = € 129,5 million;*

Medinvest: performance in US$ since inception

- 2005 Performance : + 8.3%
- CAGR since 1994 (inception): + 9.6%
- End of October 2006 YTD increase: + 7.0%
- Average annual volatility since 1994: 5.4%

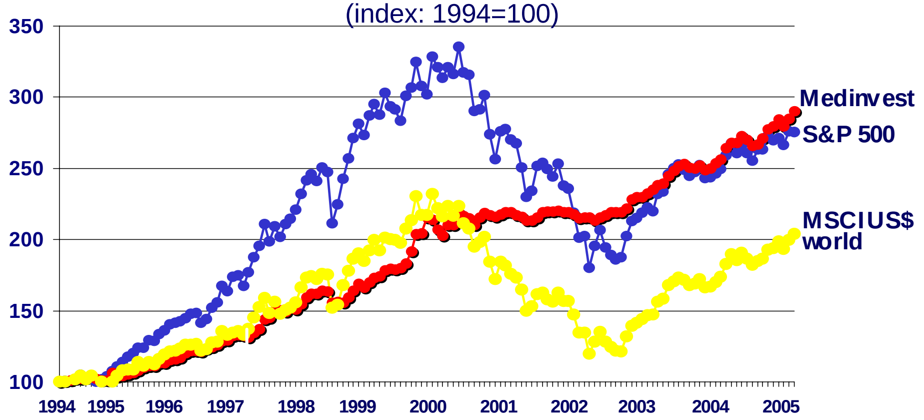
Historical Performance per Year*

(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*

Compagnie Industriali Riunite

Increase of net debt due to investments in Sorgenia and HSS

Consolidated Net Financial Indebtedness

€ m	31 Dec. 2005	30 Sept. 2006
CIR + Cir International	359.8	269.2
Espresso Group	(253.1)	(240.9)
Sorgenia Group	(424.5)	(545.0)
Sogefi Group	(167.2)	(144.1)
HSS Group	4.2	(142.6)
Other subsidiaries	15.6	0.9
Consolidated net financial indebtedness	**(465.2)**	**(802.5)**

Compagnie Industriali Riunite

9M contribution of operating groups: + 17.3%

Consolidated Income Statement

€ m	9M 2005	9M 2006
Espresso Group	33.4	34.2
Sorgenia Group	14.5	28.2
Sogefi Group	19.7	23.0
HSS Group	(0.4)	(2.0)
Other subsidiaries	3.3	(0.7)
Total operating subsidiaries	**70.5**	**82.7**
Other financial companies	5.4	14.5
Total contributions from subsidiaries	**75.9**	**97.2**
Cir+Cir International result	(21.4)	(19.7)
Net income	**54.5**	**77.5**

Compagnie Industriale Riunite

Growing dividend flows: c.a.g.r. + 12%

Dividend Sources

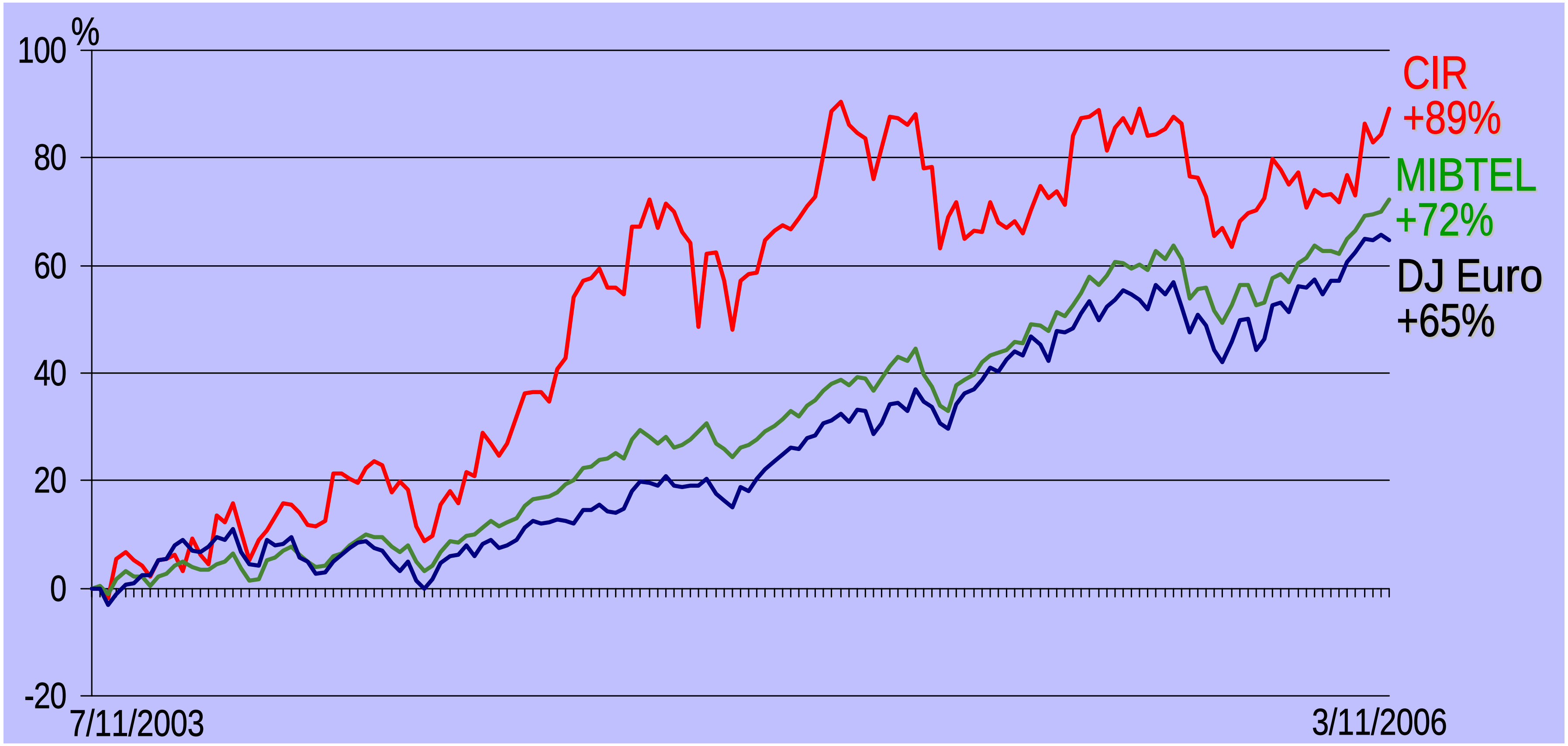
€ m	Espresso	Sogefi	Sorgenia	Cofidefin	Total
2001	19.9	8.1	1.5	--	29
2002	18.1	8.1	3.4	--	30
2003	21.7+ 50*(extraord.)*	8.5	3.6	--	84
2004	23.9	9.4	4.2	--	38
2005	28.4	10.4	0.0	3.9	43
2006	31.7	11.4	3.7	4.2	51

Compagnie Industriali Riunite

Last 3 years Cir total return: + 89%

CIR Stock Performance

(November 2003-November 2006)



Year + %	2004	2005	2006
CIR	+ 36.2%	+ 26.1%	+ 10.0%
DJ Euro	+ 11.4%	+ 20.5%	+ 22.7%
MIBTEL	+ 15.3%	+ 19.5%	+ 25.0%

Source: Bloomberg

Our strategy

1. To play the role of active shareholder in businesses with different economic cycles, where each company is managed by an independent management team
2. To start new initiatives where the main objective is to identify companies with high growth potential and to develop them in order to maximize the value creation for our shareholders
3. To diversify/concentrate our investment portfolio, having a target of achieving at least 10% of our NAV for each company

Our goals

- Increase of our NAV per share and reduction of the holding discount through value creation
- Growth in the value of our investments over the medium term
- Flexible use of buy backs

Group operating structure

Operating Subsidiaries

Gruppo Editoriale L'Espresso Spa	SOGEFI	SORGENIA	HSS Holding Sanità e Servizi
2005 Sales € 1,079.9m EBITDA € 222.2m	2005 Sales € 1,023.4m EBITDA € 126.9m	2005 Sales € 1,225.2m EBITDA € 55.1m	2005*(1)* Sales € 104m *(1)* EBITDA € 5.5m

MEDIA	AUTOMOTIVE COMPONENTS	UTILITIES	HEALTHCARE
Newspaper Publishing	Filtration Systems	Electricity & Gas	Residential nursing homes
Magazines Publishing	Suspensions	Energy Management	Psychiatric services
Radio Broadcasting		Technical Assistance	Rehabilitation
Television Broadcasting		Audit Services	Hospitals
Internet		Energy Outsourcing	

(1) Pro forma estimate including "Anni Azzurri"

Compagnie Industriali Riunite

Espresso: operating structure

Gruppo Editoriale L'Espresso Spa

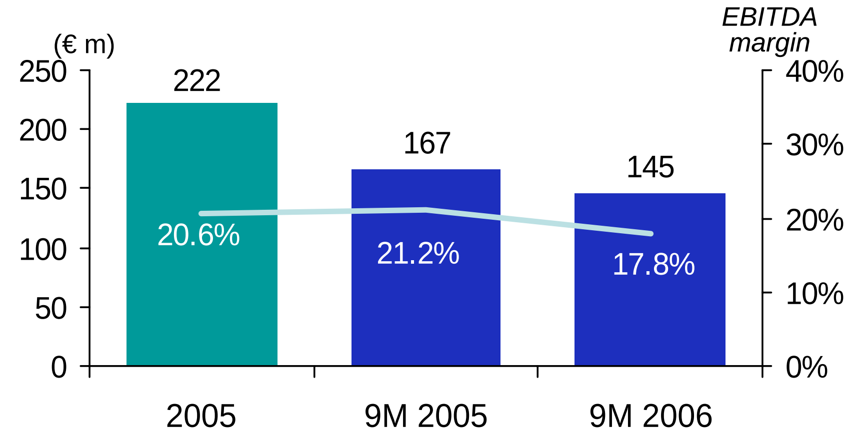
LA REPUBBLICA	LOCAL NEWSPAPERS	NEWS MAGAZINES	RADIO STATIONS	TELEVISION	INTERNET
▪ National daily newspaper	▪ 16 Regional newspapers throughout Italy	▪ Espresso + 6 other publicationsi	▪ Three national radio stations	▪ The most recent acquisition: All Music	▪ Group's network websites

- Leading Italian multi media Group
  - La Repubblica: N. 1 with over 3 million readers
  - Radio Deejay: absolute leadership in the week (13.7 millions listeners)
  - Repubblica.it: leading site for news in Italy: 6.9 million of monthly unique users; total group sites: 9.4 million users
  - 24 million copies of books, DVDs sold in 2005

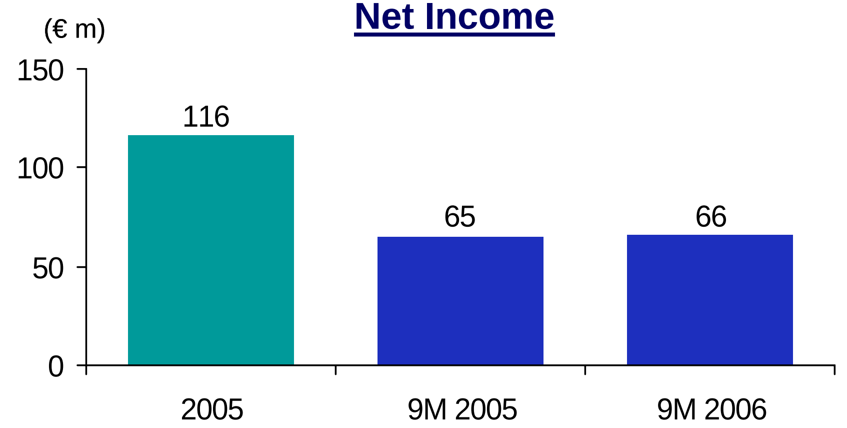
Espresso : light decrease in profitability

- In 9M 2006 the good trend of advertising sales and circulation has in fact only partly absorbed the reduced income from optional produtcs, the increased price of raw materials and labour cost, and the start up costs for *All Music*, *Repubblica TV* and *Metropoli*

EBITDA



Net Income

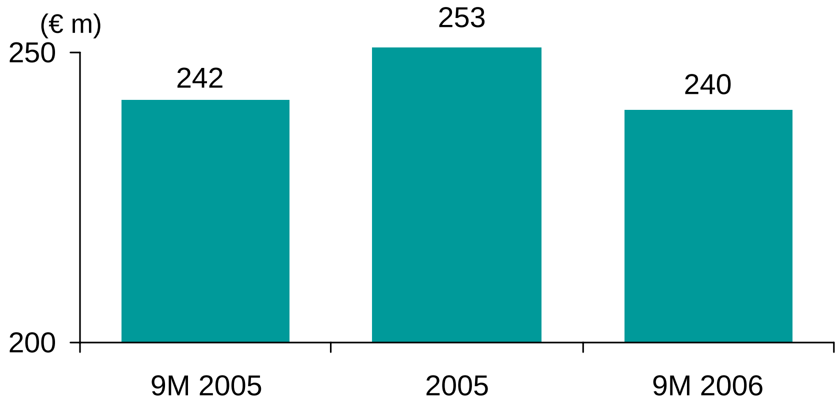


Compagnie Industriali Riunite

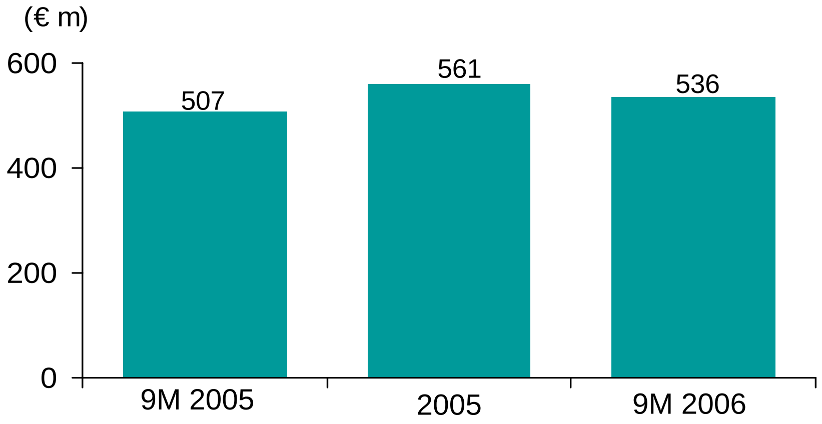
Espresso: evolution of net financial indebtedness

- In 9M 2006 the significant cash generation (€ 146.5m) has compensated cash outflows for the distribution of dividends to shareholders (€ 62.5 m), capital expenditure (€ 30.7 m), and the acquisition of treasury shares (€ 31.0 m)

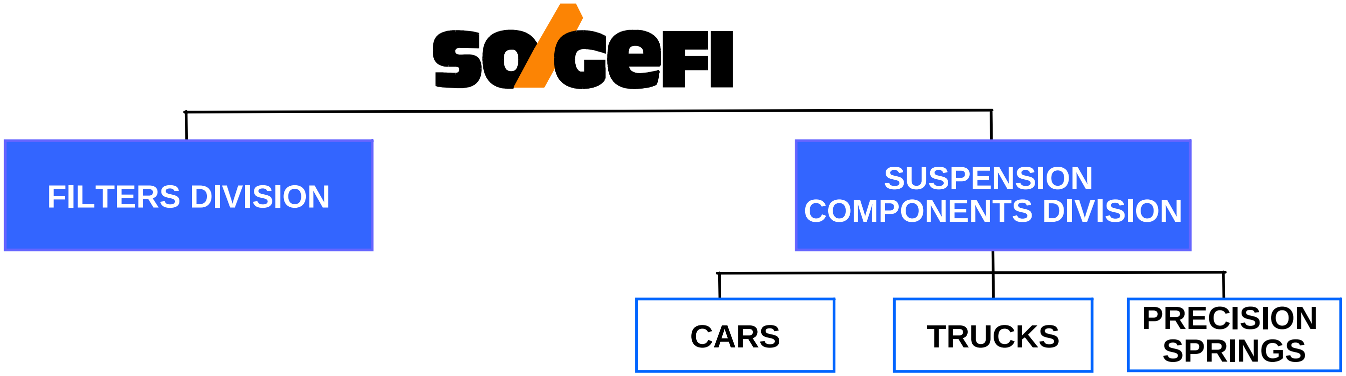
Net Financial Indebtedness



Total Shareholders' Equity



Sogefi: operating structure

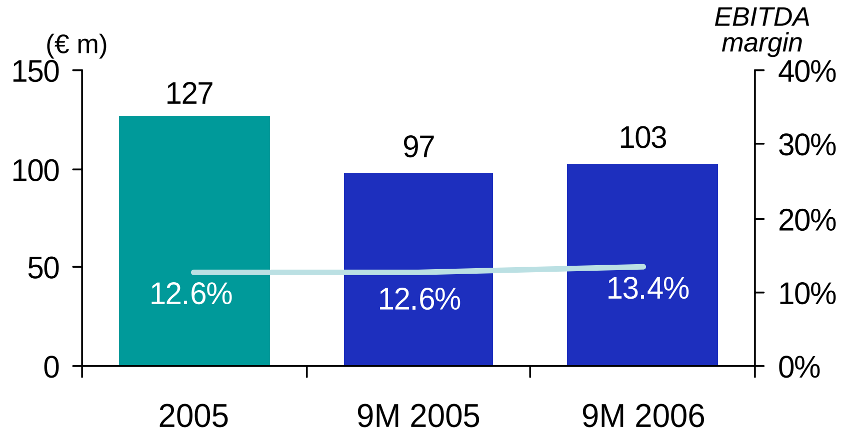


- World leading automotive components manufacturer active in the production of filters and suspensions
  - European leader in after- market filters
  - N. 2 in the world and N. 1 in Europe in suspensions
  - Balanced revenue mix by product and geography:
    - 51% / 49% filters / suspensions
    - 89% delivered outside of Italy

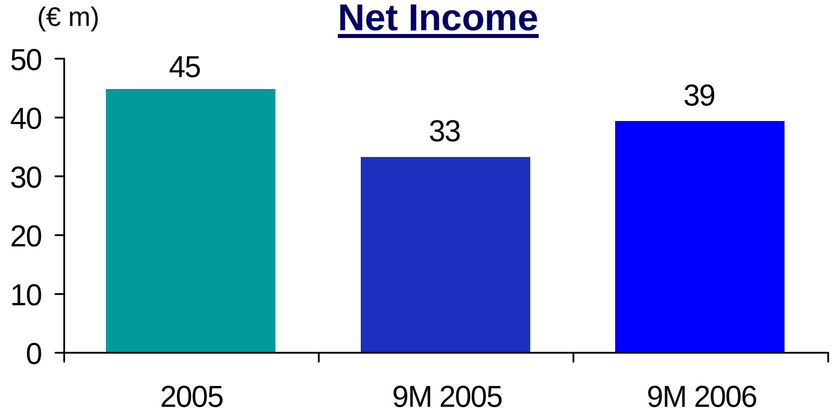
Sogefi: growing results

- In 9M 2006 significant increase in operating income and net income was achieved thanks to Sogefi capacity to continually improve efficiency, and to the favourable trend in the prices of certain raw materials

EBITDA



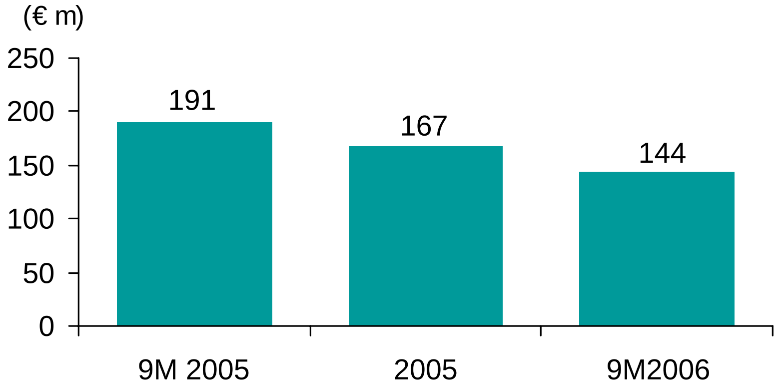
Net Income



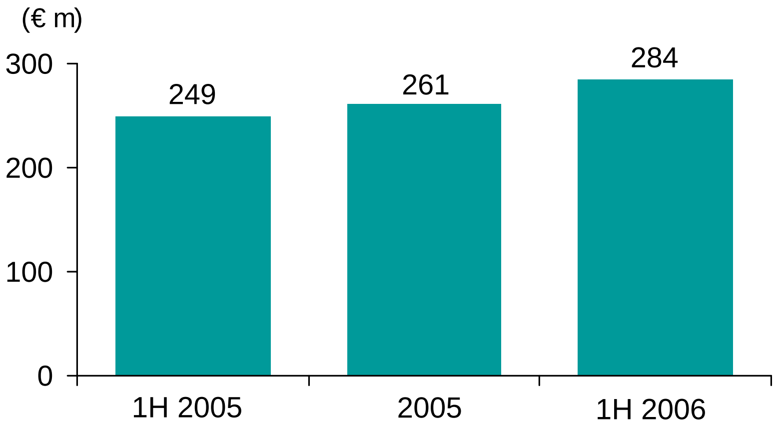
Sogefi: sharp reduction of financial indebtedness

- In 9M 2006 noticeable decrease of net financial indebtedness also through an effective action to reduce working capital

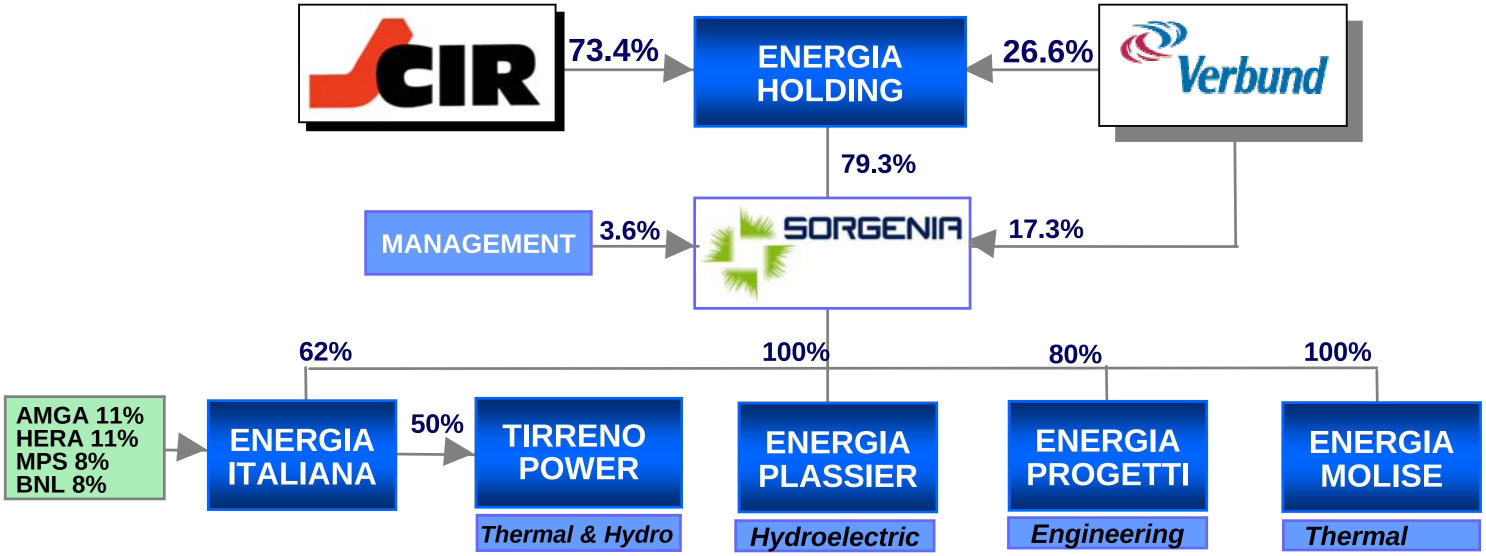
Net Financial Indebtedness



Total Shareholders' Equity



Sorgenia: operating structure



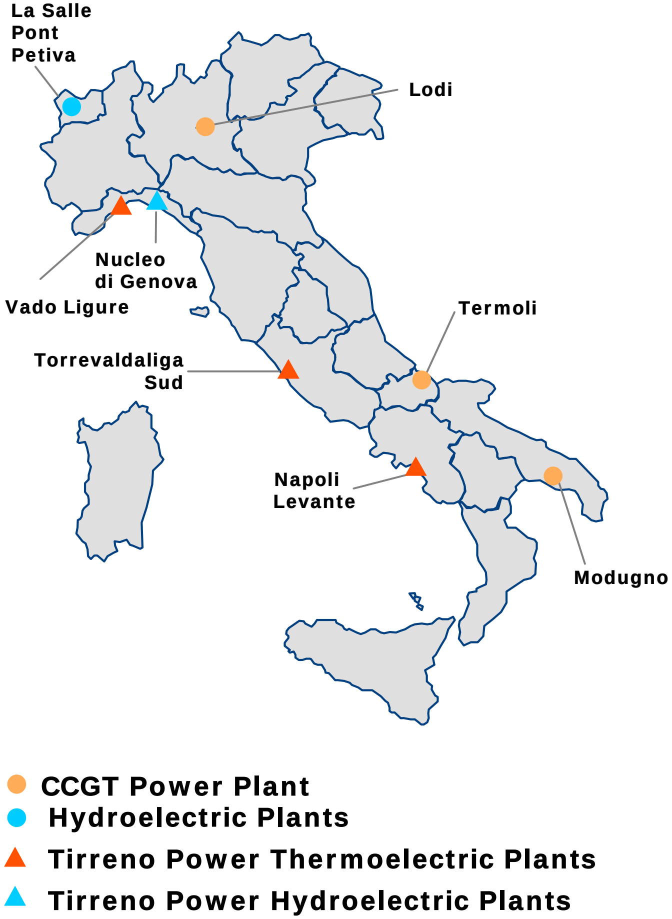
Italian utility operator founded in 1999 by CIR and Verbund

- 100,000 customers of which 400 in the natural gas sector (30 Sept. 2006)
- Electricity volumes: 7,681 GWh, gas volumes: 2,060 Mcm (2005)
- Sorgenia continues to diversify its product range which has now been extended to the small and medium companies

Compagnie Industriali Riunite

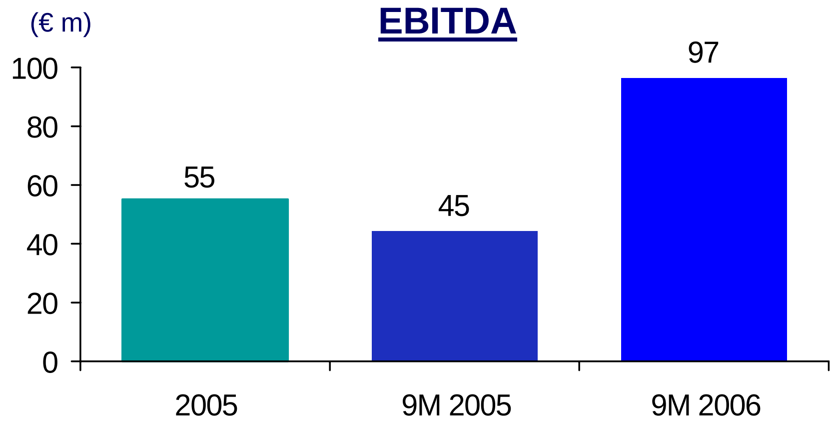
Sorgenia assets

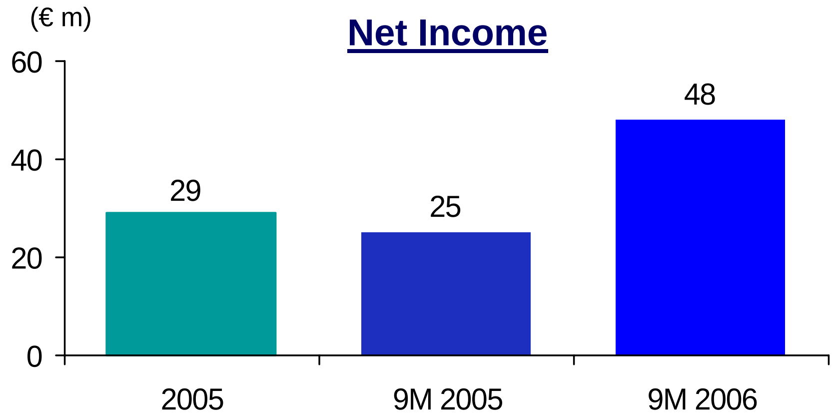
- Active involvement in the electricity generation business
  - Tirreno Power: 50% controlled by Energia Italiana, repowering plan in progress
- Greenfield CCGT plants:
  - Start operations of Termoli plant (770 MW) 3Q 2006
  - Start construction of Modugno plant (800 MW)
  - Authorization obtained for Bertonico-Turano Lodigiano and Aprilia plants
  - Development of new wind farms and solar plants



Sorgenia: strong rise in profitability in 9M 2006

- The strong growth in 9M 2006 EBITDA was positively impacted by the sale of the electricity produced by the Termoli plant and also by the receipt of the contractual penalties for the late delivery of the Termoli power plant

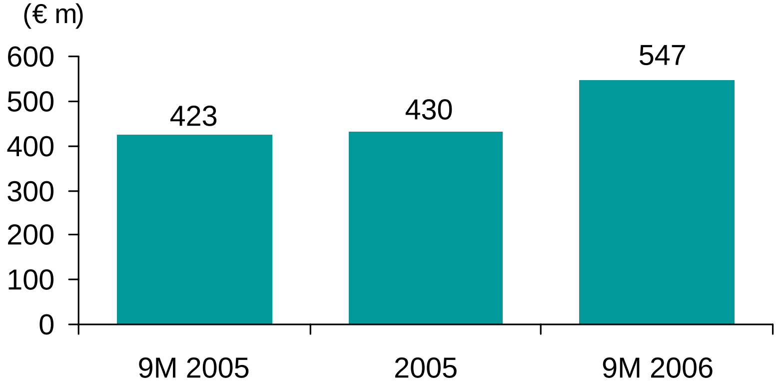




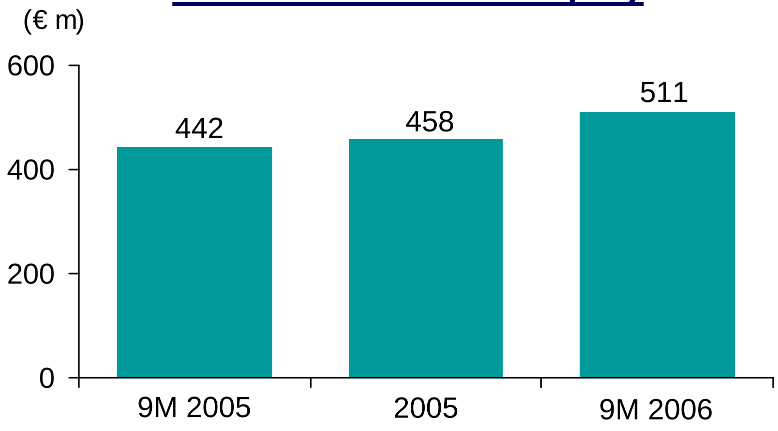
Sorgenia: increase of capex as for investment plan

- The rise of financial indebtedness as at end of September 2006 is due to the investments made during the year for the completion of the Termoli power plant (€ 22.2m), to the start of work on the Modugno plant (€46.7m) and to the absorption of resources by current assets and liabilities (€67.9m)

Net Financial Indebtedness



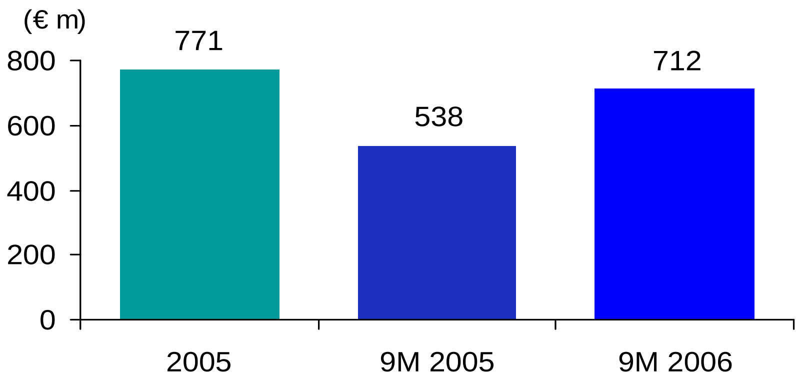
Total Shareholders' Equity



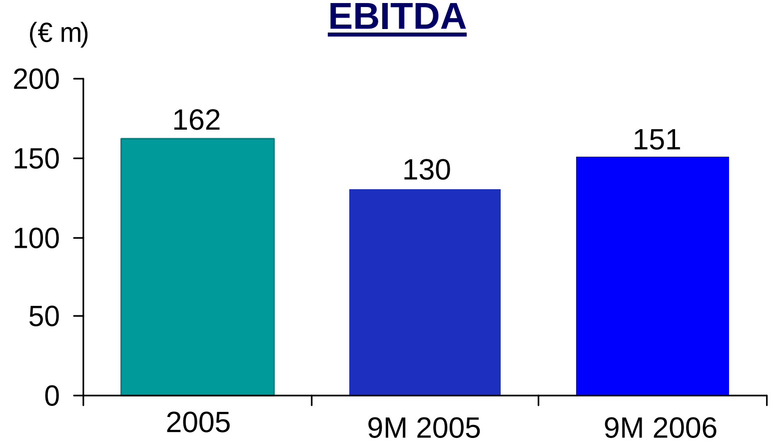
Tirreno Power results

- 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
- Convertion of a section of the Vado Ligure power station to a 760 MW combined cycle plant is proceeding and should be up and running in 2007

Revenues



EBITDA



Sorgenia financial highlights (Pro Forma)

Key Financial Figures (Tirreno Power proportionally consolidated)[1]

€ m	2005	9M2005	9M2006
Revenues	1,556.8	1,089.5	1,635.7
EBITDA	116.4	90.4	151.8
Shareholders' equity	458	442.0	510.8
Net financial indebtedness *(end of period)*	(818.9)	(736.1)	(897.1)

(1) Tirreno Power is consolidated by Sorgenia using the "equity method" since the shareholding is a joint venture controlled by Energia Italiana (50%) and Eblacea (50%), in which neither shareholder can exercise a dominant influence on the company since neither has majority voting rights nor are there any special clauses in the company bylaws.
For the purpose of information only above are the key financial figures of the Sorgenia Group using the proportional method to consolidate the accounts of Tirreno Power

Sorgenia financial targets

Key Financial Figures

€ m	2005	2009E
Revenues	1,225.2	2,540
EBITDA	55.1	390
Total shareholders' equity	458	1,000
Net financial indebtedness *(end of period)*	(429.9)	(825)

Source: Company Business Plan

HSS: company profile

- HSS is operating in the healthcare sector since September 2002
- The long term objective of the company is to create a mid-size healthcare group with a nationwide presence through multiple acquisitions and start up
- The development of HSS involves the creation of a brand highly recognizable for its high level of service, strong ethical commitment and clear patient focusing of the organization
- On June 9 2006 HSS completed the acquisition of 100% of “Anni Azzurri”, a company specializing in building and managing residences for the elderly which in 2005 reported consolidated revenues of € 50m with 1,600 beds under management. The total value of the deal is approx. € 155 m of which € 95 m refers to the value of real estate properties. The equity value is € 60 m, 40% of which will be self financed

HSS: business overview

- Residential nursing homes – leading operator in Italy
- Hospitals - ospedale di Suzzara: 130 beds under management with € 25 m revenues
- Psychiatric services – 6 psychiatric care communities
- Rehabilitation –functional recovery and rehabilitation services for professional and amateur sport
- HSS in now managing approximately 3,400 beds
- In 2005 HSS reported revenues of € 53,8 m (pro forma post “Anni Azzurri” € 104 m and EBITDA of € 5,5 m).

HSS: 9M 2006 consolidated revenues: + 68.7%

9 Months Results

€ m	2005	9M 2005	9M 2006
Revenues	53.8	38.3	64.6
EBITDA	0.4	0.3	2.8
Net income	(1.4)	(0.5)	(2.3)
Net financial indebtedness *(end of period)*	4.2	7.3	(142.6)

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 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 was created on Sept. 2005 and authorized under ex art 106 TUB rules, with the objective to become an important player in this market
- The business model is characterized by a strong specialization of financial vehicle (SPV) and highly qualified credit collection teams
- The CEO is Andrea Mignanelli, formerly partner of McKinsey & Co., and the Operating Officer is Michele Cermele, coming from MasterCard
- In the first 9 months 2006 in line with its development program, 10 portfolios with a gross book value of more than €200 m have been acquired for a price of over €10 m

Strategic guidelines

Development of core businesses focusing on value creation

Start up of new initiatives in high potential sectors

Conservative financing strategy

Stable growth of cash flow at consolidated level

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