



Results and Strategy

Consolidated Financial Structure

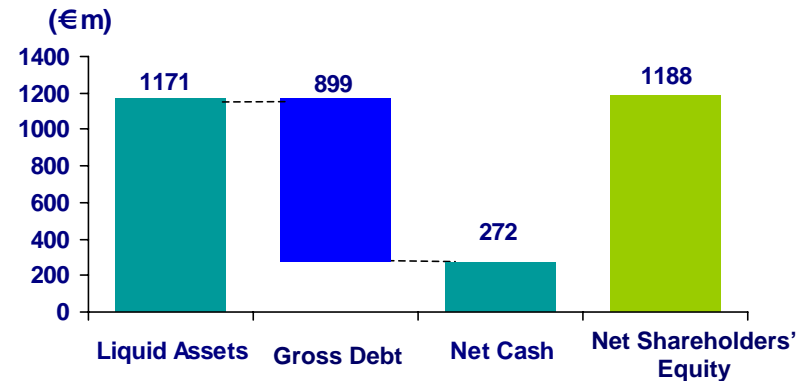
€ m	30 June 2005	31 Dec. 2005	30 June 2006
Espresso	248.2	279.5	292.5
Sorgenia ⁽¹⁾	205.8	220.9	239.9
Sogefi	130.9	145.6	149.6
HSS	17.3	21.2	49.7
Other investments	20.7	27.6	22.6
Total shareholdings	622.9	694.8	754.3
<i>CIR + CIR INTERNATIONAL</i>			
Fixed assets	84.9	81.4	96.5
Private equity	32.2	58.3	80.7
Other non-current assets, net	(10.3)	(9.3)	(15.8)
Net cash	392.0	359.8	271.9
Total shareholders' equity	1,121.7	1,185.0	1,187.6

(1) Formerly ENERGIA

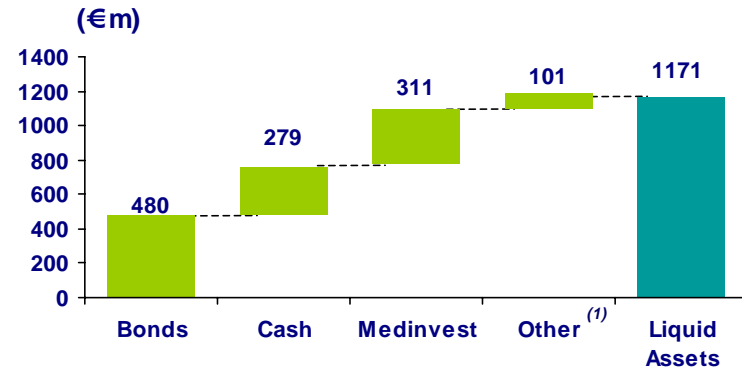
- 1H 2006 financial expenses from bond issues amount to €21.2 m (equal to an average rate of 4.8%)
- 1H 2006 financial income from liquid assets (excluding Medinvest) amounts to €11.9 m (equal to a return of approx. 2.8%)
- The 1 H 2006 “unrealized” portion of Medinvest return is €9.3 m

Net Cash and Net Shareholders' Equity

As of 30 June 2006



Liquid Assets as of 30 June 2006



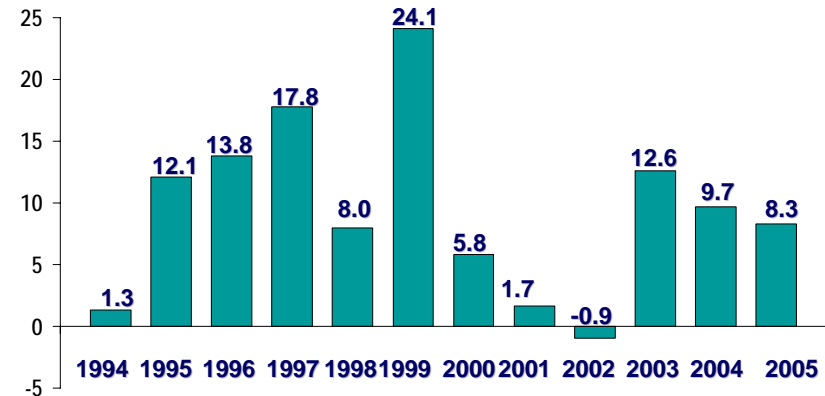
(1) Of which marketable securities = € 7,1 million; investment funds = € 83,8 million;

Medinvest: performance in US\$ since inception

- 2005 Performance : + 8.3%
- CAGR since 1994 (inception): + 9.6%
- End of August 2006 YTD increase: + 4.7%
- Average annual volatility since 1994: 5.4%

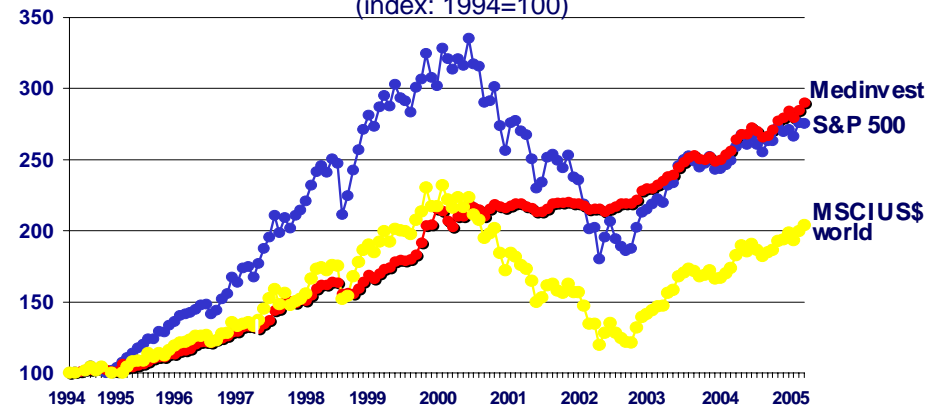
Historical Performance per Year*

(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

Increase of net debt of operating groups due to significant investments

Consolidated Net Financial Indebtedness

€ m	30 June 2005	31 Dec. 2005	30 June 2006
CIR + Cir International	392.0	359.8	271.9
Espresso Group	(262.7)	(253.1)	(258.9)
Sorgenia Group	(314.2)	(424.5)	(525.1)
Sogefi Group	(214.6)	(167.2)	(156.4)
HSS Group	7.3	4.2	(121.7)
Other subsidiaries	0.4	15.6	3.8
Consolidated net financial indebtedness	(391.8)	(465.2)	(786.4)

Consolidated Income Statement

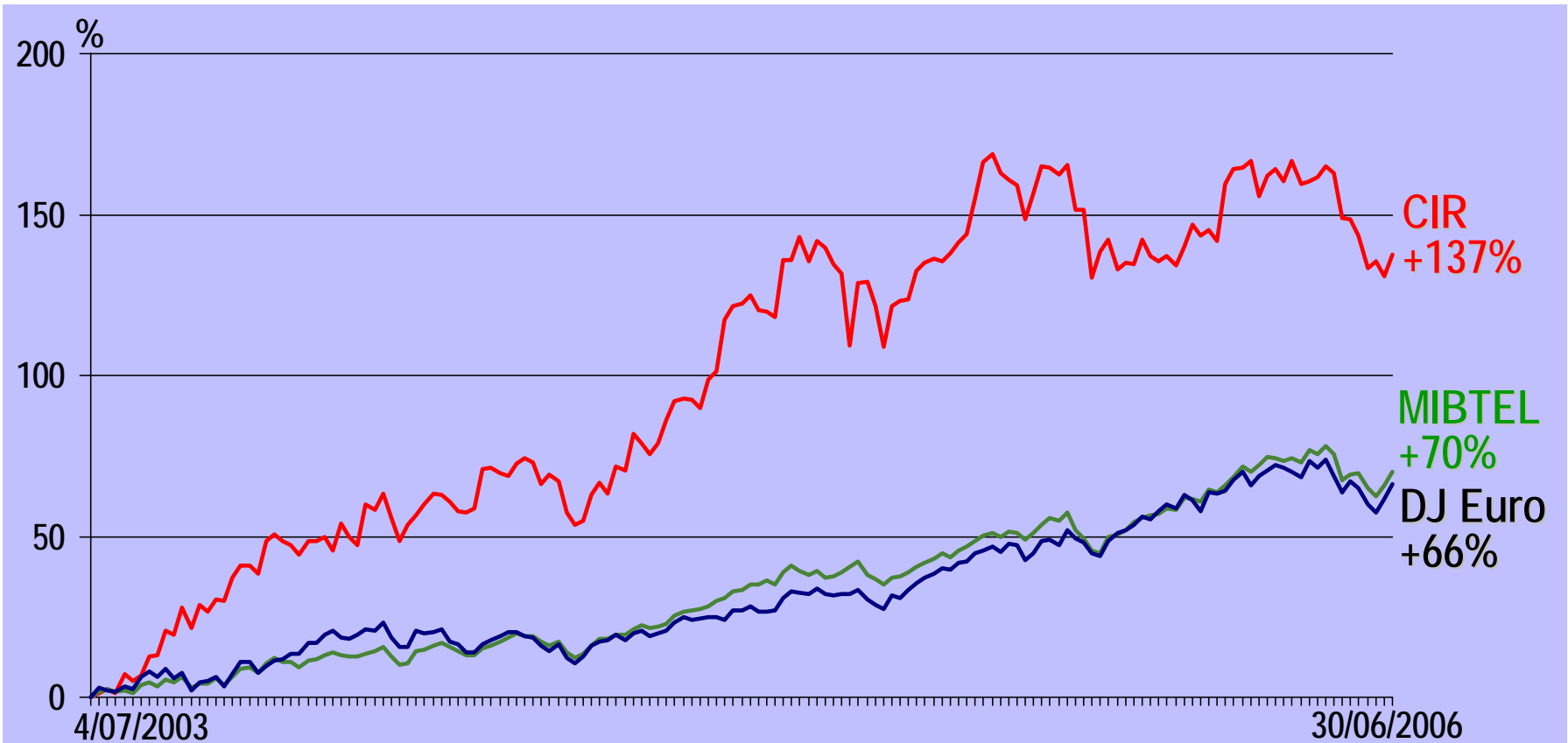
€ m	2005	1H 2005	1H 2006
Espresso Group	59.1	28.0	28.4
Sorgenia Group	16.8	11.5	21.9
Sogefi Group	26.3	13.1	16.1
HSS Group	(1.1)	(0.8)	(0.9)
Other subsidiaries	3.6	3.7	(0.5)
Total operating subsidiaries	104.7	55.5	65.0
Other financial companies	16.2	(0.2)	15.1
Total contributions from subsidiaries	120.9	55.3	80.1
Cir+Cir International result	(17.1)	(17.8)	(17.5)
Non-recurrent components	(16.1)	--	--
Net income	87.7	37.5	62.6

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(<i>extraord.</i>)	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

CIR Stock Performance

(June 2003-June 2006)



	Year + %	<u>2004</u>	<u>2005</u>	<u>2006</u>
CIR		+ 72.7%	+ 37.8%	-3.0%
DJ Euro		+ 20.4%	+ 15.8%	+ 15.9%
MIBTEL		+ 19.8%	+ 19.9%	+ 15.6%





Source: Bloomberg

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

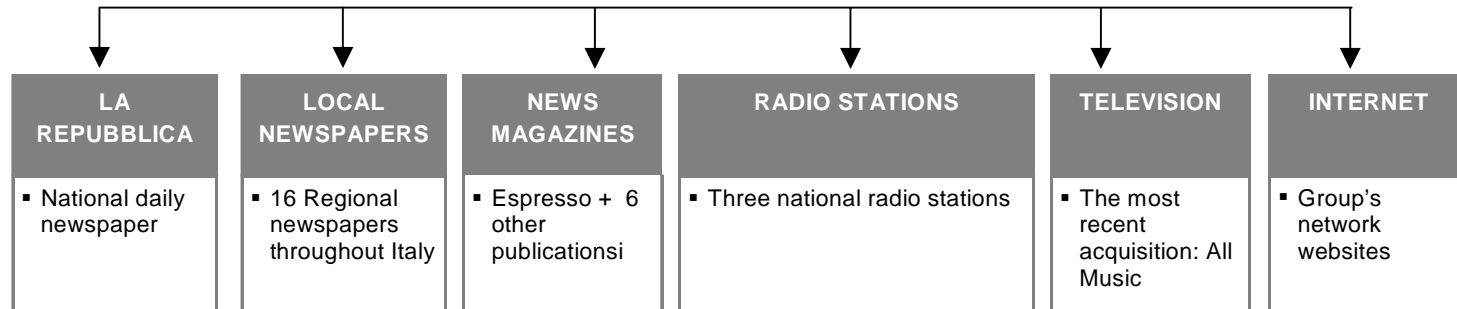
- Increase of our NAV per share and reduction of the holding discount through value creation
- Growth in the value of our investments over the medium term
- Flexible use of buy backs



Operating Subsidiaries

 Gruppo Editoriale L'Espresso SpA	 SOGEFI	 SORGENIA	 Holding JHS 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	

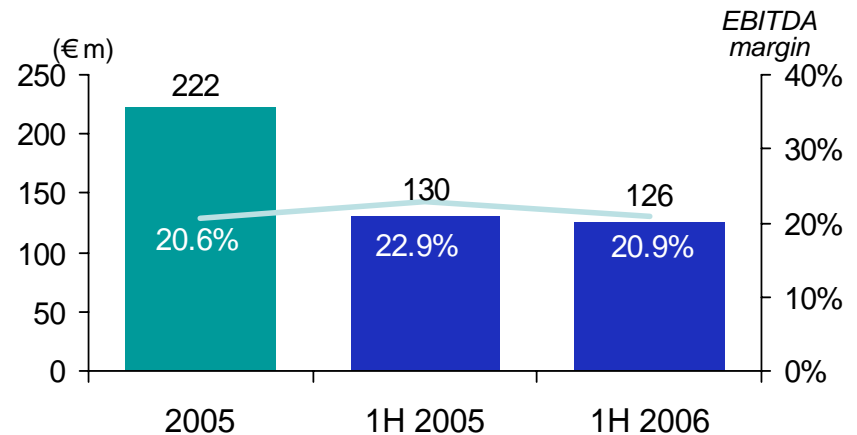
(1) Pro forma estimate including "Anni Azzurri"



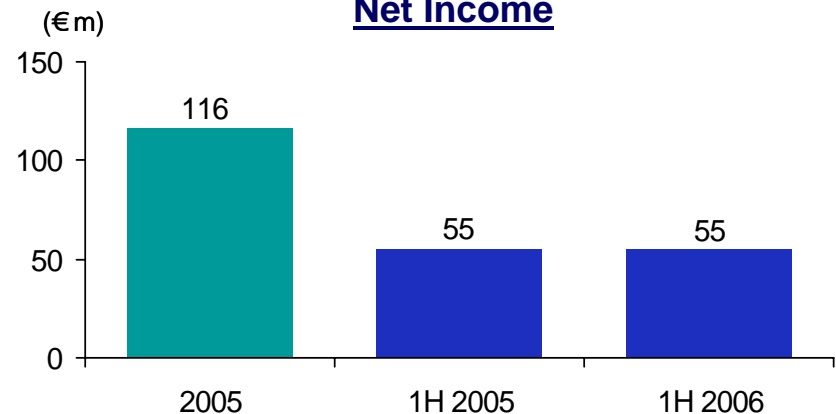
- **Leading Italian multi media Group**
 - ◆ La Repubblica: N. 1 with 3 million readers
 - ◆ Radio DeeJay: absolute leadership in the week (13.7 millions listeners)
 - ◆ Repubblica.it: the first Italian information site: 6.1 million of monthly unique users; total group sites: 9.4 million users
 - ◆ 24 million copies of books, DVDs sold in 2005

- In 1H 2006 price increases in raw materials and labour costs were counterbalanced by increases in advertising revenues, circulation of la Repubblica and l'Espresso, internet sites on add-ons
- Excluding the government's contribution for paper (€ 4.8 m) which was discontinued in 2006, the 1H 2006 operating income was higher than in 2005

EBITDA

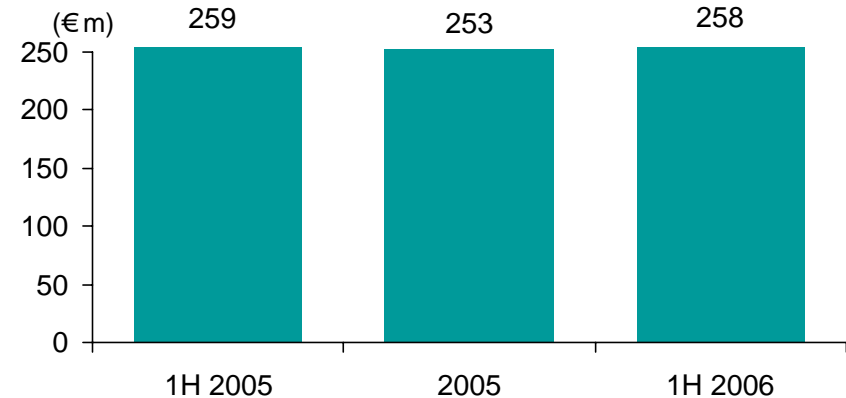


Net Income

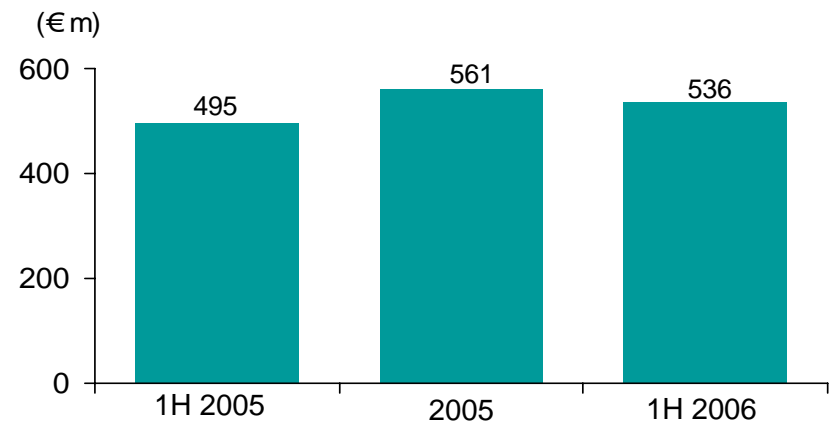


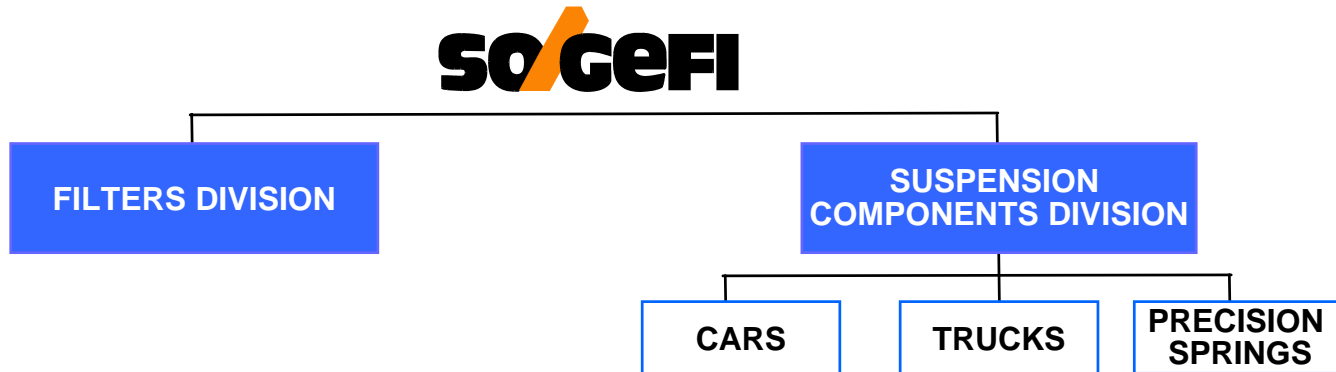
- In 1H 2006 the significant cash generation (€ 101.7m) has compensated cash outflows for the distribution of dividends to shareholders (€ 62.5 m), investments (€ 18.8 m), and the acquisition of treasury stocks (€ 19.3 m)

Net Financial Indebtedness



Total Shareholders' Equity

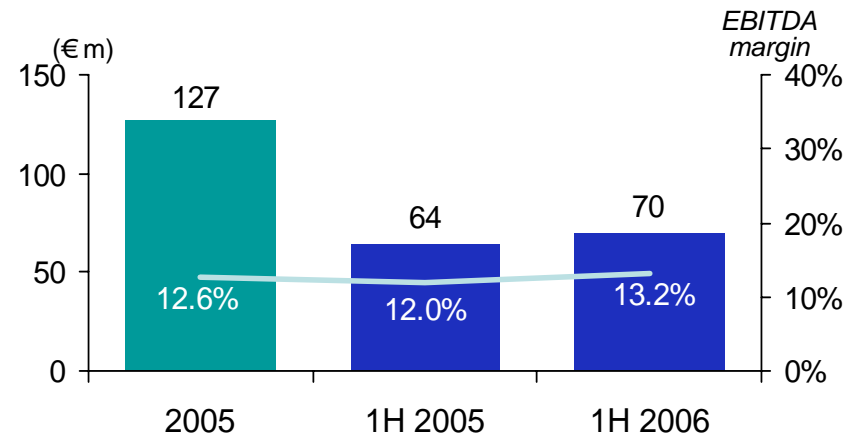




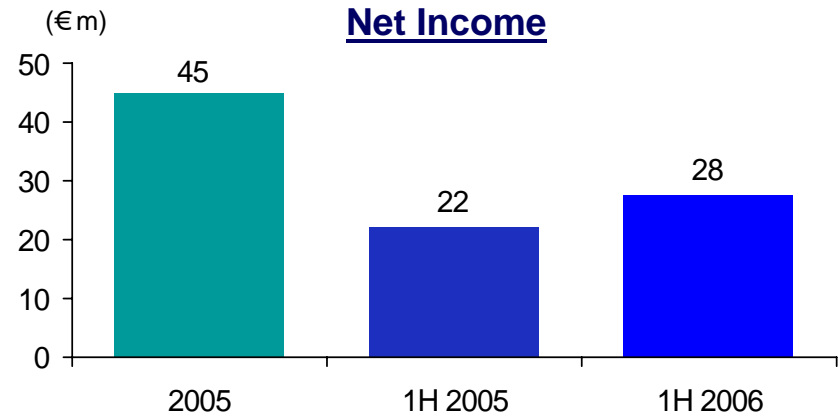
- World leading automotive components manufacturer active in the production of filters and suspensions
 - ◆ European leader in after- market filters
 - ◆ N. 2 in the world and N. 1 in Europe in suspensions
 - ◆ Balanced revenue mix by product and geography:
 - ▶ 51% / 49% filters / suspensions
 - ▶ 89%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

- In 1H 2006 profitability improvement was achieved despite considerable increases in the cost of energy and certain raw materials and is the result of a management policy of continually aiming at greater efficiency

EBITDA

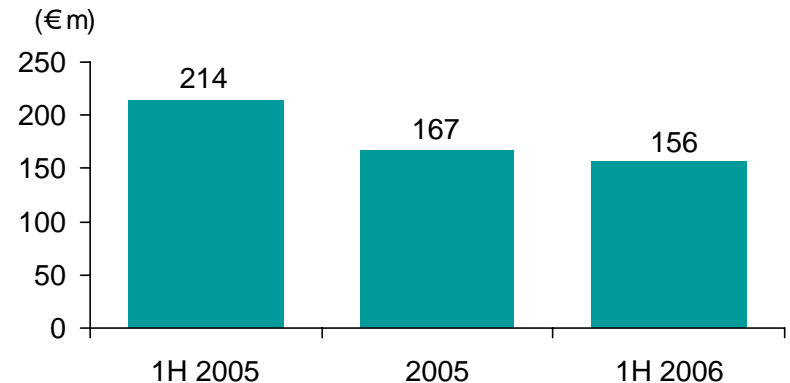


Net Income

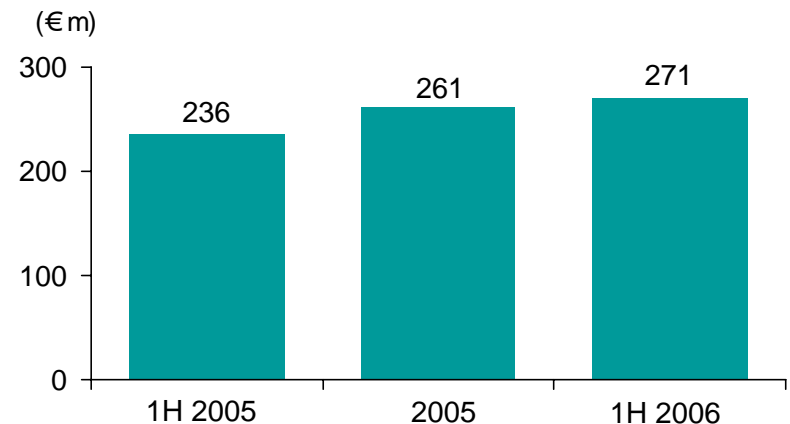


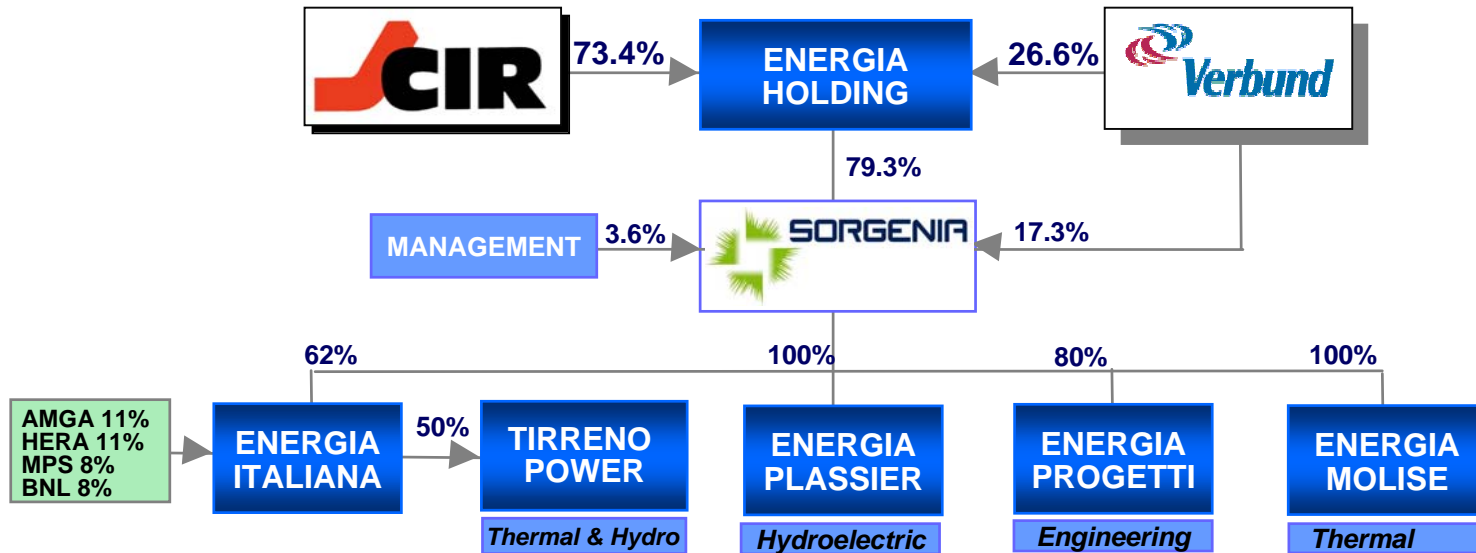
- Strong capacity to generate cash reducing financial indebtedness
- Indebtedness as at 30 June 2006 decreased compared to 31 Dec. 2005 in spite of cash outflows for dividends (€ 19.5m) and taxes (€ 6.1m).

Net Financial Indebtedness



Total Shareholders' Equity

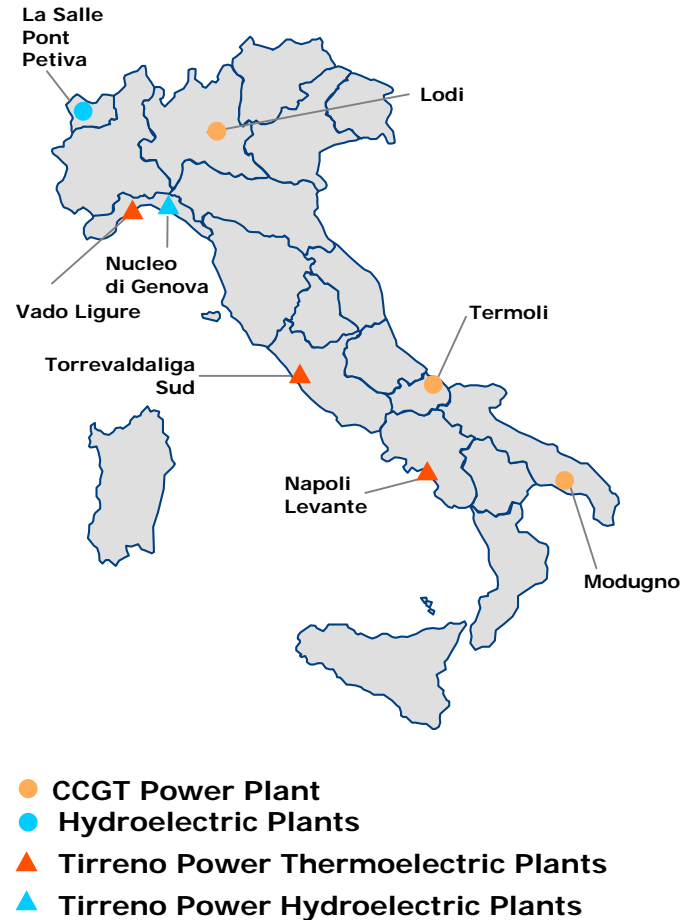




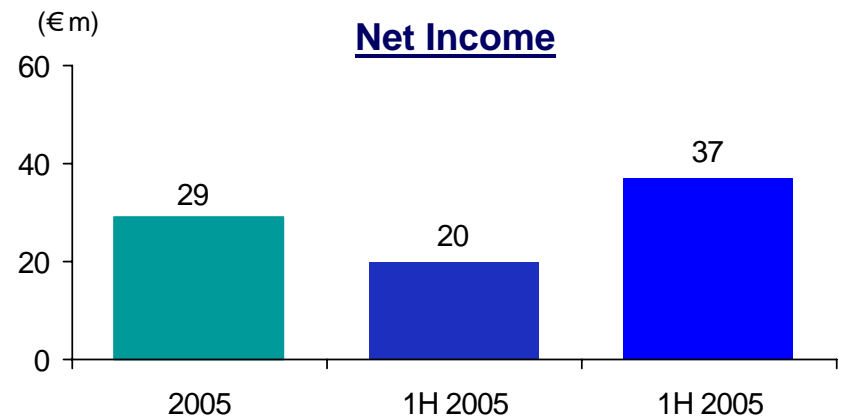
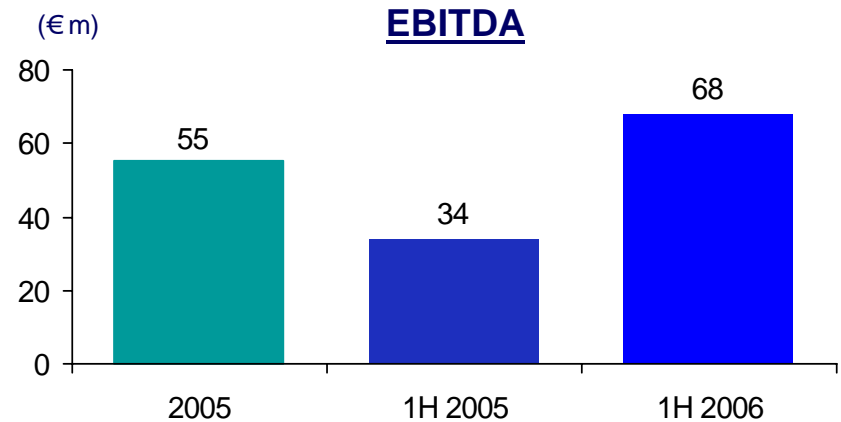
Italian utility operator founded in 1999 by CIR and Verbund

- 80,000 customers of which 400 in the natural gas sector
- Electricity volumes: 7,681 GWh, gas volumes: 2,060 Mcm
- Sorgenia continues to diversify its product range which has now been extended to the small and medium cap business sector

- 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
 - ◆ VIA environmental approval for Aprilia plant

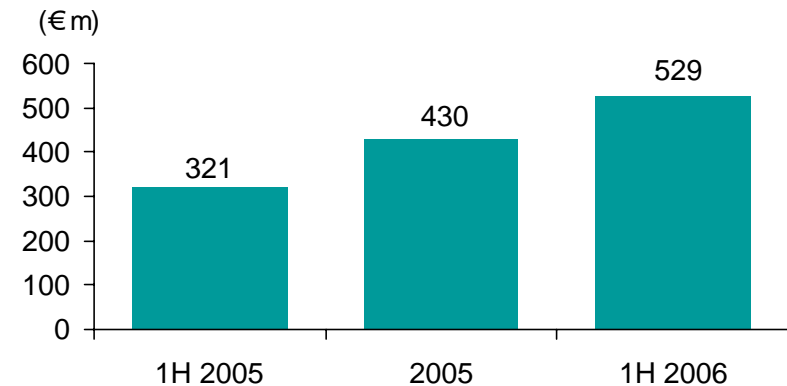


- The strong growth in 1H 2006 EBITDA was due partly to the development of the generation business, in particular that of Tirreno Power, but also to the rise in the profitability of the trading business and to the receipt of the contractual penalties for the late delivery of the Termoli power plant

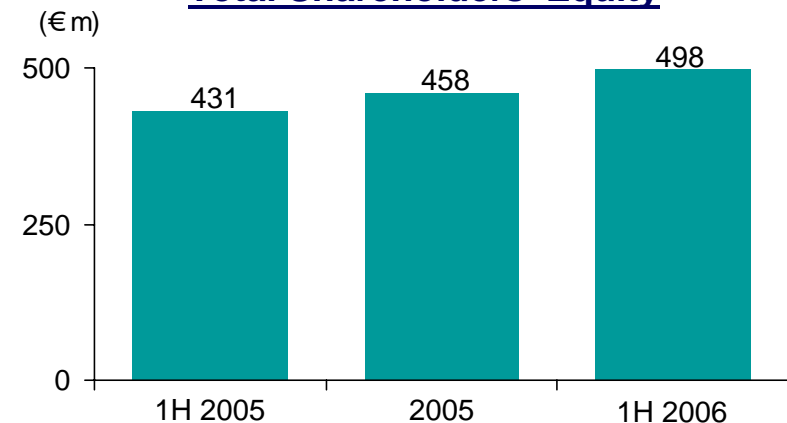


- The rise of financial indebtedness as at end of June 2006 is due to the investments made during the year in the power plant under construction in Termoli (€ 80m), to the start of work on the Modugno plant and to initial investment in solar energy. €66 m were absorbed by working capital

Net Financial Indebtedness

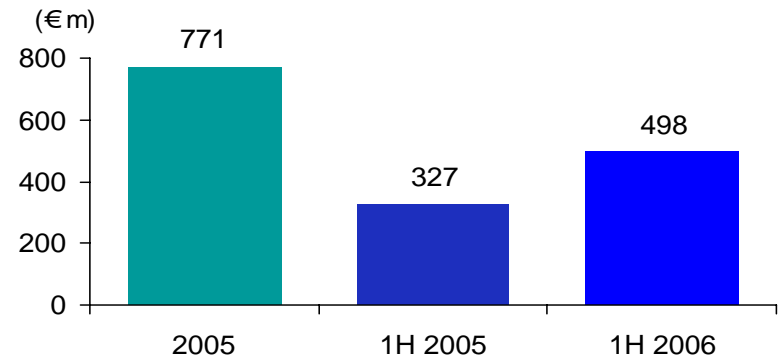


Total Shareholders' Equity

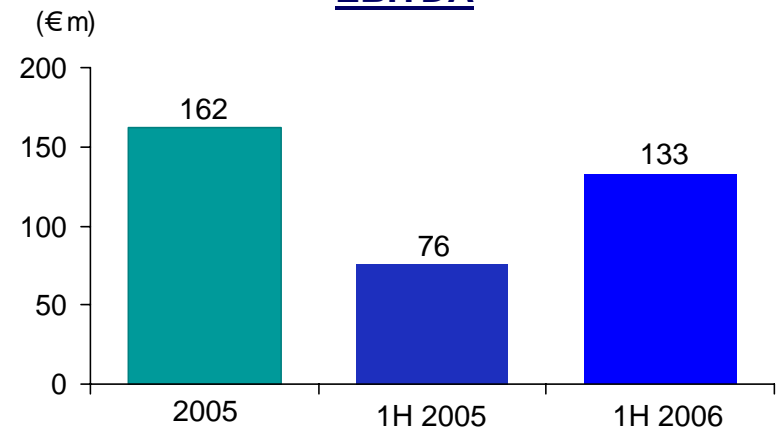


- The repowering of the Napoli Levante site has begun and this involves the construction of a new 380 MW combined cycle plant due to start operations in 2008
- Conversion of a section of the Vado Ligure power station to a 760 MW combined cycle plant is proceeding and should be up and running in 2007

Revenues



EBITDA



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 <i>(end of period)</i>	(429.9)	(825)

Source: Company Business Plan

- 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 CEO, Professor Piero Micossi, has a long track record in the industry
- On June 9 2006 HSS signed a completion contract for 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

- Residential nursing homes – leading operator in Italy with 2,600 beds under management after “Anni Azzurri”
- 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
- In 2005 HSS reported revenues of € 53,8 m (pro forma post “Anni Azzurri” € 104 m and EBITDA of € 5,5 m). In 1H 2006 consolidated revenues were € 31m (in 1H 2005 = € 23.2m)

First Half Results

€ m	2005	1H 2005	1H 2006
Revenues	53.8	23.2	31.0
EBITDA	0.4	(0.6)	0.1
Net income	(1.4)	(1.0)	(1.1)
Net financial indebtedness <i>(end of period)</i>	4.2	7.3	(121.7)

- 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 line with its development program, 7 portfolios with a gross book value of approximately €190 m have been acquired so far for a price of €10 m around

**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**

Disclaimer

- *This document has been prepared by CIR for information purposes only and for use in presentations of the Group's results and strategies.*
- *For further details on CIR and its Group, reference should be made to publicly available information, including the Annual Report, the Semi-Annual and Quarterly Reports.*
- *Statements contained in this document, particularly the ones regarding any CIR Group possible or assumed future performance, are or may be forward looking statements and in this respect they involve some risks and uncertainties*
- *Any reference to past performance of CIR Group shall not be taken as an indication of future performance*
- *This document does not constitute an offer or invitation to purchase or subscribe for any shares and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.*