



PRESS RELEASE

CIR INVESTS WITH MERRILL LYNCH IN OAKWOOD FINANCIAL INVESTMENTS THE INTERNATIONAL GROUP ACTIVE IN SPECIALITY FINANCE

*CIR and Merrill Lynch each buy 47.4% of the company.
CIR's investment is approximately 100 million euro
and is being made with its own financial resources*

CIR SpA has completed its acquisition of a 47.4% stake in **Oakwood Financial Investments**, the international company specializing in innovative high-growth retail financial services, based in the UK, through its wholly owned financial subsidiary **CIR International** (Luxembourg). The closing of the deal took place after approval was obtained from the European Antitrust Authorities and the British and Australian Financial Services Regulators **Merrill Lynch** at the same time acquired an equal stake to that of **CIR**, with the aim that both should exercise joint control over the group. The remaining capital is held by minority investors while the management team has a stake of 1.5%.

On completion of the deal **CIR** made a cash injection of approximately 100 million euro, and undertook to fund the development of new initiatives of the **Oakwood Group**, to be decided on jointly with Merrill Lynch, for a further financial commitment estimated at around 50 million euro.

CIR is financing this investment with its own resources.

Oakwood specializes in the creation, acquisition and management of retail financing companies. The company intends to focus 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.

Oakwood currently operates in the Australian, British and Italian markets through five companies: three of these were set up between 2001 and 2006 by management (Pepper Homeloans in Australia, One World Leasing and Edeus in Britain), while controlling stakes were acquired in the other two (Ktesios in Italy and Blue Motor Finance in UK).

1. **Pepper Homeloans** (www.pepperhomeloans.com.au), founded in 2001 and based in Sydney, is currently the third largest lender of residential non-conforming mortgages in Australia and to date has issued 5 securitizations.
2. **One World Leasing** (www.oneworldleasing.co.uk), set up in 2003, based in Manchester (UK), originates small ticket leases.
3. **Ktesios** (www.ktesios.it), control of which was acquired during 2006, is based in Rome and is one of the leading Italian distributors of salary-secured personal loans.
4. **Blue Motor Finance** (www.bluemotorfinance.co.uk), based in Warrington (UK), originates non-conforming auto loans. Blue's special technology platform enables car dealers to complete the loan process at the point of sale much more quickly. The majority stake in this company was also acquired in 2006.

5. **Edeus** (www.edeus.co.uk), launched in September 2006 and based in Essington (UK), specializes in offering non-conforming residential mortgages. Edeus also uses highly advanced technology to complete mortgages much faster than through traditional methods.

While the companies of the **Oakwood Group** all operate independently with their own individual brands and have an in-depth knowledge of their local markets, they are able to achieve significant synergies with a centrally directed strategy and operational support at group level.

The **Oakwood group**, which employs over 400 people in the countries in which it operates, intends to extend its sphere of operations in markets with high growth potential (Italy and Spain in particular), developing new initiatives that build on the experience gained in Australia and UK.

In 2006 the Group has reached a volume of loans of approximately 1.1 billion euro.

Commenting on the deal, **Rodolfo De Benedetti**, Chief Executive of CIR, said: *“This investment in Oakwood reinforces our strategy of expanding into high growth businesses with the potential of significant value creation. We are impressed by the results reached so far, by the commitment and the drive of Oakwood's management team, and we are happy to partner with a leading global financial institution like Merrill Lynch”.*

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