

PRESS RELEASE

**APPROVAL POSTPONED OF  
PROPORTIONAL SPIN-OFF  
OF CIR'S NON MEDIA BUSINESSES**

The Board of Directors of CIR SpA met today under the chairmanship of Mr Carlo De Benedetti and agreed unanimously on the proposal that today's Shareholders' Meeting postpone its vote on the approval of the proposed demerger and other items submitted to the Shareholders.

The Board of Directors has acknowledged, on the one hand, the positive reaction of the market following the announcement at the end of July of the start of the authorization process for the demerger, which was recently confirmed by the Meeting of Bondholders of bonds maturing in 2009 who approved the deal with a majority of more than 75% of the bonds represented at the meeting. However the Board has also had to acknowledge that the decision taken by Standard & Poor's on October 6 which – for reasons that it does not share – decided to lower the short and long term rating of the company to below investment grade in light of the coming demerger. The rating agency has kept its outlook negative, paving the way for further downgradings should the company, meaning the Shareholders' Meeting, approve the implementation of the demerger. Subsequently on October 8 and October 13 2008 notice was received from the trustees of the bond maturing in 2024 that some of the holders of the 2024 bond are of the opinion that the deal could constitute an event of default on the bond.

While the Board of Directors is still convinced that the objectives and reasons for the demerger are valid, partly in view of the fact that the joint guarantee provided under Art. 2506-*quater* of the Civil Code is not liable to prejudice the interests of the bondholders, who even after the demerger would be able to claim from the capital of the demerged company, thus maintaining the guarantee of their credit intact.

However, the critical stand made in the last few days by some bondholders, perhaps due to the latest events and developments and in particular to the current climate of uncertainty in the financial markets, has persuaded the Board of Directors of CIR to propose to the Shareholders that a decision on the demerger be postponed to allow further investigation needed so that the deal can take place in a context fully supported by all stakeholders.

The Board of Directors would like to thank all the Shareholders who attended the meeting, whose presence would in any case have made it possible to obtain the approval of minority Shareholders, according to the terms of the proposed spin-off.

Milan, October 14 2008

**CONTACTS**

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