

PRESS RELEASE

Board of Directors approves financial report as of June 30 2010

**CIR GROUP: REVENUES OF OVER 2.3 BILLION (+6.4%),
GROSS OPERATING MARGIN OF 193.8 MILLION (+30.8%)**

*Net income for the first half of 42.2 million euro. Result for first six months of 2009,
a positive 120.8 million euro, benefited from non-recurring income of 110 million euro.
Net of this income, first-half 2010 earnings are up on 2009*

*Strong rise in contribution of operating companies to group earnings
Financial surplus at holding level in excess of 100 million euro*

Consolidated results of first half 2010

- **Revenues: € 2,343.1 million (+6.4% from € 2,202.8 million in 1H 2009)**
- **EBITDA: € 193.8 million (+30.8% from € 148.2 million in 1H 2009)**
- **Net income: € 42.2 million (€ 120.8 million, of which 110 million of non-recurring gains, in 1H 2009)**
- **Aggregate net financial surplus: € 101.8 million (€ 123 million at 31/03/2010)**
- **Consolidated net debt: € 2,195.7 million (€ 2,057.1 million at 31/03/2010)**

Milano, July 30 2010 – The **Board of Directors** of **CIR-Compagnie Industriali Riunite SpA**, which met today under the chairmanship of **Stefano Micossi**, examined and approved the **semi-annual financial report** of the group as of **June 30 2010**.

The CIR group operates in five business sectors: energy (Sorgenia), media (Espresso), automotive components (Sogefi), healthcare (KOS) and financial services (Jupiter).

Performance of operations

The group closed the first half of 2010 with **revenues and gross operating margin (EBITDA) up** on the same period of 2009. The performance of revenues reflects the higher revenues reported by the energy, automotive components and healthcare sectors, with sales holding up in the media sector. The rise in EBITDA was due mainly to the significant improvement in profitability in the media, automotive components and healthcare sectors, which more than compensated for the lower margins in the energy sector.

The **net income of the group** was **42.2 million** euro in the first half of the year. Last year's result, a positive figure of 120.8 million euro, benefited from non-recurring gains of approximately 110 million euro (76.7 million of which came from the subscription of a capital increase by Verbund in Sorgenia and 33.4 million euro were capital gains on the partial disinvestment from the hedge funds held by the group). Therefore, **net of non-recurring items, the net income of the group in the first half of 2010 is higher than that of 2009. The contribution of the operating companies** to the net income of the first half showed a **considerable improvement** on the figure for last year (50.4 million euro versus 6.4 million euro in 2009).

*“The good performance of the consolidated operating results of CIR in the first half of the year – commented **Chief Executive Rodolfo De Benedetti** – is of particular significance given the situation of uncertainty characterizing the international economy and some of the sectors in which the group operates. These figures confirm that our balanced portfolio of businesses, combined with capital and financial solidity, is one of the strengths of the CIR group, especially in unfavourable economic environments”.*

Consolidated results

The **consolidated revenues** of the CIR group in the first half of 2010 came to **2,343.1 million** euro and were **up by 6.4%** from 2,202.8 million euro in the first six months of 2009. The change was due to the higher sales reported by Sorgenia, Sogefi and KOS, with the revenues of Espresso substantially holding up.

The **consolidated gross operating margin** came in at **193.8 million** euro (8.3% of revenues), up from 148.2 million euro (6.7% of revenues) in the first half of 2009, posting a rise of **30.8%**. The **consolidated operating result (EBIT)** was **108.1 million** euro, and was **up by 32.8%** from 81.4 million euro in 2009. The significant rise in the operating results was due mainly to the improvement in the profitability of Espresso, Sogefi and KOS, which more than compensated for the lower margins of Sorgenia, which were due in part to exceptional circumstances affecting the first quarter. Indeed in the second quarter Sorgenia reported a rise in EBITDA compared to the same period of 2009.

The financial management result, a negative 42.8 million euro, was the combination of net financial expense of 52.4 million euro, dividends and net gains from trading and valuing securities of 10.7 million euro and negative adjustments to the value of financial assets of 1.1 million euro. The change from the positive result of 78.2 million euro in the first half of 2009 was due mainly to the fact that last year there were non-recurring gains for a total of approximately 110 million euro.

The **consolidated net income** of the CIR group in the first half of 2010 was **42.2 million** euro. The net result of the same period of 2009, a positive 120.8 million euro, benefited from non-recurring gains of approximately 110 million euro resulting from the capital increase subscribed by the shareholder Verbund in Sorgenia (76.7 million euro) and capital gains on the partial disinvestment from the hedge funds held by the group (33.4 million euro). Net of these non-recurring factors, the net income of the group is actually higher than in 2009.

The **net debt** of the CIR group stood at **2,195.7 million** euro at June 30 2010, up from 2,057.1 million euro at March 31 2010 and 1,801.1 million euro at December 31 2009. The consolidated net debt figure was the result of the following:

- An **aggregate net financial surplus at holding level** of **101.8 million** euro (123 million euro at March 31 2010). The decline from 121.6 million euro at December 31 2009 was due mainly to the negative fair value adjustment of securities in the portfolio and to disbursements for operating costs and financial expense;
- **Total net debt of the operating companies** totalling **2,297.5 million** euro (2,180.1 million euro at March 31 2010). The change from the figure of 1,922.7 million euro at December 31 2009 was principally caused by the new investments made in production capacity by Sorgenia.

The net financial position includes the CIR group's investment in shares of hedge funds (91.2 million euro at June 30 2010).

Total consolidated equity at June 30 2010 stood at **2,450.5 million** euro, up from 2,332.3 million euro at December 31 2009. The **group's equity** rose to **1,454.7 million** euro from 1,396.7 million euro at December 31 2009.

At June 30 2010 the CIR group had **12,962 employees** (12,746 at December 31 2009).

Performance of the parent company of the group

The **parent company CIR SpA** closed the first half of 2010 with a net loss of 3.8 million euro versus net income of 2.9 million euro in the first half of 2009. The change from the figure for last year was due mainly to lower dividends received. Shareholders' equity at June 30 amounted to 977.3 million euro (978.9 million euro at December 31 2009).

Industrial businesses

Energy: Sorgenia

The **revenues** of the **Sorgenia** group in the first half of the year came to **1,281.2 million** euro, up slightly (+3%) on 2009 (1,244.2 million euro). The rise in sales volumes in both the electricity and the gas sectors offset the reduction in the unit prices of energy products. Despite the recovery reported in the second quarter (up from the same period of 2009), **EBITDA** came in at **65.3 million** euro (82.5 million euro in first half 2009), being negatively affected in the first half by a sharp contraction of gas margins, by high congestion costs on the national electricity grid and by the exceptional occurrence of a breakdown at the Termoli power plant (Campobasso), which only started operating normally again at the end of March. In the absence of these factors, EBITDA would have been at least in line with that of the first half of last year. **Net income** was **55.9 million** euro (26.5 million euro in the first half of 2009). The rise compared to the figure for last year was due mainly to a tax credit for investments in new production capacity made by the company.

As far as the **business plan** is concerned, the start-up of the new **CCGT-Combined Cycle Gas Turbine power plant at Bertonico-Turano (Lodi) with an output of approximately 800 MW** is confirmed for the second half of this year, while the **development program of generation from renewable sources in Italy and France** is continuing with plants under construction for over **50 MW**.

Media: Espresso

The **revenues** of the **Espresso** group for first half 2010 came in at **445.1 million** euro and were **substantially in line (-0.9%)** with the figure of the corresponding period of last year (449.3 million euro). Circulation revenues, with the exception of add-on products, came to 130.9 million euro versus 132.7 million euro in the same period of last year. The performance of circulation revenues, which did not benefit from any price hikes, shows that sales of the group titles held up well. In particular, sales of both *la Repubblica* and *L'espresso* on the news-stands recorded a slight rise.

In the latest Audipress readership survey, *la Repubblica* confirmed its ranking as the top Italian daily newspaper with over 3.2 million readers per day. Advertising revenues, totalling 264.9 million euro, rose by 7.6% compared to first half 2009. Revenues from add-on products came in at 40.3 million euro and were down by 34.1% compared to the same period of 2009, a year in which there was a strong concentration of initiatives in the first half of the year.

Total costs were cut by 9.7% compared to the first six months of last year. Considering the savings already achieved in the first half of 2009, the trend of costs is in line with the objective of the plan which involves an overall reduction of 17% compared to the year 2008.

EBITDA was **74.7 million** euro, **up by 84.3%** from 40.6 million euro in the first half of 2009. With the exception of periodicals, all the divisions of the group showed an improvement. **Net income** came in at **28.6 million** euro, up from 0.1 million euro in the first half of 2009.

Automotive components: Sogefi

Sogefi's revenues for the **first half** came in at **457.6 million** euro, **up by 22.2%** from 374.5 million in the same period of 2009. This result was linked to a recovery in vehicle production in the mature markets (Europa, Nafta and Japan) and to a further rise in volumes in the developing areas such as Brazil, China and India. In addition, there was also the favourable trend of foreign exchange rates following the rise in value of the main non-European currencies and the pound against the euro.

The rise in revenues together with management taking care to cut all cost factors, made it possible for the **group to obtain significant growth in its margins** compared to the first half of 2009. **EBITDA** came in at **45.3 million** euro, up from 14.2 million euro in the first half of last year. The sharp recovery in profitability reported by Sogefi in the first half of the year enabled the company to **return to profit**, posting earnings of **9.9 million** euro, compared to a loss of 10.6 million euro in the first half of 2009.

Healthcare: KOS

The **revenues of KOS** for the first half of 2010 totalled **159 million** euro and were **up by 17.9%** on the same period of 2009 (134.9 million euro), thanks to the development of the three business areas (care homes for the non-self sufficient elderly, rehabilitation centres and hospital management) and to the new acquisitions made in the period.

In the first half, the company incurred costs of approximately 2.2 million euro for the IPO procedure (1.6 million euro) and for expenses relating to the acquisitions made in the period (0.6 million euro).

EBITDA before the IPO and acquisition costs came to 22.4 million euro. **EBITDA** after the said costs was **20.2 million** euro, **up by 21.7%** compared to the first half of 2009 (16.6 million euro).

The net result for the first half before the IPO and acquisition costs was 4.2 million euro. The **net income** after the said costs was **2.4 million** euro, up from a result of 1.2 million euro in the first half of 2009.

The KOS group today manages **59 facilities**, mainly in the centre-north of Italy with a total of over 5,500 beds in operation, plus approximately 400 more under construction.

Financial services (Jupiter) and other businesses

In the financial services sector, the CIR group is present with the company **Jupiter Finance** and other businesses. Jupiter Finance operates in the sector of non-performing loans. At June 30 2010 the gross book value of the loans under management was approximately 2.2 billion euro. Among the other businesses is the venture capital fund CIR Ventures (fair value at June 30 2010 of 14.5 million dollars) and a diversified portfolio of funds and minority interests in the private equity sector (fair value of 77.3 million euro).

Outlook for the year

In the second half of the year the CIR group will continue with its management efficiency actions and with the investment programs planned for the development of all sectors of the business. The group confirms that for the full year 2010, as was the case in the first half of the year, consolidated net income will be lower overall than that of 2009, since there are not expected to be any non-recurring gains as there were last year.

Bonds maturing in the 24 months following June 30 2010

The company, which has a BB rating with a negative outlook issued by Standard&Poor's, has the following bond maturity in the 24 months following June 30 2010. The bond was issued by the subsidiary CIR International SA with the guarantee of CIR SpA:

- January 10 2011, maturity of the bond with a residual principal of 148 million euro (originally 300 million euro). The bond (ISIN code XS0169896817), listed on the Luxembourg stock exchange, pays an annual coupon of 6.375%

Conference call

The results of the first half of the year 2010 will be illustrated today at 4.30 pm CEST by the **Chief Executive Officer of CIR SpA, Rodolfo De Benedetti**, in a conference call. Journalists can follow the presentation on the phone in listen-only mode by dialling **+39 028058827**, or in a webcast on the website www.cirgroup.com.

The executive responsible for the preparation of the company's financial statements, Alberto Piaser, hereby declares, in compliance with the terms of paragraph 2 Article 154 bis of the Finance Consolidation Act (TUF), that the figures contained in this press release correspond to the results documented in the company's accounts and general ledger.

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Alternative performance indicators

Below the meaning and content are given of the “alternative performance indicators”, not envisaged by IFRS accounting standards but used in this press release to provide a better evaluation of the economic and financial performance of the CIR group.

- **EBITDA (gross operating margin):** an indicator of operating performance calculated by adding “amortization, depreciation and write-downs” to the EBIT figure (earnings before interest and taxes);
- **Consolidated net financial debt:** an indicator of the financial structure of the group; it is determined as the balance of borrowings net of cash and cash equivalents and current financial assets (financial receivables, securities and available-for-sale financial assets).
- **Aggregate net financial surplus:** an indicator of the financial structure of CIR and its financial subsidiaries; it is determined as the balance of borrowings net of cash and cash equivalents and current financial assets (financial receivables, securities and available-for-sale financial assets).

Attached are key figures from the consolidated and statutory balance sheets and income statements.

CIR GROUP – CONSOLIDATED BALANCE SHEET

(in thousands of euro)

ASSETS	30.06.2010	31.12.2009
NON-CURRENT ASSETS	4,665,225	4,287,814
INTANGIBLE ASSETS	1,351,215	1,316,903
TANGIBLE ASSETS	2,427,329	2,187,369
INVESTMENT PROPERTY	21,700	18,115
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	309,788	275,899
OTHER EQUITY INVESTMENTS	5,221	9,629
OTHER RECEIVABLES	198,949	207,899
<i>of which with related parties (*)</i>	4,262	4,480
SECURITIES	101,846	83,051
DEFERRED TAXES	249,177	188,949
CURRENT ASSETS	2,567,435	2,362,336
INVENTORIES	155,229	156,150
CONTRACTED WORK IN PROGRESS	11,344	3,464
TRADE RECEIVABLES	1,090,274	1,042,030
<i>of which from related parties (*)</i>	17,340	18,032
OTHER RECEIVABLES	187,323	200,627
<i>of which from related parties (*)</i>	1,749	1,727
FINANCIAL RECEIVABLES	280,787	27,229
SECURITIES	359,739	278,548
AVAILABLE-FOR-SALE FINANCIAL ASSETS	159,160	104,967
CASH AND CASH EQUIVALENTS	323,579	549,321
ASSETS HELD FOR DISPOSAL	761	700
TOTAL ASSETS	7,233,421	6,650,850
LIABILITIES AND EQUITY	30.06.2010	31.12.2009
EQUITY	2,450,459	2,332,335
ISSUED CAPITAL	396,059	396,059
less OWN SHARES	(21,537)	(21,537)
SHARE CAPITAL	374,522	374,522
RESERVES	311,711	295,983
RETAINED EARNINGS (LOSSES)	726,250	582,818
NET INCOME FOR THE PERIOD	42,173	143,432
GROUP EQUITY	1,454,656	1,396,755
MINORITY SHAREHOLDERS' EQUITY	995,803	935,580
NON-CURRENT LIABILITIES	2,940,316	2,958,552
BONDS AND NOTES	563,210	718,262
OTHER BORROWINGS	1,978,682	1,843,359
OTHER PAYABLES	1,355	1,177
<i>of which to related parties (*)</i>	--	69
DEFERRED TAXES	190,821	181,489
PERSONNEL PROVISIONS	129,497	137,346
PROVISIONS FOR RISKS AND LOSSES	76,751	76,919
CURRENT LIABILITIES	1,842,646	1,359,963
BANK OVERDRAFTS	257,738	66,290
BONDS AND NOTES	153,373	731
OTHER BORROWINGS	365,966	132,499
<i>of which from related parties (*)</i>	415	2
TRADE PAYABLES	734,531	836,587
<i>of which to related parties (*)</i>	24,489	28,649
OTHER PAYABLES	244,032	228,178
PROVISIONS FOR RISKS AND LOSSES	87,006	95,678
TOTAL LIABILITIES AND EQUITY	7,233,421	6,650,850

(*) As per Consob Resolution no. 6064293 of July 28 2006

CIR GROUP – CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	1st Half 2010	1st Half 2009
TRADE REVENUES	2,343,076	2,202,832
<i>of which from related parties (*)</i>	88,811	8,041
CHANGE IN INVENTORIES	6,455	(7,812)
COSTS FOR THE PURCHASE OF GOODS	(1,420,156)	(1,339,849)
<i>of which from related parties (*)</i>	(130,008)	(134,157)
COSTS FOR SERVICES	(386,805)	(369,250)
<i>of which from related parties (*)</i>	(760)	(850)
PERSONNEL COSTS	(345,877)	(335,497)
OTHER OPERATING INCOME	44,825	40,486
<i>of which from related parties (*)</i>	645	666
OTHER OPERATING COSTS	(79,505)	(72,399)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	31,844	29,691
AMORTIZATION, DEPRECIATION AND WRITEDOWNS	(85,747)	(66,846)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)	108,110	81,356
FINANCIAL INCOME	27,729	29,124
<i>of which from related parties (*)</i>	5,095	5,059
FINANCIAL EXPENSE	(80,168)	(86,033)
<i>of which with related parties (*)</i>	(33)	(195)
DIVIDENDS	88	465
GAINS FROM TRADING SECURITIES	14,096	141,898
LOSSES FROM TRADING SECURITIES	(3,408)	(18,844)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(1,175)	11,583
INCOME BEFORE TAXES	65,272	159,549
INCOME TAXES	29,102	(23,044)
INCOME AFTER TAXES FROM OPERATING ACTIVITY	94,374	136,505
NET INCOME/(LOSS) FROM ASSETS HELD FOR DISPOSAL	--	--
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	94,374	136,505
- NET INCOME MINORITY SHAREHOLDERS	(52,201)	(15,711)
- NET INCOME OF THE GROUP	42,173	120,794
BASIC EARNINGS PER SHARE (in euro)	0.0563	0.1615
DILUTED EARNINGS PER SHARE (in euro)	0.0563	0.1615

(*) As per Consob Resolution no. 6064293 of July 28 2006

CIR GROUP – CASH FLOW STATEMENT

(in thousands of euro)

	1st Half 2010	1st Half 2009
OPERATING ACTIVITY		
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	94,374	136,505
ADJUSTMENTS:		
AMORTIZATION, DEPRECIATION AND WRITEDOWNS	85,747	66,846
SHARE OF RESULT OF COMPANIES CONSOLIDATED AT EQUITY	(31,844)	(29,691)
ACTUARIAL VALUATION OF STOCK OPTION PLANS	4,615	3,764
CHANGE IN PERSONNEL PROVISIONS AND PROVISIONS FOR RISKS AND LOSSES	(16,689)	10,608
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	6,175	(11,583)
CAPITAL GAINS FROM SUBSCRIPTION OF CAPITAL INCREASES BY MINORITY SHAREHOLDERS	--	(76,735)
CAPITAL GAINS ON SALE OF SECURITIES	--	(46,319)
INCREASE (REDUCTION) IN NON-CURRENT RECEIVABLES & PAYABLES	(41,829)	(14,220)
(RISE) REDUCTION IN NET WORKING CAPITAL	(128,101)	6,829
OTHER CHANGES	--	50,570
CASH FLOW FROM OPERATING ACTIVITY	(27,552)	96,574
of which:		
- interest received (paid)	(37,874)	(14,109)
- income tax disbursements	(12,697)	(62,710)
INVESTMENT ACTIVITY		
(PURCHASE) SALE OF SECURITIES	(142,351)	433,095
PURCHASE OF FIXED ASSETS	(379,244)	(267,201)
CASH FLOW FROM INVESTMENT ACTIVITY	(521,595)	165,894
FUNDING ACTIVITY		
RECEIPTS FROM CAPITAL INCREASES	3,173	184,219
OTHER EQUITY CHANGES	22,959	(3,986)
DRAWDOWN/(REPAYMENT) OF OTHER BORROWINGS	112,822	(438,112)
BUYBACK OF OWN SHARES	(91)	(1,161)
DIVIDENDS PAID OUT	(6,906)	(9,937)
CASH FLOW FROM FUNDING ACTIVITY	131,957	(268,977)
INCREASE (REDUCTION) IN NET CASH AND CASH EQUIVALENTS	(417,190)	(6,509)
NET CASH AND CASH EQUIVALENTS AT START OF PERIOD	483,031	451,562
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	65,841	445,053

CIR GROUP – STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

<i>(in thousands of euro)</i>	<i>Attributable to the Shareholders of the parent company</i>							<i>Minority interests</i>	<i>Total</i>
	<i>Issued capital</i>	<i>less own shares</i>	<i>Share capital</i>	<i>Reserves</i>	<i>Retained earnings (losses)</i>	<i>Net income (losses) for the period</i>	<i>Total</i>		
BALANCE AT DECEMBER 31 2008	395,588	(21,487)	374,101	307,856	487,448	95,444	1,264,849	814,039	2,078,888
Capital increases	471	--	471	528	--	--	999	186,852	187,851
Dividends to Shareholders	--	--	--	--	--	--	--	(21,386)	(21,386)
Retained earnings	--	--	--	--	95,444	(95,444)	--	--	--
Unclaimed dividends as per Art. 23 of Bylaws	--	--	--	14	--	--	14	--	14
Adjustments for own share transactions	--	(50)	(50)	50	(74)	--	(74)	--	(74)
Notional recognition of stock options	--	--	--	5,455	--	--	5,455	--	5,455
Effects of equity changes in subsidiaries	--	--	--	(895)	--	--	(895)	(95,996)	(96,891)
<i>Overall result for the period</i>									
Fair value measurement of hedging instruments	--	--	--	(285)	--	--	(285)	(800)	(1,085)
Fair value measurement of securities	--	--	--	7,668	--	--	7,668	(764)	6,904
Securities fair value reserve recognized to income statement	--	--	--	(38,918)	--	--	(38,918)	--	(38,918)
Effects of equity changes in subsidiaries	--	--	--	2,257	--	--	2,257	2,336	4,593
Currency translation differences	--	--	--	12,253	--	--	12,253	5,318	17,571
Result for the period	--	--	--	--	--	143,432	143,432	45,981	189,413
<i>Total overall result for the period</i>	--	--	--	(17,025)	--	143,432	126,407	52,071	178,478
BALANCE AT DECEMBER 31 2009	396,059	(21,537)	374,522	295,983	582,818	143,432	1,396,755	935,580	2,332,335
Capital increases	--	--	--	--	--	--	--	3,173	3,173
Dividends to Shareholders	--	--	--	--	--	--	--	(6,906)	(6,906)
Retained earnings	--	--	--	--	143,432	(143,432)	--	--	--
Notional recognition of stock options	--	--	--	2,217	--	--	2,217	--	2,217
Effects of equity changes in subsidiaries	--	--	--	460	--	--	460	2,564	3,024
<i>Overall result for the period</i>									
Fair value measurement of hedging instruments	--	--	--	(392)	--	--	(392)	986	594
Fair value measurement of securities	--	--	--	960	--	--	960	(623)	337
Securities fair value reserve recognized to income statement	--	--	--	848	--	--	848	--	848
Effects of equity changes in subsidiaries	--	--	--	514	--	--	514	280	794
Currency translation differences	--	--	--	11,121	--	--	11,121	8,548	19,669
Result for the period	--	--	--	--	--	42,173	42,173	52,201	94,374
<i>Total overall result for the period</i>	--	--	--	13,051	--	42,173	55,224	61,392	116,616
BALANCE AT JUNE 30 2010	396,059	(21,537)	374,522	311,711	726,250	42,173	1,454,656	995,803	2,450,459

CIR S.p.A. – BALANCE SHEET

(in euro)

ASSETS	%(**)	30.06.2010	%(**)	31.12.2009
NON-CURRENT ASSETS		1,013,251,851		1,012,090,877
INTANGIBLE ASSETS		229,739		213,639
TANGIBLE ASSETS		2,943,634		3,018,487
INVESTMENT PROPERTY		17,828,688		18,114,599
EQUITY INVESTMENTS		856,680,271		856,680,271
SUNDRY RECEIVABLES		134,802,628		133,296,990
<i>of which with related parties (*)</i>	134,778,428	100.0	133,272,790	100.0
DEFERRED TAXES		766,891		766,891
CURRENT ASSETS		304,582,762		307,202,505
SUNDRY RECEIVABLES		34,524,120		31,587,092
<i>of which with related parties (*)</i>	14,369,550	41.6	1,155,601	3.7
FINANCIAL RECEIVABLES		--		1,418,000
SECURITIES		207,212,627		101,584,046
CASH AND CASH EQUIVALENTS		62,846,015		172,613,367
TOTAL ASSETS		1,317,834,613		1,319,293,382
LIABILITIES AND EQUITY	%(**)	30.06.2010	%(**)	31.12.2009
EQUITY		977,335,245		978,905,531
ISSUED CAPITAL		396,058,634		396,058,634
less OWN SHARES		(21,537,000)		(21,537,000)
SHARE CAPITAL		374,521,634		374,521,634
RESERVES		354,249,382		352,032,278
RETAINED EARNINGS / (LOSSES)		252,351,619		254,341,399
NET INCOME FOR THE PERIOD		(3,787,390)		(1,989,780)
NON-CURRENT LIABILITIES		307,394,613		297,733,880
BONDS AND NOTES		305,882,321		296,168,462
PERSONNEL PROVISIONS		1,512,292		1,565,418
CURRENT LIABILITIES		33,104,755		42,653,971
BANK OVERDRAFTS		18		--
OTHER PAYABLES		17,164,105		28,513,339
<i>of which with related parties (*)</i>	11,516,832	67.1	12,961,083	45.5
PROVISIONS FOR RISKS AND LOSSES		15,940,632		14,140,632
TOTAL LIABILITIES AND EQUITY		1,317,834,613		1,319,293,382

(*) As per Consob Resolution no. 6064293 of July 28 2006

(**) Percentage of the whole

CIR S.p.A. – INCOME STATEMENT

(in euro)

		%(**)	1st Half 2010	%(**)	1st Half 2009
SUNDRY REVENUES AND INCOME			3,423,924		3,827,755
<i>of which from related parties (*)</i>	2,902,941	84.8		2,917,850	76.2
COSTS FOR SERVICES			(6,684,484)		(3,959,633)
<i>of which from related parties</i>					
PERSONNEL COSTS			(4,963,125)		(4,508,719)
OTHER OPERATING COSTS			(1,020,362)		(1,134,484)
AMORTIZATION, DEPRECIATION AND WRITEDOWNS			(420,852)		(423,168)
OPERATING RESULT			(9,664,899)		(6,198,249)
FINANCIAL INCOME			6,615,442		3,912,901
<i>of which from related parties</i>	1,505,638	22.8		1,290,740	33.0
FINANCIAL EXPENSE			(10,465,945)		(9,196,866)
<i>of which with related parties</i>	--	--		--	--
DIVIDENDS			5,334,635		9,271,962
<i>of which from related parties</i>	5,313,319	99.6		9,241,547	99.7
GAINS FROM TRADING SECURITIES			4,955,015		4,246,715
LOSSES FROM TRADING SECURITIES			(1,339,311)		(942,498)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS			(1,688,927)		346,900
INCOME / (LOSS) BEFORE TAXES			(6,253,990)		1,440,865
INCOME TAXES			2,466,600		1,503,000
NET INCOME / (LOSS) FOR THE PERIOD			(3,787,390)		2,943,865
BASIC EARNINGS PER SHARE (in euro)			(0.0051)		0.0039
DILUTED EARNINGS PER SHARE (in euro)			(0.0051)		0.0039

(*) As per Consob Resolution no. 6064293 of July 28 2006

(**) Percentage of the whole

CIR S.p.A. – CASH FLOW STATEMENT

(in euro)

	1st Half 2010	1st Half 2009
OPERATING ACTIVITY		
NET INCOME FOR THE PERIOD	(3,787,390)	2,943,865
ADJUSTMENTS:		
AMORTIZATION, DEPRECIATION AND WRITEDOWNS	420,852	423,168
LOSSES (GAINS) ON SALE OF CURRENT INVESTMENTS AND SECURITIES	(336,320)	(3,304,217)
ACTUARIAL VALUATION OF STOCK OPTION PLANS	2,217,104	1,942,086
PROVISIONS TO LEAVING INDEMNITY FUND	130,674	122,487
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	1,688,927	(346,900)
(INCREASE) REDUCTION IN NET WORKING CAPITAL	(2,860,041)	2,001,508
<i>of which with related parties</i>	<i>(16,433,838)</i>	<i>7,967,532</i>
CASH FLOW FROM OPERATING ACTIVITY	(2,526,194)	3,781,997
of which:		
- interest received (paid)	5,592,165	18,553,381
- dividends received	5,334,635	9,271,962
- income tax inflows (disbursements) *	--	8,342,358
INVESTMENT ACTIVITY		
(PURCHASE) SALE OF CURRENT SECURITIES	(106,981,188)	220,445,905
(PURCHASE) SALE OF FIXED ASSETS	(76,188)	90,472,023
CASH FLOW FROM INVESTMENT ACTIVITY	(107,057,376)	310,917,928
FUNDING ACTIVITY		
BUYBACK OF OWN SHARES	--	(74,255)
LOANS MADE TO SUBSIDIARIES	--	(130,000,000)
OTHER CHANGES	(183,800)	(93,133)
CASH FLOW FROM FUNDING ACTIVITY	(183,800)	(130,167,388)
INCREASE (REDUCTION) IN NET CASH AND CASH EQUIVALENTS	(109,767,370)	184,532,537
NET CASH AND CASH EQUIVALENTS AT START OF PERIOD	172,613,367	12,316,639
NET AND CASH EQUIVALENTS AT END OF PERIOD	62,845,997	196,849,176

* The amounts refer to current tax assets received following participation in the tax consolidation

CIR S.p.A. – STATEMENT OF CHANGES IN EQUITY

<i>(in euro)</i>	<i>Issued capital</i>	<i>less own shares</i>	<i>Share capital</i>	<i>Reserves</i>	<i>Retained earnings (losses)</i>	<i>Net result for the period</i>	<i>Total</i>
BALANCE AT DECEMBER 31 2008	395,587,634	(21,487,000)	374,100,634	345,985,148	221,164,387	33,251,267	974,501,436
Capital increases	471,000	--	471,000	528,389	--	--	999,389
Dividends to Shareholders	--	--	--	--	--	--	--
Result allocated to reserves	--	--	--	--	33,251,267	(33,251,267)	--
Unclaimed dividends as per Art. 23 of Bylaws	--	--	--	14,253	--	--	14,253
Adjustments for own share transactions	--	(50,000)	(50,000)	50,000	(74,255)	--	(74,255)
Notional recognition of stock options	--	--	--	5,454,488	--	--	5,454,488
Result for the period	--	--	--	--	--	(1,989,780)	(1,989,780)
BALANCE AT DECEMBER 31 2009	396,058,634	(21,537,000)	374,521,634	352,032,278	254,341,399	(1,989,780)	978,905,531
Capital increases	--	--	--	--	--	--	--
Dividends to Shareholders	--	--	--	--	--	--	--
Result allocated to reserves	--	--	--	--	(1,989,780)	1,989,780	--
Adjustments for own share transactions	--	--	--	--	--	--	--
Notional recognition of stock options	--	--	--	2,217,104	--	--	2,217,104
Result for the period	--	--	--	--	--	(3,787,390)	(3,787,390)
BALANCE AT JUNE 30 2010	396,058,634	(21,537,000)	374,521,634	354,249,382	252,351,619	(3,787,390)	977,335,245