



PRESS RELEASE

Board of Directors approves Interim Financial Report as of June 30 2009

**CIR GROUP: NET INCOME OF 120.8 MILLION IN FIRST HALF 2009
FINANCIAL STRUCTURE STRENGTHENED**

The change in net income compared to 2008 (-16.3%) is due mainly to lower non-recurring income from the capital increases which affected both years. At the end of June consolidated debt declined from March 31. Aggregate financial surplus of 93.8 million

Energy and healthcare businesses resist the current recession and continue to grow in the first half. In the media and automotive components businesses, harder hit by the current economic environment, measures put in place in recent months to improve efficiency are showing their first results

Consolidated results of first half 2009

Revenues: € 2,202.8 million (-6.6% from € 2,358.7 million in H1 2008)

EBITDA: € 148.2 million (-40.6% from € 249.5 million in H1 2008)

Net income: € 120.8 million (-16.3% from € 144.3 million in H1 2008)

Aggregate net financial surplus: € 93.8 million (€ 72.1 million at March 31 2009)

Consolidated net debt: € 1,678.1 million (€ 1,837 million at March 31 2009)

Milan, July 31 2009 – 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 2009**.

Performance of operations

In the first half of 2009 **CIR** reported a **positive consolidated net result of 120.8 million** euro, despite the repercussions of the deep economic recession on the business sectors of the group, especially **automotive components** and **media**.

The **decline in the result** compared to the first half of 2008 (-16.3%) **was solely due to lower non-recurring gains from the capital increases** which affected both years. In the first half of 2009 these gains amounted to 76.7 million euro and were the result of the subscription by Verbund of a 150 million capital increase in Sorgenia. In the same period of 2008, the group had benefited from a higher amount of non-recurring gains (117.8 million euro) due to the subscription of capital increases in HSS and Sorgenia by minority shareholders. The **value generated** for the company and its shareholders by these deals confirms the **validity of the industrial and investment strategy** pursued by CIR in recent years.

“In the first six months of 2009 – commented **Rodolfo De Benedetti**, chief executive of the CIR group – *we have worked alongside the management of our subsidiaries to tackle rapidly and decisively the new scenarios brought about by the current deep economic recession. More specifically, in the media and automotive components businesses, the hardest hit by the crisis, we have continued and consolidated the action taken to improve efficiency that was started in the second half of 2008. In both sectors structural cost cutting plans have been put in place, but without sacrificing investment in new initiatives. Maximum*

attention to costs and to the sustainability of investments has been applied even in the energy and healthcare sectors which succeeded in improving their results significantly in the first half, despite the crisis. At the same time, at group level, we have been focusing on strengthening our financial structure. Our objective is to preserve and in the future to increase the competitive positioning of all our businesses in order to foster their development in the longer term”.

Consolidated results

The **consolidated revenues** of the CIR group in the first half of the year amounted to **2,202.8 million** euro, down from 2,358.7 million euro in the first six months of 2008 (-**6.6%**). The decline, despite the growth of Sorgenia and HSS, was due to the fall in sales of Sogefi and Espresso.

The **consolidated gross operating margin (EBITDA)** was **148.2 million** euro (6.7% of revenues), compared to 249.5 million euro in the first half of 2008 (-**40.6%**). The **consolidated operating income figure (EBIT)** came in at **81.4 million** euro, **down** from 183.4 million euro in 2008. The contraction in operating income, which did however show significant growth in the second quarter of 2009 compared with the first quarter, was due essentially to the decline in the profitability of Sogefi and Espresso, which was in part offset by the rise in the margins of Sorgenia and HSS.

The **consolidated net income** of the CIR group in the first half of 2009 was **120.8 million** euro, down from 144.3 million in the same period of the previous year (-**16.3%**). The decline was due solely to lower non-recurring gains from capital increases, which were present in both years (76.7 million euro in the first half of 2009, 117.8 million euro in the same period of 2008). The net result of the first half of 2009 also benefited from the earnings of Sorgenia and from the higher contribution of the financial companies, achieved particularly thanks to the capital gains on further disinvestment made by Medinvest and to the rise in the value of securities in the portfolio valued at fair value.

Consolidated net invested capital stood at **3,943.3 million** euro at June 30 2009, up from 3,764.3 million at the end of 2008, with a **rise of 179 million** euro due mainly to investment in production capacity made by Sorgenia.

The **net debt** of the CIR group at June 30 amounted to **1,678.1 million** euro, down from 1,837 million euro at March 31 2009 and 1,685.4 million euro at December 31 2008. The consolidated net debt figure was the result of the following:

- An **aggregate net financial surplus at holding level** of **93.8 million** euro (72.1 million euro at March 31 2009). The change from the figure of 44.2 million euro at December 31 2008 was due mainly to tax credits from previous periods repaid by the Inland Revenue, to the receipt of dividends of 9.3 million euro and to the positive fair value adjustment of bonds in the portfolio for 21.5 million euro;
- **Total net debt of the operating companies** of **1,771.9 million** euro (1,909.1 million euro at March 31 2009). The rise from 1,729.6 million euro at December 31 2008 was mainly the result of the investment made by Sorgenia in new production capacity partly offset in the second quarter by the effect of the capital increase subscribed by Verbund in Sorgenia and by the reduction of Sogefi's debt.

The net financial position includes the pertinent part of CIR's investment in Medinvest, which amounted to 116.8 million euro at June 30 2009. In the first half the partial disinvestment by Medinvest led to realized net gains of 36.3 million euro. This disinvestment strategy has the aim of rebalancing the portfolio with a view to optimizing the financial structure of the group. The performance of Medinvest since its inception (April 1994) until December 31 2008 gave a weighted annual return on the portfolio of 7.7%. In the first six months of 2009 performance was positive (+5.5%).

Total consolidated equity at June 30 2009 stood at **2,265.2 million** euro, up from 2,078.9 million euro at December 31 2008. The **group's equity** amounted to **1,355.7 million** euro, up from 1,264.9 million euro at December 31 2008.

At June 30 2009 the CIR group had **12,936 employees** (12,969 at December 31 2008).

The **parent company of the group CIR SpA** closed the first half of 2009 with **net income** of **2.9 million** euro (126.4 million in the first half of 2008, including the extraordinary dividend paid out by the subsidiary Sogefi).

Industrial businesses

Energy: Sorgenia

The **Sorgenia group** closed the first half of 2009 with **higher revenues and net income** compared with the same period of 2008, despite the repercussions that the current economic recession has had on the energy sector.

In the first six months of the year the domestic market was characterized by lower demand for gas (-12.6% on first half 2008) and electricity (-8.2%), especially for thermoelectric generating (-20.1%), and by a sharp fall in electricity prices on the exchange. In this environment the results of Sorgenia were mainly due to the fact that **electricity sales volumes held up** (4.8 Twh in the half) and to the **company's limited exposure to the price fluctuations** on the exchange.

Regarding its **business plan**, during the first half of the year work was completed on the **combined cycle power plant (CCGT) at Modugno (BA)**, which will start commercial operations by the end of the year. The construction process is also proceeding on the other two CCGTs included in the plan: work on the Bertinico-Turano Lodigiano plant (LO) is almost at the half-way point, while after the close of the first half the go-ahead was obtained for construction of the Aprilia plant (LT). In the sphere of renewable sources, construction was completed of the **wind park at San Gregorio Magno (SA)**, Sorgenia's **largest** in Italy in terms of output (39 MW).

In the first half of 2009, the Sorgenia group reported **revenues** of **1,244.2 million** euro, **up by 9.1%** from 1,140.5 million euro in the same period of 2008. **EBITDA** came in at **82.5 million** euro, compared to 82 million euro in first half 2008 (**+0.6%**). The slight increase was due mainly to three factors: the good performance of sales in the electricity sector in a particularly difficult market, the contribution of the investee Tirreno Power and the lower exposure of Sorgenia to fluctuations in electricity prices on the exchange because the company's production was used entirely for sale to end-user clients. **Net income** came in at **26.5 million** euro, **up 4.3%** from 25.4 million in the same period of 2008. The **rise in earnings**, net of the rise in the Robin Hood Tax compared to first half 2008, would have been **8.6%**.

Media: Espresso

The results of the **Espresso group** in the first six months of 2009 should be seen in the light of the **context of profound crisis** affecting the economy and the media sector in particular. From autumn 2008 onwards the deeply recessive evolution of the economy caused the advertising market to contract significantly. After January 2009 the contraction became considerably worse: according to Nielsen Media Research figures, in the first five months of the year advertising investment declined overall by 17.5% and by 25.1% in the press segment. This contraction even affected radio (-18.6% for advertising revenues). Only internet advertising bucked the trend, with a rise (+7.8%) which did however slow somewhat. At the same time, in a context of declining consumption, there was also a slowdown in the circulation of daily newspapers and periodicals.

The **revenues** of the group in first half 2009 amounted to **449.3 million** euro, **down by 17.3%** on the same period of the previous year (543.2 million euro). Advertising revenues, totalling 246.2 million euro, posted

an overall decline of 23.8%. Circulation revenues, excluding optional products, came to 132.7 million euro, holding up well compared to the previous year (-1.9%). Specifically, revenues of the daily newspapers were in line with the figures for 2008 thanks to the stability of sales of local papers and to the rise in sales of Repubblica on the news-stands in the last few months of the first half. By contrast, the periodicals showed a decline in line with market trends. **EBITDA** came in at **40.6 million** euro, **down** by **58.1%** on the first half of 2008 (96.7 million euro). The **impact on profit margins** of the drastic reduction in advertising collected has already been **partly offset by the significant structural reduction in operating costs (-12.1%)**, made possible by the **reorganizational program in progress** which, when fully implemented, will give a **cost reduction of 17% (140 million** euro) compared to 2008. This program involves **extraordinary expense** which already affected the income statement in the first half of the year. The consolidated **net result** was a **positive 0.1 million** euro (36.4 million euro in first half 2008).

Automotive components: Sogefi

In the first half of 2009 the **results of the Sogefi group** were affected by the **sharp contraction in car production worldwide** which started in the last quarter of 2008. Despite a recovery in demand by end users especially in the second quarter as a result of the incentive packages being offered, production levels are still lower than those of 2008 partly because manufacturers have been running down their huge stocks of unsold vehicles. However, **thanks to efficiency measures** put in place at the first sign of crisis in the sector, the results obtained by the Sogefi group in the **second quarter**, although lower than in the same period of 2008, were **significantly better** than in the period January-March 2009.

During the first half the Sogefi group reported **revenues** of **374.5 million** euro (199.6 million euro in the second quarter), **down** by **32.7%** from 556.3 million in the same period of 2008. **Non-recurring restructuring costs** in the first half came to **9.9 million** euro (6.9 million euro in the first half of 2008). **Consolidated EBITDA** was a **positive 14.2 million** euro, with 11.9 million euro of this figure recorded in the second quarter (EBITDA in first half 2008 was 61 million euro). The **consolidated net result** was a **negative 10.6 million** euro, of which 1.8 million reported in the second quarter (earnings of 20.2 million euro in the first six months of the previous year).

Healthcare: HSS - Holding Sanità e Servizi

The **HSS group** closed the first half of 2009 with double-digit growth of its main economic indicators (**revenues, EBITDA and net income**) **compared to the same period of 2008, despite the difficult general economic environment**. During the half, the group continued in its strategy aimed at strengthening its operating subsidiaries and seeking new development opportunities to consolidate its presence in the Italian private healthcare sector. During the first half of the year the **management business of two residences for the elderly was acquired**, in Ancona and in the Cuneo area. With these deals, HSS now has **more than 5,000 beds in operation** and has further strengthened its position in the business of managing residences for the elderly.

In the first half-year the HSS group reported **consolidated revenues** of **134.9 million** euro, **up** by **13.8%** on the first six months of 2008 (118.5 million), thanks to the development of all areas of the business. **EBITDA** came in at **16.6 million** euro, with a rise of 17.3% on the first half of 2008 (14.1 million). The **consolidated net result** was a **positive 1 million** euro, up from 0.7 million euro in the same period of 2008.

Financial services: Jupiter and other businesses

In the financial services sector the CIR group is present with the company **Jupiter Finance** and other minor businesses. Jupiter Finance operates in the segment of non-performing loans. **Collections** obtained since 2005, the year in which the company was founded, up to and including June 30 2009, amounted to **76.7 million** euro and are **above the targets** envisaged when the portfolios were acquired. CIR is also a shareholder of **Ktesios and Pepper**, companies of the **KTP Finance** group (formerly Oakwood), the former

of which is active in the sector of loans secured on one fifth of borrowers' salaries while the latter is engaged in servicing on behalf of mortgage originators. In the first half of 2009 Ktesios made loans of approximately **370 million** euro (315 million euro in the first half of 2008). CIR's remaining investment in the KTP group stood at 20 million euro at June 30 2009.

Outlook for the year

In 2009 the current period of deep recession will affect the results of the different business sectors in which CIR operates with varying intensity, particularly the automotive components and media businesses. To counter the difficult international economic scenario, the group has already in the last few quarters put in place a rigorous financial strategy as well as cost cutting measures and has been repositioning the subsidiaries most hit by the crisis, without however sacrificing new investment for the development of all businesses, especially those with higher growth potential. The action taken should produce further effects in the second half of the year.

Bonds maturing in the 24 months following June 30 2009

The company, which has a BB rating with a stable outlook issued by Standard&Poor's, has the following bond, issued by the subsidiary CIR International SA and guaranteed by CIR SpA, maturing in the 24 months following June 30 2009:

- 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 operations in the first half of 2009 will be illustrated today at 4.30 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 0683360400**, or as 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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Attached are highlights from the consolidated and statutory balance sheets and income statements

CIR GROUP – CONSOLIDATED BALANCE SHEET

(in thousands of euro)

ASSETS	<i>30.06.2009</i>	<i>31.12.2008</i>
NON-CURRENT ASSETS	4,006,327	3,804,558
INTANGIBLE ASSETS	1,303,680	1,264,499
TANGIBLE ASSETS	1,951,445	1,789,985
INVESTMENT PROPERTY	18,401	18,687
INVESTMENTS IN COMPANIES VALUED AT EQUITY	260,491	282,824
OTHER EQUITY INVESTMENTS	10,171	9,682
OTHER RECEIVABLES	230,618	236,147
<i>of which with related parties (*)</i>	<i>20,664</i>	<i>20,734</i>
SECURITIES	88,360	84,633
DEFERRED TAXES	143,161	118,101
CURRENT ASSETS	2,406,260	3,168,534
INVENTORIES	150,971	195,311
CONTRACTED WORK IN PROGRESS	4,435	2,915
TRADE RECEIVABLES	1,136,519	1,233,689
<i>of which from related parties (*)</i>	<i>27,730</i>	<i>24,661</i>
OTHER RECEIVABLES	195,393	363,753
<i>of which from related parties (*)</i>	<i>1,547</i>	<i>151,288</i>
FINANCIAL RECEIVABLES	35,164	25,721
SECURITIES	195,394	513,362
AVAILABLE-FOR-SALE FINANCIAL ASSETS	111,114	217,420
CASH AND CASH EQUIVALENTS	577,270	616,363
ASSETS HELD FOR DISPOSAL	730	653
TOTAL ASSETS	6,413,317	6,973,745
LIABILITIES AND SHAREHOLDERS' EQUITY	<i>30.06.2009</i>	<i>31.12.2008</i>
SHAREHOLDERS' EQUITY	2,265,238	2,078,888
ISSUED CAPITAL	395,588	395,588
less OWN SHARES	(21,537)	(21,487)
SHARE CAPITAL	374,051	374,101
RESERVES	278,033	307,856
RETAINED EARNINGS (LOSSES)	582,818	487,448
NET INCOME FOR THE PERIOD	120,794	95,444
SHAREHOLDERS' EQUITY OF THE GROUP	1,355,696	1,264,849
MINORITY SHAREHOLDERS' EQUITY	909,542	814,039
NON-CURRENT LIABILITIES	2,620,790	2,931,482
BONDS AND NOTES	739,180	895,458
OTHER BORROWINGS	1,497,187	1,653,615
OTHER PAYABLES	3,295	3,333
<i>of which to related parties (*)</i>	<i>69</i>	<i>68</i>
DEFERRED TAXES	180,329	174,903
PERSONNEL PROVISIONS	139,214	147,482
PROVISIONS FOR RISKS AND LOSSES	61,585	56,691
CURRENT LIABILITIES	1,527,289	1,963,375
BANK OVERDRAFTS	132,217	164,801
BONDS AND NOTES	733	347,445
OTHER BORROWINGS	227,736	146,987
<i>of which from related parties (*)</i>	<i>2</i>	<i>71</i>
TRADE PAYABLES	802,135	946,989
<i>of which to related parties (*)</i>	<i>51,395</i>	<i>22,089</i>
OTHER PAYABLES	270,486	277,153
PROVISIONS FOR RISKS AND LOSSES	93,982	80,000
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	6,413,317	6,973,745

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

CIR GROUP – CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	<i>1st Half 2009</i>	<i>1st Half 2008</i>
SALES REVENUES	2,202,832	2,358,665
<i>of which from related parties (*)</i>	8,041	882
CHANGE IN INVENTORIES	(7,812)	7,412
COSTS FOR THE PURCHASE OF GOODS	(1,339,849)	(1,368,507)
<i>of which from related parties (*)</i>	(134,157)	(79,804)
COSTS FOR SERVICES	(369,250)	(396,396)
<i>of which from related parties (*)</i>	(850)	(1,036)
PERSONNEL COSTS	(335,497)	(349,716)
OTHER OPERATING INCOME	40,486	42,569
<i>of which from related parties (*)</i>	666	306
OTHER OPERATING COSTS	(72,399)	(51,754)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS VALUED AT EQUITY	29,691	7,186
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	(66,846)	(66,045)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)	81,356	183,414
FINANCIAL INCOME	29,124	33,847
<i>of which from related parties (*)</i>	5,059	6,131
FINANCIAL EXPENSE	(86,033)	(91,096)
<i>of which with related parties (*)</i>	(195)	(12)
DIVIDENDS	465	292
GAINS FROM TRADING SECURITIES	141,898	132,577
LOSSES FROM TRADING SECURITIES	(18,844)	(10,438)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	11,583	(5,068)
INCOME BEFORE TAXES	159,549	243,528
INCOME TAXES	(23,044)	(57,830)
RESULT AFTER TAXES FROM OPERATING ACTIVITY	136,505	185,698
INCOME/(LOSS) FROM ASSETS HELD FOR DISPOSAL	--	--
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	136,505	185,698
- NET INCOME OF MINORITY SHAREHOLDERS	(15,711)	(41,423)
- NET INCOME OF THE GROUP	120,794	144,275
BASIC EARNINGS PER SHARE (in euro)	0.1615	0.1926
DILUTED EARNINGS PER SHARE (in euro)	0.1615	0.1926

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

CIR GROUP – CASH FLOW STATEMENT

(in thousands of euro)

	<i>1st Half 2009</i>	<i>1st Half 2008</i>
OPERATING ACTIVITY		
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	136,505	185,698
ADJUSTMENTS:		
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	66,846	66,045
SHARE OF RESULT OF COMPANIES VALUED AT EQUITY	(29,691)	(7,186)
ACTUARIAL VALUATION OF STOCK OPTION PLANS	3,764	1,087
CHANGES IN PERSONNEL PROVISIONS & PROV. FOR RISKS AND LOSSES	10,608	12,049
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(11,583)	5,068
CAPITAL GAINS ON SUBSCRIPTION OF CAP. INCREASES BY MINORITY SHAREHOLDERS	(76,735)	(117,810)
CAPITAL GAINS ON SALE OF SECURITIES	(46,319)	--
RISE (REDUCTION) IN NON-CURRENT RECEIVABLES & PAYABLES	(14,220)	(1,545)
(RISE) REDUCTION IN NET WORKING CAPITAL	6,829	(206,770)
OTHER CHANGES	50,570	--
CASH FLOW FROM OPERATING ACTIVITY	96,574	(63,364)
of which:		
- interest income (expense)	(14,109)	(47,663)
- income tax disbursements	(62,710)	(30,489)
INVESTMENT ACTIVITY		
(PURCHASE) SALE OF SECURITIES	433,095	(274,512)
PURCHASE OF FIXED ASSETS	(267,201)	(241,818)
CASH FLOW FROM INVESTMENT ACTIVITY	165,894	(516,330)
FUNDING ACTIVITY		
INFLOWS FROM CAPITAL INCREASES	184,219	268,683
OTHER CHANGES IN SHAREHOLDERS' EQUITY	(3,986)	(13,842)
DRAWDOWN/(REPAYMENT) OF OTHER BORROWINGS	(438,112)	(6,742)
FINANCIAL RECEIVABLES FROM JOINT VENTURES	--	42,499
BUYBACK OF OWN SHARES	(1,161)	(13,201)
DIVIDENDS PAID OUT	(9,937)	(145,278)
CASH FLOW FROM FUNDING ACTIVITY	(268,977)	132,119
RISE (REDUCTION) IN NET CASH AND CASH EQUIVALENTS	(6,509)	(447,575)
NET CASH AND CASH EQUIVALENTS AT START OF PERIOD	451,562	602,095
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	445,053	154,520

CIR GROUP – STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' 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 (loss) for period</i>	<i>Total</i>		
BALANCE AT DECEMBER 31 2007	395,466	(19,822)	375,644	412,983	448,674	82,580	1,319,881	721,912	2,041,793
Capital increases	122	--	122	243	--	--	365	273,641	274,006
Dividends to Shareholders	--	--	--	--	--	(37,410)	(37,410)	(118,386)	(155,796)
Retained earnings	--	--	--	--	45,170	(45,170)	--	--	--
Unclaimed dividends as per Art. 23 of Bylaws	--	--	--	13	--	--	13	--	13
Fair value measurement of hedging instruments	--	--	--	(6,169)	--	--	(6,169)	(5,158)	(11,327)
Fair value measurement of securities	--	--	--	(54,525)	--	--	(54,525)	(34)	(54,559)
Securities fair value reserve recognized to income statement	--	--	--	(53,073)	--	--	(53,073)	365	(52,708)
Adjustment for own share transactions	--	(1,665)	(1,665)	1,665	(6,396)	--	(6,396)	--	(6,396)
Notional recognition of stock options	--	--	--	905	--	--	905	--	905
Effects of equity changes in subsidiaries	--	--	--	(865)	--	--	(865)	(131,185)	(132,050)
Currency translation differences	--	--	--	6,679	--	--	6,679	(8,741)	(2,062)
Result for the period	--	--	--	--	--	95,444	95,444	81,625	177,069
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	--	--	--	--	--	--	--	--	--
Dividends to Shareholders	--	--	--	--	--	--	--	184,219	184,219
Retained earnings	--	--	--	--	95,444	(95,444)	--	(9,937)	(9,937)
Fair value measurement of hedging instruments	--	--	--	(1,594)	--	--	(1,594)	(1,118)	(2,712)
Fair value measurement of securities	--	--	--	(1,608)	--	--	(1,608)	--	(1,608)
Securities fair value reserve recognized to income statement	--	--	--	(36,304)	--	--	(36,304)	--	(36,304)
Adjustment for own share transactions	--	(50)	(50)	50	(74)	--	(74)	--	(74)
Notional recognition of stock options	--	--	--	3,072	--	--	3,072	--	3,072
Effects of equity changes in subsidiaries	--	--	--	5,098	--	--	5,098	(97,739)	(92,641)
Currency translation differences	--	--	--	1,463	--	--	1,463	4,367	5,830
Result for the period	--	--	--	--	--	120,794	120,794	15,711	136,505
BALANCE AT JUNE 30 2009	395,588	(21,537)	374,051	278,033	582,818	120,794	1,355,696	909,542	2,265,238

CIR S.p.A. – BALANCE SHEET

(in euro)

ASSETS	%(**)	30.06.2009	%(**)	31.12.2008
NON-CURRENT ASSETS		1,081,213,520		1,041,152,254
INTANGIBLE ASSETS		172,713		191,477
TANGIBLE ASSETS		3,096,323		3,176,710
INVESTMENT PROPERTY		18,400,510		18,686,421
EQUITY INVESTMENTS		927,480,735		1,017,990,864
SUNDRY RECEIVABLES		131,296,348		24,200
<i>of which with related parties (*)</i>	131,272,148	100.0	--	--
DEFERRED TAXES		766,891		1,082,582
CURRENT ASSETS		233,573,902		293,334,311
SUNDRY RECEIVABLES		26,971,672		54,469,830
<i>of which with related parties (*)</i>	4,050,871	15.0	7,827,661	14.4
SECURITIES		9,753,054		226,547,842
CASH AND CASH EQUIVALENTS		196,849,176		12,316,639
TOTAL ASSETS		1,314,787,422		1,334,486,565
<hr/>				
LIABILITIES AND SHAREHOLDERS' EQUITY	%(**)	30.06.2009	%(**)	31.12.2008
SHAREHOLDERS' EQUITY		980,442,786		974,501,436
ISSUED CAPITAL		395,587,634		395,587,634
less OWN SHARES		(21,537,000)		(21,487,000)
SHARE CAPITAL		374,050,634		374,100,634
RESERVES		349,106,888		345,985,148
RETAINED EARNINGS / (LOSSES)		254,341,399		221,164,387
NET INCOME FOR THE PERIOD		2,943,865		33,251,267
NON-CURRENT LIABILITIES		306,177,520		298,631,544
BONDS AND NOTES		304,628,427		295,982,153
DEFERRED TAXES		--		--
PERSONNEL PROVISIONS		1,549,093		2,649,391
CURRENT LIABILITIES		28,167,116		61,353,585
BANK OVERDRAFTS		--		--
BORROWINGS FROM SUBSIDIARIES		--		--
OTHER PAYABLES		13,526,484		11,306,639
<i>of which to related parties (*)</i>	9,647,250	71.3	5,456,508	48.6
PROVISIONS FOR RISKS AND LOSSES		14,640,632		50,046,946
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		1,314,787,422		1,334,486,565

(**) Percentage of whole

CIR S.p.A. – INCOME STATEMENT

(in euro)

		%(**)	1st Half 2009	%(**)	1st Half 2008
SUNDRY REVENUES AND INCOME			3,827,755		3,618,116
<i>of which from related parties (*)</i>	2,917,850	76.2	3,082,822	85.2	
COSTS FOR SERVICES			(3,959,633)		(4,745,006)
<i>of which from related parties (*)</i>			(1,156,000)	24.4	
PERSONNEL COSTS			(4,508,719)		(3,816,660)
OTHER OPERATING COSTS			(1,134,484)		(944,137)
AMORTIZATION, DEPRECIATION & WRITE-DOWNS			(423,168)		(421,758)
OPERATING RESULT			(6,198,249)		(6,309,445)
FINANCIAL INCOME			3,912,901		4,512,732
<i>of which from related parties (*)</i>	1,290,740	33.0	128,622	2.9	
FINANCIAL EXPENSE			(9,196,866)		(8,924,627)
<i>of which with related parties (*)</i>	--	--	(208,591)	2.3	
DIVIDENDS			9,271,962		138,738,023
<i>of which from related parties (*)</i>	9,241,547	99.7	138,689,930	100.0	
GAINS FROM TRADING SECURITIES			4,246,715		369,898
LOSSES FROM TRADING SECURITIES			(942,498)		(2,370,000)
ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS			346,900		(1,202,902)
INCOME/ (LOSS) BEFORE TAXES			1,440,865		124,813,679
INCOME TAXES			1,503,000		1,591,392
NET INCOME FOR THE PERIOD			2,943,865		126,405,071
BASIC EARNINGS PER SHARE (in euro)			0.0039		0.1687
DILUTED EARNINGS PER SHARE (in euro)			0.0039		0.1687

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

(**) Percentage of the whole

CIR S.p.A. – CASH FLOW STATEMENT

	<i>1st Half 2009</i>	<i>1st Half 2008</i>
OPERATING ACTIVITY		
NET INCOME FOR THE PERIOD	2,943,865	126,405,071
ADJUSTMENTS:		
AMORTIZATION, DEPRECIATION & WRITE-DOWNS	423,168	421,758
LOSSES (GAINS) FROM THE SALE OF EQUITY INVESTMENTS & STOCKS	(3,304,217)	2,000,102
ACTUARIAL VALUATION OF STOCK OPTION PLANS	1,942,086	1,263,936
PROVISION MADE TO LEAVING INDEMNITY FUND	122,487	136,081
ADJUSTMENT TO THE VALUE OF FINANCIAL ASSETS	(346,900)	1,202,902
(RISE) REDUCTION IN NET WORKING CAPITAL	2,001,508	4,090,779
<i>of which with related parties</i>	<i>7,967,532</i>	<i>(562,984)</i>
CASH FLOW FROM OPERATING ACTIVITY	3,781,997	135,520,629
of which:		
- interest income (expense)	18,553,381	(521,098)
- dividends received	9,271,962	138,738,023
- income tax receipts (disbursements)*	8,342,358	16,609,750
INVESTMENT ACTIVITY		
(PURCHASE) SALE OF CURRENT SECURITIES	220,445,905	(130,863,344)
(PURCHASE) SALE OF FIXED ASSETS	90,472,023	(22,968,227)
CASH FLOW FROM INVESTMENT ACTIVITY	310,917,928	(153,831,571)
FUNDING ACTIVITY		
INFLOWS FROM CAPITAL INCREASES	--	365,308
BUYBACK OF OWN SHARES	(74,255)	(6,396,015)
LOANS MADE TO SUBSIDIARIES	(130,000,000)	--
DIVIDENDS PAID OUT	--	(37,410,570)
OTHER CHANGES	(93,133)	(197,070)
CASH FLOW FROM FUNDING ACTIVITIES	(130,167,388)	(43,638,347)
RISE (REDUCTION) IN NET CASH AND CASH EQUIVALENTS	184,532,537	(61,949,289)
NET CASH AND CASH EQUIVALENTS AT START OF PERIOD	12,316,639	77,839,093
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	196,849,176	15,889,804

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

CIR S.p.A. – STATEMENT OF CHANGES IN SHAREHOLDERS' 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 income for period</i>	<i>Total</i>
BALANCE AT DECEMBER 31 2007	395,465,334	(19,822,000)	375,643,334	343,159,102	185,051,374	79,919,598	983,773,408
Capital increases	122,300	--	122,300	243,008	--	--	365,308
Dividends to Shareholders	--	--	--	--	--	(37,410,570)	(37,410,570)
Allocation of earnings to reserves	--	--	--	--	42,509,028	(42,509,028)	--
Unclaimed dividends as per Art. 23 of Bylaws	--	--	--	12,451	--	--	12,451
Adjustment for own share transactions	--	(1,665,000)	(1,665,000)	1,665,000	(6,396,015)	--	(6,396,015)
Notional recognition of stock options	--	--	--	905,587	--	--	905,587
Result for the period	--	--	--	--	--	33,251,267	33,251,267
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	--	--	--	--	--	--	--
Dividends to Shareholders	--	--	--	--	--	--	--
Allocation of earnings to reserves	--	--	--	--	33,251,267	(33,251,267)	--
Adjustment for own share transactions	--	(50,000)	(50,000)	50,000	(74,255)	--	(74,255)
Notional recognition of stock options	--	--	--	3,071,740	--	--	3,071,740
Result for the period	--	--	--	--	--	2,943,865	2,943,865
BALANCE AT JUNE 30 2009	395,587,634	(21,537,000)	374,050,634	349,106,888	254,341,399	2,943,865	980,442,786