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PRESS RELEASE

Board of Directors approves results as of March 31 2010

CIR GROUP: REVENUES UNCHANGED AT OVER 1.1 BILLION, EBITDA UP, NET INCOME AT 3.3 MILLION

Growth of the gross operating margin was due mainly to the rise in the results of Espresso (media), Sogefi (automotive components) and KOS (healthcare), which more than compensated for the lower margins of Sorgenia (energy), partly due to exceptional factors

The net result of first quarter 2009, a positive 19.5 million euro, benefited from a capital gain of 16.3 million euro. Net of this non-recurring gain, the net income of the group would be substantially unchanged on last year. Higher contributions from the operating companies

Consolidated results of Q1 2010

- ***Revenues: € 1,139.5 million (+0.1% from € 1,138.3 million in Q1 2009)***
- ***EBITDA: € 67.4 million (+13.7% from € 59.3 million in Q1 2009)***
- ***Net income: € 3.3 million (€ 19.5 million in Q1 2009)***
- ***Aggregate net financial surplus: € 123 million (€ 121.6 million at 31/12/2009)***
- ***Consolidated net debt: € 2,057.1 million (€ 1,801.1 million at 31/12/2009)***

Turin, April 30 2010 – The **Board of Directors** of **CIR-Compagnie Industriali Riunite SpA** met today in Turin under the chairmanship of **Stefano Micossi** to examine the **interim financial report** of the group as of **March 31 2010**.

Performance of operations

CIR closed the **first quarter of 2010** with **consolidated revenues of over 1.1 billion** euro, substantially in line with the same period of 2009, and a **gross operating margin (EBITDA)** that was **up** by **13.7%** thanks above all to the **improvement in the results of Espresso (media), Sogefi (automotive components) and KOS (healthcare)**, which more than compensated for the lower margins of **Sorgenia (energy)**, due partly to exceptional factors which affected the quarter.

The net income of the group was **3.3 million** euro. The result for last year, which was a positive 19.5 million euro, benefited from a capital gain of 16.3 million euro on the partial divestment of the shares in hedge funds held by the group. Therefore, net of this non-recurring event, the earnings of the group would be substantially unchanged from 2009. The contribution of the operating companies to the earnings of the quarter was higher than last year.

Consolidated results

The **consolidated revenues** of the CIR group for the first quarter totalled **1,139.5 million** euro, substantially in line (**+0.1%**) with the 1,138.3 million euro of the first three months of 2009.

Consolidated EBITDA came in at **67.4 million** euro (5.9% of revenues) and was **up by 13.7%** from 59.3 million euro in the first quarter of 2009. The change compared to the figure for last year was due above all to the significant growth in the gross operating margin of Espresso, Sogefi and KOS, which more than compensated for the lower margin of Sorgenia. The rise in **consolidated operating income (EBIT)** was more contained (**+1.1%** to **27.6 million** euro, up from 27.3 million euro in 2009), due to the higher amortization of Sorgenia.

The financial management result, a negative 14.2 million euro (a positive 6.9 million in the first quarter of 2009), was the result of net financial expense of 24.4 million euro, partly offset by dividends and net gains from trading securities of 3.4 million euro and by positive adjustments to the value of financial assets of 6.8 million euro.

The **consolidated net income** of the CIR group was **3.3 million** euro in first quarter 2010. The net result of the first three months of 2009, a positive 19.5 million euro, benefited from capital gains for 16.3 million euro from the partial divestment of shares of the hedge funds held by the group. Net of this non-recurring gain, net income would have been substantially unchanged from last year. Moreover, the net result of first quarter 2010 also benefited from a higher contribution by the operating groups (1.9 million euro versus 0.1 million euro in 2009) mainly due to the return to profit of Espresso and Sogefi.

The **net financial debt** of the CIR group stood at **2,057.1 million** euro at March 31 2010 (1,801.1 million euro at December 31 2009) and was the result of the following:

- An **aggregate net financial surplus at holding level** of **123 million** euro, up slightly on the figure at December 31 2009 (121.6 million euro);
- **Total net debt in the operating companies** of **2,180.1 million** euro, up from 1,922.7 million euro at December 31 2009. The rise during the quarter was due mainly to the investments made by Sorgenia in new production capacity, according to plan.

The net financial position includes the investment made by the CIR group in shares of hedge funds (88.4 million euro at March 31 2010). In the first three months of 2010 the performance of this investment was positive (+1.3%).

Total consolidated equity stood at **2,358 million** euro at March 31 2010, up from 2,332.3 million euro at December 31 2009. The **equity of the group** came to **1,408.4 million** euro versus 1,396.8 million euro at December 31 2009.

At March 31 2010 the CIR group had **12,823 employees** (12,746 at December 31 2010).

Business sectors

Energy (Sorgenia)

In first quarter 2010 the results of Sorgenia were negatively affected by the significant reduction in gas margins, the continuing tension in selling prices, under downward pressure particularly in the electricity sector, and the high level of congestion on the national electricity grid. In addition to these factors, there was also an exceptional event, the breakdown of the Termoli power plant (Campobasso), which began running normally again only at the end of March. During the period Sorgenia continued to implement its business plan. Specifically, the first ignition tests took place at the new CCGT (Combined Cycle Gas Turbine) power plant at Bertonico-Turano (Lodi) with an output of approximately 800 MW.

In generation from wind sources, the 12 MW plant at San Martino in Pensilis (Campobasso) is nearly fully operational, while in France building work is under way on the 32 MW wind park at Leffincourt. In photovoltaic generation, construction work has begun on the plant at Ozieri (Sassari) with an output of approximately 3 MW.

The **revenues** of the group for the first quarter of 2010 came in at **635.9 million** euro and were **down by 6.8%** on 2009 (682 million euro). The growth in sales volumes, especially in the electricity sector, partly offset the sharp fall in the unit prices of energy products. **EBITDA** came to **14.4 million** euro. The significant decline compared to the result of the first quarter of 2009 (35.8 million euro) was due to various factors: the breakdown of the Termoli power plant, for which the company has begun the claim procedure to get compensation for both direct and indirect damages; the narrowing of the sales margins of natural gas, mainly because of the sourcing costs of existing contracts, the renegotiation of which is in progress and will be retrospective; higher provisions made for receivables from clients; the lower contribution of the subsidiary Tirreno Power; the lack of contribution from the new Modugno power plant (Bari), still at the commissioning stage and suffering the effect of high levels of congestion on the electricity grid.

The **net result** was a **loss** of **12.2 million** euro, compared to net income of 12.9 million euro in the first quarter of 2009. In addition to the fall in the gross operating margin, the loss was also due to the rise in amortization on the start-up of new generating plants and to the rise in financial expense.

Media (Espresso group)
In the first three months of 2010, in an economic environment which although uncertain has not declined any further, advertising investment showed a slight improvement. According to the latest figures published by *Nielsen Media Research*, advertising investment as a whole grew by 2.7% in the first two months of the year compared to the corresponding period of 2009 when, as is well known, it plummeted by 19.5%. The most dynamic media were radio and television, with growth of 11% and 4.9% respectively: internet advertising also went up (+3.8%), while print media overall underwent a further decline (-4.3%). In particular, periodicals performed very negatively (-14.1%), while advertising in paid-for newspapers recovered slightly (+1%).

The **revenues** of the group in the first quarter of 2010 came to **213.6 million** euro, substantially in line (**-0.7%**) with the figure for the same period of 2009 (215 million euro). Net of optional products, revenues rose by 6.5%. Circulation revenues, excluding optional products, totalled 65.3 million euro, and were in line with the figure for the first quarter of 2009 (65.8 million euro). In particular, both *Repubblica* and *L'espresso* recorded a slight increase of sales on the news-stands. Advertising revenues, totalling 121.6 million euro, were up by 11.2% compared to the first quarter of 2009. Total operating costs were cut by 9.1% versus first quarter 2009, in line with the objective of the plan which involved a total cut in costs of 17% compared to financial year 2008. **EBITDA** came in at **30.4 million** euro (16.7 million euro in first quarter 2009), thanks to the improvement of all the divisions of the group. The **net result** was a **positive 12.1 million** euro, compared to a loss of 2.5 million in the first quarter of 2009.

Automotive components (Sogefi)
The first quarter of 2010 confirmed the trend of gradual recovery of the production levels of the car industry in the markets hardest hit by the crisis which began in the last few months of 2008 (Europe, United States and Japan). The markets that recorded rising volumes in 2009 (Brazil, India and China) confirmed this positive trend even in the early part of this year thanks to rising domestic demand. By contrast, the performance of the industrial vehicle sector in Europe has remained particularly weak while the after-market has confirmed the levels recorded in the second half of 2009. Overall growth in the production levels of the automotive sector and the drastic cost-cutting actions taken by the company during 2009 enabled Sogefi to achieve a significant rise in all its main economic indicators in the first quarter of 2010 compared to the first three months of 2009, and to return to profit.

The **revenues** of the group in the first quarter of 2010 benefited from the evolution of the market, posting **growth** of **22.4%** (**214 million** euro, up from 174.9 million euro in first quarter 2009). After the drastic action taken by the company in 2009 to cut structure costs, the rise in revenues made it possible to achieve a significant recovery in all levels of profitability compared to the first three months of the previous year. **EBITDA** was **20.6 million** euro, while in the same period of 2009 it was 2.2 million euro. **Net income** was a positive **3.8 million** euro after a loss of 8.8 million euro in the first quarter of 2009.

Healthcare (KOS)
In the first quarter of 2010 the KOS group reported a significant rise in its main operating indicators compared to the same period of 2009. During the quarter the KOS group continued to pursue its growth strategy in its two main businesses (nursing homes and rehabilitation) through the acquisition of a facility in the Marche and two nursing homes in Lombardy.

Revenues for the first quarter of 2010 were **76.1 million** euro, **up by 14.4%** on 2009 (66.5 million euro), thanks to the development of all areas of the business and to the new acquisitions made in the period.
In the first quarter the company posted non-recurring costs of approximately 2 million euro for the IPO procedure currently in progress (1.4 million euro) and for expenditure related to the acquisitions made in the period (0.6 million euro). **EBITDA before the non-recurring costs** came to **10.2 million** euro and was up by **36.1%** compared to the first quarter of 2009 (7.5 million euro). **EBITDA after the non-recurring costs** was **8.2 million** euro, up by 9.1%. The **net result before the non-recurring costs** was a **positive figure of approximately 1.2 million** euro, versus an overall breakeven (0.1 million euro) in the first quarter of 2009. The **net result after the non-recurring costs** was close to **breakeven** (-0.4 million euro).

Financial services and other businesses
The CIR group also operates in the financial services sector, particularly through **Jupiter Finance** and other minor businesses. Jupiter Finance is active in the non-performing loans sector. At March 31 2010 the nominal value of the loans under management amounted to approximately 2.2 billion euro. KTP Finance also operates in the financial services sector (loans secured on one fifth of salaries and servicing for mortgage originators): CIR's investment in this group amounts to 4 million euro. Among the other businesses is the venture capital fund CIR Ventures (with a fair value at March 31 2010 of 14.5 million dollars) and a diversified portfolio of funds and minority shareholdings in the private equity sector (with a fair value at March 31 2010 of 70.5 million euro).

Outlook for the year

In the coming quarters CIR will be continuing to implement its cost-cutting action and make investments aimed at developing all sectors of the business. The group confirms that to date there is not expected to be any non-recurring income in 2010 such as that which affected the last two years. Consolidated net income for this year will, therefore, be lower than that of 2009.

Bonds maturing in the 24 months following March 31 2010

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 March 31 2010:

- 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%.

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 balance sheet and income statement.
It should be noted that these financial statements have not been subjected to an audit.

CIR GROUP – CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euro)

ASSETS	*31.03.2010*	*31.12.2009*	*31.03.2009*
NON-CURRENT ASSETS	**4,442,687**	**4,287,814**	**3,909,214**
INTANGIBLE ASSETS	1,348,327	1,316,903	1,266,788
TANGIBLE ASSETS	2,280,697	2,187,369	1,870,198
INVESTMENT PROPERTY	17,972	18,115	18,544
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	291,760	275,899	300,225
OTHER EQUITY INVESTMENTS	6,289	9,629	14,781
OTHER RECEIVABLES	195,369	207,899	234,573
SECURITIES	94,269	83,051	75,380
DEFERRED TAXES	208,004	188,949	128,725
CURRENT ASSETS	**2,375,859**	**2,362,336**	**2,686,635**
INVENTORIES	154,719	156,150	183,885
CONTRACTED WORK IN PROGRESS	10,468	3,464	3,171
TRADE RECEIVABLES	1,088,826	1,042,030	1,211,373
OTHER RECEIVABLES	213,572	200,627	372,159
FINANCIAL RECEIVABLES	48,250	27,229	18,520
SECURITIES	321,773	278,548	230,001
AVAILABLE-FOR-SALE FINANCIAL ASSETS	143,880	104,967	174,426
CASH AND CASH EQUIVALENTS	394,371	549,321	493,100
ASSETS HELD FOR DISPOSAL	699	700	668
TOTAL ASSETS	**6,819,245**	**6,650,850**	**6,596,517**

LIABILITIES AND EQUITY	*31.03.2010*	*31.12.2009*	*31.03.2009*
EQUITY	**2,357,979**	**2,332,335**	**2,070,456**
ISSUED CAPITAL	396,059	396,059	395,588
less OWN SHARES	(21,537)	(21,537)	(21,537)
SHARE CAPITAL	374,522	374,522	374,051
RESERVES	304,335	295,983	282,326
RETAINED EARNINGS (LOSSES)	726,250	582,818	582,818
NET INCOME FOR THE PERIOD	3,295	143,432	19,474
GROUP EQUITY	**1,408,402**	**1,396,755**	**1,258,669**
MINORITY SHAREHOLDERS' EQUITY	949,577	935,580	811,787
NON-CURRENT LIABILITIES	**2,929,186**	**2,958,552**	**2,900,459**
BONDS AND NOTES	566,115	718,262	882,682
OTHER BORROWINGS	1,965,822	1,843,359	1,640,119
OTHER PAYABLES	474	1,177	3,333
DEFERRED TAXES	187,855	181,489	173,203
PERSONNEL PROVISIONS	133,857	137,346	144,321
PROVISIONS FOR RISKS AND LOSSES	75,063	76,919	56,801
CURRENT LIABILITIES	**1,532,080**	**1,359,963**	**1,625,602**
BANK OVERDRAFTS	140,265	66,290	186,712
BONDS AND NOTES	151,099	731	2,799
OTHER BORROWINGS	142,095	132,499	220,632
TRADE PAYABLES	758,903	836,587	864,356
OTHER PAYABLES	248,150	228,178	267,530
PROVISIONS FOR RISKS AND LOSSES	91,568	95,678	83,573
TOTAL LIABILITIES AND EQUITY	**6,819,245**	**6,650,850**	**6,596,517**

CIR GROUP – CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	01/01-31/03 2010	*01/01-31/03 2009*
SALES REVENUES	1,139,498	1,138,318
CHANGE IN INVENTORIES	4,115	(7,172)
COSTS FOR THE PURCHASE OF GOODS	(708,903)	(733,298)
COSTS FOR SERVICES	(185,332)	(180,761)
PERSONNEL COSTS	(167,229)	(159,705)
OTHER OPERATING INCOME	20,668	11,496
OTHER OPERATING COSTS	(52,021)	(29,502)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	16,609	19,907
AMORTIZATION, DEPRECIATION AND WRITEDOWNS	(39,818)	(31,940)
INCOME BEFORE INTEREST AND TAXES (E B I T)	**27,587**	**27,343**
FINANCIAL INCOME	11,603	19,050
FINANCIAL EXPENSE	(36,048)	(43,905)
DIVIDENDS	--	--
GAINS FROM TRADING SECURITIES	6,609	40,940
LOSSES FROM TRADING SECURITIES	(3,180)	(2,793)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	6,790	(6,365)
INCOME BEFORE TAXES	**13,361**	**34,270**
INCOME TAXES	(5,172)	(4,958)
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	**8,189**	**29,312**
- NET INCOME MINORITY SHAREHOLDERS	(4,894)	(9,838)
- NET INCOME OF THE GROUP	**3,295**	**19,474**

CIR GROUP – NET FINANCIAL POSITION

(in thousands of euro)

		31.03.2010	*31.12.2009*	*31.03.2009*
A.	Cash and banks	394,371	549,321	493,100
B.	Other cash equivalents	143,880	104,967	174,426
C.	Securities held for trading	321,773	278,548	230,001
D.	**Cash and cash equivalents (A) + (B) + (C)**	860,024	932,836	897,527
E.	**Current financial receivables**	48,250	27,229	198,420
F.	Current bank borrowings	(215,214)	(157,506)	(319,409)
G.	Bonds and notes issued	(151,099)	(731)	(2,799)
H.	Current part of non-current debt	(66,780)	(41,281)	(87,927)
I.	Other current borrowings	(366)	(2)	(8)
J.	**Current financial debt (F) + (G) + (H) + (I)**	(433,459)	(199,520)	(410,143)
K.	**Current net financial position (J) + (E) + (D)**	474,815	760,545	685,804
L.	Non-current bank borrowings	(1,798,131)	(1,676,126)	(1,486,848)
M.	Bonds and notes issued	(566,115)	(718,262)	(882,682)
N.	Other non-current payables	(167,691)	(167,233)	(153,271)
O.	**Non-current financial debt**	(2,531,937)	(2,561,621)	(2,522,801)
P.	**Net financial position (K) + (O)**	(2,057,122)	(1,801,076)	(1,836,997)