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PRESS RELEASE

Board of Directors approves Financial Report as of September 30 2010

CIR GROUP: REVENUES OF 3.5 BILLION (+11.5%), GROSS OPERATING MARGIN OF 289.7 MILLION (+40.8%)

Net income for the first nine months 53.7 million euro. The result for the first nine months of 2009, a positive 138 million euro, included non-recurring income of 117 million euro. Net of this income, earnings for the first nine months of 2010 are up on 2009

Margins and earnings of all the main operating companies of the group are up Financial surplus at holding level is over 110 million euro

Consolidated results of the first nine months of 2010

- ***Revenues: € 3,513.7 million (+11.5% from € 3,152 million in 9M 2009)***
- ***EBITDA: € 289.7 million (+40.8% from € 205.8 million in 9M 2009)***
- ***Net income: € 53.7 million (€ 138 million, of which 117 million non-recurring, in 9M 2009)***
- ***Aggregate net financial surplus: € 111.7 million (€ 101.8 million at 30/06/2010)***
- ***Consolidated net debt: € 2,222.7 million (€ 2,195.7 million at 30/06/2010)***

Milan, October 28 2010 – The **Board of Directors** of **CIR-Compagnie Industriali Riunite SpA**, which met today under the chairmanship of **Stefano Micossi,** examined and approved the **Interim Financial Report** of the group as of **September 30 2010**.

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

Performance of operations

The group closed the first nine months of 2010 with **revenues and gross operating margin (EBITDA) up significantly** on the same period of 2009. The performance of revenues reflects the increases reported by the energy, automotive components and healthcare sectors, with sales holding up in the media sector. The rise in EBITDA was due to an improvement in the profitability of all the main operating subsidiaries of the group.

The **net income of the group** was **53.7 million** euro in the first nine months of the year. Last year's result, a positive figure of 138 million euro, included non-recurring gains of approximately 117 million euro (76.7 million of which came from the subscription of a capital increase by Verbund in Sorgenia and 40.1 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 nine months of 2010 **is higher than that of 2009.** The **contribution of the operating companies** to the net income for the period showed a **significant improvement** on the figure for last year (58.8 million euro versus 5.8 million euro in 2009).

Consolidated results

The **consolidated revenues** of the CIR group in the first nine months 2010 came to **3,513.7 million** euro and were **up** by **11.5%** from 3,152 million euro in the first nine 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 **289.7 million** euro (8.2% of revenues), up from 205.8 million euro (6.5% of revenues) in the first nine months of 2009, posting a rise of **40.8%**. This change was due to the rise in the profitability of all the operating subsidiaries. The **consolidated operating result** (**EBIT**) was **160.6 million** euro, and was **up by 53.2%** from 104.8 million euro in 2009.

The financial management result, a negative 55.2 million euro, was the combination of net financial expense of 78.1 million euro, dividends and net gains from trading and valuing securities of 18.6 million euro and positive adjustments to the value of financial assets of 4.3 million euro. The change from the positive result of 79.6 million euro in the first nine months of 2009 was due mainly to the fact that last year there were non-recurring gains (approximately 117 million euro).

The **consolidated net income** of the CIR group in the first nine months of 2010 was **53.7 million** euro. The net result of the same period of 2009, a positive 138 million euro, included non-recurring gains of approximately 117 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 (40.1 million euro). Net of these non-recurring items, the net income of the group is actually **higher** than in 2009.

The **net debt** of the CIR group stood at **2,222.7** million euro at September 30 2010, up from 2,195.7 million euro at June 30 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 **111.7 million** euro (101.8 million euro at June 30 2010). The decline from 121.6 million euro at December 31 2009 was due mainly to disbursements made for structure costs in the period;
- **Total net debt of the operating companies** totalling **2,334.4 million** euro (2,297.5 million euro at June 30 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 and by the rise in working capital.

The net financial position includes the CIR group's investment in shares of hedge funds (78 million euro at September 30 2010).

Total consolidated equity at September 30 2010 stood at **2,457.4 million** euro, up from 2,332.3 million euro at December 31 2009. The **group's equity** rose to **1,458.6 million** euro from 1,396.7 million euro at December 31 2009.

At September 30 2010 the CIR group had **12,903 employees** (12,746 at December 31 2009).

Industrial businesses

Energy: Sorgenia

The **revenues** of the **Sorgenia** group in the first nine months of the year came to **1,947.2 million** euro and were up by **12.3%** on the figure for 2009 (1,733.8 million euro). The rise in sales volumes offset the reduction in the unit prices of energy products. **EBITDA** came in at **107.7 million** euro, posting a rise of **11.6%** on the figure for the same period of 2009 (96.4 million euro). The rise was due to the higher margins recorded by the company in the second and particularly in the third quarter of the year.

Sorgenia's EBITDA benefited in particular from the rise in volumes of the electricity business (+14.1%) and from the start of contributions from the Modugno (Bari) combined cycle (CCGT) power plant, which more than compensated for the reduction in gas margins, high congestion costs on the national grid and the breakdown that caused the Termoli (Campobasso) power plant to remain idle until the end of March.

Net income was **57.6 million** euro (21.1 million euro in the first nine months of 2009). The rise compared to the figure for last year was due mainly to a tax credit for investments made in new production capacity by the company.

As far as its **business plan** is concerned, Sorgenia has **completed** construction of the new **combined cycle power plant at Bertonico-Turano Lodigiano (Lodi)**. Also in the third quarter, the subsidiary Sorgenia Solar started operating a new **2.6 MW photovoltaic plant in Sardinia.** Lastly, the construction of **two wind parks in France with a total output of 41 MW** is nearing completion**.**

Media: Espresso

The **revenues** of the **Espresso** group for first nine months of the year came in at **639.5 million** euro, **in line** with the figure of the corresponding period of last year (640.9 million euro). Net of optional add-on products, revenues posted a rise of 4%. Excluding add-on products, circulation revenues, which did not benefit from any price hikes, came to 202.2 million euro versus 206.9 million euro in the same period of last year (-2.3%). All the main titles of the group have reported a significantly better performance in 2010 than that of their respective markets.
According to the latest Audipress and ADS figures, *la Repubblica* confirms its ranking as the top Italian daily newspaper both in terms of copies sold on the news-stands and number of readers. Advertising revenues, totalling 369.3 million euro, rose by 7.1% compared to the first nine months of 2009, thus confirming in the third quarter the recovery experienced in the first half of the year. Revenues from add-on products came in at 53.4 million euro and were down by 31.2% on 2009.

Total costs were cut by 8% compared to the first nine months of last year and recurring costs, net of extraordinary expense, were reduced by 6.1%. Considering the savings already achieved in the first nine months of 2009, the trend of costs is entirely in line with the objective of the company reorganization plan which involves an overall reduction of 17% compared to the year 2008.

EBITDA was **104 million** euro, **up** by **71.4%** from 60.7 million euro in the first nine months of 2009. All the principal businesses of the group reported a clear improvement in their profitability, which for the daily newspapers was due to the drastic reduction in costs as a result of the reorganization plans, and for the radio and internet sectors was due to the significant rise in revenues. **Net income** came in at **36.3 million** euro, up from 1.2 million euro in the same period of last year.

Automotive components: Sogefi

Sogefi's revenues for the first nine months of the year came in at **687 million** euro, **up by 19.7%** from the same period of 2009 (573.8 million euro). This favourable trend was seen in all segments of the market in which the group operates (original equipment, independent aftermarket and original equipment spares) and affected all the geographical areas in which Sogefi is present (Europe +11.3%, North America +12.6, South America +48.1%, China +106% and India +62.8%).

The positive performance of revenues, associated with further organizational action taken by Sogefi in the third quarter, enabled the group to achieve a **strong rise in its profitability levels**. **EBITDA,** totalling **64.5 million** euro, doubled compared to the figure for the same period of 2009 (32.2 million euro). The **net result turned positive** with **13.5 million** euro compared to a negative figure of 8.6 million euro in the first nine months of 2009.

Healthcare: KOS

The **revenues** of **KOS** in the first nine months totalled **239 million** euro and were **up by 17.4%** on the same period of 2009 (203.5 million euro), thanks to the development of the three business areas (nursing homes for the non self-sufficient elderly, rehabilitation centres and hospital management) and to the acquisitions made in the period.

In the first nine months of the year the company incurred costs of approximately 2.4 million euro for the IPO procedure (1.8 million euro) and for expenses relating to the acquisitions made in the period (0.6 million euro).
EBITDA came in at **32.2 million** euro, and was **up** by **30.9%** compared to the first nine months of 2009 (24.6 million euro). **Net income** came to **4 million** euro, versus a result of 0.2 million euro in the first nine months of 2009. The KOS group today manages **60 facilities**, mainly in the centre-north of Italy with a total of over 5,600 beds in operation, plus approximately 400 more under construction.

Financial investments

As far as the financial investments of the group are concerned, CIR has a diversified portfolio of funds and minority shareholdings in the private equity sector (with a fair value of 70.3 million euro) and also has the venture capital fund CIR Ventures (with a fair value at September 30 of 14.6 million dollars). Among the other investments is Jupiter Finance, which is active in the non-performing loan sector. At September 30 2010 the nominal value of the loans under management amounted to approximately 2.2 billion euro. The value of CIR's investment in this business at September 30 2010 was 58.3 million euro.

Regarding the official notification received by the subsidiary Jupiter Finance SpA from the Bank of Italy in recent weeks, CIR SpA has begun a process that will lead to a capital injection for Jupiter Finance SpA of an amount of 1.5 million euro, the aim of which is to bring the subsidiary into line with capital coefficient requirements. Jupiter Finance SpA is also making a series of amendments to its corporate governance and its operating and control organization in order to comply with the points raised by Bank of Italy and thus create the conditions for a return to deal making.

Amendment of the Company Bylaws

As documented by a Notary Deed, the Board of Directors has voted to amend Articles 6, 8, 15, 16, 19 and 21 of the Company Bylaws in order to bring them into line with the mandatory requirements set out in D.Lgs. 27/2010. The most significant changes are on the subject of the following: filing the lists of candidates for the position of Director and Statutory Auditor; calling the Shareholders' Meeting; intervention and voting rights at the Shareholders' Meeting.

Approval of the procedure for related party transactions

In compliance with the rules contained in Consob Resolution no. 17221, the Board of Directors has adopted the "Procedure for related party transactions" and has set up a "Committee for related party transactions" (whose members are the same as those of the Internal Control Committee).

Outlook for the year

In the final months 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 nine months of the year, consolidated net income will be lower overall than those of 2009, as there is not expected to be any non-recurring income as there was last year. However, the significant rise in the contribution of the operating subsidiaries to net income is confirmed.

Bonds maturing in the 24 months following September 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 September 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%.

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 – STATEMENT OF FINANCIAL POSITION

(in thousands of euro)

ASSETS	*30.09.2010*	*30.06.2010*	*31.12.2009*
NON-CURRENT ASSETS	**4,685,266**	**4,665,225**	**4,287,814**
INTANGIBLE ASSETS	1,352,867	1,351,215	1,316,903
TANGIBLE ASSETS	2,445,528	2,427,329	2,187,369
INVESTMENT PROPERTY	21,583	21,700	18,115
INVESTMENTS IN COMPANIES VALUED AT EQUITY	314,687	309,788	275,899
OTHER EQUITY INVESTMENTS	6,230	5,221	9,629
OTHER RECEIVABLES	207,915	198,949	207,899
SECURITIES	92,419	101,846	83,051
DEFERRED TAXES	244,037	249,177	188,949
CURRENT ASSETS	**2,401,651**	**2,567,435**	**2,362,336**
INVENTORIES	164,988	155,229	156,150
CONTRACTED WORK IN PROGRESS	5,039	11,344	3,464
TRADE RECEIVABLES	1,100,888	1,090,274	1,042,030
OTHER RECEIVABLES	180,651	187,323	200,627
FINANCIAL RECEIVABLES	47,301	280,787	27,229
SECURITIES	277,491	359,739	278,548
AVAILABLE-FOR-SALE FINANCIAL ASSETS	139,645	159,160	104,967
CASH AND CASH EQUIVALENTS	485,648	323,579	549,321
ASSETS HELD FOR DISPOSAL	723	761	700
TOTAL ASSETS	**7,087,640**	**7,233,421**	**6,650,850**

LIABILITIES AND EQUITY	*30.09.2010*	*30.06.2010*	*31.12.2009*
TOTAL EQUITY	**2,457,382**	**2,450,459**	**2,332,335**
ISSUED CAPITAL	396,059	396,059	396,059
less OWN SHARES	(21,537)	(21,537)	(21,537)
SHARE CAPITAL	374,522	374,522	374,522
RESERVES	300,477	311,711	295,983
RETAINED EARNINGS (LOSSES)	729,908	726,250	582,818
NET INCOME FOR THE PERIOD	53,729	42,173	143,432
GROUP EQUITY	**1,458,636**	**1,454,656**	**1,396,755**
MINORITY SHAREHOLDERS' EQUITY	998,746	995,803	935,580
NON-CURRENT LIABILITIES	**3,063,045**	**2,940,316**	**2,958,552**
BONDS AND NOTES	570,044	563,210	718,262
OTHER BORROWINGS	2,100,656	1,978,682	1,843,359
OTHER PAYABLES	1,873	1,355	1,177
DEFERRED TAXES	186,782	190,821	181,489
PERSONNEL PROVISIONS	126,135	129,497	137,346
PROVISIONS FOR RISKS AND LOSSES	77,555	76,751	76,919
CURRENT LIABILITIES	**1,567,213**	**1,842,646**	**1,359,963**
BANK OVERDRAFTS	213,482	257,738	66,290
BONDS AND NOTES	155,678	153,373	731
OTHER BORROWINGS	132,900	365,966	132,499
TRADE PAYABLES	731,772	734,531	836,587
OTHER PAYABLES	248,644	244,032	228,178
PROVISIONS FOR RISKS AND LOSSES	84,737	87,006	95,678
TOTAL LIABILITIES AND EQUITY	**7,087,640**	**7,233,421**	**6,650,850**

CIR GROUP –INCOME STATEMENT

(in thousands of euro)

	1/1-30/9 2010	*1/1-30/9 2009*	*3rd Quarter 2010*	*3rd Quarter 2009*
SALES REVENUES	3,513,720	3,151,992	1,170,644	949,160
CHANGE IN INVENTORIES	5,737	(6,145)	(718)	1,667
COSTS FOR THE PURCHASE OF GOODS	(2,146,351)	(1,896,735)	(726,195)	(556,886)
COSTS FOR SERVICES	(564,695)	(540,463)	(177,890)	(171,213)
PERSONNEL COSTS	(501,532)	(490,438)	(155,655)	(154,941)
OTHER OPERATING INCOME	59,900	50,030	15,075	9,544
OTHER OPERATING COSTS	(117,404)	(98,615)	(37,899)	(26,216)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS VALUED AT EQUITY	40,331	36,129	8,487	6,438
AMORTIZATION, DEPRECIATION & WRITEDOWNS	(129,153)	(100,978)	(43,406)	(34,132)
INCOME BEFORE FINANCIAL ITEMS AND TAXES (E B I T)	**160,553**	**104,777**	**52,443**	**23,421**
FINANCIAL INC OME	38,698	41,635	10,969	12,511
FINANCIAL EXPENSE	(116,835)	(123,725)	(36,667)	(37,692)
DIVIDENDS	115	519	27	54
GAINS FROM TRADING SECURITIES	23,062	160,048	8,966	18,150
LOSSES FROM TRADING SECURITIES	(4,509)	(34,746)	(1,101)	(15,902)
ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS	4,295	35,901	5,470	24,318
INCOME BEFORE TAXES	**105,379**	**184,409**	**40,107**	**24,860**
INCOME TAXES	10,525	(29,926)	(18,577)	(6,882)
RESULT AFTER TAXES FROM OPERATING ACTIVITY	**115,904**	**154,483**	**21,530**	**17,978**
NET INCOME/(LOSS) FROM ASSETS HELD FOR DISPOSAL	--	--	--	--
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	**115,904**	**154,483**	**21,530**	**17,978**
- NET INCOME OF MINORITY SHAREHOLDERS	(62,175)	(16,494)	(9,974)	(783)
- NET INCOME OF THE GROUP	**53,729**	**137,989**	**11,556**	**17,195**

CIR GROUP – NET FINANCIAL POSITION

(in thousands of euro)

		30.09.2010	30.06.2010	31.12.2009
A.	Cash and bank deposits	485,648	323,579	549,321
B.	Other cash equivalents	139,645	159,160	104,967
C.	Securities held for trading	277,491	359,739	278,548
D.	**Cash and cash equivalents (A) + (B) + (C)**	902,784	842,478	932,836
E.	**Current financial receivables**	47,301	280,787	27,229
F.	Current bank borrowings	(287,595)	(332,266)	(157,506)
G.	Bonds and notes issued	(155,678)	(153,373)	(731)
H.	Current part of non-current debt	(58,737)	(291,023)	(41,281)
I.	Other current borrowings	(50)	(415)	(2)
J.	**Current financial debt (F) + (G) + (H) + (I)**	(502,060)	(777,077)	(199,520)
K.	**Current net financial position (J) + (E) + (D)**	448,025	346,188	760,545
L.	Non- current bank borrowings	(1,924,475)	(1,802,489)	(1,676,126)
M.	Bonds and notes issued	(570,044)	(563,210)	(718,262)
N.	Other non-current payables	(176,181)	(176,193)	(167,233)
O.	**Non-current financial debt (L) + (M) + (N)**	(2,670,700)	(2,541,892)	(2,561,621)
P	**Net financial position (K) + (O)**	(2,222,675)	(2,195,704)	(1,801,076)