



PRESS RELEASE

Shareholders' and Board of Directors Meetings

CIR: SHAREHOLDERS APPROVE FINANCIAL STATEMENTS FOR 2008 BOARD APPOINTS STEFANO MICOSSI AS CHAIRMAN

Shareholders appoint Carlo De Benedetti as Honorary Chairman of the company

Turin, April 30 2009 – Today in Turin, under the chairmanship of **Mr Carlo De Benedetti**, the **Annual General Meeting** of the **Shareholders of CIR (Compagnie Industriali Riunite) SpA** was held.

Approval of Financial Statements 2008

At the ordinary session, the Shareholders' Meeting **approved the statutory financial statements** and **examined the consolidated accounts** of the group for **financial year 2008**.

The CIR group closed 2008 with **revenues of 4,728.7 million euro**, **up by 12.2%** from 4,214.9 million euro in 2007 due especially to the **expansion of business in the energy sector (Sorgenia) and the healthcare sector (HSS)**. Despite the good performance of Sorgenia and HSS however, the consolidated **gross operating margin (EBITDA)** was **down by 8.6%** compared to 2007 (from 504.8 million euro to 461.5 million euro) because of the lower profitability of the media (Espresso) and automotive components (Sogefi) businesses. Consolidated **net income** was **95.5 million euro**, **up by 15.6%** from 82.6 million euro at December 31 2007, benefiting above all from the **positive contribution of the main operating companies**, from **gains due to capital increases** made during the year by minority shareholders in **Sorgenia and HSS** and from **capital gains on the partial disinvestment from Medinvest**. The **net income** of the **parent company CIR SpA** was **33.3 million euro** (79.9 million euro in 2007).

The Shareholders adopted the proposal of the Board of Directors that **no dividends be distributed** for the year 2008 in order to **strengthen the equity structure of the company further**, giving it greater resources to support business development.

Appointments

The Shareholders decided that the **Board of Directors** would consist of **14 members** and appointed as **member of the Board Mr Stefano Micossi**, a candidate from the single list presented by the shareholder **COFIDE-Compagnia Finanziaria De Benedetti SpA**. The curriculum vitae of Mr Micossi is available on the website www.cirgroup.com.

During today's meeting, moreover, Mr Carlo De Benedetti informed the Shareholders that he has resigned from the position of Chairman of the company. Acknowledging this decision, the Shareholders **acclaimed Mr De Benedetti as Honorary Chairman of CIR**, in view of his role as founder and first chairman of the company.

Renewal of authorization to buy back own shares and stock option plans

The Shareholders' Meeting then renewed for a period of 18 months the authorization of the Board of

Directors to buy back a maximum of 35 million of the company's own shares, with a maximum disbursement limit of 50 million euro, at a unit price that must not be more than 10% higher or lower than the closing price recorded by the shares on the trading day preceding that of each individual transaction. The main reasons why this authorization has been renewed are, on the one hand, the possibility of investing in the shares of the company at prices below their effective value based on the size of the company's equity and on its income prospects and, on the other hand, the possibility of reducing the average cost of capital for the company.

At December 31 2008 treasury stock amounted to 42,974,000 (39,644,000 at December 31 2007), equal to 5.43% of capital. As of today CIR is holding 43,074,000 of its own shares, corresponding to 5.44% of its share capital.

The Shareholders also approved a stock option plan for 2009 aimed at executives of the company, its subsidiaries and its controlling company, for a maximum of 8,100,000 options as well as a proposal, reserved for individuals who are already beneficiaries of phantom stock option plans 2007 and 2008 and who are still employees of the company, that the aforesaid phantom option plans be replaced by an extraordinary stock option plan 2009 with the same conditions.

Authorization of the Board of Directors

At its extraordinary session, the Shareholders' Meeting voted to cancel and renew the authorization of the Board of Directors to increase the capital by up to a maximum amount of 500 million euro, to increase the capital in favour of employees for a maximum amount of 20 million euro, and to issue convertible bonds within the limits of the law.

Board of Directors: appointment of new Chairman

After the Shareholders' Meeting the **Board of Directors** of CIR met and, having duly acknowledged the resignation of Mr Carlo De Benedetti, appointed **Mr Stefano Micossi as Chairman** of the company.

The Board of Directors thanked Mr Carlo De Benedetti for having founded the company and contributed to its development so significantly in over 33 years of activity. Mr Carlo De Benedetti, appointed as Honorary Chairman by the Shareholders' Meeting, will remain on the Board of Directors of CIR.

The Board also appointed the members of the Internal Control Committee (Giampio Bracchi, Giovanni Germano and Luca Paravicini Crespi), of the Appointments Committee (Franco Girard, Paolo Mancinelli and Guido Tabellini) and of the Compensation Committee (Carlo De Benedetti, Giovanni Germano, Guido Tabellini and Umberto Zanni). Lastly, on the basis of the authorization granted by the Shareholders' Meeting, the Board of Directors approved a capital increase for a total of 23,555,000 shares to service the ordinary stock option plan (7,980,000 shares) and the extraordinary stock option plan (15,575,000 shares). The latter replaces at the same conditions phantom stock option plans 2007 and 2008 and does not involve any additional expense for the company.

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