



## **PRESS RELEASE**

*Annual General Meeting and Board of Directors Meeting*

### **CIR: AGM APPROVES FINANCIAL STATEMENTS FOR 2013**

***AGM thanks and bids farewell to Carlo De Benedetti who leaves the Board and remains as Honorary Chairman.  
Edoardo and Marco De Benedetti enter new Board***

*Milan, June 30 2014* – The **Ordinary and Extraordinary Meeting of the Shareholders of CIR-Compagnie Industriali Riunite S.p.A.** met today in Milan under the **chairmanship of Rodolfo De Benedetti**.

#### **Approval of Financial Statements for 2013**

The Shareholders **approved the Financial Statements for the year 2013**. The **CIR** group closed 2013 with **revenues of € 4.75 billion** (€ 4.98 billion in 2012), an **EBITDA of -€ 38.3 million** (€ 316.8 million in 2012), negatively impacted by extraordinary negative items of € 385.7 million, consisting mainly of the write-downs of the subsidiary Sorgania, and a **positive EBITDA before non-recurring items of € 347.4 million** (substantially in line with the figure for 2012). The net result of the group was -€ 269.2 million (-€ 30.4 million in 2012) caused mainly by Sorgania: the interest in that company was written off entirely both at consolidated and at statutory level. The **parent company CIR S.p.A.** reported **net income** for 2013 of **€ 155.4 million** (€ 7.9 million in 2012). The Shareholders adopted the Board of Directors' proposal **not to distribute any dividends for the year 2013 in order to preserve the patrimonial solidity of the company**.

#### **Appointment of the Board of Directors**

The Shareholders' Meeting determined **thirteen as the number of members of the Board of Directors**, appointing for the **three years 2014-2016 Rodolfo De Benedetti, Monica Mondardini, Maristella Botticini, Giampio Bracchi, Edoardo De Benedetti, Franco Debenedetti, Marco De Benedetti, Silvia Giannini, Franco Girard, Stefano Micossi, Michael Pistauer, Claudio Recchi and Guido Tabellini**. The directors were drawn from the single list presented by COFIDE-Gruppo De Benedetti S.p.A.. The CVs of the directors are available on the website [www.cirgroup.com](http://www.cirgroup.com).

The Shareholders thanked Mr **Carlo De Benedetti**, founder of the company, and said their farewells as he has decided not to continue as director for a further three years, following the succession process for the ownership of the group and his gradual retirement from executive activities in the last few years. Carlo De Benedetti will remain Honorary Chairman of CIR S.p.A..

#### **Appointment of the Board of Statutory Auditors**

The Shareholders also appointed the members of the Board of Statutory Auditors for the three years 2014-2016. The Statutory Auditors in office are **Pietro Manzonetto, Anna Maria Allievi and Riccardo Zingales**. The alternate auditors are **Paola Zambon, Luca Valdameri and Luigi Macchiorlatti Vignat**. The statutory auditors were drawn from the single list presented by the majority shareholder COFIDE-Gruppo De Benedetti S.p.A. and possess the requisites of independence required by current legislation. The CVs of the statutory auditors are available on the website [www.cirgroup.com](http://www.cirgroup.com).

## Authorization to buy back own shares and Stock Grant Plan

The Shareholders also renewed for a period of 18 months their authorization of the Board of Directors to buy back a maximum of 30 million own shares with a maximum disbursement limit of € 50 million, at a unit price that may not be more than 10% higher or lower than the price recorded by the shares on regulated markets on the trading day preceding each individual transaction.

The main reasons why this authorization is being renewed are, on the one hand, the possibility of investing in shares of the company at prices below their actual value based on the real economic value of its equity and its income generating prospects, and on the other hand, the possibility of reducing the company's average cost of capital. As of today CIR is holding 49,057,418 ordinary shares, corresponding to 6.18% of share capital.

The Shareholders also approved the compensation report and a stock grant plan for 2014 for directors and/or executives of the company, its subsidiaries and its parent company, for a maximum of 3,500,000 conditional rights, each of which will give the beneficiaries the right to be assigned 1 CIR share free of charge. The shares thus assigned will be made available from the own shares that the company is holding as treasury stock.

## Renewal of delegation of powers to the Board of Directors

At the extraordinary part of the meeting, the Shareholders renewed the authorization of the Board of Directors to increase the share capital up to a maximum amount of € 500 million, to increase the share capital in favour of directors and employees of the company, its subsidiaries and its parent company, for a maximum amount of € 20 million, and to issue convertible bonds or bonds with warrants attached even without option rights, in which case in favour of institutional investors.

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## Meeting of the Board of Directors

After the Shareholders' Meeting, **the Board of Directors confirmed Rodolfo De Benedetti as Chairman and Monica Mondardini as Chief Executive Officer of the company.** The Board also checked the requisites for independence of the directors, assigning the qualification of independence to Maristella Botticini, Giampio Bracchi, Silvia Giannini, Franco Girard, Stefano Micossi, Michel Pistauer, Claudio Recchi and Guido Tabellini. **Eight directors out of a total of thirteen are therefore independent.** All of the independent directors have the requisites established by law and by the Code of Conduct. The Board gave a positive opinion of the independence of directors Giampio Bracchi, Franco Girard, Claudio Recchi and Guido Tabellini despite their having been directors of the company for more than nine of the last twelve years. The Board then appointed the members of the **Appointments and Compensation Committee (Guido Tabellini, Giampio Bracchi, Claudio Recchi, Michael Pistauer)**, the **Control and Risk Committee (Giampio Bracchi, Maristella Botticini, Silvia Giannini)** and the **Lead Independent Director (Michael Pistauer)**. Lastly, on the basis of the authorization given by the Shareholders, the Board of Directors implemented Stock Grant Plan 2014 by assigning 2,036,574 conditional rights.

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<http://www.cirgroup.com/press/press-releases.html>