



PRESS RELEASE

Board of Directors approves results as of December 31 2008

SORGENIA (CIR GROUP): REVENUES RISE TO 2.4 BILLION (+30.7%), EBITDA UP SHARPLY TO 190 MILLION (+24.7%)

***Earnings up by 2.3% (+18% net of Robin Hood Tax)
Rollout of business plan continues with construction of new CCGT plants
and strengthening of renewable energy sources***

Consolidated results of financial year 2008

***Revenues: € 2,433.7 million (+30.7% from € 1,861.7 million in 2007)
EBITDA: € 189.7 million (+24.7% from € 152.1 million in 2007)
Net income: € 66.7 million (+2.3% from € 65.2 million in 2007)
Net debt: € 1,013.9 million (€ 904.9 million at December 31 2007)***

Milan, February 23 2009 - The **Board of Directors** of Sorgenia SpA, the company controlled by the **CIR Group** in which the Austrian provider **Verbund** has a holding, met today under the chairmanship of **Rodolfo De Benedetti** and approved the **proposed financial statements** for **financial year 2008**.

Performance of operations

In 2008 the **Sorgenia group** continued along its path of growth undertaken in recent years and consolidated its position in the Italian electricity and gas market, approaching the target of **500,000 clients**. In a difficult economic environment, in which there has been a contraction in demand for energy, Sorgenia has nonetheless succeeded in **passing the threshold of 2 billion euro of revenues** and achieved a **two-digit rise (+24.7%) in its gross operating margin (EBITDA)**, which came in at almost **190 million** euro.

During the year the group continued to pursue its plans for **boosting its thermoelectric generating capacity** and **strengthened its focus on renewable sources**. Specifically, work was almost completed on the **combined cycle power plant** at Modugno (BA), which is scheduled to start operating by the summer of 2009, **two new wind parks** with a total output of **28 MW** have been completed in Campania and Puglia and the group's **photovoltaic capacity** installed throughout the country has **risen to 13 MW**. In the gas sector, during 2008 the **project for construction of a large regasification plant** at Gioia Tauro obtained its **VIA decree** (Valuation of environmental impact).

Consolidated results

In 2008 the **Sorgenia group** reported **consolidated revenues** of **2,433.7 million** euro, **up by 30.7%** from 1,861.7 million euro in 2007. Against a backdrop of declining energy demand, especially in the later part of the year, the Sorgenia group **increased its electricity sales volumes (10.4 TWh** up from 9.7 TWh in 2007) and maintained its **natural gas sales** to end user clients **in line with 2007**

(2.1 billion m³). The growth in sales revenues was also partly influenced by the different energy scenario with the price of oil products rising in the first half of the year.

Consolidated EBITDA rose by 24.7%, from 152.1 million euro in 2007 to **189.7 million**. The gross operating margin benefited from the excellent operating results obtained by the Termoli CCGT plant (with annual production of over 4.4 TWh), from the increase in the portfolio of *micro-business* clients, which is showing good levels of profitability, and from the billing of penalties under the contract for the delivery timing of the Modugno plant. The figure was however affected by the introduction of the so-called *Robin Hood Tax*, which had a negative impact on the net income of the subsidiary Tirreno Power. It should be remembered that the net income of Tirreno Power, which is consolidated using the equity method, contributes pro-rata to the EBITDA of the Sorgenia group.

Consolidated net income came in at **66.7 million euro, up by 2.3%** from 65.2 million in 2007. The lower increase in net income compared to that reported in EBITDA was due essentially to the impact of the *Robin Hood Tax* for 12 million euro, to higher amortization following the consolidation of the French wind company Société Française d'Eoliennes (SFE) and to the rise in financial expense following the rise in the average level of debt during the year. The group's earnings figure, net of the *Robin Hood Tax* would have been 78.7 million euro, posting a rise of 18%.

Consolidated net debt of the Sorgenia group at December 31 2008 was **1,013.9 million euro**, up from 904.9 million at December 31 2007. The change was substantially due to the financial disbursements made for the investment in new production capacity for approximately 259.8 million euro (in relation to the thermoelectric power plants under construction at Modugno and Lodi, and the photovoltaic and wind plants built and being built), the change in working capital of approximately 176.6 million linked to the growth in revenues and the dividend payout for approximately 20 million. These outflows were partly offset by the subscription of the rights issue of 200 million euro in Sorgenia SpA, made by Verbund Italia in June 2008, the repayment of the loan by Tirreno Power for 42.5 million, the receipt of dividends from Tirreno Power for a total of 39 million euro and self-financing for 66.1 million euro.

The Sorgenia group had **339 employees** at December 31 2008 (276 at December 31 2007).

The power generating company **Tirreno Power**, in which the Sorgenia group has an interest, reported **revenues of 1,466.8 million euro**, up by 39.5% from 1,051.6 million in 2007, and a **gross operating margin of 323 million euro**, up 27% from 254.4 million euro in 2007. These improvements were largely attributable to the contribution made by the new combined cycle unit at Vado Ligure, which had its first full year of operation in 2008. Its net income of 99.9 million euro was slightly lower than the result of 102.6 million for 2007 due to the impact of the *Robin Hood Tax* mentioned above for 26.4 million euro.

Rollout of the business plan

During 2008 implementation continued of the **Business Plan** of the Sorgenia group.

In the field of thermoelectric generation, construction work on the combined cycle plant at **Modugno (BA)** reached the final stages, work began on the building of the **Bertonico-Turano Lodigiano (LO)** plant, and preliminary work started on the site of the **Aprilia** power plant (LT). With completion of the work on the **Naples** plant, which is at present in the start-up phase, **Tirreno Power** has substantially completed the *repowering* of its power plants.

In wind generation the two wind parks at **Castelnuovo di Conza (SA)** and **Minervino Murge (BA)**, with an output of 10 MW and 18 MW respectively, reached completion. Work progressed on the 39 MW plant at **San Gregorio Magno (SA)** and the Molise Region has also given **Sorgenia**

authorization to build and run another wind plant in the local district of **San Martino in Pensilis** and **Ururi**, with a total output of 12 MW.

In France, through **Société Française d'Eoliennes (SFE)**, the Sorgenia group has 100 MW of wind generation up and running, over 110 MW authorized and soon to be built and a large portfolio of projects at various stages of development.

The development activity of **Sorgenia Romania** has been continuing, with the objective of building, running and maintaining wind parks. During 2008 anemometric surveys (wind measurements) were conducted and the first development work began in various parts of the country.

In the field of solar energy, during 2008 the subsidiary **Sorgenia Solar** activated the grid connections of 7 new photovoltaic plants each with an output of approximately 1 MW, bringing the photovoltaic capacity installed in Italy to 13 MW.

Lastly, the **Sorgenia group** is continuing to develop important projects to guarantee the diversification of gas sourcing and to improve the security of the whole national network. In particular the project involving the construction of a 12 billion cubic metre regasification terminal at **Gioia Tauro** (Calabria) by **LNG Med Gas Terminal**, a company 69.77% controlled by Fin Gas Srl (an equal share joint venture between Sorgenia and Iride), is awaiting the Service Conference, the final stage in the authorization process.

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Below are the key figures from the income statement and balance sheet as of December 31 2008 of the Sorgenia group (prepared in accordance with IAS/IFRS).

SORGENIA GROUP

EUR/thousand

31/12/2007	RECLASSIFIED BALANCE SHEET	31/12/2008
1,472,821	NET FIXED ASSETS	1,705,150
2,953	NET WORKING CAPITAL	179,585
(20,136)	Long term liabilities	(52,878)
1,455,638	NET CAPITAL INVESTED	1,831,857
550,715	SHAREHOLDERS' EQUITY	817,941
63,394	- Shareholders' Equity of minority interests	70,993
487,321	- Shareholders' Equity of the Group	746,948
904,923	NET FINANCIAL DEBT	1,013,916

31/12/2007	RECLASSIFIED INCOME STATEMENT	31/12/2008
1,861,693	TRADE REVENUES	2,433,678
131,666	ADDED VALUE	173,693
(30,749)	Personnel costs	(33,571)
51,198	Adjustments to the value of shareholdings valued at equity	49,557
152,115	EBITDA	189,679
126,934	OPERATING RESULT	154,669
76,855	NET INCOME/LOSS FOR THE PERIOD	79,477
11,669	Net income/loss attributable to minority interests	12,806
65,186	Net income/loss attributable to the Group	66,671