



PRESS RELEASE

Board of Directors examines results as of September 30 2009

SORGENIA (CIR GROUP): REVENUES 1.73 BILLION, GROSS OPERATING MARGIN 96.4 MILLION

In a market characterized by a sharp fall in demand, the electricity business held up well thanks to the rise in sales volumes (+10%) and clients (up to 560thousand). Margins impacted particularly by higher provisions for receivables and by the gas business

Business plan: the 39 MW wind park at San Gregorio Magno (SA) now up and running, Sorgenia's largest in Italy. Modugno power plant soon to start operating

Consolidated results as of September 30 2009

Revenues: € 1,733.7 million (-2.4% from € 1,777.3 million in 9M 2008)

EBITDA: € 96.4 million (-18.8% from € 118.7 million in 9M 2008)

Net income: € 21.1 million (€ 39.8 million in 9M 2008)

Net debt: € 1,183.5 million (€ 1,091.1 million at June 30 2009)

Milan, October 19 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** to examine the results for the **first nine months of 2009**.

Performance of operations

In the period January-September, in an **extremely difficult market environment** caused by the economic recession and the resulting decline in demand for energy, Sorgenia reported **revenues substantially unchanged** from last year. The company benefited in particular from the **good result of the electricity business**, due to **growth in the number of clients** (now at **560thousand**) and in **sales volumes (+10%)**, while gas sales were significantly down, in line with the market. The repercussions of the negative trend of the economy hit margins harder. Compared with last year, margins were impacted mainly by higher provisions made for client receivables, but also by the sharp contraction in demand for gas and in gas prices.

As far as the **business plan** is concerned, the **San Gregorio Magno wind park (SA)**, Sorgenia's largest in terms of output (**39 MW**), has now started operating. The new plant in Campania **has strengthened the presence of the company in the Italian wind sector**, where it has an **installed capacity** of approximately **70 MW**. The **combined cycle CCGT plant at Modugno (BA)**, currently at the testing stage, will also be starting operations soon.

Consolidated results

The market scenario in the first nine months of 2009 was particularly negative compared to the previous year. At national level there was a significant decline in electricity consumption (-7.4% on the same period of 2008), especially in thermoelectric generating (-16.8%), and in gas consumption (-12% in the period January-August). In this environment the Sorgenia group closed the period with **sales revenues of 1,733.7**

million euro, down slightly (-2.4%) from the same period of 2008 (1,777.3 million euro). The **revenues from the electricity business**, however, were **up by 5.5%**.

The **gross operating margin (EBITDA)** came to **96.4 million euro**, **18.8% down** from 118.7 million euro in the same period of 2008. Despite the fact that the electricity business held up well especially with the contribution of generation from renewable sources, the result was negatively affected by three factors: the contraction of natural gas sales margins on account of lower volumes sold and lower prices; the higher provisions set aside for client receivables, given the difficult economic situation that has developed during the year; the negative effect of the fair value adjustment of contracts entered into during the previous year. Net of this last factor, the decline in EBITDA compared to the first nine months of 2008 would be around 12%. Despite the sharp fall in demand and in wholesale prices, Sorgenia's **electricity business margins remained substantially stable** thanks to the **close integration of production and sales**, which limits the company's exposure to the fluctuations on the electricity exchange.

Consolidated net income came in at **21.1 million euro**, down from 39.8 million in the same period of 2008. The change in this figure was affected not only by the reasons given above but also by the higher tax burden due to the rise in the Ires surtax rate (Robin Hood Tax) from 5.5% to 6.5%.

Consolidated **net financial debt** stood at **1,183.5 million euro** at September 30 2009, up from 1,091.1 million euro at June 30 2009. The change was due to the substantial investment made in new production capacity. At December 31 2008 the net debt figure of the Sorgenia group was 1,013.9 million euro. The group had **369 employees** at September 30 2009 (339 at December 31 2008).

Advancement of the business plan

During the first nine months of 2009 the rollout of the **business plan** of the Sorgenia group continued. In the field of thermoelectric generating, construction work finished on the **combined cycle plant at Modugno (BA)**, and preliminary running tests are nearing completion in view of the start of commercial operations. Work is also progressing on the construction of the Bertónico-Turano Lodigiano CCGT (*Combined Cycle Gas Turbine*) plant (LO). Moreover, in July notice to proceed was given to the contractor Ansaldo Energia for the construction of the Aprilia power plant (LT). Again in July, Sorgenia signed a 600 million euro ten-year loan agreement with a pool of prime banks to fund its investment in the construction of the thermoelectric power plants at Bertónico-Turano Lodigiano and Aprilia.

As for the development of generation from **renewable sources**, the **39 MW** wind park at **San Gregorio Magno (SA)** has now started operating while in France the subsidiary **Société Française d'Eoliennes** has completed the construction of the **12 MW** park located at Plainchamp (Meuse). The development programs of **Sorgenia Romania** are proceeding according to plan and have the aim of building, managing and maintaining wind parks. In the field of **renewable energy from biomass and plant fuel derivatives**, the company **Sorgenia Bioenergy** has been continuing construction work on a **biomass plant** with an output of around **1 MW** situated in the local district of Gallina (SI).

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Below are the main income and balance sheet figures at September 30 2009 of the Sorgenia group (prepared in accordance with IAS/IFRS).

SORGENIA GROUP
EUR/thousand

31/12/08	RECLASSIFIED BALANCE SHEET	30/09/09	30/09/08
1,705,150	NET FIXED ASSETS	2,027,713	1,584,841
179,585	NET WORKING CAPITAL	178,871	244,587
(52,877)	Other long term liabilities	(50,135)	(40,975)
1,831,857	NET CAPITAL INVESTED	2,156,449	1,788,452
817,941	SHAREHOLDERS' EQUITY	972,904	791,023
70,992	- Shareholders' Equity of minority interests	73,048	73,536
746,948	- Shareholders' Equity of the Group	899,856	717,487
1,013,916	NET FINANCIAL DEBT	1,183,545	997,430

Year 2008	RECLASSIFIED INCOME STATEMENT	01/01 - 30/09 2009	01/01 - 30/09 2008
2,431,968	TRADE REVENUES	1,733,750	1,777,293
173,591	ADDED VALUE	89,683	121,347
(33,571)	Personnel costs	(28,679)	(37,586)
49,557	Adjustments to the value of shareholdings valued at equity	35,428	34,926
189,577	EBITDA	96,432	118,687
154,568	OPERATING RESULT	69,417	94,399
110,587	NET INCOME/LOSS BEFORE TAXES	40,087	61,881
79,478	NET INCOME/LOSS FOR THE PERIOD	29,367	47,115
12,806	- Net income/loss attributable to minority interests	8,224	7,319
66,671	- Net income/loss attributable to the Group	21,143	39,797