



PRESS RELEASE

Board of Directors approves results as of March 31 2011

SORGENIA (CIR GROUP): REVENUES OF 550 MILLION MARGINS SHOW STRONG GROWTH, NET INCOME FOR 1ST QUARTER 2.9 MILLION

Adjusted gross operating margin (EBITDA) almost quadrupled on the first quarter of last year thanks to the better results of the "Energy Supply" area and especially to the start of operations at the new Lodi power plant

Adjusted net income at 2.9 million euro versus a loss of 14.2 million in first quarter 2010, when there was a breakdown at the Termoli power plant. Revenues down due to lower sales of natural gas

Milan, April 18 2011 - The **Board of Directors** of **Sorgenia SpA**, the company controlled by the **CIR group** in which the Austrian provider **VERBUND** has an interest, met today under the chairmanship of **Rodolfo De Benedetti** to examine the results of the **first quarter** of **2011**.

Key consolidated results of Q1 2011

(in millions of euro)

	2011	2010	$\Delta\%$
Revenues	549.7	601.3	(8.6%)
Adjusted EBITDA ¹	45.5	11.5	296%
Adjusted net income	2.9	(14.2)	
Net debt	1,791.5	1,745.7 (at 31/12/2010)	

¹The adjusted gross operating margin (EBITDA) and the adjusted net income figure are obtained by excluding the fair value measurement of hedging contracts from EBITDA and net income.

Performance of operations

In the first quarter of 2011, despite the uncertainty of the general economic scenario and the difficulties in the market, **Sorgenia** achieved **significant growth in its margins** compared to the same period of 2010. More specifically, the **adjusted gross operating margin (EBITDA) almost quadrupled** compared to the first quarter of 2010, rising from 11.5 million euro to 45.5 million euro. This growth was due mainly to the better results of the Energy Supply area, which benefited from the start of commercial operations at the Turano-Bertonico Lodigiano power plant (Lodi). The margins of the first quarter of last year were however affected by a temporary breakdown at the Termoli power plant. During the quarter the company reported adjusted net income of 2.9 million euro versus a loss of 14.2 million euro posted in the same period of last year.

Consolidated results

The **sales revenues** of the Sorgenia group in first quarter 2011 came in at **549.7 million euro, down by 8.6%** compared to the figure for the same period of 2010 (601.3 million euro). The change was due mainly to a decline in the volumes of natural gas sold – partly because of temporary reductions in the availability under existing contracts – and to a different client mix.

The **adjusted EBITDA** of the first quarter, totalling **45.5 million euro, almost quadrupled** the figure for the first quarter of 2010 (11.5 million euro). **EBITDA** was **51.5 million euro**, up from 14.4 million euro in the period January-March 2010. The strong growth from the previous year was due above all to the **improvement in the result of the Energy Supply area**, which benefited in the middle of the quarter from the start of operations at the Bertónico-Turano Lodigiano power plant (Lodi). However the result for first quarter 2010 was negatively affected by the temporary shutdown of the Termoli power plant due to a fault.

The **adjusted consolidated net income** figure was **2.9 million euro**, which compares with a loss of 14.4 million in the first quarter of 2010. **Net income** came in at **6.8 million euro** after a loss of 12.2 million euro in the first quarter of 2010.

Consolidated net debt stood at **1,791.5 million euro** at March 31 2011 (1,745.7 million euro at December 31 2010). The change was related to the new investments in production capacity made by the company.

The group had **421 employees** at March 31 2011 (415 at December 31 2010).

Progress of the investment plan

During the quarter Sorgenia presented its *Business Plan 2011-2016* to the financial community. The plan involves the following: entry into the residential market and the launch of a dual fuel offer with a target of 2 million customers by 2016; investments in the period of around 1.2 billion euro in the company's three business areas (*Energy Supply, Renewable Sources, and Hydrocarbon Exploration and Production*); higher revenues and margins, the gradual reduction of net debt and of the *Net Debt/EBITDA* ratio.

As far as the progress of the investments included in the Business Plan is concerned, on February 15 2011 the power plant at Bertónico-Turano Lodigiano (Lodi) started commercial operations, while construction work is going ahead on the Aprilia plant (Latina), the fourth and last combined cycle plant (CCGT) contained in Sorgenia's development plan which is scheduled to start operating in the early months of next year. Activity also continues in the *Renewable Sources* area, where Sorgenia has obtained authorizations for the construction of wind parks for a total of 400 MW (100 MW in Italy, 100 MW in France and 200 MW in Romania), and in the *Hydrocarbon Exploration and Production (E&P)* area, which holds exploration licenses in Colombia, the North Sea and Poland.

Contacts:

CIR Group Communication Department

Salvatore Ricco

Francesca Sagramoso

Tel.: +39 02 722701; e-mail: infostampa@cirgroup.com

www.cirgroup.com / www.sorgenia.it

Below are the key figures from the income statement and statement of financial position as of March 31 2011 of the Sorgenia group (prepared on the basis of IAS/IFRS accounting standards).

SORGENIA GROUP

EUR/thousand

RECLASSIFIED BALANCE SHEET	31/03/11	31/12/10
NET FIXED ASSETS	2,689,741	2,641,875
NET WORKING CAPITAL	300,682	275,596
Other long term liabilities	(76,871)	(63,966)
NET CAPITAL INVESTED	2,913,552	2,853,504
SHAREHOLDERS' EQUITY	1,122,057	1,107,773
- Shareholders' Equity of minority interests	72,123	87,853
- Shareholders' Equity of the Group	1,049,934	1,019,921
NET FINANCIAL DEBT	1,791,495	1,745,731

RECLASSIFIED INCOME STATEMENT	31/03/11	31/03/10
TRADE REVENUES	549,719	601,310
ADDED VALUE	66,040	7,623
Personnel costs	(9,919)	(9,678)
Adjustments to the value of shareholdings valued at equity	(4,628)	16,440
EBITDA	51,493	14,381
OPERATING RESULT	28,321	(1,252)
NET INCOME/LOSS BEFORE TAXES	15,550	(15,471)
NET INCOME/LOSS FOR THE PERIOD	5,789	(8,966)
- Net income/loss attributable to minority interests	(1,048)	3,264
- Net income/loss attributable to the Group	6,837	(12,231)