



## PRESS RELEASE

*Board of Directors approves results as of June 30 2011*

**SORGENIA (CIR GROUP):  
EBITDA UP TO 77.7 MILLION (+30%), REVENUES OVER 1 BILLION (-12%)  
LAUNCH OF SORGENIA GREEN, NEW COMPANY FOCUSING ON RENEWABLES**

*Margins benefit from start of operations of the new Lodi combined cycle plant, which compensated for the difficult market conditions. Revenues down due to lower gas volumes sold. Debt figure lower than at end of March*

*The adjusted net result (0.5 million euro) impacted by higher amortization and financial expense due to near completion of investment plan for combined cycle power plants. Adjusted net income for first half 2010 (52 million) due mainly to extraordinary tax items*

Milan, July 25 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 half** of **2011**.

### Key consolidated results of 1H 2011

(in millions of euro)

	2011	2010	Δ%
Revenues	1,043.1	1,184.7	(12%)
Adjusted EBITDA <sup>1</sup>	77.7	59.8	30%
Adjusted net income <sup>1</sup>	0.5	52	
Net debt	1,767.5	1,791.5 (at 31/03/2011)	

<sup>1</sup> The 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 half of 2011, despite the uncertainty of the 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)** came to **77.7 million euro** and was **up by 30%** on the first half of 2010. The start of commercial operations at the Turano-Bertonico Lodigiano power plant (Lodi) made it possible to counter the unfavourable situation in the market, characterized in particular by a reduction in generating margins. The adjusted net result for the first half, a slightly positive figure, was impacted by the higher amortization and financial expense reported in the period under examination due to the near completion of the plan of investment in combined cycle power plants.

## Consolidated results

The **sales revenues** of the Sorgenia group for the first half of 2011 came in at **1,043.1 million** euro and were **down** by **12%** on the figure for the same period of 2010 (1,184.7 million euro). The change was due mainly to a decline in the volumes of natural gas sold – partly because of temporary reductions in availability under existing sourcing contracts – and to a different client mix.

The **adjusted EBITDA** of the first half year, totalling **77.7 million** euro, was **up by 30%** compared to the figure for the same period of 2010 (59.8 million euro). **EBITDA** was **76.3 million** euro, up by **16.9%** from 65.3 million euro in the period January-June 2010. The growth from the previous year was due above all to the start of commercial operations at the Bertónico-Turano Lodigiano power plant (Lodi) in the middle of the first quarter, and to the greater contribution of electricity produced from renewable sources. These effects offset the reduction in generating margins which affected the whole market, the congestion charges on the electricity grid which weighed on the Modugno (Bari) and Termoli (Campobasso) power plants and the reduced trading on the dispatch service market.

The **adjusted net income of the group** was **0.5 million** euro and was affected by the higher amortization and financial expense due to the near completion of the plan of investment in combined cycle gas turbine power plants. The net income of the group came in at 0.3 million euro. The results of the first half of 2010 (52 million euro of adjusted net income and 55.9 million of net income) were mainly determined by an item of extraordinary income in the form of a tax credit for investments made in new production capacity by the company.

**Consolidated net debt** stood at **1,767.5 million** euro at June 30 2011, down from 1,791.5 million at March 31 2011. The change was due to the cash generated in the period and to the start of the process of deconsolidation, as per the terms of IFRS 5, of the debt of the ground-mounted photovoltaic plants (being sold to RTR Capital) and of Sorgenia France (entering a joint venture with KKR). These factors more than compensated for the new investments in production capacity.

The group had **433 employees** at June 30 2011 (415 at December 31 2010).

## Sorgenia Green

At the end of the first half, the company **Sorgenia Green was established as the new company of the group wholly devoted to renewable energies**. The aim of this was to further strengthen the presence of the Sorgenia group in renewable sources, concentrating all the personnel, plant and development projects in the sector in a single 100% owned company. Sorgenia Green, in particular, holds all Sorgenia's wind energy activities in Italy, France, Romania and Greece and its initiatives for designing, building and marketing photovoltaic plants in Italy, including those of the new distributed solar project "Sole Mio". Sorgenia Green will also be managing the group's projects in hydroelectric and geothermal power. The total overall capacity, including operational plants and those authorized, is more than 500 MW, with projects in the development stages for approximately 2,000 MW. Sorgenia Green has also plans for new investments – included in the Sorgenia business plan – for approximately 500 million euro in the next five years.

## Progress of the investment plan

Concerning the progress of the investments included in *Business Plan 2011-2016*, which was presented to the financial community during the first half, on February 15 2011 the Bertónico-Turano Lodigiano power plant (Lodi) started commercial operations while construction work has been continuing on the Aprilia plant (Latina), the fourth and last combined cycle power plant (CCGT) planned by Sorgenia, which is scheduled to start operating in the early months of next year.

Activities are also progressing in the area of *Hydrocarbon Exploration and Production (E&P)*, 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](mailto:infostampa@cirgroup.com)

[www.cirgroup.com](http://www.cirgroup.com) / [www.sorgenia.it](http://www.sorgenia.it)

*Below are the key figures from the income statement and statement of financial position as of June 30 2011 of the Sorgenia group  
(prepared on the basis of IAS/IFRS accounting standards).*

**SORGENIA GROUP***EUR/thousand*

<b>RECLASSIFIED BALANCE SHEET</b>	<b>30/06/11</b>	<b>31/12/10</b>
<b>NET FIXED ASSETS</b>	<b>2,589,807</b>	<b>2,641,875</b>
<b>NET WORKING CAPITAL</b>	<b>301,942</b>	<b>275,596</b>
Other long term liabilities	(59,748 )	(63,966 )
<b>NET ASSETS HELD FOR DISPOSAL/SALE</b>	<b>44,372</b>	<b>-</b>
<b>NET CAPITAL INVESTED</b>	<b>2,876,373</b>	<b>2,853,504</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>1,108,861</b>	<b>1,107,773</b>
- Shareholders' Equity of minority interests	75,224	87,853
- Shareholders' Equity of the Group	1,033,637	1,019,921
<b>NET FINANCIAL DEBT</b>	<b>1,767,512</b>	<b>1,745,731</b>
<b>RECLASSIFIED INCOME STATEMENT</b>	<b>30/06/11</b>	<b>30/06/10</b>
<b>TRADE REVENUES</b>	<b>1,043,078</b>	<b>1,184,725</b>
<b>ADDED VALUE</b>	<b>91,381</b>	<b>54,368</b>
Personnel costs	(22,501 )	(20,425 )
Adjustments to the value of shareholdings valued at equity	7,376	31,315
<b>EBITDA</b>	<b>76,256</b>	<b>65,258</b>
<b>OPERATING RESULT</b>	<b>28,833</b>	<b>28,337</b>
<b>NET INCOME/LOSS FOR THE PERIOD</b>	<b>2,105</b>	<b>62,823</b>
- Net income/loss attributable to minority interests	1,829	6,926
- Net income/loss attributable to the Group	276	55,866