

## LETTER TO OUR SHAREHOLDERS

*Dear Shareholders,*

*The recent turbulence in the financial markets is causing a radical change to the environment in which we have operated over the last few years. There is now the risk that the serious dislocations in the financial sector may have repercussions on the real variables of the world economy.*

*In this new environment our strategy aims to enhance our industrial focus concentrating mainly on the development of our portfolio companies, with a high level of attention being devoted to executing our business plans. We believe that the capital markets are likely to be even more demanding in judging companies in this environment. The quality of our investment portfolio rests on three fundamental and essential pillars: Results, the Quality of Management and Sustainable Development Plans.*

*The areas of greatest investment in the last few years, **Sorgenia** in energy and **HSS** in healthcare, are continuing to show strong growth: Sorgenia, set up in 1999, is the most significant example of value creation in the sector; HSS, set up in 2002, is now the leader in Italy in the long term care segment.*

*In 2007 **Sorgenia** reported revenues of 1,861.7 million euro with 400,000 clients, up from 150,000 at the end of 2006. EBITDA rose by 26.3% to 152.1 million euro, benefiting from the full availability of the Termoli power plant. Net income rose by 15.9% to 65.2 million euro. By the end of 2008 the Modugno power plant, currently under construction, should also start production. Of strategic importance was the acquisition of Société Française d'Eoliennes (second operator in electricity produced from wind sources in France) in December 2007, a crucial step for expansion in the European renewable sources market.*

*As far as **Espresso** and **Sogefi** are concerned, both reported results that were satisfactory and in line with their respective business plans.*

*The **Espresso Group** reported revenues that were substantially unchanged at 1,098.2 million euro, EBITDA of 223.4 and net income of 95.6 million euro. The Board of Directors approved a motion proposing that the Extraordinary Meeting of the Shareholders cancels the treasury shares that the company is at present holding. This cancellation and the resulting reduction in capital is part of the process of optimizing the capital structure while maintaining a solid balance sheet to support future developments.*

***Sogefi** saw its revenues grow by 5.2% in 2007 to 1071.8 million euro with an EBITDA of 134.6 and net income of 52.2 million euro. In line with the aim of optimizing the capital structure of the Group, the Board of Directors proposed distributing an extraordinary dividend of 1.18 euro (in addition to an ordinary payout of 0.22 euro per share) for a total of 158 million euro.*