



C A M F I N s.p.a.

PRESS RELEASE

**THE BOARD OF DIRECTORS APPROVES THE QUARTERLY REPORT AT
30 SEPTEMBER 2006:**

- **PARENT COMPANY NET INCOME: €30.3 MILLION (€7.6 MILLION IN 2005)**
- **CONSOLIDATED NET INCOME REFLECTS ASSOCIATE PIRELLI'S WRITE-DOWN OF OLIMPIA EQUAL TO -€383.6 MILLION (+€38.9 MILLION IN 2005)**
- **THE PARENT COMPANY EXPECTS GROWTH IN 2006 NET INCOME TO BEAT THE PREVIOUS YEAR**
- **ENERGIE INVESTIMENTI (JV WITH GAZ DE FRANCE IN THE NATURAL GAS SECTOR) FULLY OPERATIONAL: CONTRIBUTION TO THE GROUP'S INCOME STATEMENT AS FROM FOURTH QUARTER 2006**

Milan, 7 November 2006 – The Board of Directors of **Camfin S.p.A.** met today to examine and approve the quarterly report at 30 September 2006.

Group operating performance in the first nine months of 2006

The results of the Camfin Group for the first nine months of 2006 and comparison periods were prepared using IFRS accounting standards. In addition to the traditional schedules required as per Legislative Decree 127/91 and the Consob (Stock Exchange Regulatory Authority hereinafter referred to as “Consob”) Resolution n. 14990/14 dated April 2005, Camfin has prepared a set of **abridged consolidated financial statements** in which financial holding companies are consolidated on a line-by-line basis and operating and associated companies are carried at net equity.

The consolidated results, differently from the Parent Company, reflect the associate Pirelli & C. SpA's writedown of Olimpia. This writedown, that is posted at €2,110 mn in Pirelli & C.'s consolidated financial statements, is absorbed for the full amount of the interest as consolidated at net equity.

Net income from equity investments at 30 September was, therefore, **negative** for **€364.7 million (mn)**, versus a positive €61.7 mn in the same period in 2005, while consolidated **net income** was **negative** for some **€383.6 mn** (vs. a positive €38.9 mn at 30 September 2005).

Financial fixed assets dropped from €1,422 mn at the end of 2005 to €1,140 mn at 30 September, basically due to the above mentioned write-down in Pirelli & C. SpA's financial statements and for the consolidation of the equity investment in **Energie Investimenti**, joint-venture with Gaz de France, active in the Italian natural gas sector. **Energie Investimenti's contribution to the consolidated income statement** will be posted as from the **fourth quarter**. At 30 September 2006, the equity investment held by the Camfin Group in Pirelli & C. S.p.A. equalled n. 1,324,816,673 shares, approximately 25.32% of the ordinary share capital. In addition to the equity investment, the Group holds *Put & Call* options that allow it to purchase an additional 0.85% in Pirelli & C.'s ordinary share capital.

The Camfin Group's share of **shareholders' equity** totalled **€74.6 mn** versus €16.4 mn at 31 December 2005. Once again, the change is primarily attributable to Pirelli & C. SpA's writedown of Olimpia.

Net financial position came in at €73.4 mn compared with €16.8 mn at 31 December 2005 (Attached is the reconciliation between the "holding system's" **net financial position** and full consolidated debt). The change is substantially attributable to the investment made in the joint-venture Energie Investimenti that took place in the third quarter.

Significant events subsequent to 30 September 2006: Energie Investimenti

- On 25 October 2006, Luca Valerio Camerano was appointed CEO of **Energie Investimenti SpA**. This nomination, following the closing of the deal last 21 September and the definition of the Board of Directors for both the holding and the operating company, completed the initial phase of the joint-venture. This joint venture, undertaken by the **Camfin Group** and **Gaz de France** in order to create a **new and important player** in the Italian natural gas sector with a portfolio of more than **800 thousand clients** that includes both private and corporate customers, has therefore become **fully operational**. Through this operation, the Camfin Group's objective is to further **develop** its **industrial presence** in the natural gas sector, combining its familiarity of the Italian market with the know how of a key European player.

Outlook for the current fiscal year

The consolidated results for 2006 will be impacted by Pirelli & C.'s writedown of the equity investment in Olimpia. In terms of the trend in the activities of the parent company Camfin SpA, the financial transactions completed during the first nine month of 2006 and the trend in profits expected for the primary equity investments make it possible to forecast growth in net income superior to the previous year.

Camfin S.p.A. – Parent Company

The parent company's financial statements were prepared using IFRS accounting standards for the first time and are compared with previous years on a like-for-like basis

Net income at 30 September was **positive** for **€30.3 mn**, a fourfold increase over the €7.6 mn in the same period 2005 primarily due to the capital gain generated by the Energie Investimenti transaction. The company's **shareholders' equity** rose from €609.8 mn at 31 December 2005 to **€652.2 mn** at 30 September 2006, primarily due to the capital increase following the exercise of Camfin 2003-2006 warrants and the above mentioned capital gain; the **net financial position** dropped from €11.8 mn at 31 December 2005 to **€488.7 mn**, with a *debt/equity* ratio equal to approximately 0.75.

In order to provide the most complete information possible regarding the results at 30 September 2006, attached please find the abridged consolidated financial statements included in the report approved by the Board of Directors. Please note that these tables are not subject to audit by an independent auditing firm. Attached you will also find the 2007 financial calendar.

Attachment 1

Abridged consolidated income statement (*)

in €/000

	30/09/2006	30/09/2005
Group's share of result of investments carried at equity	(371.714)	64.554
Write-down of equity investments	-	(908)
Fair value adjustment for financial assets and liabilities	(3.670)	985
Trading income	10.659	(2.933)
Net income (loss) from equity investments	(364.725)	61.698
Net financial charges	(14.323)	(18.052)
Net overheads (including property management)	(4.626)	(5.158)
Pre-tax income (loss)	(383.674)	38.488
Current taxes	(20)	(1.930)
Deferred taxes	125	2.318
Net income (loss)	(383.569)	38.876

() With financial holding companies and service companies consolidated on a line-by-line basis and operating companies carried at net equity*

Abridged consolidated balance sheet (*)

in €000

	30/09/2006	31/12/2005
Financial Fixed assets	1.139.604	1.422.292
Tangible fixed assets	177	2.237
Intangible fixed assets	388	411
Net working capital	10.477	10.713
	1.150.646	1.435.653
Shareholders' equity	574.575	916.425
Reserves	2.622	2.464
Net financial position	573.449	516.764
	1.150.646	1.435.653

() With financial holding companies and service companies consolidated on a line-by-line basis and operating companies carried at net equity*

**Reconciliation between
the "holding system's net financial position and full consolidated
debt:**

in €/000

	30/09/2006	31/12/2005
Consolidated net financial position of the holding companies	(573.449)	(516.764)
Operating companies' net financial positions		
Cam Gas S.p.A.	0	(2.647)
Cam Immobiliare S.p.A.	(25.423)	(26.240)
Cam Marine & Trading S.r.l. (già Cam Marine S.r.l.)	0	(433)
Perhopolis S.r.l. (già Progetto Assago S.r.l.)	2.336	2.428
Full consolidated debt	(596.536)	(543.656)

Financial calendar:

Below please find the 2007 calendar for the Board of Directors' and Shareholders' Meetings:

14 March 2007: Board of Director's meeting to examine the draft Parent Company and consolidated financial statements at 31 December 2006. The referenced documents will be made available to the public within 90 days of year end. Therefore, as per article 82 of the Consob resolution 11971/99 (and subsequent modifications and amendments), the quarterly report for fourth quarter 2006 will not be made available.

23 - 26 April 2006 (first and second calls): Shareholders' Meeting to approve financial statements for the fiscal year ending on 31 December 2006. As a result, it is likely that any dividend related to fiscal year 2006 will be paid in May 2007.

14 May 2007: Board of Directors will meet to examine consolidated results for first quarter 2007.

12 September 2007: Board of Directors will meet to examine the first half 2007 report. The aforementioned report will be made available to the public within 75 days of the half-year close. Therefore, as per article 82 of the Consob resolution 11971/99 (and subsequent modifications and amendments), the quarterly report for second quarter 2007 will not be made available.

12 November 2007: Board of Directors will meet to examine consolidated results for third quarter 2007.

Any changes in the dates indicated above will be communicated in as timely a manner as possible.