

PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES 2006 DRAFT FINANCIAL STATEMENTS:

- **THE PARENT COMPANY CAMFIN SPA CLOSES 2006 WITH NET INCOME OF €16.7 MILLION, A SIGNIFICANT IMPROVEMENT OVER 2005 (-€1.9 MILLION NET IAS AFFECT, +€11.4 MILLION AS PER ITALIAN ACCOUNTING STANDARDS)**
- **PROPOSED DIVIDEND OF €0.03, IN LINE WITH 2005**
- **CAMFIN SPA'S NET EQUITY EQUAL TO €638.6 MILLION, AN INCREASE OVER THE €609.8 MILLION AT THE END OF 2005**
- **CONSOLIDATED NET INCOME REFLECTS ASSOCIATE PIRELLI'S WRITE-DOWN OF OLIMPIA EQUAL TO -€326.3 MILLION (+42.5 MILLION IN 2005)**
- **IN 2007 THE PARENT COMPANY WILL BE IMPACTED BY THE LACK OF A DIVIDEND PAYOUT BY PIRELLI & C. THAT COULD BE PARTIALLY OFFSET BY THE SALE OF NON STRATEGIC ASSETS**

Milan, 14 March 2007 – The Board of Directors of **Camfin S.p.A.** met today to examine and approve the consolidated and parent company financial statements for the year ending on 31 December 2006.

Camfin S.p.A. – Parent Company

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

Net income at 31 December is **positive** at **€16.7 million (mn)**, a significant **improvement** when compared to both the loss of €1.9 mn in FY 2005 following IFRS application and the figure as per Italian accounting standards of €11.4 mn. The increase is tied primarily to capital gains from the Energie Investimenti deal, a joint-venture with Gaz de France in the natural gas sector.

The company's **net equity** rose from €609.8 mn at 31 December 2005 to **€638.6 mn** at the end of 2006, primarily due to an increase in share capital following exercise of

Camfin 2003-2006 warrants and by the previously mentioned capital gain. The Parent Company's net financial position dropped from -€11.8 mn at the end of 2005 to -€195.4 mn.

The Camfin S.p.A Group

The results of the Camfin Group at 31 December 2006 and comparison periods were prepared using IAS/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 dated 14 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, contrary to the Parent Company, reflect associate Pirelli & C. S.p.A.'s write-down of Olimpia. The share of this write-down, that in Pirelli & C.'s financial statements is equal to €110 mn, has been in fact, in all transparency, been charged to net equity following consolidation.

Net income from equity investments at 31 December 2006 came in, therefore, at a **negative €93.6 mn**, compared to the positive €9.7 mn in 2005, while consolidated net income is **negative** for some **€326.3 mn** (vs. a positive €42.5 mn in 2005).

Financial fixed assets increased from €1.422 mn at the end of 2005 to €1.163 mn at 31 December 2006, primarily due to the above mentioned write-down by Pirelli & C. and the consolidation of the equity investment in Energie Investimenti. At 31 December 2006 Camfin held 1,324,816,673 shares of Pirelli & C., equal to approximately 25.32% of the ordinary share capital. In addition to this stake the Group also holds derivative instruments that allow it to purchase an additional 0.85% of Pirelli & C.'s share capital.

The Group's share of **net equity** totals **€584.7 mn**, compared to €16.4 mn at 31 December 2005. The difference is largely attributable to Pirelli & C.'s write-down of Olimpia in this instance, as well.

The **net financial position** is a negative **€583.2 mn**, substantially in line with the -€73.4 mn at 30 September 2006 (-€16.8 mn at 31 December 2005). The change for the year is primarily attributable to the third quarter investment made in the joint-venture Energie Investimenti. Attached is the **reconciliation of the net financial position** of the holding system and full consolidated debt.

Outlook for the current fiscal year

In 2007, the Parent Company Camfin S.p.A. will be impacted by the lack of dividend payout by its largest affiliate Pirelli & C. that could be partially offset by the sale of non strategic assets.

Calling to order of the Shareholders' Meeting and dividend proposal

The Board of Directors will ask the Shareholders' Meeting to approve a dividend of €0.03 per share, in line with the previous year. The total payout, however, has slightly increased following distribution of dividends related to Camfin 2003-2006 warrants exercised before today's date.

The Board of Directors has resolved to call the ordinary shareholders' meeting for 23 April 2007 (in first call) and for 26 April 2007 (in second call) to approve the 2006 financial statements. The dividend will be payable as from 17 May 2007, with shares going ex-divi on 14 May 2007).

The shareholders' meeting will also be called upon to nominate a new Board of Directors, once the number of its members is decided upon, along with the relative remuneration.

In an extraordinary session the Shareholders' Meeting will be called upon to approve proposed amendments to the corporate bylaws in order to comply with provisions of the so called Savings Protection Act and Self-disciplinary Statute (specifically: introduction of a list voting system for the nomination of members of the Board of Directors; creation of the role Head of Financial Reporting; rules for the integration of the order of the day for the Shareholders' Meeting as requested by the shareholders). The adoption of Regulations Governing General Meetings will also be proposed.

Corporate Governance

In the course of the meeting the Board, in addition to resolving to adopt the recommendations contained in the new Self-disciplinary Code for Listed Companies, published in March 2006, approved a series of amendments designed to update the company's *corporate governance* system and, specifically, to implement a procedure to facilitate the flow of information between Directors and Statutory Auditors as per Art. 150, first paragraph of Legislative Decree n.58 of 1998, in order to guarantee a regular flow of information between the administration and control bodies.

The integral texts of the reports mentioned will be published, as usual, on the corporate website www.gruppocamfin.it.

In the present press release in addition to the principal financial aggregates provided for under IFRS, the Non-GAAP Measure financial aggregates are also shown. These aggregates are shown in order to provide for a better evaluation of the Group's operating performance and should not be considered alternatives to those provided for under IFRS. Specifically the « Non-GAAP Measures » used are the following:

EBITDA: this aggregate is used by the Group as a financial target in business plans used both internally and in presentations to analysts and investors and represents a useful measure for the evaluation of the overall operating performance for the Group and the single divisions, along with the operating result. EBITDA is an intermediate aggregate that derives from the operating result less amortization and depreciation of intangible and tangible assets.

Operating result including income from equity investments and valuation of financial assets and liabilities: this is an intermediate aggregate that is the product of the operating result plus the items charged to the income statement with reference to equity investments not consolidated on a line-by-line basis that includes dividends, shares in companies valued at equity, losses in financial assets available for sale, capital gains/losses from the sale of financial assets available for sale and the fair value valuation of derivative instruments.

Net financial position: this aggregate represents gross debt less cash and cash equivalents, as well as interest bearing financial receivables.

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In order to provide the most complete information possible regarding the 2006 results, 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 and that the latter has to date not completed its audit of the Parent Company Camfin S.p.A. and the consolidated financial statements.

Attachment 1

Abridged consolidated balance sheet (*)

<i>in €/000</i>	31/12/2006	31/12/2005
Financial fixed assets	1.163.761	1.422.292
Tangible fixed assets	295	2.237
Intangible fixed assets	318	411
Net working capital	7.540	10.713
	1.171.914	1.435.653
Net equity	584.679	916.425
Reserves	4.069	2.464
Net financial position	583.166	516.764
	1.171.914	1.435.653

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

Abridged consolidated income statement (*)

<i>in €/000</i>	31/12/2006	31/12/2005
Group's share of result of investments carried at equity	(302.103)	76.694
Write-down of equity investments	(1.726)	(1.798)
Fair value adjustment for financial assets and liabilities	(477)	-
Trading income	10.659	(5.140)
Net income (loss) from equity investments	(293.647)	69.756
Net financial charges	(19.831)	(20.583)
Net overheads (including property management)	(10.528)	(6.865)
Pre-tax income (loss)	(324.006)	42.308
Current taxes	(30)	1.071
Deferred taxes	(2.297)	(904)
Net income (loss)	(326.333)	42.475

Attachment 2

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

Reconciliation between the "holding system's" net financial position and full consolidated debt
(in €/000)

	31/12/2006	31/12/2005
Consolidated net financial position of the holding companies	(583.166)	(516.764)
Operating companies' net financial positions		
Cam Gas S.p.A.	0	(2.647)
Cam Immobiliare S.p.A.	(25.944)	(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.)	2.340	2.428
Full consolidated debt	(606.770)	(543.656)

Attachment 3

Parent Company Camfin S.p.A. – Highlights

CAMFIN S.P.A	31/12/2006	31/12/2005
<i>in €/000</i>		
Financial income/charges	(20.824)	(22.926)
Valuation of financial assets	(5.032)	(4.561)
Fair value adjustments for financial assets/liabilities	3.070	333
Dividends	28.748	28.823
Net income (loss) from trading and equity investments	22.227	2.107
Other ordinary operating income/costs	(8.696)	(5.971)
Ordinary operating result	19.493	(2.195)
Income tax	(2.779)	245
Net income	16.714	(1.950)
Tangible fixed assets	269	2.233
Intangible fixed assets	42	107
Financial fixed assets	1.126.173	1.111.016
Working capital	12.347	10.701
Total assets	1.138.831	1.124.057
Net equity	638.642	609.800
Reserves	4.771	2.455
Net financial position	495.418	511.802
Total liabilities	1.138.831	1.124.057