



CAMFIN s.p.a.

PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE QUARTERLY REPORT AT 31 MARCH 2007:

- **CONSOLIDATED NET INCOME IMPACTED BY THE LOWER CONTRIBUTION FROM ASSOCIATE PIRELLI & C. SPA: €0.1 MILLION (€14.3 MILLION IN FIRST QUARTER 2006)**
- **NET INCOME FROM INVESTMENTS: €8.4 MILLION (€22.1 MILLION IN FIRST QUARTER 2006)**
- **NET FINANCIAL POSITION: DEBT OF €590.8 MILLION, BASICALLY UNCHANGED WHEN COMPARED TO THE END OF 2006 (€583.2 MILLION)**
- **ENERGIE INVESTIMENTI: FIRST POSITIVE CONTRIBUTION OF €0.6 MILLION**
- **IN 2007 CONSOLIDATED FINANCIAL STATEMENTS SHOULD BENEFIT FROM THE POSITIVE RESULTS OF ASSOCIATE PIRELLI & C. SPA**

Milan, 14 May 2007 – The **Board of Directors** of **Camfin S.p.A.** met today and approved the quarterly report at **31 March 2007**.

Group's operating performance in first quarter 2007

The results of the Camfin Group at 31 March 2007 and comparison periods were prepared using IFRS accounting standards. In addition to the traditional schedules required as per Legislative Decree 127/91 and Consob (Stock Exchange Regulatory Authority hereinafter referred to as "Consob") Regulations, 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.

Net income from equity investments at 31 March 2007 dropped from the €22.1 million (mn) in first quarter 2006 to **€8.4 mn**. The change is largely attributable to decrease in the contribution of the associate **Pirelli & C. S.p.A.** that fell from €18.4 million in first quarter 2006 to **€6 mn**. Of note, also, is the fact that the investment in **Energie Investimenti S.p.A.** generated its **first positive contribution (€0.6 mn)**.

Consolidated net income is a **positive €0.1 mn**, compared to €4.3 mn at 31 March 2006.

Financial fixed assets at 31 March 2007 amount to **€1,138 mn** compared to €1,164 mn at the end of 2006. At 31 March 2007 Camfin held 1,324,816,673 shares of Pirelli & C. S.p.A., equal to approximately 25.32% of the ordinary share capital. In addition to this stake the Group also holds *Put & Call* options on an additional 0.85% of Pirelli & C.'s ordinary share capital.

The Group's share of **net equity** totals **€550.4 mn**, compared to €584.7 mn at the end of 2006. The difference is largely attributable to a change in the associate Pirelli & C.'s reserves.

The **net financial position** reports debt of **€590.8 mn**, **basically unchanged** when compared to the end of 2006 (€58.2 million).

Attached is the **reconciliation of the net financial position** of the holding system and full consolidated debt.

Parent company Camfin S.p.A.'s net income shows a loss of **€4.64 mn** (€4.75 mn in first quarter 2006), basically attributable to the increased financial charges. The net financial position rose from €495.4 mn at 31 December 2006 to €500.8 mn while net equity is €634 mn (€638.6 mn at the end of 2006)

Significant events subsequent to the close of the quarter

- In the month of April Camfin SpA acquired a total of 10 million Pirelli & C. SpA shares for a total amount of €8.9 mn.

Outlook for the current fiscal year

The consolidated financial statements for the current fiscal year should benefit from the positive results of the associate Pirelli & C., in addition to the contribution from the operating companies.

The Parent Company will be impacted in 2007 by the lack of a 2006 dividend payment from Pirelli & C. which could be partially offset by the sale of non strategic assets.

In the present press release, in addition to the financial aggregates provided for as per the IFRS, there are also aggregates that have yet to be provided for under IFRS (« Non-GAAP Measures »). These aggregates are presented in order to facilitate a better valuation of the Group's operating performance and are not to be considered as alternatives to those provided for under the IFRS. More in detail, the following « Non-GAAP Measures » are utilized:

EBITDA: this aggregate is used by the Group as a financial target in both internal (business plans) and public presentations (to financial analysts and investors) and represents a useful tool for evaluating, along with EBIT, the Group's and the single segment's overall operating performance. EBITDA is an intermediary aggregate that is equal to the EBIT less the amortisation and depreciation of fixed tangible and intangible assets.

The operating income including income from equity investments and financial assets and liabilities: this is an intermediate aggregate that includes operating income and all items reported in the income statement not consolidated on a line-by-line basis, precisely dividends, shares in companies valued at net equity, loss of value in available-for-sale financial assets, capital gains/(losses) from the sale of available-for-sale financial assets and the fair value valuation of derivatives.

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

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In order to provide the most complete disclosure possible regarding results at 31 March 2007, 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.

Att. 1

Abridged consolidated balance sheet (*)

(in €/000)

	31/03/2007	31/12/2006
Financial fixed assets	1.138.471	1.163.761
Tangible fixed assets	291	295
Intangible fixed assets	290	318
Net working capital	6.133	7.540
	1.145.185	1.171.914
Net equity	550.372	584.679
Reserves	4.005	4.069
Net financial position	590.808	583.166
	1.145.185	1.171.914

* 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 (*)

(in €/000)

	31/03/2007	31/03/2006
Group's share of investment income carried at equity	6.289	19.259
Write-downs of equity investments	-	-
Fair value adjustment for financial assets and liabilities	2.109	2.837
Trading income	-	900
Net income (loss) from equity investments	8.398	22.996
Net financial charges	(6.876)	(6.091)
Net overheads (including property management)	(1.412)	(1.498)
Pre-tax income (loss)	110	15.407
Current taxes	(6)	(7)
Deferred taxes	(21)	(1.114)
Net income (loss)	83	14.286

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

Att. 2

Attached is the *reconciliation of the net financial position of the holding system and full consolidated debt*:

(in €/000)

	31/03/2007	31/12/2006
Consolidated net financial position of the holding companies	(590.808)	(583.166)
Operating companies' net financial positions		
- Cam Immobiliare S.p.A.	(23.337)	(25.944)
- Perhopolis S.r.l. in liquidation	210	2.340
Full consolidated debt	(613.935)	(606.770)