



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

PRESS RELEASE

**THE BOARD OF DIRECTORS APPROVES THE HALF-YEARLY REPORT  
AT 30 JUNE 2007:**

- **CONSOLIDATED NET INCOME: €9.1 MILLION (€16.1 MILLION IN FIRST HALF 2006)**
- **NET INCOME FROM INVESTMENTS: €26.7 MILLION (€30.8 MILLION IN FIRST HALF 2006)**
- **CONSOLIDATED NET FINANCIAL POSITION: DEBT OF €618.2 MILLION (€583.2 MILLION AT 31 DECEMBER 2006)**
- **A CORPORATE STREAMLINING PROJECT WITH INCREASED FOCUS ON PIRELLI & C., GAS E AMBIENTE IS UNDERWAY; POSSIBLE SALE OF HOLDINGS IN THE REAL ESTATE AND OIL SECTORS IS BEING CONSIDERED**
- **ENERGIE INVESTIMENTI: ACTIVITIES EXPANDED FOLLOWING THE ACQUISITION OF GAZ DE FRANCE'S "GRANDI CLIENTI" BUSINESS IN ITALY. YEARLY VOLUMES DOUBLE AT MORE THAN THREE BILLION CUBIC METRES**
- **THE 2007 CONSOLIDATED FINANCIAL STATEMENTS MAY BENEFIT FROM THE POSITIVE RESULTS THAT SHOULD BE REPORTED BY AFFILIATE PIRELLI & C.; THE PARENT COMPANY COULD PARTIALLY OFFSET PIRELLI & C.'S LACK OF DIVIDEND PAYMENT IN FY 2006 THROUGH THE SALE OF NON-STRATEGIC ASSETS**

*Milan, 12 September 2007* – The **Board of Directors** of **Camfin S.p.A.** met today to and **approved** the **half-yearly report** at **30 June 2007**.

**Group's operating performance in first half 2007**

The results of the Camfin Group at 30 June 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 30 June 2007 dropped from €30.8 million (mn) in first half 2006 to **€26.7 million (mn)**. The change is largely attributable to decrease in the contribution of the associate **Pirelli & C. S.p.A.**, whose contribution, in fact, fell from €31.6 mn in first half 2006 to **€26.9 mn**

**Consolidated net income** is a **positive €9.1 mn**, compared to €6.1 mn at 30 June 2006, due also to an increase in net financial charges which rose from €10.6 mn to €14.6 mn.

**Financial fixed assets** at 30 June 2007 amount to **€1,164 mn**, basically unchanged when to the end of 2006. At 30 June 2007 Camfin held 1,334,816,673 shares of Pirelli & C. S.p.A., equal to approximately 25.51% 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 **€51.2 mn**, compared to €54.7 mn at the end of 2006. The difference is largely attributable to payment of dividends, the Parent Company results and to a change in the associate Pirelli & C.'s reserves.

The **net financial position** shows debt of **€18.2 mn**, compared to -€90.8 mn at 31 March 2007 and -€83.2 mn at 31 December 2006. The change in the quarter is due primarily to the payout of dividends for €1 mn and the purchase of 10 mn Pirelli & C. S.p.A shares last April.

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 **€10 mn** (compared to positive €13.4 mn in first half 2006), largely attributable to associate company Pirelli & C. S.p.A's failure to pay dividends for FY 2006. Net equity is €17.6 mn (€38.6 mn at the end of 2006). The net financial position shows debt of €28.9 mn compared to €00.8 mn at 31 March 2007 (-495.4 mn at 31 December 2006).

### **Corporate streamlining project**

In order to concentrate the Group's resources on the strategic activities (holding in Pirelli & C. S.p.A. and the Gas and Environment sectors) and to optimise the holding structure of the subsidiaries, a **corporate streamlining project** is being implemented. As part of this project Pirelli & C. S.p.A. and the financial activities will report directly to Camfin S.p.A., while the gas and environment businesses will report to the subsidiary Cam Partecipazioni. The Board of Directors has, furthermore, granted a exploratory mandate to the general manager so that he might conduct a feasibility study in the near term regarding the sale of investments no longer viewed as strategic in the Real Estate and Oil sectors.

### **Significant events subsequent to the close of the first half**

- On 25 July, Energie Investimenti, a joint-venture between Camfin and Gaz de France in the natural gas sector, finalized the agreement that was signed last 20 June related to **the acquisition of a business unit of Gaz de France specialized in the sale of gas to “Grandi Clienti” in Italy**. Based on this agreement Energie Investimenti will add large corporate clients to its current customer portfolio of 850,000 residential clients and small businesses, making it possible for the company to both expand its customer base and enhance its commercial activities. Energie Investimenti, subsequently, will also double its sales volumes with a supply of more than 3 billion cubic meters per year, making it one of the key Italian operators in this sector. Thanks to this transaction, therefore, Energie Investimenti will increase its size and expand its business.
- On 2 August, Camfin exercised its option to purchase 3.7% of Pirelli & C. Ambiente S.p.A. for a price, which had been predefined in the original shareholders’ pact, of €29 mn from Centrobanca Sviluppo Impresa. Camfin now owns 49% of the company.

### **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

*The Financial Reporting Officer of Camfin. S.p.A., Roberto Rivellino, hereby declares that - in accordance with Art. 154-bis, paragraph 2 of the Uniform Finance Act (Legislative Decree 58/1998) - that the accounting information contained in the present press release corresponds with the company's underlying documents, registers and accounts.*

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 30 June 2007, attached please find the abridged consolidated financial statements included in the report approved by the Board of Directors. Please note that the independent auditing firm has not yet completed its audit of the half-yearly report.*

Attachment 1

**Abridged consolidated balance sheet (\*)**

(in €/000)

	30/06/2007	31/12/2006
Financial fixed assets	1.163.997	1.163.761
Tangible fixed assets	289	295
Intangible fixed assets	275	318
Net working capital	8.416	7.540
	<b>1.172.977</b>	<b>1.171.914</b>
Net equity	551.161	584.679
Reserves	3.573	4.069
Net financial position	618.243	583.166
	<b>1.172.977</b>	<b>1.171.914</b>

\* 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)

	30/06/2007	30/06/2006	31/12/2006
Group's share of investment income carried at equity	21.632	30.150	(302.103)
Write-downs of equity investments	-	-	(1.726)
Fair value adjustment for financial assets and liabilities	5.158	(86)	2.949
Trading income	(67)	709	10.659
<b>Net income (loss) from equity investments</b>	<b>26.723</b>	<b>30.773</b>	<b>(290.221)</b>
Net financial charges	(14.611)	(10.609)	(23.257)
Net overheads (including property management)	(2.895)	(4.003)	(10.528)
<b>Pre-tax income (loss)</b>	<b>9.217</b>	<b>16.161</b>	<b>(324.006)</b>
Current taxes	(15)	(16)	(30)
Deferred taxes	(107)	(22)	(2.297)
<b>Net income (loss)</b>	<b>9.095</b>	<b>16.123</b>	<b>(326.333)</b>

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

Reconciliation of the *net financial position* of the "holding system" and full consolidated debt

**Reconciliation of the net financial position  
of the holding system and full consolidated debt**

(in €/000)

	30/6/2007	31/12//2006	30/6/2006
<b>Consolidated net financial position of the holding companies</b>	<b>(618.243)</b>	<b>(583.166)</b>	<b>(492.166)</b>
Operating companies' net financial positions			
Cam Gas S.p.A.	-	-	(3.681)
Cam Immobiliare S.p.A.	(23.761)	(25.944)	(25.281)
Perhopolis S.r.l. in liquidazione	214	2.340	2.327
<b>Full consolidated debt</b>	<b>(641.790)</b>	<b>(606.770)</b>	<b>(518.801)</b>