



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

PRESS RELEASE

**THE BOARD OF DIRECTORS APPROVES THE QUARTERLY REPORT AT
30 SEPTEMBER 2007:**

- **CONSOLIDATED NET INCOME: €5.3 MILLION (-€383.6 MN IN THE FIRST NINE MONTHS OF 2006 DUE TO THE ASSOCIATE PIRELLI & C'S WRITEDOWN OF OLIMPIA.)**
- **NET INCOME FROM INVESTMENTS: €33 MILLION (-€362.1 IN THE FIRST NINE MONTHS OF 2006)**
- **CONSOLIDATED NET FINANCIAL POSITION: DEBT OF €616.5 MILLION; IN 2008, FOLLOWING TO AN EXTRAORDINARY DISTRIBUTION BY PIRELLI & C., DEBT SHOULD BE REDUCED BY CIRCA -€400 MILLION, CIRCA €90 MILLION OF WHICH RELATED TO GAS SECTOR INVESTMENTS**
- **THE INCREASED FOCUS ON GAS AND ENVIRONMENT RELATED ACTIVITIES CONTINUES: THE GENERAL MANAGER HAS BEEN GRANTED A MANDATE TO NEGOTIATE THE SALE OF THE EQUITY INVESTMENT IN CAM PETROLI TO A PRIMARY OPERATOR**
- **THE 2007 CONSOLIDATED FINANCIAL STATEMENTS SET TO 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 (PETROLEUM PRODUCTS AND REAL ESTATE)**

Milan, 12 November 2007 – The **Board of Directors of Camfin S.p.A.** met today and **approved the quarterly report at 30 September 2007.**

Group's operating performance in the first nine months of 2007

The results of the Camfin Group at 30 September 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 September 2007 totaled €33 million (mn), compared to the negative €62.1 mn at 30 September 2006 which reflected the impact of the associate Pirelli & C. S.p.A.'s writedown of Olimpia during the previous year.

Consolidated net income is a **positive €5.3 mn**, compared to -€83.6 mn at 30 September 2006.

Financial fixed assets at 30 September 2007 amount to **€1,152 mn**, basically unchanged when compared to 31 December 2006. At the end of the period, 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 **€541.8 mn**, compared to €584.7 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 **€16.5 mn**, compared to €18.2 mn at 31 June 2007 and €83.2 mn at 31 December 2006. The change in the first nine months is due primarily to financial charges, the payout of dividends in the period and the purchase of Pirelli & C. S.p.A shares, partially offset by the net gain from the sale of 20% of Energie Investimenti to Gaz de France. In 2008, following the extraordinary distribution announced by associate Pirelli & C., debt should be reduced by circa €400 mn, €90 mn of which related to Gas sector investments.

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 **€17.96 mn** (compared to positive €30.3 mn at September 30 2006), largely attributable to associate company Pirelli & C. S.p.A's failure to pay dividends for FY 2006. Net equity is €609.6 mn (€638.6 mn at the end of 2006). The net financial position shows debt of €40.1 mn compared to €28.9 mn at 30 June 2007 and €495.4 mn at 31 December 2006). The net financial position should also benefit in 2008 from the extraordinary distribution announced by associate Pirelli & C..

Corporate streamlining project and focus on core businesses

As part of the previously announced corporate streamlining project being implemented in order to concentrate the Group's resources on strategic activities (equity investment in Pirelli & C., Gas and Environment sectors), the General Manager has been granted a mandate by the Board of Directors to negotiate the sale of the interest held in Cam Petroli (equal to 50% of the the share capital) to a primary sector operator. Furthermore, as part of the merger by incorporation of the subsidiaries Cam Investimenti and Centro Servizi Aziendali 2004 in Cam Partecipazioni, the company responsible for the Camfin Group's Gas and Environment businesses, Cam

Partecipazioni itself will include key management in a cash incentive plan linked to the enhancement of industrial assets.

Significant events subsequent to the close of the quarter

- In the month of October Camfin and Gaz de France agreed to participate in the re-capitalization of Energie Investimenti, joint-venture in the natural gas sales sector. The objective of the transaction, which entails the pro-quota participation in a €40 mn capital increase and a Shareholder Loan for an additional €29 mn, is to facilitate the company's growth by maximizing its financial flexibility.

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..

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 activities (oil and real estate).

Corporate Events Calendar 2008:

Below please find the 2008 calendar for the Board of Directors' and Shareholders' Meetings:

26 March 2007: Board of Director's meeting to examine the draft Parent Company and consolidated financial statements at 31 December 2007. These 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.

28 April 2008 (first call), **29 April 2008** (second call): Shareholders' Meeting to approve financial statements for the year ending on 31 December 2007.

12 May 2007: Board of Directors will meet to examine consolidated results for first quarter 2008.

5 August 2008: Board of Directors will meet to examine the half-yearly report at 30 June 2008. This 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 2008 will not be made available.

10 November 2007: Board of Directors will meet to examine consolidated results for third quarter 2008.

Pursuant to Art. 154-bis, paragraph 2 of the Consolidated Finance Act, Financial Reporting Officer Roberto Rivellino declares that all figures contained in this press release correspond to the company's records, books and accounting entries.

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 September 2007, attached please find the abridged consolidated financial statements included in the report approved by the Board of Directors. Please note that the attachments are not subject to audit by an independent auditing firm.

Attachment 1

Abridged consolidated balance sheet (*)

(in €/000)

	30/09/2007	31/12/2006
Financial fixed assets	1.152.385	1.163.761
Tangible fixed assets	283	295
Intangible fixed assets	255	318
Net working capital	8.833	7.540
	1.161.756	1.171.914
Net equity	541.841	584.679
Reserves	3.435	4.069
Net financial position	616.480	583.166
	1.161.756	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)

	30/09/2007	30/09/2006
Group's share of result of investments carried at equity	20.745	(371.714)
Fair value adjustment for financial assets and liabilities	4.683	(1.011)
Trading income	7.545	10.659
Net income (loss) from equity investments	32.973	(362.066)
Net financial charges	(23.159)	(16.982)
Net overheads (including property management)	(4.349)	(4.626)
Pre-tax income (loss)	5.465	(383.674)
Current taxes	(19)	(20)
Deferred taxes	(109)	125
Net income (loss)	5.337	(383.569)

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

Attachment 2

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

(in €/000)

	30/09/2007	30/09/2006
Consolidated net financial position of the holding companies	(616.480)	(583.166)
<i>Operating companies' net financial positions</i>		
Cam Immobiliare S.p.A.	(24.119)	(25.944)
Perhopolis S.r.l. in liquidazione	216	2.340
Full consolidated debt	(640.383)	(606.770)