



CAMFIN s.p.a.

PRESS RELEASE

CAMFIN SPA'S BOARD OF DIRECTORS APPROVES RESULTS AT 31 MARCH 2008:

- **INCOME FROM INVESTMENTS VALUED AT NET EQUITY: €8.1 MILLION (€6.3 MILLION IN FIRST QUARTER 2007), AN IMPROVEMENT ATTRIBUTABLE TO THE INCREASED CONTRIBUTION FROM PIRELLI & C. AND ENERGIE INVESTIMENTI. NET INCOME FROM INVESTMENTS: €5.3 MILLION (€8.4 MILLION IN FIRST QUARTER 2007)**
- **CONSOLIDATED NET INCOME: NEGATIVE FOR SOME €5.4 MILLION (POSITIVE € 0.1 MILLION IN FIRST QUARTER 2007), IMPACTED BY THE FAIR VALUE ADJUSTMENTS OF FINANCIAL ASSETS (-€5 MILLION WHEN COMPARED TO FIRST QUARTER 2007) AND THE TEMPORARY INCREASE IN FINANCIAL CHARGES**
- **CONSOLIDATED NET FINANCIAL POSITION: DEBT OF €478 MILLION, AN IMPROVEMENT OVER THE €590.8 MILLION REPORTED IN FIRST QUARTER 2007 AND THE €666.3 MILLION AT YEAR-END 2007 THANKS TO PIRELLI & C'S EXTRAORDINARY DISTRIBUTION.**
- **BUYBACK PROGRAMME APPROVED**
- **IN 2008 THE PARENT COMPANY WILL ONCE AGAIN BENEFIT FROM THE PAYMENT OF AN ORDINARY DIVIDEND BY PIRELLI & C.; AN INCREASE IN NET INCOME FROM INVESTMENTS AND A REDUCTION IN FINANCIAL CHARGES SHOULD HAVE A POSITIVE IMPACT ON CONSOLIDATED NET INCOME**

Milan, 12 May 2008 – The **Board of Directors** of **Camfin S.p.A.** met today and approved the quarterly report at **31 March 2008**.

Group's operating performance in first quarter 2008

The Camfin Group S.p.A.'s consolidated financial statements at 31 March 2008 and the schedules required as per Legislative Decree 127/91 and Consob (Stock Exchange Regulatory Authority hereinafter referred to as "Consob") Regulations are presented in abridged form in which financial holding companies are consolidated on a line-by-line basis and operating and associated companies are carried at net equity.

Income from investments valued at net equity is **positive** for some **€8.1 million** (mn), an improvement when compared to the €6.3 mn reported in first quarter 2007 thanks to the **increased contribution** from **Pirelli & C. S.p.A.** (€8.6 mn compared to €6 mn in first quarter 2007) and **Energie Investimenti S.p.A.** (€1.5 mn compared to €0.6 mn in first quarter 2007).

Net income from investments at 31 March 2008 amounts to a **positive €5.3 mn**, compared to a positive €8.4 million in first quarter 2007. The change is primarily attributable to the *fair value* adjustments of the *Put & Call* options on Pirelli & C. shares held by the Group.

Consolidated net income is a **negative €5.4 mn**, compared to the positive €0.1 mn reported in first quarter 2007. The change, in addition to the above mentioned *fair value* valuation of financial assets (-€5 mn when compared to first quarter 2007), is linked to a temporary increase in financial charges due to higher interest rates and the medium term debt which had not yet benefited from Pirelli & C.'s extraordinary distribution.

With regard to assets, **Financial fixed assets** at 31 March 2008 amount to **€918.4 mn**, compared to €1,174.6 mn at 31 December 2007. The change in the quarter is due to the adjustment of the book value of the investment in Pirelli & C. following the latter's extraordinary distribution. This adjustment, equal to Camfin's portion of the distribution, will not affect the company's 2008 income statement. At 31 March 2008, the Camfin Group held 1,370,721,796 shares of Pirelli & C. S.p.A., equal to approximately 26.19% of the ordinary share capital. In addition to this, the Group also holds *Put & Call* options on an additional stake of Pirelli & C.'s ordinary share capital, which, following the above mentioned extraordinary distribution raised to 1,07%.

The Group's share of **net equity** totals **€448.7 mn**, compared to €515.9 mn at the end of 2007. The difference is largely attributable to the drop in Pirelli & C.'s net equity following distribution of the "extraordinary dividend".

The **net financial position** shows debt of **€478 mn**, an improvement when compared to the €590.8 mn at 31 March 2007 and the €666.3 mn at 31 December 2007. The change in the quarter is primarily attributable to the extraordinary distribution made by associated Pirelli & C..

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

Parent company Camfin S.p.A.

Parent company Camfin S.p.A.'s net income shows a **loss** of **€11.8 mn** (compared to a negative €4.6 mn in first quarter 2007), due to the increase in financial charges and the *fair value* adjustments of the *Put & Call* options held by the Group on Pirelli & C. shares.

Net equity is **€588.2 mn** (€600 mn at year-end 2007). The **net financial position** shows **debt** of **€392.7 mn**, an improvement when compared to €577.5 mn reported at 31 December 2007.

Events subsequent to 31 March 2008

No major events took place subsequent to year-end 2007.

Outlook for the current year

In 2008 the Parent Company should benefit, once again, from the payment of an ordinary dividend by the associated company Pirelli & C. S.p.A., while the consolidated results will be positively impacted by the increase in net income from investments and a drop in financial charges which should materialize in the year if no extraordinary events which at present are not predictable take place.

Buyback programme

The Board of Directors, pursuant to the authorization granted by the Shareholders' Meeting on 29 April 2008, approved the buyback programme.

The programme is for a maximum number of 35 million shares with a nominal value of €0.52. The main characteristics are as follows:

- The objective is to provide the company with treasury shares in a view to medium long term investments including to be used for financial, managerial and/or strategic purposes. The transactions will be conducted in such a way as to ensure equal treatment for all shareholders;
- The purchases may be made up to an amount equal to the distributable income and available reserves as per the latest regularly approved annual report and, at any rate, non in excess of €55 mn;
- The treasury shares may be purchased at a price per share which is not 15% above or below the official stock price recorded by the Italian Stock Exchange on the weighted average of three trading sessions prior to each single purchase;
- The purchases may be made on the market, in one or more tranches, in accordance with Art. 132 of Legislative Decree n. 58 dated 24 February 1998 and Art. 144-bis paragraph 1, lett. b of Consob Resolution 11971/1999, as of 12 May 2008 through 28 October 2009, both directly and through authorized intermediaries.

Sales or other disposals may be made of the shares acquired when held to be in the best interest of the company.

The transactions completed as part of this programme will be announced in accordance with the applicable disclosure requirements.

Camfin S.p.A. will inform the market of any changes and/or additions made to the above mentioned buyback programme in a timely manner.

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:

Net income from equity investments 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. This does not include the fair value valuation of derivatives which are recognized directly in net equity.

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 the results at 31 March 2007, attached please find the abridged consolidated financial statements included in the interim report on operations. Please note that the attachments are not subject to audit by an independent auditing firm

Attachment 1

Condensed consolidated balance sheet (*)

(in €/000)

	31/03/2008	31/12/2007
Financial fixed assets	918.393	1.174.585
Plant, property and equipment	282	265
Intangible fixed assets	203	222
Net working capital	9.512	8.800
	928.390	1.183.872
Shareholders' equity	448.742	515.909
Funds	1.673	1.680
Net financial position	477.975	666.283
	928.390	1.183.872

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

Condensed consolidated income statement (*)

(in €/000)

	31/03/2008	31/03/2007
Group's share of result of investments carried at equity	8.140	6.289
Fair value adjustment for financial assets and liabilities	(2.877)	2.109
Trading income	-	-
Net income (loss) from equity investments	5.263	8.398
Net financial charges	(9.272)	(6.876)
Net overheads	(1.418)	(1.412)
Pre-tax income (loss)	(5.427)	110
Current taxes	-	(6)
Deferred taxes	-	(21)
Net income (loss)	(5.427)	83

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

Attachment 2

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

(in €/000)

	31/03/2008	31/12/2007
Consolidated net financial position of the holding companies	(477.975)	(666.283)
<i>Operating companies' net financial positions</i>		
Cam Immobiliare S.p.A.	(21.930)	(24.546)
Perhopolis S.r.l. in liquidazione	190	189
Full consolidated debt	(499.715)	(690.640)