



CAMFIN s.p.a.

PRESS RELEASE

THE BOARD OF DIRECTORS OF CAMFIN SPA APPROVES FINANCIAL STATEMENTS AS OF 30 JUNE 2009:

- **CONSOLIDATED NET INCOME 22.6 MILLION EUROS (-42 MILLION EUROS IN THE FIRST HALF OF 2008). RETURN TO PROFIT THANKS TO CAPITAL GAIN FROM SALE OF THE STAKE IN ENERGIE INVESTIMENTI AND TO POSITIVE RESULT OF PIRELLI & C**
- **CONSOLIDATED NET FINANCIAL POSITION IMPROVED TO -459 MILLION EUROS FROM -559.3 MILLION EUROS AT END 2008**
- **AGREEMENTS SIGNED WITH BANKS FOR STRENGTHENING EQUITY STRUCTURE AND DEBT RESCHEDULING**
- **NET RESULT OF PARENT COMPANY STABLE AT -2.3 MILLION EUROS (-2.9 MILLION EUROS IN THE FIRST HALF OF 2008); NET FINANCIAL POSITION IMPROVED, TO -474.8 MILLION EUROS FROM -480.3 MILLION EUROS ON 31 DECEMBER 2008**

Milan, 31 July 2009 – The **Board of Directors** of **Camfin SpA**, which met today, reviewed and approved the half-year financial statements as of **30 June 2009**.

Performance of the Group in the first half of 2009

Net income from equity participations as of 30 June 2009 was **positive** at **39.4 million** euros, compared with a negative figure of 20.1 million euros in the first half of 2008. The variation was mainly due to the capital gain deriving from the sale of the stake held in Energie Investimenti, equal to approximately 42 million euros at consolidated level. In addition, the positive contributions of Energie Investimenti and of Pirelli & C. SpA., which closed the half with attributable net income of 6.3 million euros, should be noted among the equity participations valued at equity method.

The **Pirelli & C. Group** closed the second quarter of 2009 with a progressive improvement in operating results compared with the first quarter, especially thanks to restructuring measures begun last year and which continued in the first half of 2009 to contrast a scenario still characterized today by a slowdown in the automotive industry and in real estate, where the Group operates. Benefits deriving from those measures allowed the Group to close the half-year period with positive operating indicators, in line with targets in the 2009-2011 industrial plan. Overall, the Group closed the half with revenues of 2,137.6 million euros and EBIT of 101.1 million euros, with an EBIT margin of 4.7% following restructuring charges of 21.2 million euros.

With reference to the other equity participations, **Pirelli Eco Technology**, the company operating in sustainable mobility, continued in the half to develop its particulate filters business, strengthening its commercial presence internationally. During the period, the company obtained homologation for its filters in China, where it began selling the filters, and received provisory approval for its first homologation in Germany, which became definitive in mid July for Euro 3 light commercial vehicles. The company closed the first half of 2009 with revenues of 28.3 million

euros compared with 33.4 million euros in the corresponding period of 2008. EBIT was negative for 5.5 million euros, compared with a negative figure of 3.9 million euros in the first half of 2008, while the net result was a loss of 6.6 million euros (-4.7 million euros in the first half of 2008). The results registered in the half were attributable both to a decline in revenues from white diesel fuel Gecam – which had a decline in average unit sales due to a fall in the price of diesel – and to structural costs linked to expansion of the particulate filters business and the start-up of a new manufacturing site in Romania, where the new Bumbesti Jiu factory will allow the company to serve already active markets, as well as markets where homologation is underway or expected. This year, the particulate filters business will be focused mainly on development of the retrofit line and the product range, enlargement to new markets and structuring of pre and post sales services, which are distinguishing features when comparing with competitors in the industry.

Pirelli Ambiente proceeded with its businesses in renewable energy production and environmental site remediation in the first half. In particular, during the period, work was completed on realization of new photovoltaic plants for electricity generation in the South of Italy. As of 30 June 2009, Pirelli Ambiente registered sales of 2.5 million euros, compared with 2.3 million euros in the first half of 2008, with a negative operating result of 1.1 million euros (-1.5 million euros as of 30 June 2008).

Returning to an analysis of the consolidated accounts, net of financial charges, which fell from 17.4 million euros in the first half of 2008 to 12.3 million euros as of 30 June 2009 thanks to improvement of the net financial position and lower interest rates, **consolidated net income** was **22.6 million euros**, compared with a consolidated net loss of 42 million euros in the first half of 2008.

In terms of shareholders' equity structure, the figure relating to **financial fixed assets** as of 30 June 2009 was **688.2 million euros**, compared with 760.1 million euros as of 31 December 2008. The change in the half-year period was due to the transfer of the stake in Energie Investimenti. As of 30 June 2009, the stake held by the Camfin Group in Pirelli & C. amounted to 1,370,721,796 shares, or about 26.19% of the ordinary share capital, unchanged from 31 December 2008. In the month of June however the structure of put & call options on Pirelli & C. shares, equal to 1.46% of share capital, was liquidated with a positive impact value of close to 7 million euros.

Shareholders' equity pertaining to the Group amounted to **229.3 million euros** (201.1 million euros at the end of 2008). The increase was due to the capital gain from sale of the stake in Energie Investimenti and the positive variation of 7.6 million euros in the Camfin quota of Pirelli & C. SpA shareholders' equity.

The **net financial position** was **negative** for **459 million euros**, significantly improved from a negative position of 559.3 million euros on 31 December 2008. The variation in the half-year period was mainly due to sale of the stake in Energie Investimenti.

Camfin SpA parent company

With reference to the **parent company Camfin SpA**, the **net result** was **negative** for **2.2 million euros**, an improvement over the result in the first half of 2008 despite the lack of dividend from Pirelli & C. Compared with last year, in fact, the financial accounts benefited from lower financial charges and lower overhead costs.

Shareholders' equity amounted to **342.0 million euros** (345.0 million euros at end 2008). The **net financial position** was **negative** for **474.8 million euros**, an improvement from the negative position of 480.3 million euros as of 31 December 2008.

It should be noted that half-year results of the parent company Camfin SpA are not subject to audit.

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Program for strengthening equity structure

During the first half of the year, Camfin SpA finalized a series of initiatives aiming to strengthen the equity and financial profile of the Group, reaching an agreement for debt rescheduling with major creditor banks.

On 30 July 2009, the agreements in execution of the above accord were formalized, in line with what was communicated to the market last 12 June.

Events which occurred after 30 June 2009

Starting from 8 July 2009, Banca Aletti & C. SpA became a specialized trader in Camfin SpA shares.

Prospects for the current year

In the current fiscal year the Camfin Group, which will not receive dividends from Pirelli & C., should benefit from measures communicated by this latter on occasion of the 2009-2011 three-year plan presented last February, where revenues were targeted at approximately 4.3 billion euros on an annual basis and EBIT margin was targeted at 4.5%-5%. In addition to that, the Group will benefit from, among other things, the positive economic effects deriving from the sale of the stake in Energie Investimenti, the effects of the process of structural rationalization and reduction of financial charges in part thanks to the program to strengthen the equity structure.

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

In this 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 investments: this is an aggregate that includes all items reported in the income statement referring to investments 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 available-for-sale financial assets 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 financial statements as of 30 June 2009, attached please find the abridged consolidated financial statements included in the interim report. Please note that these attachments are not subject to audit by an auditing firm.

Exhibit 1

Consolidated balance-sheet

(in €/000)

	H1 2009	FY 2008	H1 2008
Financial fixed assets	688,258	760,104	882,372
Plant, property and equipment	177	291	293
Intangible fixed assets	62	111	172
Net working capital	5,071	5,620	9,764
	693,568	766,126	892,601
Net equity	229,296	201,121	358,666
Funds	5,304	5,681	1,717
Net financial position	458,968	559,324	525,618
	693,568	766,126	886,001

Consolidated income statement

(in €/000)

INCOME STATEMENT	H1 2009	H1 2008	FY 2008
Pro-quota results of affiliated companies and joint venture	(821)	(13,724)	(105,399)
Dividends from other participations	-	10	23
Loss in value in financial assets	-	-	(417)
Fair value adjustment for financial assets and liabilities	(1,190)	(6,366)	(3,815)
Trading income	41,420	-	(22,240)
Net income (loss) from equity investments	39,409	(20,080)	(131,848)
Net financial charges	(12,297)	(17,405)	(33,375)
Other ordinary income (charges)	(4,361)	(4,552)	(6,209)
Other income (charges)			6,073
Pre-tax income (loss)	22,751	(42,037)	(165,359)
Taxes	(106)	(1)	(1,711)
Net income (loss)	22,645	(42,038)	(167,070)

Exhibit 2

Prospectus on consolidated net **financial position**:

(in€/000)

	30/06/2009	31/12/2008
Amounts owed to banks and other financiers	(491,922)	(489,354)
Financial receivables	180	1,051
Financial assets booked at fair value in the income statement	-	138
Cash and cash equivalents	37,597	15,955
Financial liabilities booked at fair value in the income statement	(2,738)	(2,013)
Non current medium term financial payables	(2,085)	(96,701)
Net financial debt	(458,968)	(570,924)
Net financial position	30/06/2009	31/12/2008
Non current financial assets	-	11,600
Total net financial position	(458,968)	(559,324)