



CAMFIN s.p.a.

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PRESS RELEASE

THE BOARD OF DIRECTORS OF CAMFIN S.P.A. APPROVES FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2009:

- **CONSOLIDATED NET INCOME EURO 16.4 MILLION (EURO -59.7 MILLION AS OF 30 SEPTEMBER 2008); RETURN TO PROFIT THANKS TO CAPITAL GAIN ON THE SALE OF THE STAKE IN ENERGIE INVESTIMENTI AND TO THE POSITIVE RESULT OF PIRELLI & C.**
- **NET FINANCIAL POSITION EURO -466.4 MILLION COMPARED TO EURO -559.3 MILLION AT THE END OF 2008**

THE BOARD OF DIRECTORS OF CAMFIN SPA DEFINES THE TERMS AND CONDITIONS OF THE RIGHTS ISSUE

- **THE SUBSCRIPTION PRICE FOR THE NEW SHARES HAS BEEN SET AT EURO 0.23, WHILE THE RIGHTS EXCHANGE RATIO WILL BE 19 NEW SHARES FOR EVERY 23 EXISTING SHARES**
- **WARRANTS WILL BE GRATUITOUSLY ATTACHED TO THE NEWLY ISSUED SHARES. WITH AN EXCHANGE RATIO OF ONE WARRANT FOR EACH NEWLY ISSUED SHARE. WARRANTS MAY BE EXERCISED STARTING FROM 1 JULY 2011 AND SHALL ENTITLE THE RELEVANT HODLERS TO THE SUBSCRIPTION OF FURTHER 3 SHARES FOR EVERY 7 WARRANTS, AT A PRICE EQUAL TO EURO 0.23**
- **THE OFFERING WILL INVOLVE A MAXIMUM OF 303,744,868 NEW SHARES AND A MAXIMUM OF 130,176,372 SHARES BASED ON THE EXERCISE OF THE WARRANTS**

ROBERTO RIVELLINO APPOINTED AS GENERAL MANAGER

Milan, 5 November 2009 – The **Board of Directors** of **Camfin**, which met today, reviewed and approved the intermediate financial statements as of **30 September 2009** and determined, in agreement with the banks from the guarantee syndicate, the **final conditions for the capital increase for a maximum of Euro 70 million** in shares, to be carried out by 31 December 2009, and the capital increase for a maximum of Euro 30 million with issue of warrants to be exercised in 2011, resolved upon by the Extraordinary Shareholders' meeting last 31 July within the plan to strengthen the group's equity and financial structure.

Operating performance as of 30 September 2009

Implementation of the first measures in the plan for strengthening the company's equity structure characterized the consolidated financial statements in the first nine months of the year.

Net income from equity participations as of 30 September 2009 amounted to a **positive** figure of Euro **38.6 million** compared to a loss of Euro 36 million Euro in the first nine months of 2008. The change can be mainly attributed to the capital gain deriving from the sale of the stake in Energie Investimenti, of approximately Euro 42 million at consolidated level, and to the positive contribution of the equity method valuation of the investments in Pirelli & C. and in Energie Investimenti.

The first nine months of the 2009 fiscal year of the **Pirelli** Group showed positive operating indicators and results overall in line with the targets outlined in the 2009-2011 industrial plan, thanks to the positive effects of restructuring and efficiency measures adopted to counter the slowdown in the real estate sector and the automotive industry, which is showing early signs of recovery. The results reached allow the Group to forecast that for the full year 2009, barring extraordinary events unpredictable today, the Pirelli Group should reach the targets identified in the 2009-2011 industrial plan presented last February, in some cases with an improvement over the targets, especially due to the positive performance of Pirelli Tyre. Overall, the Pirelli Group closed the first nine months with revenues of Euro 3,307.4 million and EBIT of Euro 163.8 million, with an EBIT margin of 5.0%, in line with forecasts in the 2009-2011 industrial plan. Attributable net consolidated income was Euro 18.2 million, while the total consolidated net result was a loss of Euro 8.7 million.

In the area of environmental initiatives, **Pirelli Eco Technology**, after having obtained during the first half of the year homologation of its particulate filters in China, where sales have begun, in the third quarter concluded the process of homologation required by the German market for vehicles from Euro 1 to Euro 3 both for the Light Duty segment and for Heavy Duty. The two countries represent important markets for the company, whose performance however suffers from a general delay in operational implementation of existing regulations on traffic and smog, as well as from the difficult economic situation, and from longer than expected timetables for obtaining homologations in order to grow in new markets. Notwithstanding such a scenario, the growth in the filter sales allowed the Company to maintain a European market share higher than 20% and place it among the major producers of retrofit systems, increasing its growth perspectives also in the light of the homologations recently obtained internationally together with a restart of national and international programs for introduction of low emission zones. In the first nine months the company registered revenues of Euro 38.8 million compared to Euro 47.5 million in the corresponding period of 2008 and negative EBIT of Euro 8.8 million.

Pirelli Ambiente continued its activity in renewable energy production, in environmental site remediation and in the photovoltaic sector. In the first nine months of 2009 sales amounted to Euro 3.3 million (Euro 2.3 million in the first nine months of 2008) with a negative EBIT of Euro 3.0 million.

Continuing in the review of Camfin Group results as of 30 September 2009, **consolidated net income** amounted to a **positive** figure of Euro **16.4 million**, compared to a negative result of Euro 59.8 million in the first nine months of 2008, thanks to a decline in net financial charges, reduced to Euro 15.5 million from Euro 25.3 million as of 30 September 2008. The figure was favorably conditioned by the positive effects of lower interest rates and a reduced net financial position.

In terms of the equity structure, the figure relating to **financial fixed assets** as of 30 September 2009 was Euro **696.6 million**, compared to Euro 760.1 million as of 31 December 2008. The

variation was mainly due to sale of the stake in Energie Investimenti in the first part of the year (for a value of Euro 119.2 million and booked at Euro 74.8 million), in addition to the positive figure of the investment in Pirelli & C. SpA which shows net shareholders' equity increasing thanks to the positive result attributable to the Group of Euro 18.2 million registered in the first nine months of the year. As of 30 September 2009, the equity participation held by the Camfin Group in Pirelli & C. amounted to 1,370,721,796 shares, or around 26.19% of the ordinary share capital.

Net shareholders' equity attributable to the Group amounted to Euro **230.9 million** (Euro 201.1 million at end of 2008). The increase is due to the capital gain realized from the sale of the stake in Energie Investimenti and to the Euro 7.6 million increase in value of the quota of net equity in Pirelli & C. S.p.A.

The **net financial position** was **negative** for Euro **466.4 million**, improved over a negative position of Euro 559.3 million on 31 December 2008. The change in the nine-month period was mainly due to sale of the stake in Energie Investimenti.

Camfin S.p.A. parent company

With reference to the **parent company Camfin SpA**, the **net result** was **negative for Euro 7.6 million**, but improved with respect to the negative result of Euro 12.3 million as of 30 September 2008. The lack of dividend from Pirelli & C. weighed on the result.

Net shareholders' equity amounted to Euro **337.5 million** (Euro 345 million at the end of 2008). The **net financial position** was **negative** for Euro **479.4 million**, improved over a negative position of Euro 480.3 million as of 31 December 2008.

Events occurred after 30 September 2009

Among the *relevant facts* subsequent to the close of the quarter it is worth noting that:

- on 1 October, a further simplification of the organizational structure of the Group occurred, with the merger of Cesar Srl and Cam Immobiliare SpA into Cam Partecipazioni SpA, according to the plan for corporate simplification and structural cost savings approved in 2008.
- on 2 November Borsa Italiana admitted the listing of "Warrants on Camfin ordinary shares 2009-2011".
- on 4 November, as already communicated to the market, Consob gave its authorization for publication of the Information Prospectus for the capital increase.

Prospects for the current year

During the last quarter, Camfin Group should further benefit from the restructuring and efficiency measures already adopted during the year by the Pirelli Group, which forecast that for the full year 2009 the Pirelli Group should reach the targets identified in the 2009-2011 industrial plan presented last February, in some cases with an improvement over the targets. In addition to such results, there will also be positive economic effects deriving from the sale of the stake in Energie Investimenti, which occurred in the second quarter of the year, the effects of the process of rationalization of the structure and lower financial charges.

Capital increase

The capital increase is part of the strengthening program of the equity and financial structure of the Camfin group and will take place by means of an issuance of a maximum of 303,7444,868 new ordinary shares, with dividend start date on 1 January 2009 no nominal value, to be offered to existing Camfin shareholders **on the basis of a rights exchange ratio of 19 new shares for every 23 existing shares, at a price equal to Euro 0.23. A maximum of 303,744,868** “Warrant azioni ordinarie Camfin 2009 – 2011” will be gratuitously attached to the new shares, with an **exchange ratio of one warrant for each ordinary share** and will entitle the relevant holders to subscribe – in accordance with the terms and conditions of the warrants – a maximum of 130,176,372 ordinary shares, with no nominal value, regular dividend **with an exchange ratio of 3 ordinary shares for every 7 exercised warrants, at a price equal to Euro 0.23 for each share.**

In accordance with the law, **by the end of the day tomorrow the information prospectus for the offering will be published.** We remind that, based on the approved offer period which has already been anticipated to the market, **the rights may be underwritten between 9 November 2009 and 27 November 2009 (or will be deemed as forfeited) and may be traded on the stock exchange as of 9 November 2009 through 20 November 2009.**

We remind you that **Gruppo Partecipazioni Industriali S.p.A. (GPI)**, controlling shareholder of the Company, among the other things, **has committed to exercising its rights and wholly subscribe in full the stake in the share capital to which it is entitled**, equal to 53.81% of the share capital as of the commitment date. Such stake in the share capital has been reduced to 50.31% of the share capital after the purchase of 3.5% of the Company's share capital by Malacalza Investimenti S.r.l., a company owned by the Malacalza family. The perfection of such purchase has been disclosed to the market by GPI and by Malacalza Investimenti S.r.l. as of today. **Malacalza Investimenti S.r.l. has committed as well to subscribe its 3.5% stake of the capital increase (as purchased from GPI) within the end of the offer period.**

Please note that, in addition to the controlling shareholder GPI and Malacalza Investimenti S.r.l., **Yura International B.V., Vittoria Assicurazioni S.p.A., Dear S.p.A., Massimo Moratti (through C.M.C. S.p.A. and SIREFID S.p.A.) and UniCredit S.p.A have irrevocably committed to subscribe in full the stake of the capital increase to which they are entitled.**

On the basis of the information available to the Company, **the aggregate amount of the above commitments should be equal to 70.5% of the capital increase.**

UniCredit Group (HVB Milan), Credito Bergamasco S.p.A., Efibanca S.p.A., Mediobanca – Banca di Credito Finanziario S.p.A., MPS Capital Services S.p.A., Banca Popolare di Novara S.p.A. and Banca Popolare di Verona - S. Geminiano e S. Prospero S.p.A., will guarantee the subscription of any ordinary shares which are not subscribed at the end of the exchange offer carried out pursuant to Article 2441, paragraph 5 of the Italian civil code, net of the above mentioned subscription commitments.

Lastly, on the basis of the agreements entered into by GPI and the Malacalza family, Malacalza Investimenti S.r.l. will undertake with the members of the guarantee syndicate a sub-guarantee commitment aimed at increasing its stake in the Company's share capital up to 10%.

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The Board of Directors then appointed **Roberto Rivellino as General Manager of the Company.** Roberto Rivellino was already the Director of Administration, Finance and Control as well as the Manager appointed to draft corporate accounting documents.

Corporate events calendar for 2010

Please find below the calendar of Board of Directors' and Shareholders' meetings for 2010:

12 March 2010: Board of Directors' meeting for review of the draft financial statements and consolidated financial statements as of 31 December 2009.

21 April 2010 (first call), **22 April 2010** (second call): Shareholders' meeting for approval of financial statements.

10 May 2010: Board of Directors' meeting for review of intermediate financial statements as of 31 March 2010.

30 July 2010: Board of Directors' meeting for review of the half-year financial statement as of 30 June 2010.

8 November 2010: Board of Directors' meeting for review of the intermediate financial statements as of 30 September 2010.

The intermediate financial statements as of 30 September 2009 will be available to the public at the Company's headquarters and at Borsa Italiana S.p.A, and published on the Company's website www.gruppocamfin.it, by the end of the day on 13 November 2009.

The Manager appointed to draft corporate accounting documents of Camfin S.p.A., Roberto Rivellino, declares – as per article 154-bis, paragraph 2 of the Testo Unico della Finanza – that the accounting information contained in this press release are consistent with the documented results, books and accounting registers.

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 equity participations: 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 gross financial debt less cash and cash equivalents, as well as other interest bearing financial receivables.

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In order to allow for more complete information on the results as of 30 September 2009, prospectuses relating to the consolidated income statement and balance sheet data included in the intermediary financial statements are appended to this press release. You are advised that these tables are not subject to review by the auditing company.

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Allegato 1

Condensed consolidated income statement

(in €/000)

	9m '09	9m '08	2008
Group's share of results in investments carried at equity	(1,313)	(25,653)	(105,399)
Dividends received from other investments	-	23	23
Impairment of equity investments	-	-	(417)
Fair adjustment for financial assets and liabilities	(1,481)	(10,409)	(3,815)
Trading income	41,420	-	(22,240)
Net income (loss) from equity investments	38,626	(36,039)	(131,848)
Net financial charges	(15,589)	(25,339)	(33,375)
Net overheads	(6,508)	(4,330)	(6,209)
Extraordinary charges and income	-	7,047	6,073
Pre-tax income (loss)	16,529	(58,661)	(165,359)
Taxes	(131)	(1,123)	(1,711)
Net income (loss)	16,398	(59,784)	(167,070)

Camfin's share of results in investments carried at equity

(in €/000)

	9m '09	9m '08	2008
Pirelli & C. S.p.A.	4,647	(13,100)	(88,737)
Pirelli & C. Ambiente S.p.A.	(2,239)	(1,402)	(1,987)
Pirelli & C. Eco Technology S.p.A.	(5,548)	(3,924)	(6,190)
Energie Investimenti. S.p.A.	2,472	(7,227)	(8,027)
Fondo Vivaldi	(645)	-	(458)
	(1,313)	(25,653)	(105,399)

Allegato 2

Condensed consolidated balance sheet

(in €/000)

	30/09/2009	31/12/2008	30/09/2008
Financial fixed assets	696,635	760,104	848,489
Plant, property and equipment	170	291	297
Intangible fixed assets	46	111	142
Net working capital	6,717	5,620	5,211
	703,568	766,126	854,139
Shareholders' equity	230,931	201,121	316,849
Funds	6,269	5,681	4,211
Net financial position	466,368	559,324	533,079
	703,568	766,126	854,139

Consolidated net financial position

(in €/000)

	30/09/2009	31/12/2008
Amounts owed banks and other financiers	(498,972)	(489,354)
Interest income and other financial payables	-	1,051
Financial assets booked at fair value in the income statement	-	138
Cash and cash equivalents	37,717	15,955
Financial liabilities booked at fair value in the income statement	(3,028)	(2,013)
Medium term financial payables	(2,085)	(96,701)
Net financial debt	(466,368)	(570,924)
Non current financial assets	-	11,600
Financial assets booked at fair value in the income statement	-	-
Net financial position	(466,368)	(559,324)