

PRESS RELEASE

THE BOARD OF DIRECTORS OF CAMFIN SPA APPROVES 2009 DRAFT FINANCIAL STATEMENTS:

RETURN TO PROFIT AT CONSOLIDATED LEVEL, DEBT REDUCED

CAMFIN GROUP:

- **CONSOLIDATED NET PROFIT OF 5.6 MILLION EUROS (LOSS OF 167.1 MILLION EUROS IN 2008)**
- **CONSOLIDATED NET FINANCIAL POSITION IMPROVED TO -403.3 MILLION EUROS, COMPARED WITH -559.3 MILLION EUROS IN 2008 (-466.4 MILLION EUROS AS OF 30 SEPTEMBER 2009)**
- **NET INCOME FROM EQUITY PARTICIPATIONS OF 36.4 MILLION EUROS (LOSS OF 131.8 MILLION EUROS IN 2008)**
- **NET PARENT COMPANY LOSS OF 14.3 MILLION EUROS, MUCH IMPROVED OVER THE 2008 NET LOSS OF 203.5 MILLION EUROS**

Milan, 12 March 2010 – The **Board of Directors** of **Camfin SpA**, which met today, reviewed and approved the **draft financial statements** for the **2009 fiscal year**.

Group's operating performance in 2009

FY 2009 was marked by a **return to profit**, with a **consolidated net result of 5.6 million euros**, significantly improved over the net loss of 167.1 million euros in 2008, net of financial charges of 19 million euros, considerably lower compared with -33.4 million euros in 2008.

The strong improvement in **net income from equity participations** should be noted, which amounted to a **positive figure of 36.4 million euros** as of 31 December 2009 compared with a negative figure of 131.8 million euros in 2008. The attributable result of the equity participation in **Pirelli & C.**, which was **positive for 5.8 million euros** (compared with a loss of 88.7 million euros in 2008) contributed greatly, as well as the capital gain from the sale of the participation held in **Energie Investimenti**, equal to approximately 42 million euros at consolidated level.

For the **Pirelli Group**, the restructuring begun in 2008, which continued into 2009, to counteract the effects of the international crisis, made it possible for the Pirelli Group to close the year with significantly improved overall results, thanks to effectiveness of the measures adopted to protect the efficiency and competitiveness of the Group, as well as of the strategy set forward in the 2009-2011 three-year industrial plan. The Group thus managed to **close the year with results that were an improvement over its 2009 targets**, which had already been raised last November, at the time of announcement of third quarter results. Overall, the **Pirelli Group** closed the year with attributable net profit of 22.7 million euros, compared with a loss of 347.5 million euros in 2008. The total consolidated net result was a loss of 22.6

million euros, a significant improvement over the loss of 412.5 million euros the previous year. EBIT after restructuring charges, which amounted to 79.6 million euros in 2009 (144.2 million euros in 2008), stood at 217.4 million euros, five times the figure of 43.2 million euros in 2008, or 4.9% of sales compared with 0.9% of sales in 2008. Revenues as of 31 December 2009 amounted to 4,462.2 million euros, down 3.3% on a like-for-like basis net of the exchange rate effect (4,660.2 million euros in 2008).

During the year, **Pirelli Eco Technology** consolidated its important position in particulate filters, in part thanks to new homologations obtained, particularly in key markets such as Germany and China. The difficult economic scenario, delays in putting into effect existing regulations in terms of traffic pollution, and longer than expected waiting periods for homologations in new markets had negative effects on performance and on timing of execution of plans compared with original projections. The 2009 net result was a loss of 13.7 million euros, essentially in line with 2008 (a loss of 13.2 million euros) and revenues down 10% to 56.6 million euros, due to declining sales in the white diesel fuel business, Gecam. Filter sales, on the other hand, increased 236% from 5.5 million euros to 18.5 million euros in 2009. Geographical diversification and especially application of more severe regulations limiting polluting traffic are good premises for the company to aim for double digit revenue growth, breakeven at EBIT level, and positive cash flow generation in 2010.

Pirelli Ambiente, the company specialized in technologies and solutions for sustainable development, active in renewable energy, environmental reclamation and energy efficiency for buildings, concentrated in 2009 on a path for rationalization and development of its businesses. This path sees the company focused, in 2009 as well, on taking advantage of new growth opportunities in the businesses in which it operates, including through the launch of new partnerships. In this sense, in 2009 Pirelli Ambiente acquired the 50% stake it did not already own in Solar Utility, a company specialized in investments in the photovoltaic sector, which during the course of the year signed an agreement with Norwegian operator Statkraft for development of photovoltaic projects for capacity of nearly 20 MW, taking the first step towards building an important national player in renewable energy. At the end of 2009, Solar Utility completed new photovoltaic plants for energy generation in the South of Italy for a total of 6 MW, which already increased to 7.1 MW in the first few months of 2010. Pirelli Ambiente closed 2009 with a net loss of 5.3 million euros (compared with a net loss of 3.6 million euros in 2008), influenced by non-recurring restructuring charges, and revenues of 3.6 million euros, down from 5.1 million euros in the previous year, due to a contraction mainly in the area of environmental reclamation.

In terms of equity structure, the Camfin Group in FY 2009 focused on full implementation of measures set by the program for strengthening the equity structure and reduction of the Group's debt exposure. To this end, it should be noted that during the course of the year, a capital increase of 70 million euros in shares was fully underwritten, with gratuitously attached Camfin 2009-2011 ordinary share warrants, giving the right to underwrite further shares for a maximum amount of 30 million euros in the second half of 2011. Implementation of the plan included refinancing and rescheduling of bank debt, as well as a commitment to its progressive reduction within certain targets.

Returning to an analysis of the results as of 31 December 2009, at equity level **financial fixed assets** amounted to 674.7 million euros, down from 760.1 million euros as of 31 December 2008. In this regard it should be noted that the participation held in Energie Investimenti is no longer included in the accounting, given that it was sold during the year.

The Group's portion of **net equity** totaled **267 million euros** compared with 201.1 million euros at the end of 2008. The increase was due to full underwriting of the capital increase and the financial results in the period.

The **net financial position** at the end of 2009 was negative for 403.3 million euros, significantly improved over the figure of 559.3 million euros at the end of 2008: the

improvement compared with the figure from the previous December can be attributed to the sale of the participation in Energie Investimenti and to the capital increase underwritten by shareholders during the year.

Parent company Camfin S.p.A.

As of 31 December 2009, the **net result** of the **parent company Camfin S.p.A.** was **negative for 14.3 million euros**, a loss significantly reduced in comparison with that of 203.5 million euros in 2008, despite a lack of dividend income from Pirelli in 2009.

Net equity of the parent company amounted to 396.5 million euros, up compared with the 345.1 million euros at the end of 2008. The **net financial position was negative for 415 million euros, much improved over the 480.3 million euros figure as of 31 December 2008** and the one on 30 September 2009, which was negative for 479.4 million euros.

Calling of Shareholders' meeting

The Board resolved to call the Shareholders' meeting for approval of the 2009 financial statements and for renewal of authorization to purchase and dispose of Treasury shares, for 21 April (upon first call) and for 22 April (upon second call). In an extraordinary session, a proposal to introduce into the by-laws the possibility for the companies to call Shareholders' meetings for approval of annual financial statements within 180 days from closure of the fiscal year, rather than the current 120 days, will be submitted to the Shareholders' meeting.

Events subsequent to 31 December 2009

On 22 January 2010 the quota of the Pirelli Ambiente capital increase was underwritten for approximately 1.6 million euros, via use of capital deposits already carried out during the period.

Prospects for the current year

During the current year, Camfin should benefit from an expected improvement in profitability of Pirelli & C. and of its other equity participations, as well as from the expected reduction of structural charges already begun during the course of 2009, and from the strengthening of the equity structure.

With reference to the parent company, it is expected that the 2010 accounts will show a return to profit due to the return of dividend payments by Pirelli & C., and due to the already mentioned equity strengthening and reduction in structural costs.

Transfer of registered office

With effect from 1 April 2010, Camfin S.p.A. will change the address of its headquarters from Via Gaetano Negri n. 8 to **Viale Piero e Alberto Pirelli n. 25**, still in Milan.

The draft of financial statements as of 31 December 2009 will be available to the public at the Company's headquarters and at Borsa Italiana SpA, and published on the Company's website (www.gruppocamfin.com), by 2 April 2010.

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

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 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 FY 2009 results, attached please find the abridged consolidated financial statements included in the Directors' Report approved by the Board of Directors. Please note that these attachments are not subject to audit by an independent auditing firm and that the latter has yet to complete its examination of the Parent Company's and the consolidated financial statements.

Attachments

Condensed consolidated income statement

(in €/000)

INCOME STATEMENT	2009	2008
Group's share of results in investments carried at equity	(1,709)	(105,399)
Dividends received from other investments	-	23
Impairment of equity investments	(2,600)	(417)
Fair value adjustment for financial assets and liabilities	(691)	(3,815)
Trading income	41,420	(22,240)
Net income (loss) from equity investments	36,420	(131,848)
Net financial charges	(18,966)	(33,375)
Net overheads	(5,627)	(6,209)
Extraordinary charges and income	(5,846)	6,073
Pre-tax income (loss)	5,981	(165,359)
Taxes	(348)	(1,711)
Net income (loss)	5,633	(167,070)

Camfin's share of results in investments carried at equity

(in €/000)

	2009	2008
Pirelli & C. S.p.A.	5,808	(88,737)
Pirelli & C. Ambiente S.p.A.	(2,585)	(1,987)
Pirelli & C. Eco Technology S.p.A.	(7,021)	(6,190)
Energie Investimenti S.p.A.	2,472	(8,027)
Fondo Vivaldi	(383)	(458)
	(1,709)	(105,399)

Condensed consolidated balance sheet

(in €/000)

	31/12/2009	31/12/2008
Financial fixed assets	674,705	760,104
Plant, property and equipment	168	291
Intangible fixed assets	27	111
Net working capital	1,368	5,620
	676,268	766,126
Shareholders' equity	267,005	201,121
Funds	5,978	5,681
Net financial position	403,285	559,324
	676,268	766,126

Net Financial Position

(in €/000)

	31/12/2009	31/12/2008
Amounts owed banks and other financiers	(11,110)	(489,354)
Interest income and other financial payables	-	1,051
Financial assets booked at fair value in the income statement	2	138
Cash and cash equivalents	25,865	15,955
Financial liabilities booked at fair value in the income statement	(2,242)	(2,013)
Medium term financial payables	(415,800)	(96,701)
Net financial debt	(403,285)	(570,924)
Reconciliation of net financial position	31/12/2009	31/12/2008
Non current financial assets	-	11,600
Financial assets booked at fair value in the income statement	-	-
Total net financial position	(403,285)	(559,324)