

PRESS RELEASE

**THE BOARD OF DIRECTORS OF CAMFIN SPA APPROVES RESULTS AS OF 31 MARCH
2010
FIRST QUARTER SIGNIFICANTLY IMPROVED**

- **CONSOLIDATED NET RESULT POSITIVE FOR 2.9 MILLION EUROS (-16.1 MILLION EUROS IN THE FIRST QUARTER OF 2009)**
- **NET INCOME FROM EQUITY PARTICIPATIONS MUCH IMPROVED, TO 7.4 MILLION EUROS (-6.4 MILLION EUROS AS OF 31 MARCH 2009)**
- **CONSOLIDATED NET FINANCIAL POSITION: -417.4 MILLION EUROS (-403.3 MILLION EUROS AT THE END OF 2009; -577.4 MILLION EUROS AS OF 31 MARCH 2009)**

Milan, 10 May 2010 – The Board of Directors of Camfin SpA, which met today, reviewed the **intermediate report on operations as of 31 March 2010**.

Camfin Group

The Camfin Group closed the first quarter of 2010 with much improved operating results, compared with the corresponding period of 2009. In particular, **net income from equity participations** as of 31 March 2010 amounted to **7.4 million euros**, compared with a loss of 6.4 million euros in the first three months of the previous year. The variation was mainly due to the **result from equity participations** valued according to equity method, which was a positive figure of **8.3 million euros** (2.4 million euros in the first quarter of 2009), thanks to the good result registered by the Pirelli & C. stake.

Pirelli & C., in which Camfin holds an equity participation, closed the first quarter with sharply improved operating indicators, showing **revenues up 16.2% to 1,212.0 million euros** and an EBIT margin of 7.6% (4.5% at the end of the first quarter of 2009). **EBIT**, equal to **91.7 million euros**, was practically double (+95.9%) the figure of 46.8 million euros of the first quarter of 2009 and showed a margin on revenues rising to 7.6% compared with 4.5% in the same period of 2009. **Consolidated net profit stood at 38.9 million euros** compared with 1.1 million euros in the first quarter of 2009, while **attributable net profit** of Pirelli & C. SpA amounted to **39.2 million euros** compared with 9.5 million euros in the corresponding period of 2009.

With reference to the other industrial equity participations, **Pirelli Eco Technology**, the company active in sustainable mobility, registered revenue growth of 37% to 19.6 million euros, with particulate filters contributing 9.1 million euros, an amount more than double the 3.7 million euros of the first quarter of 2009, and with 10.5 million euros from sales of white diesel fuel Gecam, essentially in line with the 10.6 million euros of the same period of 2009. EBIT was substantially at break-even (-0.8 million euros compared with a loss of 2.8 million euros in the first quarter of 2009) and a financial position improving to a negative 42.0 million euros from - 47 million euros at the end of 2009, in line with the targets the company set for itself for 2010 which include double digit revenue growth, reaching operating breakeven, and positive cash flow.

Pirelli Ambiente continued its activities in renewable energy production, environmental site remediation, and in the photovoltaic industry. During the first quarter of 2010, the company registered revenue growth of 46% to 1.9 million euros, compared with 1.3 million euros in the same period of 2009, with negative of EBIT of 1.8 million euros (-0.8 in the same period of 2009) due to the

progressive investments made during the period. In particular, Solar Utility, the 100% owned company active in the photovoltaic sector, increased its installed power to 7.1 MW from 6 MW at the end of 2009.

Continuing to review the results at consolidated level, **net financial charges** of the Camfin Group as of 31 March 2010 amounted to 3.3 million euros, down significantly from the 7.8 million euros in the first quarter of 2009, thanks to actions to strengthen the equity structure taken during 2009.

Due to these elements, **consolidated net profit** was 2.9 million euros, much improved over the loss of 16.1 million euros in the corresponding period of 2009, confirming the progressive improvement in performance that had already generated a positive net result at the end of 2009.

Net equity attributable to the Group amounted to **284.2 million euros** compared with **267 million euros** as of 31 December 2009. The **net financial position** was negative for 417.4 million euros compared with -403.3 million euros on 31 December 2009, with the change mainly linked to payouts for extraordinary transactions completed at the end of 2009 and financial charges attributable to the first quarter of 2010; much improved in comparison with the -577.4 million euro figure of the first quarter of 2009.

Parent company Camfin SpA

The **result of ordinary management of Camfin SpA** showed a loss of 5.1 million euros, compared with a loss of 15.8 million euros as of 31 March 2009.

Financial charges amounted to 3.3 million euros, much reduced from 6.8 million euros in the first quarter of 2009. The **net financial position** was negative for 426.9 million euros compared with 415.1 million euros as of 31 December 2009.

Plan for separation of Pirelli RE from Pirelli & C.

The Board of Directors of Pirelli & C. in its meeting of 4 May 2010 resolved upon a plan for separation of Pirelli RE. The separation will be carried out by assigning nearly all the shares of Pirelli RE held by ordinary and savings shareholders of Pirelli & C. and, therefore, through a voluntary reduction of the corporate capital of Pirelli & C. for an amount corresponding to the value of the equity participation in **Pirelli RE** to be assigned. The separation of Pirelli RE, occurring in the context of the operating rationalization and optimization plan of the Pirelli Group begun in 2008, which continued in 2009, aims to focus the company on its core industrial activities in the tyre industry as delineated in the strategies of the 2009-2011 industrial plan. The transaction will improve the equity and financial structure of the Pirelli Group, will simplify the corporate structure of Pirelli & C., and will allow for a more immediate reading of the industrial strategy and the economic and financial data of the Pirelli Group by the market, with potentially positive returns in terms of further reduction of the holding company discount.

Following this transaction, which is expected to close in the second half of the year, Camfin (in its role as shareholder of Pirelli & C. with a stake of about 26.2% of the ordinary share capital), should then hold a stake of about 14.8% in Pirelli RE. In order to guarantee the stability of the shareholding structure of Pirelli RE, Camfin expressed its interest in the formation of a shareholders' agreement together with some of the other members of the Pirelli & C. shareholders' agreement. This pact would bring together a stake of less than 30% of the share capital of Pirelli RE, without, therefore, triggering a public tender offer requirement on the Pirelli RE shares.

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Prospects for the current year

For the current year, it is possible to forecast that the Camfin Group will benefit from the expected positive performance of Pirelli & C. and the other equity participations, as well as from an expected reduction of financial charges and structural costs. With reference to the Camfin SpA parent company, it is expected that for 2010, in part because of a return of dividend payments by the main subsidiary Pirelli & C., the balance sheet will close with a profit.

Self-Regulatory Body

Finally, the Board of Directors appointed Nicolas Marchi as a new member of the Self-Regulatory Body, replacing Alessia Carnevale.

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The intermediate report on operations as of 31 March 2010 will be made available to the public at the registered office of the company and at Borsa Italiana SpA, as well as published on the company's website (www.gruppocamfin.it), within 14 May 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 the results as of 31 March 2010, attached please find a summary of consolidated data included in the intermediate report on operations. These summaries are not subject to audit by an auditing firm.

Annex 1

Condensed consolidated income statement*(in €'000)*

	1Q 2010	1Q 2009
Group's share of results in investments carried at equity	8,304	2,379
Fair value adjustment for financial assets and liabilities	(920)	(2,357)
Trading income	-	(6,471)
Net income (loss) from equity investments	7,384	(6,449)
Net financial charges	(3,340)	(7,817)
Other charges and income	(1,107)	(1,719)
Pre-tax income (loss)	2,937	(15,985)
Taxes	(49)	(94)
Net income (loss)	2,888	(16,079)

Camfin's share of results in investments carried at equity*(in €'000)*

	1Q 2010	1Q 2009
Pirelli & C. S.p.A.	10,010	2,426
Pirelli & C. Ambiente S.p.A.	(1,075)	(574)
Pirelli Eco Technology S.p.A.	(631)	(1,945)
Energie Investimenti S.p.A.	-	2,472
Fondo Vivaldi	-	-
Totale	8,304	2,379

Annex 2

Condensed consolidated balance sheet

(in €/000)

	31/03/2010	31/12/2009
Financial fixed assets	699,419	674,705
Plant, property and equipment	161	168
Intangible fixed assets	61	27
Net working capital	7,996	1,368
	707,637	676,268
Shareholders' equity	284,178	267,005
Funds	6,049	5,978
Net financial position	417,410	403,285
	707,637	676,268

Consolidated Net Financial Position

(in €/000)

	31/03/2010	31/12/2009
Amounts owed banks and other financiers	(12,259)	(11,110)
Interest income other financial payables	-	-
Financial assets booked at fair value in the income statement	-	2
Cash and cash equivalents	14,430	25,865
Other financial assets	-	-
Financial liabilities booked at fair value in the income statement	(3,525)	(2,242)
Medium term financial payables	(416,056)	(415,800)
Net financial debt	(417,410)	(403,285)
Reconciliation of net financial position	31/03/2010	31/12/2009
Non current financial assets	-	-
Financial assets booked at fair value in the income statement	-	-
Total net financial position	(417,410)	(403,285)