

PRESS RELEASE

**THE BOARD OF DIRECTORS OF CAMFIN SPA APPROVES FINANCIAL STATEMENTS
AS OF 30 JUNE 2010:**

- **CONSOLIDATED NET INCOME 1.6 MILLION EUROS (22.7 MILLION EUROS IN THE FIRST HALF OF 2009 THANKS TO CAPITAL GAIN FROM THE SALE OF ENERGIE INVESTIMENTI FOR 42,4 MILLION EUROS); CONSOLIDATED NET FINANCIAL POSITION -407.6 MILLION EUROS (-403.3 MILLION EUROS AT END 2009)**
- **PARENT COMPANY RETURNS TO PROFIT WITH NET INCOME OF 18.4 MILLION EUROS (- 2.3 MILLION EUROS IN THE FIRST HALF OF 2009); NET FINANCIAL POSITION IMPROVES TO -406.1 MILLION EUROS FROM -415.1 MILLION EUROS ON 31 DECEMBER 2009**

CARLO PURI NEGRI RESIGNS. DAVIDE MALACALZA COOPTED TO BOARD OF DIRECTORS AND APPOINTED VICE CHAIRMAN

Milan, 30 July 2010 – The **Board of Directors of Camfin SpA**, which met today, reviewed and approved the **half-year financial statements** as of **30 June 2010**.

Group performance in the first half of 2010

Net income from equity participations as of 30 June 2010 amounted to **12.5 million euros**, compared with 39.4 million euros in the first half of 2009, a period when the company benefited from the 42.4 million euro capital gain deriving from the sale of the stake held in Energie Investimenti. The first half closed with **consolidated net income of 1.6 million euros** compared with 22.7 million euros as of 30 June 2009, after **financial charges fell to 8.3 million euros** from 12.3 million euros as of 30 June 2009, thanks to actions to strengthen the equity structure taken in 2009, and reduction of interest rates of reference.

The Camfin Group's result benefited from good performance of the **Pirelli & C. Group, whose contribution to income from equity participations consolidated according to equity method was 17.1 million euros**, compared with 1.6 million euros in the first half of 2009.

Indeed, the main company in the portfolio, **Pirelli & C.**, reported significantly improved operating results in the first half of 2010 compared with the corresponding period of the previous year, thanks in particular to sales volume growth of Pirelli Tyre already visible starting from the later months of 2009, and the continuous benefits deriving from management efficiency actions begun in 2008 and continuing since then. **The Pirelli Group closed the half with revenues of 2,426.5 million euros, up 19.8% compared with the corresponding period of 2009**, and EBIT after restructuring charges of 193.4 million euros, and increase of 62.8%. **The EBIT margin improved to 8% from 5.9% in the first half of 2009.**

In the first half, net income excluding operations classified as '*discontinued operations*' more than doubled to 80.8 million euros, compared with 30.3 million euros in the same period of 2009. Including the impact of '*discontinued operations*' relating to the separation of Pirelli RE, the net result attributable to Pirelli & C. SpA was a loss of 165.5 million euros (compared with net income of 6.3 million euros as of 30 June 2009); that result, as foreseen by IFRS principles, includes in the '*discontinued operations*' item, in addition to the net loss of Pirelli RE (- 20.4 million euros in the half), also the accounting effects of the separation of Pirelli RE from the Pirelli Group, referring to alignment of the value of Pirelli RE assets to market value as of 30 June 2010 (a negative amount of 235.8 million euros).

It should be noted that the negative accounting effects registered by the Pirelli Group for the **transaction for separation of Pirelli RE are not relevant for the Camfin consolidated accounts**. Indeed, the equity participation in Pirelli RE, once assignment of the shares to Pirelli & C. shareholders has been completed, will remain within the Camfin consolidation perimeter with a stake of 14.81% held directly, rather than, as before, held indirectly through Pirelli & C. Thus IFRS principles relating to “*discontinued operations*” do not apply.

With reference to the other equity participations, **Pirelli Eco Technology**, the company in the group operating in sustainable mobility, reported revenue growth in the first half of 24% to 35.1 million euros, with a contribution of 14.9 million euros from particulate filters (3,457 filter systems sold in the first half of the year, compared with 1,948 in the first six months of 2009) and 20.2 million euros from Gecam white diesel fuel. EBIT was negative for 3.5 million euros compared with a negative EBIT of 5.5 million euros in the same period of 2009, and the company reported a net loss of 5 million euros (6.6 million euros in the first half of 2009). The business, which during the first half of the year was under pressure from an increase in excise duties and a contraction in volumes from Gecam, focused on development and growth of the Retrofit particulate filter line (Feelpure filter systems). Production of silicon carbide filters in China is set to begin in the fourth quarter of this year.

Pirelli Ambiente continued its activities for production of energy from renewable sources and site remediation in the first half. In particular, during this period work continued on new photovoltaic plants for production of electricity in the South of Italy, and an agreement was signed with Bosco International to develop production of high quality solid recovered fuel (HQ-SRF) derived from municipal solid waste, on a Pirelli patent, in Australia. In the half-year to 30 June 2010 Pirelli Ambiente reported sales of 3.6 million euros, up from 2.5 million euros in the first half of 2009, with negative EBIT of 1.8 million euros (-1.1 million euros as of 30 June 2009).

Net equity attributable to the Group amounted to **285.8 million euros** (267.0 million euros at the end of 2009). The increase was due to a positive variation of 19.9 million euros in the quota of net equity of Pirelli & C. SpA.

The **net financial position** was **negative** for **407.6 million euros** (403.3 million euros as of 31 December 2009).

Parent company Camfin SpA

With reference to the **parent company, Camfin SpA**, the **net result marked a return to profit, with net income of 18.4 million euros, significantly improved** compared with the loss in the first half of 2009 of 2.3 million euros, thanks to Pirelli & C.’s distribution of a dividend during the period, as well as to lower financial charges (25% less than in 2009) due to improvement in the net financial position.

Net equity amounted to **412.6 million euros** (396.5 million euros at the end of 2009). The **Net financial position** was **negative** for **406.1 million euros**, improved from a negative net financial position of 415.1 million euros on 31 December 2009.

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Events subsequent to 30 June 2010

- On 15 July 2010 the Shareholders’ meeting of Pirelli & C. SpA resolved in an extraordinary session to cancel the par value of ordinary and savings shares, and a reverse stock split (which began on 26 July 2010) in the ratio of 1 ordinary or savings share for each 11 shares of the same category held, and related amendments to the By-laws. Following this transaction, the equity participation held by the Camfin Group in Pirelli & C. will amount to 124,611,073 shares, unchanged, approximately 26.19% of the ordinary share capital.

- On 20 July 2010 the acquisition by Malacalza Investimenti – a company owned by the Malacalza family – of 57,743,500 Camfin shares and 26,122,059 warrants, amounting to 8.6% of the shares and warrants in circulation, from Gruppo Partecipazioni Industriali, was closed. Malacalza Investimenti thus owns 12.1% of Camfin, while Gruppo Partecipazioni Industriali owns 41.71%.

Prospects for the current year

Considering the positive performance of Pirelli & C. and the lower impact of financial and structural charges, it is reasonable to foresee closing the year with a profit, both at consolidated level and at parent company level.

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Davide Malacalza appointed Vice Chairman

The Board of Directors took note of the resignation of Carlo Puri Negri from his positions as Director and Vice Chairman, thanking him for the contribution made over the course of the years. The Board of Directors then proceeded to coopt Davide Malacalza to the Board, and appointed him Vice Chairman. The curriculum vitae of Davide Malacalza will be available on the website www.gruppocamfin.it.

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The half-year financial statements as of 30 June 2010 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.it), by the end of the day on 6 August 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 30 June 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, and that the auditing firm has not yet completed its review of the half-year financial statements..

Annex 1

Condensed consolidated balance sheet

(in €/000)

	30/06/2010	31/12/2009	30/06/2009
Financial fixed assets	691,904	674,705	688,258
Plant, property and equipment	153	168	177
Intangible fixed assets	55	27	62
Net working capital	9,626	1,368	5,071
	701,738	676,268	693,568
Shareholders' equity	285,753	267,005	229,296
Funds	8,351	5,978	5,304
Net financial position	407,634	403,285	458,968
	701,738	676,268	693,568

Condensed consolidated income statement

(in €/000)

INCOME STATEMENT	1H2010	1H2009	2009
Group's share of results in investments carried at equity	13,153	(821)	(1,709)
Dividends received from other investments	-	-	-
Impairment of equity investments	-	-	(2,600)
Fair value adjustment for financial assets and liabilities	(706)	(1,190)	(691)
Trading income	-	41,420	41,420
Net income (loss) from equity investments	12,447	39,409	36,420
Net financial charges	(8,309)	(12,297)	(18,966)
Net overheads	(2,346)	(4,304)	(5,627)
Extraordinary charges and income	-	(57)	(5,846)
Pre-tax income (loss)	1,792	22,751	5,981
Taxes	(157)	(106)	(348)
Net income (loss)	1,635	22,645	5,633

Annex 2

Consolidated Net Financial Position

(in €000)

	30/06/2010	31/12/2009
Amounts owed banks and other financiers	(9,104)	(11,110)
Interest income other financial payables	-	-
Financial assets booked at fair value in the income statement	-	2
Cash and cash equivalents	23,125	25,865
Financial liabilities booked at fair value in the income statement	(7,334)	(2,242)
Medium term financial payables	(414,321)	(415,800)
Net financial debt	(407,634)	(403,285)
Reconciliation of net financial position	30/06/2010	31/12/2009
Non current financial assets	-	-
Financial assets booked at fair value in the income statement	-	-
Total net financial position	(407,634)	(403,285)