

PRESS RELEASE

CAMFIN BOARD APPROVES 2010 RESULTS:

CAMFIN GROUP:

- **CONSOLIDATED NET PROFIT POSITIVE 18.3 MILLION EUROS, MORE THAN TRIPLE THE 5.6 MILLION POSTED IN 2009**
- **CONSOLIDATED NET FINANCIAL POSITION NEGATIVE 414.8 MILLION EUROS (-413.2 MILLION EUROS ON 30 SEPTEMBER 2010)**
- **NET INCOME FROM PARTICIPATIONS POSITIVE 39.6 MILLION EUROS, AN INCREASE FROM 36.4 MILLION EUROS IN 2009**

CAMFIN SPA:

- **PARENT NET RESULT POSITIVE 36.6 MILLION EUROS, A SIGNIFICANT IMPROVEMENT FROM THE NEGATIVE 14.3 MILLION EUROS REGISTERED IN 2009**

Milan, 10 March 2011 – Today the **Board of Directors** of **Camfin SpA** reviewed and approved **results** for FY **2010**.

Group performance in 2010

In 2010, the **consolidated net result** was a **positive 18.3 million euros**, more than triple the 5.3 million euros posted in 2009. The result was sustained by **net income from equity investments** which, on 31 December 2010, were a **positive 39.6 million euros**, an increase from 36.4 million euros in 2009, above all thanks to the positive contribution from the participation in **Pirelli & C.**, valued on a net assets basis, of **60.2 million euros, a great increase from 5.8 million euros in 2009**.

The improvement also benefitted from a reduction of structural costs to 3.8 million euros from 5.6 million euros in 2009 and a reduction of financial charges to 17.2 million euros from 18.9 million euros on 31 December 2009.

At the asset level, **financial fixed assets** amounted to 729.4 million euros, an increase from 674.7 million euros on 31 December 2009. This was due, in particular, to the booking of the stake in Prelios for 44.3 million euros, following the separation of Pirelli RE (today Prelios) from the Pirelli & C group, which concluded on 25 October 2010 with the attribution of Pirelli RE shares to Pirelli shareholders and the voluntary reduction of company capital.

Net assets attributable to the Group on 31 December 2010 increased to 307.6 million euros from 267 million euros at the end of 2009, above all due to the positive variation of the result for the period. The **net financial position** at the end of 2010 was a negative 414.8 million euros, substantially in line with the 413.2 million euros reported on 30 September 2010 (403.2 million euros at end 2009).

With reference to the **performance of the main participations**, in 2010 Camfin benefitted from the growth in the operating results of **Pirelli & C.**, which ended the year with revenues of 4,848.4 million euros, an increase of 19.2% from 4,067.5 million euros in 2009. The consolidated operating result, after restructuring charges of 24.7 million euros (55.2 million euros in 2009), was 407.8 million euros compared with 249.7 million euros in 2009, equal to

8.4% of revenues compared with 6.1% in 2009. The consolidated net result excluding discontinued operations (relative to the separation of Pirelli RE and the disposal of Pirelli Broadband Solutions) was positive 228.0 million euros, almost three times the 77.6 million euros of 2009. Including the impact of discontinued operations, for a total negative value of 223.8 million euros, the total consolidated net result on 31 December 2010 was positive 4.2 million euros compared with negative 22.6 million euros in 2009, while the consolidated net attributable result was positive 21.7 million euros, substantially in line with the 22.7 million euros recorded in 2009.

It should be noted that in Camfin's consolidated balance sheet to 31 December, the pro-quota of the negative effect relative to Pirelli & C.'s balance sheet in relation to the separation of Pirelli RE is not taken into consideration; in fact the operation of distribution of Prelios shares did not result in any variation of Camfin's perimeter of consolidation, but only a rearrangement of the participations' portfolio, with the stake in the real estate company held directly no longer through Pirelli & C..

Prelios recorded consolidated revenues to 31 December 2010 of 254 million euros (271.7 million euro in 2009), with property sales of 1,624.6 million euros, an increase of over 50% from 1,031.4 million euros in 2009, exceeding the high-end of the range set of between 1.3 and 1.5 billion euros. The operating result was 41.1 million euros, a great improvement from the negative 6.6 million euros in 2009. The net result attributable to Prelios was a negative 95.3 million euros (compared with 104.3 million euros to economic 31 December 2009). This result was almost entirely attributable to property devaluations and one-off restructuring costs for a total of 9.5 million euros (55.3 million euros on 31 December 2009).

In Camfin's consolidated 2010 results, the only direct Prelios contribution was the quota for the result of the last quarter, negative for approximately 66 million euros after the devaluation in part of real estate assets for 51.5 million euros. In the first nine months, negative for 29 million euros, are included in the quota of Pirelli & C's result.

Pirelli Eco Technology reported an increase in revenues over the period to 61.4 million euros from 56.6 million euros a year earlier, thanks to an increase of 26.4% in the sales of anti-particulate filters, totaling 23.4 million euros (18.5 million euros in 2009), while revenues of the white fuel Gecam were in line with 2009. The net result of negative 14.9 million euros (-13.7 million euros in 2009), after restructuring charges of 1.5 million euros. Gecam's activities were impacted by an increase in tariffs and reduction in sales' volumes, while the Anti-particulate Filters' business was impacted by the slower than expected development of the German and Chinese markets, and the partial use of production capacity and investment for the development of the business in China.

Pirelli Ambiente continued its activities in the environmental field, through company shareholdings, the production of photovoltaic electrical energy, environmental reclamation, energy certification and the production of quality fuels derived from solid urban waste. With reference to the photovoltaic sector, in particular, the subsidiary Solar Utility completed the launch phase of production plants with a total capacity of 7 MW and, during the course of the year, underwrote a strategic agreement with GWM Group for the joint development of activities in the photovoltaic sector in Italy, conferring the plants mentioned above to a new company called GP Energia SpA, with a stake at present of 34,3%.

In 2010, Pirelli Ambiente registered a negative net result of 8.2 million euros (-5.3 million euros in 2009), after charges related to extraordinary operations and the accounting effect of the de-consolidation of the solar business.

The parent company Camfin SpA

On 31 December 2010 the **net result** of the **parent company Camfin SpA** was a **positive 36.6 million euros**, a marked improvement from the negative 14.3 million euros of 2009. The positive result was due to the distribution of dividends by Pirelli in 2010 of 19.9 million euros and the effect on company accounts of the assignment of Prelios shares worth 54.0 million euros which took place during the year, compared with an adjustment of the value of the net assets of the shareholding in subsidiary Cam Partecipazioni of -26.7 million euros

The **net assets** of the parent company amount to 431.3 million euros, an increase from 396.4 million euros at end 2009. The **net financial position was negative 411.7 million euros, in line with the 415.0 million euros on 31 December 2009** and that registered on 30 September 2010 of negative 408.5 million euros.

The Board of Directors will propose to Shareholders that 5% of the year's profit be set aside for the legal reserve and the remaining to retained earnings.

Shareholders' meeting

The Board of Directors has decided to call a Shareholders' Meeting on 22 April 2011 (first call) and 26 April 2011 (second call), instead of 28 April and 29 April 2011 as previously announced. The ordinary session will address the approval of the 2010 results and the renewal of authorization for the acquisition and disposal of its own shares. With the approval of the year's results the Board's mandate expires, having completed its term, in light of which the ordinary session will be called upon to decide the nomination of the Board of Directors by slate vote.

In the extraordinary session, modifications to the company bylaws will be proposed. These are mainly aimed at the adoption of some powers foreseen by Italy's legislator when it received the community directive relating to the exercise of certain shareholder rights in listed companies (*shareholders' rights directive*).

Events after 31 December 2010

On 2 February 2011, Camfin subscribed to its share, equal to about 1.7 million euros, of the capital increase decided by Pirelli Ambiente.

On 28 February 2011, Camfin subscribed a stake in Fondo Vivaldi for 500,000 euros.

2011 outlook

For the present year, the Camfin group should benefit from the expected improvement in the results of Pirelli & C. and Prelios, as it will from other participations.

With reference to the parent group, the 2011 accounts are expected to close with a profit thanks to the dividend from its main participation Pirelli & C. and further containment of structural charges.

The Manager appointed to draft corporate accounting documents of Camfin S.p.A., Mr. 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.

* * *

Camfin press office – Tel. +39 02 64424270
Camfin Investor Relations – Tel. +39 02 72582417– ir@gruppocamfin.it
www.gruppocamfin.it

In order to allow for more complete information on the results as of 31 December 2010, 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.

Attachments

Condensed consolidated income statement

(in €'000)

INCOME STATEMENT	2010	2009
Group's share results in investments carried at equity	38.461	(1.709)
Dividends received from other investments	-	-
Impairment of equity investments	(302)	(2.600)
Fair value adjustment for financial assets and liabilities	1.484	(691)
Trading income	-	41.420
Net income (loss) from equity investments	39.643	36.420
Net financial charges	(17.216)	(18.966)
Net overheads	(3.833)	(5.627)
Extraordinary charges and income	-	(5.846)
Pre-tax income (loss)	18.594	5.981
Taxes	(291)	(348)
Net income (loss)	18.303	5.633

Camfin's share of results in investments carried at equity

(in €'000)

	2010	2009
Pirelli & C. S.p.A.	60.240	5.808
Prelios S.p.A.	(9.728)	0
Pirelli & C. Ambiente S.p.A.	(4.037)	(2.585)
Pirelli & C. Eco Technology S.p.A.	(7.168)	(7.021)
Energie Investimenti S.p.A.	-	2.472
Fondo Vivaldi	(846)	(383)
	38.461	(1.709)

Condensed consolidated balance sheet

(in €/000)

	31/12/2010	31/12/2009
Financial fixed assets	729.449	674.705
Plant, property and equipment	119	168
Intangible fixed assets	79	27
Net working capital	8.365	1.368
	738.012	676.268
Shareholders' equity	307.647	267.005
Funds	15.515	5.978
Net financial position	414.850	403.285
	738.012	676.268

Net Financial Position

(in €/000)

	31/12/2010	31/12/2009
Amounts owed banks and other financiers	(9.079)	(11.110)
Interest income and other financial payables	-	-
Financial assets booked at fair value in the income statement	-	2
Cash and cash equivalents	13.862	25.865
Other financial activities	-	-
Financial liabilities booked at fair value in the income statement	(4.542)	(2.242)
Non current liabilities with banks and other financiers	(415.091)	(415.800)
Net financial debt	(414.850)	(403.285)

Reconciliation of net financial position	31/12/2010	31/12/2009
Non current financial assets	-	-
Financial assets booked at fair value in the income statement	-	-
Total net financial position	(414.850)	(403.285)