

**PRESS RELEASE**

***CAMFIN SPA BOARD APPROVES RESULTS FOR 6 MONTHS ENDED 30 JUNE 2011:***

***FIRST HALF SHOWS MARKED IMPROVEMENT***

- **CONSOLIDATED NET RESULT POSITIVE 25.2 MILLION EUROS  
(1.6 MILLION EUROS IN FIRST HALF 2010);**
  
- **NET INCOME FROM EQUITY INVESTMENTS INCREASE SIGNIFICANTLY TO  
36.3 MILLION EUROS (12.4 MILLION EUROS ON 30 JUNE 2010)**
  
- **CONSOLIDATED NET FINANCIAL POSITION -404.9 MILLION EUROS  
(-414.8 MILLION EUROS AT END 2010)**

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*Milan, 28 July 2011* – A meeting of the **Board of Directors** of **Camfin SpA** today reviewed and approved **financial results** for the **six months ended 30 June 2011**.

The Camfin group ended the first half of 2011 with a **consolidated net result of 25.2 million euros**, a marked improvement from the positive result of 1.6 million euros in the same period of 2010. The result benefitted from the contribution of **net income from equity investments** which on 30 June 2011 **were 36.3 million euros** compared with a positive 12.4 million in the first six months of the preceding year. The result stems principally from **shareholding results** calculated using the net asset method which were **positive 35.8 million euros** (13.1 million euros in first half 2010), thanks to the good results recorded by participated company **Pirelli & C.** and the better performance of participated company **Prelios** compared with the same period in 2010.

At the asset level, **financial fixed assets** totaled 737.8 million euros, an increase from 729.4 million euros on 31 December 2010, thanks to the positive results of the period. **Net assets** attributable to the Group on 30 June 2011 grew, therefore, to 322.0 million euros compared with 307.6 million euros at end 2010. The **net financial position** was negative 404.9 million euros, an improvement from -417.5 million euros on 31 March 2011 (-414.8 million euros at end 2010). **Net financial charges** on 30 June 2011 amounted to 9.0 million euros, an increase from 8.3 million euros in first half 2010 as a result of increases in the interest rates of reference.

Participated company **Pirelli & C.** ended the first half with all economic indicators improving, with revenues rising 17.7% to 2,789.3 million euros and the Ebit margin at 10.4% (8.1% at end first half 2010). These results were obtained thanks to the positive effects of ongoing efficiency actions and above all thanks to the effectiveness of the price/mix factor, which sees sales ever more focused in the Premium segment, and the price component which compensated the increase in raw material costs. The total consolidated net result was positive 158.8 million euros, more than double the 77 million euros of first half 2010, on a matching perimeter (before discontinued operations).

In first half 2011, **Prelios** posted a consolidated net result attributable to the parent company of positive 0.5 million euros, a decided improvement from negative 20.9 million euros on 30 June 2010. Consolidated revenues totaled 86.3 million euros (135.1 million euros on 30 June 2010). The operating result reached 28.1 million euros compared with 17.9 million euros in the first half 2010, while the result of the operations platform grew by 15% to 12.9 million euros (11.2 million euros on 30 June 2010), in line with the growth targets indicated in the company's industrial plan (+15/25%).

With reference to other industrial holdings, **Pirelli Eco Technology**, the company active in the area of sustainable mobility, registered a net result of negative 6.6 million euros (-5.0 million euros in first half 2010) as a result of a slowdown in sales of filter systems essentially due to the uncertain regulatory framework, both at the national and international levels. Meanwhile, the development activities in the Chinese market continue, as well as cost containment and efficiency actions in the Rumanian and Italian structures. The company, in order to increase its range of products, is also evaluating possible operational partnerships.

**Pirelli Ambiente** continued its activities in the environmental field through strategic alliances via minority stakes in its various fields of interest, in particular in the production of photovoltaic energy, environmental reclamation, energy certification and the production of fuels from solid urban waste. The company ended the first half of 2011 with a result of negative 4.5 million euros (-2.6 million euros in the same period 2010).

### **The parent company Camfin SpA**

The **result from ordinary operations of Camfin SpA on 30 June 2011 was 11.2 million euros**, thanks to dividends received in the period from participated company Pirelli & C., lower than the 18.3 million euros of the same period 2010, which benefitted from the distribution of 9.2 million euros from unit Cam Partecipazioni. The **net financial position was negative 399.6 million euros, an improvement** from 411.7 million euros on 31 December 2010, thanks to the positive contribution generated by dividends from the participated company Pirelli & C.

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### **Events following 30 June 2011**

From 1 July 2011 to 16 December 2011, requests to exercise “Warrant azioni ordinarie Camfin 2009 - 2011” may be presented.

Holders of the Warrant can subscribe to Camfin ordinary shares, without nominal value, in a ratio of three ordinary Camfin shares for every seven Warrants presented to be exercised, at a price of 0.23 euro for each new share subscribed to. Shares subscribed to through the exercise of the Warrant will have the same benefits as Camfin ordinary shares traded on the stock exchange on the date on which exercise of the Warrant becomes effective. For more information, one can consult the regulations regarding the warrant on the Company’s website.

On 7 July 2011, Pirelli Ambiente, through its unit Solar Utility Spa, became a shareholder of GWM Renewable Energy II, the vehicle which controls the renewable energy activities of the GWM group. The agreement, which is part of a plan to simplify the holdings of Pirelli Ambiente and to identify strategic partners for the development of its activities and to enhance the value of its know-how through minority shareholdings will allow the company to participate in a project of international scale in the renewable energy sector. Solar Utility’s entry will require an investment of about 25 million euros, of which 10 million euros in cash and the remainder through the reinvestment of receipts deriving from the sale of its stake in GP Energia Spa, a joint venture constituted last year with the same GWM Renewable Energy into which Solar Utility had conferred its photovoltaic activities.

### **2011 outlook**

Considering the positive performance of Pirelli & C. and the lower impact of structural charges it is reasonable to expect that the year will end with a profit at both the consolidated and parent company levels.

### **Changes to the company calendar**

The Board of Directors meeting to review the result for the nine months ending 30 September 2011 will take place on 11 November, and no longer on 7 November as had been originally announced.

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The results for the six months ended 30 June 2011 will be available to the public at the company's legal headquarters and at Borsa Italiana SpA, as well as on the company's website ([www.gruppocamfin.it](http://www.gruppocamfin.it)) by 6 August 2011.

*The manager responsible for the preparation of the accounts' documents of Camfin. S.p.A., Mr. Roberto Rivellino, declares that, in accordance with paragraph 2 of article 154 bis of the Testo Unico finance law, that the accounts information contained in the present communication corresponds to documentary results and the account books and texts.*

In this press release, in addition to the financial performance measures established by IFRS, certain non-IFRS measures originated from the latter are presented although they are not required by IFRS ("Non-GAAP Measures"). These performance measures are presented for purposes of a better understanding of the trend of operations of the Group and should not be construed as a substitute for the information required by IFRS. Specifically, the "Non- GAAP Measures" used are described as follows:

**Gross operating profit (EBITDA):** this financial measure is used by the Group as the financial target in internal business plans and in external presentations (to analysts and investors). It represents a useful unit of measurement for the evaluation of the operating performance of the Group as a whole and for each single segment, in addition to EBIT. EBITDA is an intermediate performance measure represented by the Operating Income from which amortization of material and immaterial fixed assets are subtracted.

**Fixed assets:** this is the sum of the items "material fixed assets", "immaterial fixed assets", "investments in related companies and JVs", and "other financial as sets".

**Funds:** this is the sum of the items "funds for risks and charges (current and non current)", "funds for personnel" and "funds for deferred taxes".

**Net working capital:** this includes all the other items not included in the two items "net equity" and "net financial position".

**Net financial position:** this represents gross financial debt minus cash and other equivalent liquidity, as well as other financial credits.

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*In order to provide the most complete disclosure possible regarding the results as of 30 June 2011, 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

### Consolidated income statement

(in €/000)

<b>INCOME STATEMENT</b>	<b>1H '11</b>	<b>1H '10</b>	<b>2010</b>
Group's share results in investments carried at equity	35.826	13.153	38.461
Dividends received from other investments	216	-	-
Impairment of equity investments	-	-	(302)
Fair value adjustment for financial assets and liabilities	309	(706)	1.484
<b>Net income (loss) from equity investments</b>	<b>36.351</b>	<b>12.447</b>	<b>39.643</b>
Net financial charges	(9.019)	(8.309)	(17.216)
other revenues (costs) from ordinary operations	(1.975)	(2.346)	(3.833)
other revenue (costs) from non-ordinary operations	272	-	-
<b>Pre-tax income (loss)</b>	<b>25.629</b>	<b>1.792</b>	<b>18.594</b>
Taxes	(392)	(157)	(291)
<b>Net income (loss)</b>	<b>25.237</b>	<b>1.635</b>	<b>18.303</b>

### Consolidated balance sheet

(in €/000)

	<b>30/06/2011</b>	<b>31/12/2010</b>	<b>30/06/2010</b>
Financial fixed assets	737.878	729.449	691.904
Plant, property and equipment	135	119	153
Intangible fixed assets	68	79	55
Net working capital	8.128	8.655	9.626
	<b>746.209</b>	<b>738.302</b>	<b>701.738</b>
Shareholders' equity	322.033	307.647	285.753
Funds	19.194	15.805	8.351
Net financial position	404.982	414.850	407.634
	<b>746.209</b>	<b>738.302</b>	<b>701.738</b>

## Annex 2

### Consolidated Net Financial Position

(in €/000)

	30/06/2011	31/12/2010
Amounts owed banks and other financiers	(9.063)	(9.079)
Cash and cash equivalents	21.592	13.862
Financial liabilities booked at fair value	(1.676)	(4.542)
Non current liabilities with banks and other financiers	(415.835)	(415.091)
<b>Net financial debt</b>	<b>(404.982)</b>	<b>(414.850)</b>
<b>Reconciliation of net financial position</b>	<b>30/06/2011</b>	<b>31/12/2010</b>
Non current financial assets	-	-
Financial assets booked at fair value in the income statement	-	-
<b>Total net financial position</b>	<b>(404.982)</b>	<b>(414.850)</b>