

PRESS RELEASE

CAMFIN BOARD APPROVES RESULTS AT 30 SEPTEMBER 2011:

- **CONSOLIDATED NET PROFIT OF 16.6 MILLION EUROS, UP THANKS TO THE POSITIVE RESULT OF PIRELLI & C. (AT 30 SEPTEMBER 2010 NET PROFIT WAS 15.8 MILLION EUROS)**
- **CONSOLIDATED NET FINANCIAL POSITION OF -417 MILLION EUROS COMPARED TO -414.8 MILLION EUROS AT 31 DECEMBER 2010**
- **CONSOLIDATED PROFIT EXPECTED FOR 2011**

Milan, 11 November 2011 – **The Board of Directors of Camfin** met today examined and approved the interim report as at **30 September 2011**.

The Camfin Group ended the period with **consolidated net profit of 16.6 million Euros**, up on net profit of 15.8 million Euros in the same period of the previous year. The result benefited from the contribution of the **income from equity investments** which at 30 September 2011 **totalled 33.2 million Euros** compared to 30.8 million Euros in the first nine months of the previous year. The change was mainly due to the **profit on equity investments** valued on an equity basis, which was positive for **33.4 million Euros** (31.7 million Euros in the first nine months of 2010), thanks to the good result recorded by the investee company Pirelli & C..

In terms of the balance sheet, **financial fixed assets** amounted to 721 million Euros, down compared to 729.4 million Euros at 31 December 2010, having taken into account the results achieved by the investee companies. Group **shareholders' equity** at 30 September 2011 was 291.5 million Euros compared to 307.6 million Euros at the end of 2010. **Net financial position** was negative for 417.0 million Euros (-414.8 million Euros at the end of 2010). **Net financial charges** at 30 September 2011 totalled 13.5 million Euros, up compared to 12 million Euros in the same period of the previous year due to the rise in interest rates.

The participated company **Pirelli & C.** ended the period with revenues of 4,265.8 million Euros (+17.9% compared to the same period of the previous year) and a profit margin, in the sense of the ratio of the operating profit to sales, of 10.6%, with an increase of more than two percentage points over the 8.5% recorded in the first nine months of 2010. Consolidated net profit of 251.3 million Euros rose by 56.8 % compared to the same period of the previous year figure on a like for like basis. These results were achieved thanks to the effectiveness of the price/mix ratio which sees sales increasingly focussed on the Premium segment and the price factor able to offset the increase in the cost of raw materials. With the presentation of the Business Plan to 2015 and the update of the 2012-2014 targets, the company aims to become the leader in the Premium segment in 2015 with a consolidated EBIT margin of over 16%, almost twice the level of 8.4% recorded in 2010. Specifically, the Plan envisages turnover in 2014 of 7.7 billion Euros and an EBIT of between 15% and 16%. In addition, for the three-year period Pirelli plans to propose to the Board of Directors distributing around 40% of the consolidated net profit, with an overall dividend payout which is estimated for the 2012-2015 period at around 800 million Euros.

As for the participated company **Prelios**, in recent months there has been a marked slowdown in the real estate sector and a deterioration in expected cash flows from real estate assets. This makes it impossible to foresee a reversal in this trend in the short to medium term with financial costs remaining at high levels and market conditions continuously weak. Against this background, the write-downs of equity investments and property investments for 136.1 million Euro affected Prelios' accounts, and the company ended the first nine months of 2011 with a

loss of 152.9 million Euros compared to a loss of 29.6 million Euros in the same period of the previous year. Note should be taken of the performance of the management platform – the most representative indicator of the new business model – with operating profit of 15.4 million Euros (+9% compared to the same period of the previous year).

In reference to the other industrial equity investments, **Pirelli Eco Technology**, the associate company which operates in sustainable mobility, recorded a loss of 11.4 million Euros (a loss of 8.3 million Euros in the same period of the previous year) due to the slowdown in sales of filtering systems due largely to uncertainties about the regulatory framework, both nationally and internationally, and extraordinary expenses. Initiatives also continued to contain costs and to increase the efficiency of the structure, while a search for operating partners was launched in order to expand the range of products.

Pirelli Ambiente continued its transformation into a management holding company for minority equity investments in various fields, in particular in the production of electricity from photovoltaic panels, environmental reclamation, energy certification and fuel production from solid urban waste. The company ended the first nine months of 2011 with a loss of 3.9 million Euros (a loss of 2.2 million Euros in the same period of 2010). In the last three months of the year, the company will continue with the work to reorganise and create value from its equity investments, also through partnership agreements, and to reorganise its structure.

The parent company Camfin SpA

The **net profit of Camfin SpA at 30 September 2011**, which includes the receipt in the period of dividends from the participated company Pirelli & C., **was 5.4 million Euros**, down compared to 14.6 million Euros in the same period of the previous year, which benefitted from the distribution of 9.2 million Euros by the subsidiary Cam Partecipazioni. **Net debt was 410.4 million Euros, an improvement** on 411.8 million Euros at 31 December 2010, thanks to the contribution of the dividends from the investee company Pirelli & C.

Significant events after 30 September 2011

At 31 October 2011, 1,886,544 new Camfin shares were issued following the exercise of Camfin 2009-2011 warrants which are exercisable from 1 July 2011 to 16 December 2011. The share capital of Camfin SpA was 261,494,639.40 Euros for a total of 673,322,594 shares which have no nominal value.

Roberto Rivellino leaves the company. Luca Schinelli will take over as new General Manager as from 1 January 2012

The Camfin Board of Directors noted the resignation of the General Manager Roberto Rivellino, who will leave his position to pursue new professional opportunities, and thanked him for the work he has performed over the years in the Group. Luca Schinelli will take over as General Manager as from 1 January 2012.

Outlook

Despite the worsening of the macroeconomic situation, for the Camfin Group it is reasonable to confirm expectations of a positive 2011 end at a consolidated level, while the result of the parent company may be influenced by valuations of the equity investments in its portfolio

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Calendar of company events 2012

The following is a calendar of Board and Shareholder activities for 2012:

March 13, 2012: Board of Directors meeting to review the budget and the consolidated financial statement for the year ending December 31, 2011

May 11, 2012: Board of Directors meeting to review results for the three months ending March 31, 2012 and Shareholder Meeting to approve results for 2011 (sole call);

July 27, 2012: Board of Directors meeting to review results for the six months ending June 30, 2012;

November 12, 2012: Board of Directors meeting to review results for the nine months ending September 30, 2012.

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The results for the nine months ended September 30, 2011 will be available to the public at the company's legal headquarters and at Borsa Italiana SpA, as well as being published on the company website www.gruppocamfin.it by November 14, 2011.

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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.

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Attached are prospectuses related to the profit and loss account, to equity data in summary and to consolidated financial report. The company notes that these attachments are not subject to review by the auditing company.

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Attachments

Condensed consolidated income statements

(in €/000)

	9m '11	9m '10
Group's share results in investments carried at equity	33.395	31.719
Fair value adjustment for financial assets and liabilities	(322)	(614)
Financial assets depreciations	-	(302)
Dividends received from other investments	216	-
Net income (loss) from equity investments	33.289	30.803
Net financial charges	(13.565)	(12.065)
Net overheads	(2.973)	(2.745)
Extraordinary charges and income	262	-
Pre-tax income (loss)	17.013	15.993
Taxes	(392)	(157)
Net income (loss)	16.621	15.836

Camfin's share of results in investments carried at equity

(in €/000)

	9m '11	9m '10
Pirelli & C. S.p.A.	65.043	37.174
Prelios S.p.A.	(22.653)	-
Pirelli & C. Ambiente S.p.A.	(1.891)	(1.095)
Pirelli Eco Technology S.p.A.	(5.962)	(3.960)
Fondo Vivaldi	(1.142)	(400)
Totale	33.395	31.719

Condensed consolidated balance sheet

(in €/000)

	30/09/2011	31/12/2010
Financial fixed assets	721.038	729.449
Plant, property and equipment	128	119
Intangible fixed assets	62	79
Net working capital	9.014	8.655
	730.242	738.302
Shareholders' equity	291.580	307.647
Funds	21.661	15.805
Net Financial Position	417.001	414.850
	730.242	738.302

Net Financial Position

(in €/000)

	30/09/2011	31/12/2010
Amounts owed banks and other financiers	(9.091)	(9.079)
Cash and cash equivalents	15.760	13.862
Financial liabilities booked at fair value	(7.463)	(4.542)
Non current liabilities with banks and other financiers	(416.207)	(415.091)
Net financial debt	(417.001)	(414.850)
Reconciliation of net financial position	30/09/2010	31/12/2010
Non current financial assets	-	-
Financial assets booked at fair value	-	-
Total net financial position	(417.001)	(414.850)