

## Camfin S.p.A. Press Release

Board approves 2002 financial statements and share-capital increase

- **GECAM™- IL GASOLIO BIANCO™, ENVIRONMENT-FRIENDLY FUEL: STRONG INCREASE IN VOLUMES SALES UP 37%**
- **CONSOLIDATED SALES: 260.3 MILLION EUROS (-16% FROM 2001)**
- **CONSOLIDATED NET LOSS OF 23.3 MILLION EUROS DUE MAINLY TO NON-RECURRING ITEMS (EQUITY INVESTMENT WRITEDOWNS FOR 22.4 MILLION EUROS)**
- **NET FINANCIAL POSITION: DEBT OF 282.5 MILLION EUROS, AN IMPROVEMENT FROM 2001 YEAR-END (309.9 MILLION EUROS)**
- **PARENT COMPANY CAMFIN S.p.A. EARNINGS: 10.04 MILLION EUROS; PROPOSED DIVIDEND PAYOUT OF 0.052 EUROS PER SHARE AS IN PREVIOUS YEAR**

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- **APPROVAL FOR 160.7 MILLION EUROS SHARE CAPITAL INCREASE AND 40 MILLION EUROS WARRANT ISSUE**
- **NEW RESOURCES WILL STRENGTHEN INVESTEE COMPANY PIRELLI & C. AS PART OF THE PIRELLI GROUP CORPORATE RESTRUCTURING**

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- **POSITIVE CONSOLIDATED EARNINGS PROJECTION FOR 2003 WITH IMPROVEMENT OVER 2002**

Milan, 12 March 2003 - The Board of Directors of Camfin S.p.A. examined and approved **consolidated figures and the Parent Company financial statements** for the financial year to 31 December 2002.

The year witnessed a **strong increase (+37%) in sales of environment-friendly products** (GECAM™-il gasolio bianco™) and slacker performance in sales of traditional oil products; the joint venture between Camfin and Atriplex (Eni-Agip group) began operations only as from 1 September 2002 and therefore had an impact on income only in the last four months of the year. To permit comparison on a like-for-like basis, financial 2001 has been re-stated excluding data for Cam Energia e Servizi S.r.l., which was sold in April 2002 raising a capital gain at consolidated level of 11 million euros; furthermore Cam Petroli was consolidated on a line-by-line basis for the first eight months of 2002 and on a 50% basis for the last four months, whereas in 2001 it was consolidated on a line-by-line basis for the full year since it was wholly owned.

**Consolidated sales** for 2002 amounted to **260.3 million euros**, compared with 308.6 million euros in 2001 (down by approximately 16%). During the year, **88.1**

million litres of GECAM™ fuel were sold, a 37% improvement on 2001 volumes (64 million litres); today gasolio bianco™ is used by more than 8,000 public transport and urban hygiene vehicles, equivalent to coverage of more than 20% of the national vehicle fleet. The environment-friendly emulsions business therefore performed well, while sales volumes in the traditional oil products business were **542,000** metric tons compared with 496,000 in 2001; however, since this business is consolidated on a 50% basis, in absolute terms sales decreased by approximately 55 million euros compared with 2001, despite the fourth-quarter contribution of Atriplex.

**EBITDA** was positive at **741,000** euros, compared with 1,500,000 euros in 2001.

**Consolidated EBIT** (not including the results of equity investments in Pirelli & C.) was negative at **1,803,000** euros compared with negative EBIT of 548,000 euros in 2001. Performance at Cam Petroli in the first eight months was a significant factor in this decline, while an important recovery was made in the last four months with the start-up of the joint venture with Atriplex, although this was not sufficient to generate a positive full-year result.

A **consolidated net loss of 23.3 million euros** was posted, compared with earnings of 25.1 million euros the previous year. This loss was mainly due to the impact of the results posted by the Pirelli & C. Group (a consolidated loss attributable to Camfin of 22 million euros compared with earnings attributable to Camfin of 30 million euros in financial 2001) and to the 22.4 million euros writedown of the equity investment in Pirelli SpA; these negative factors were offset by consolidated capital gains of 11 million euros arising from the sale of Cam Energia e Servizi, the entry of minority shareholders (Enel Capital and Centrobanca Group) in Cam Tecnologie for 8.8 million euros, and the entry of Atriplex in Cam Petroli for 5.6 million euros.

**Financial fixed** assets passed from 824.4 million euros to **731.6 million euros** largely as a result of the writedowns on the equity investments in Pirelli & C. and Pirelli SpA.

**Group shareholders'** equity was **517.3 million euros** compared with 588.9 million euros at the end of 2001; the decrease was mainly due to the consolidation of Pirelli & C. with the equity method. At 31 December 2002 per-share shareholders' equity at Pirelli & C. was 2.96 euros - for Camfin - compared with 3.39 euros at 31 December 2001. Camfin per-share shareholders' equity decreased from 6.05 euros to 5.31 euros at 31 December 2002.

The Group had a negative **net financial position of 282.5 million euros** as of 31 December 2002 compared with -309.9 million euros as of 31 December 2001; the improvement arose mainly from the sale and subsequent deconsolidation of Cam Energia e Servizi and the share capital increases at Cam Tecnologie underwritten by third parties. Gearing was 0.54, in line with the position at 31 December 2001 (0.53).

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Key events in Camfin Group operations in financial 2002 were as follows:

- In February an agreement was signed with Agip Petroli (Eni Group) for an equally owned joint venture on the oil products extra network market, in the Italian regions of Lombardy and Piedmont, to be set up through Cam Petroli. The new company began operating on 2 September and has set a sales target of more than 800,000 metric tons for its first full year of business.
- Camfin subscribed a share capital increase at its subsidiary company Cam Tecnologie S.p.A., for a total of 0.12 million euros of share capital and 4.01 million euros to the reserve for additional paid-in capital.
- In April, Cam Tecnologie S.p.A. launched a share capital increase reserved for and subscribed by two companies in the Enel group (Webiz Holding B.V.

and Enel Capital S.p.A.), for a total of di 6.02 million euros, of which 0.19 million euros as share capital and 5.83 million euros to the reserve for additional paid-in capital.

- In December, Cam Technologie S.p.A. launched a third share capital increase for third parties. With Camfin S.p.A., Enel Capital S.p.A. and WEBiz Holding B.V. waiving their option rights, the increase was subscribed in full by Centrobanca and Centrobanca Sviluppo Impresa S.G.R. With the Enel Group's equity investment held through WEBiz Holding B.V. and as a result of the above operation, the ownership of Cam Technologie at the end of December was as follows: Camfin S.p.A. (81%), WEBiz Holding B.V. (9%), Centrobanca (5%) and Centrobanca Sviluppo Impresa S.G.R. (5%).
- q In December the EOS AQS S.r.l. company was acquired as a holding for the Camfin Group's real-estate assets. In this connection, the property assets of the Pero depot, valued by a special technical audit at 21.9 million euros, were spun off to EOS AQS S.r.l.

Investments in the Pirelli Group:

- During the year, 766,500 shares of Pirelli & C. A.p.A. ordinary stock were purchased for an investment of 1.67 million euros, at a unit price of 2.18 euros. On 28 March 2002, with filing date 15 April 2002, Camfin converted all its Pirelli & C. 98-03 2.5% bonds, for a total of 7,168,936 bonds with a book value of 19.99 million euros. As a result, it held 184,852,214 Pirelli & C. A.p.A. ordinary shares at 31 December 2002, equivalent to an equity investment of 29.9% and an average book value of 1.94 euros per share.
- During the year, 6,848,855 shares of Pirelli S.p.A. ordinary stock were purchased for an outlay of 9.38 million euros, at an average unit price of 1.37 euros. At 31 December 2002, therefore, 37,361,855 ordinary shares were held, equivalent to an equity investment of 1.95%.

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### **Camfin S.p.A. - parent company**

The parent company Camfin S.p.A. closed its financial statements for the year to 31 December 2002 with net earnings of **10.04 million euros**, compared with 13.04 million euros in 2001. The result included a dividend from Pirelli & C. of 0.080 euros per share.

**Financial fixed assets** passed from 478.4 million euros at 31 December 2001 to **468.9 million euros** at 31 December 2002 .

**Shareholders' equity** increased from 259.2 million euros to **264.2 million euros** at 31 December 2002.

The Board of Directors will ask the Shareholders' Meeting to approve distribution of a **per-share dividend of 0.052 euros**, as in 2002. The Board empowered the Chairman to convene the Shareholders' Meeting to approve the 2002 Financial Statements. The meeting is expected to take place in the first ten days of May; if so, the dividend is likely to be payable by the end of June.

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### **Share capital increase**

The Camfin Board of Directors decided to ask the Shareholders' Meeting to approve a **share capital increase** for a maximum of **160.7 million euros** through issue of a maximum of 107,147,656 shares with regular dividend entitlement to be offered to shareholders at a rate of 11 new shares for every 10 shares held, at a price of 1.5

euros. Each share will bear a free **warrant**, exercisable at a rate of 1 share for 4 warrants (warrants may be exercised at any time from 1 January 2004 to 30 June 2006), which may be used to subscribe additional shares at a price of 1.5 euros per share, raising additional proceeds for a maximum **40 million euros**.

The controlling company Gruppo Partecipazioni Industriali (Gpi) has declared that it will subscribe the portion for which it is eligible. Mediobanca has declared its willingness to form an underwriting syndicate for the operation. .

The proceeds raised by the increase will be used to strengthen the equity of the investee company Pirelli & C. in connection with the corporate restructuring of the Pirelli Group.

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### Camfin Group outlook for the current year

Business performance in the first two months of 2003 together with the enhancement plans for the investee companies mentioned above indicate that the Group will report positive consolidated earnings which will be higher than 2002 earnings.

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Note: the statutory and consolidated financial schedules are set out in the attachments; the data presented in the schedules is subject to review by the external auditors and the Board of Statutory Auditors.

Attachment 1

### Camfin Group

The Group consolidated financial statements as of 31/12/02 are summarised below:

(thousands of Euros)	31/12/2002	31/12/2001	31/12/2001
		Excl. Cam Energia e Servizi S.r.l.	
Sales	260.313	308.627	330.503
EBITDA	741	1.500	4.028
EBIT	(1.803)	(548)	(1.771)
Earnings before non-recurring items and taxes	(48.548)	30.499	32.204
Non-recurring Charges/Income	20.034	213	(1.435)
Total Net Earnings	(23.294)	25.113	24.636
Camfin Net Earnings	(23.097)	25.113	24.636

Total Shareholders' Equity	520.966	589.357	588.894
Camfin Shareholders' Equity	517.281	589.357	588.894
Camfin Shareholders' equity per share (Euros)	5,310	6,050	6,046
Net debt	282.528	297.788	309.900

Attachment 2

### Cam Finanziaria S.p.A.

The table below summarises the income statement and balance sheet of Camfin S.p.A., with a comparison with the prior-year figures:

(in thousands of Euros)	31/12/2002	31/12/2001
Financial Charges/Income	(10.880)	(14.516)
Dividends and Tax Credits	28.614	35.664
Adjustments to Financial-Asset Values	(26.872)	0
Other Operating Costs/Revenues	(2.888)	(3.690)
<b>Ordinary Operating Result</b>	<b>(12.026)</b>	<b>17.458</b>
Non-recurring Charges/Income	26.831	962
Taxes	(4.762)	(5.384)
<b>Net Earnings</b>	<b>10.043</b>	<b>13.036</b>
Intangible fixed assets	783	1.123
Tangible fixed assets	4.867	5.374

Financial fixed assets	468.942	478.377
Current assets	30.175	34.397
	<b>504.767</b>	<b>519.271</b>
Shareholders' Equity	264.196	259.218
Reserves	1.920	223
Net Financial Position	238.651	259.830
	<b>504.767</b>	<b>519.271</b>