



**CAMFIN S.p.A.**

## **PRESS RELEASE**

### **QUARTERLY REPORT APPROVED**

- **CONTINUING GROWTH FOR THE JOINT-VENTURE WITH ENI/AGIP GROUP: 560,000 TONS OF PETROLEUM PRODUCTS SOLD**
- **GECAM™ IL GASOLIO BIANCO™ SALES: 81.5 MILLION LITERS, UP 34% ON 30 SEPTEMBER 2002**
- **CONSOLIDATED SALES: 203.02 MILLION EURO, UP 10.9 %**
- **OPERATING MARGIN: NEGATIVE 0.9 MILLION EURO, MAINLY ATTRIBUTABLE TO THE DELAY IN THE EXTENSION OF THE DECREE FOR THE REDUCTION OF EXCISE TAXES ON GECAM™, AS AGAINST A POSITIVE 0.8 MILLION IN 2002; IMPROVEMENT EXPECTED AS EARLY AS THE FINAL QUARTER**
- **NET RESULT: LOSS OF 29.72 MILLION EURO, AS NO POSITIVE EFFECT IS FELT AS YET FROM THE REORGANIZATION OF THE PIRELLI & C. GROUP, AGAINST A NET INCOME OF 0.85 MILLION EURO IN 2002, THAT ALSO INCLUDED EXTRAORDINARY ITEMS**
- **POSITIVE CASH FLOW FOR 22.41 MILLION EURO IN THE FIRST NINE MONTHS OF 2003, EXCLUDING EXTRAORDINARY CASH OPERATIONS (10.66 MILLION EURO IN THE THIRD QUARTER)**

- **POSITIVE OPERATING MARGIN EXPECTED FOR 2003**
- **THE OUTLOOK FOR THE PARENT COMPANY IS OF A POSITIVE RESULT BASICALLY IN LINE WITH THE PREVIOUS YEAR**

*Milan, 11 November 2003* - Today the Camfin S.p.A. Board of Directors reviewed the Gruppo Camfin quarterly report for the period ending 30 September 2003.

For comparative purposes on a homogeneous basis, we point out that, as at 30 September 2003, Cam Petroli S.r.l. was consolidated on a proportionate basis (50%). In 2002, this company's accounts had been consolidated on a line-by-line basis up to 31 August. Accordingly, the profit and loss account as of 30 September 2003 reflects only in part the **significant increase in total sales by Cam Petroli Srl**.

Individual company performance:

In the first nine months of 2003, the volume of sales of the operating companies Cam Petroli Srl and Cam Tecnologie S.p.A. **continued to grow**, thus firming up the trend emerged in the first half 2003.

- **Cam Petroli** benefited from the contribution from the Atriplex business unit (now Agip Fuel) as part of the joint-venture with Gruppo ENI/Agip, selling some **560,000 tons** of petroleum products as compared to 315,000 tons in the first nine months of 2002.
- **Cam Tecnologie** sold **81.5 million** litres of GECAM™ IL GASOLIO BIANCO™ fuel in the first nine months of 2003, compared with 60.7 million litres in the same period a year ago (**+34%**)

Consolidated financial statements as at 30 September 2003:

Group **sales** amounted to **203.02 million** euro, **+10.9%** as against 183.02 million for the comparable nine-month period in 2002. Sales in the third quarter of 2003 amounted to **58.44** million euro (**+27%**), compared with 45.99 million euro in the same quarter in 2002.

**Gross operating margin** was negative, **0.93 million** euro, vis-à-vis a positive 0.8 million euro for the comparable period in 2002.

Margins on core petroleum activities do not fully benefit yet from the efficiency derived from the integration of the Atriplex (now Agip Fuel) business unit into Cam Petroli.

The results of GECAM™ IL GASOLIO BIANCO™ fuel for the third quarter, however, were adversely affected by the delayed extension of the reduction of excise tax rates on stabilised emulsions. This tax break had expired on 30 June 2003 and was approved by Italian law decree on 30 September 2003, effective immediately until the end of 2004. This measure, however, is not retroactive for the period between 1 July and 1 October 2003.

The **consolidated operating result** (not including the contribution from the equity investment in Pirelli & C.) showed a **loss of 3.2 million euro**, compared with a loss of 0.8 million euro for the first nine months of 2002. An improvement is foreseen as early as the final quarter of 2003.

The **contribution from equity investments**, which is largely attributable to the equity investment in the Pirelli & C. Group, **was a 19.92 million euro loss** as compared to a loss of 4.84 million euro for the first nine months of 2002. Such a result does not benefit yet from the positive effects of the reorganization of the Pirelli & C. Group.

The **consolidated net result showed a 29.72 million euro loss** as compared with a net profit of 0.85 million euro for the first nine months of 2002, which was boosted also by extraordinary items for 17.7 million euro, arising mainly from the transfer of the subsidiary company Cam Energia e Servizi S.r.l.

Concerning financial conditions, **long term investments** increased from 731.62 million euro as at year-end 2002 to **890.00 million euro** as at 30 September 2003, mainly as a result of the subscription of the capital increase of the associate Pirelli & C. S.p.A.

**Shareholders' equity** increased from 520.97 million euro as at year-end 2002 to **548.14 million euro** as at 30 September 2003. The increase was attributable, on the one hand, to the capital increase entirely paid-in by shareholders, and on the other to the diluting effect attributable to the merger of Pirelli & C. into Pirelli S.p.A.

**Consolidated net indebtedness** as at 30 September 2003 was **391.1 million euro**. This was an improvement compared with the net indebtedness of 401.88 million as at 30 June 2003.

In fact, **consolidated cash flow** from ordinary operations, excluding capital injections during the period, amounted to **22.41 million euro** for the first nine months of 2003. During the third quarter of 2003, the company's operating cash flow amounted to **10.66 million euro**.

#### Significant events after the closing of the quarter:

- On 4 November 2003 the 2003-2006 Camfin warrants began trading on the Milan Stock Exchange. Currently, there are approximately 107,147,656 Camfin Warrants outstanding. These had been assigned at no cost to investors who

had subscribed the capital increase in June and July 2003. Warrants can be exercised between 1 January 2004 and 30 June 2006.

Performance outlook for the current year:

In light of the above, a **positive operating margin** is expected even as a result of the benefits deriving from the integration of the Atriplex (now Agip Fuel) business unit into Cam Petroli, and from the already mentioned renewed reduction of excise duty rates applied on emulsions.

For the Parent Company Camfin S.p.A., the outlook once again is of a positive result basically in line with the previous year.

**[www.gruppocamfin.it](http://www.gruppocamfin.it)**

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**Schedule of planned events for Camfin S.p.A.**

The following is a schedule of planned Company events for 2004:

**25 March 2004:** Meeting of the Board of Directors to review the financial statements and the consolidated financial statements for the year ended 31 December 2003.

These documents will be made available to the public within 90 days of the closing of fiscal year. Consequently, pursuant to article 82 of Consob release 11971/99 (as amended and supplemented) the quarterly report for the fourth quarter of 2003 will not be prepared.

**11/12 May 2004:** Annual General Meeting to approve the financial statements for the year ended 31 December 2003. Consequently, any dividend for fiscal year 2003 will be paid in May 2004.

Before the AGM the Board of Directors will review the consolidated results for the first quarter of 2004.

**10 September 2004:** Meeting of the Board of Directors to review the half-yearly report for the period ended 30 June 2004.

This document will be made available to the public within 75 days of the closing of six-month period. Consequently, pursuant to article 82 of Consob release 11971/99 (as amended and supplemented) the quarterly report for the second quarter of 2004 will not be prepared.

**11 November 2004:** meeting of the Board of Directors to review the consolidated results for the third quarter of 2004.

*Attachments: consolidated financial statements highlights of Gruppo Camfin as at 30 September 2003*

## Gruppo Cam's consolidated accounts as at 30-09-2003.

(in thousands of euro)

	<i>3rd Quarter 2003</i>	<i>3rd Quarter 2002</i>	<i>Cumulative 30/09/03</i>	<i>Cumulative 30/09/02</i>
Sales	58,436	45,992	203,021	183,018
Gross operating margin	<b>(1,989)</b>	<b>135</b>	<b>(932)</b>	<b>804</b>
As a % of sales	(3.40)	0.3	(0.46)	0.43
Operating income	<b>(2,866)</b>	<b>(439)</b>	<b>(3,195)</b>	<b>(803)</b>
As a % of sales	(4.90)	(0.95)	(1.57)	(0.44)
Contribution from equity investments	(8,993)	(41,566)	(19,921)	(4,843)
Operating income (including contribution from equity investments)	<b>(11,859)</b>	<b>(42,005)</b>	<b>(23,116)</b>	<b>(5,646)</b>
Financial (Charges)/Income	(3,813)	(2,873)	(9,725)	(8,404)
Extraordinary (Charges)/Income	(79)	6,609	(593)	17,697
Pre-tax income	<b>(15,751)</b>	<b>(38,269)</b>	<b>(33,434)</b>	<b>3,647</b>
as a % of sales	(26.95)	(83.20)	(16.47)	1.99
Income taxes	1,727	312	3,717	(2,794)
Net income	<b>(14,024)</b>	<b>(37,957)</b>	<b>(29,717)</b>	<b>853</b>
As a % of sales	(24.00)	(82.53)	(14.64)	0.47
Net income attributable to the group	<b>(13,811)</b>	<b>(37,987)</b>	<b>(29,624)</b>	<b>795</b>
Net income per share attributable to the group (euro)	(0.07)	(0.39)	(0.14)	0.01
Headcount (at period-end)			81	116
			<i>Cumulative 30/09/03</i>	<i>Cumulative 31/12/02</i>
Shareholders' equity			548,141	520,966
Group's shareholders' equity			544,666	517,281
Shareholders' equity per share			2.66	5.31
Net financial position (positive)/indebtedness			391,084	282,528
Headcount (at period-end)			81	78