



CAMFIN s.p.a.

## CAMFIN SPA PRESS RELEASE

- **INCREASE IN SHARE CAPITAL OF UP TO CIRCA €218 MILLION DELIBERATED**
- **PROCEEDS TO BE USED IN THE PIRELLI CAPITAL INCREASE THAT WILL RAISE INVESTMENT IN THE STRATEGIC TELECOMMUNICATIONS AREA**
- **LEADING BANKS HAVE INDICATED THEIR WILLINGNESS TO PROMOTE A GUARANTEE CONSORTIUM TO ENSURE A SUCCESSFUL OUTCOME OF THE OPERATION**

*Milan, 7 December 2004* – The Board of Directors of Camfin SpA which met today has evaluated positively the terms of the operation to increase the share capital of Pirelli & C. SpA in which it holds a stake, this increase being earmarked for an increase in the investment in Olimpia SpA and to strengthen its balance sheet.

As a consequence the Board has resolved to propose to the Extraordinary Shareholders' Meeting an increase in share capital up to a maximum of approximately **€218.2 million** by means of the issue of a maximum of 136.4 million ordinary shares to be offered to existing ordinary shareholders in the ratio of **2 new ordinary shares for every 3 existing ordinary shares**, at the **unit price of €1.60 per share**, of which €1.08 represents share premium. The issue price of the new shares has been determined taking into account the stock market performance of the share during the last three months and the size of the operation. It should be noted that, taking into account warrants in circulation and assuming they are fully exercised, the maximum size of the capital increase will be approximately €247 million.

The funds deriving from the Camfin SpA share capital increase shall be earmarked for subscription, in a proportion corresponding to its shareholding (equal to 25% of the share capital of Pirelli & C. SpA, excluding a 1.9% stake that will be transferred equally to Capitalia and Banca Intesa), to the capital increase of circa €1.08 billion in Pirelli & C. SpA that will permit this company to increase its investment in Olimpia SpA. The Board believes that this operation represents a value-creation opportunity for the shareholders of Camfin, also because the simplification of the corporate structure within the Pirelli Group will produce benefits from the flow of funds point of view.

G.P.I. – Gruppo Partecipazioni Industriali – will proceed to dispose of option rights corresponding to 6.5% of the post-increase share capital of Camfin SpA to four leading financial institutions

(Banca Intesa, Capitalia, Generali and Mediobanca, who shall purchase them in equal measure) and has guaranteed that it will subscribe to its quota, equal to 51% of the share capital of Camfin SpA.

Banca Caboto (Gruppo Intesa), J.P. Morgan, MCC (Gruppo Capitalia) and Mediobanca have declared their willingness to promote the constitution of a guarantee consortium to ensure a successful outcome of the operation.

Regarding the disposal by Camfin of a stake of approximately 1.9% in Pirelli & C. to Banca Intesa and Capitalia, it should be noted that this will take place by way of:

- the sale of 43,138,410 ordinary shares at a unit price of €0.921;
- the sale of 100,361,124 warrants at a unit price of €0.101

yielding overall receipts, therefore, of €49.8 million.

Banca Intesa and Capitalia have undertaken to convert the abovementioned warrants and participate in the planned increase in share capital by exercising its option rights both relating to the shares purchased and relating to the shares deriving from the abovementioned warrants.

\*\*\*

Camfin Press Office – Tel. +39 02 85354270  
[www.gruppocamfin.it](http://www.gruppocamfin.it)