INTEK GROUP

INTERIM FINANCIAL REPORT
At 30 June 2015
(Translation from the Italian original which remains the definitive version)

pursuant to article 154-ter
of the Consolidated Finance Act

Board of Directors' meeting
of 5 August 2015

Registered and Administrative Office:

20121 Milan - Foro Buonaparte, 44

Share capital EUR 314,225,009.80 fully paid-up

Tax Code and Milan Company Register

no. 00931330583

www.itkgroup.it

Company Bodies

Board of Directors *(appointed at the Shareholders' Meeting on 19 June 2015)*

Chairman	Vincenzo Manes [B]
Deputy Chairwoman	Diva Moriani [B]
	Salvatore Bragantini
	Marcello Gallo
	Giuseppe Lignana [A,C]
	James Macdonald
	Alessandra Pizzuti
	Luca Ricciardi [A,C]
	Franco Spalla [A, C]

A Independent director

B Executive director

C. Member of the Internal Control and Risks Committee (Giuseppe Lignana, Chairman)

Board of Statutory Auditors *(appointed at the Meeting on 19 June 2015)*

Chairman	Marco Lombardi
Statutory Auditors	Francesca Marchetti
	Alberto Villani
Alternate Auditors	Elena Beretta
	Andrea Zonca

Manager in charge of Financial Reporting	Giuseppe Mazza
Independent Auditors	KPMG SpA
Common Representative of Saving Shareholders	Simonetta Pastorino
Common Representative of the "2015/2020 Intek Group S,p.A bond" holders	Rossano Bortolotti
Common Representative of the "2012/2017 Intek Group S.p.A convertible bond" holders	Elena Pagliarini

Interim Directors’ Report

Dear Shareholders,

First of all, we wish to pay tribute to the director of Intek Group and Chairman of the Company's Control and Risk Committee, Senator Mario d’Urso, who recently passed away, and remember his great humanity and the quality and experience he had as a professional, as well as the positive contribution he made to Group activities.

During the first half of 2015, Intek Group (henceforth also referred to as the “Company”) has managed its investments in such a way as to ensure their appreciation.

The company is becoming increasingly identified as a holding company with diverse interests whose activity is focused on the dynamic management of investments in accordance with the management guidelines set by the Group since the end of 2012, with the merger of Intek into KME Group.

Intek Group invests with a focus on the medium to long term, with the objective of creating and maintaining a flexible portfolio of assets, with investment cycles that are reduced compared to the past and therefore result in a faster cash generation. As a consequence, the disinvestment opportunities offered by the market are taken and attention is focused on the more profitable and promising sectors, while exiting segments, whether industrial or financial, with lowered prospects for appreciation or realisation times which are not in line with the Group's management policies.

Pursuant to this strategic redefinition, we note how overall appreciation of the Company's results must be made by considering, not only the assessment of the economic results for the period, but also and above all the increase in value over time recorded by the individual assets and by their potential capacity to create value for shareholders.

This Directors’ Report on operations is presented, consistent with the separate and consolidated financial statements as 31 December 2014 and the first quarter 2015 report, by adopting the accounting standards envisaged for investment entities (amendments made to IFRS 10, 12 and IAS 27) introduced by the EU Regulation 1174/2013 and applied by the Intek Group as from the end of 2014. As a result of the use of the accounting standards of investment entities, Intek does not consolidate the subsidiaries held for investment, rather they are measured at fair value through profit or loss. Therefore, equity investments held for investment - including KME AG, a holding company at the head of the KME Group working in the “copper” sector and FEB – Ernesto Breda SpA - are excluded from the consolidation. These measurement methods are also used in the separate financial statements. 2015 the first reporting period in which these principles were applied from 1 January.

The most significant event of the period was the financial transaction enabling the debt structure to be optimised, both in terms of duration and of cost, as well as to find new financial resources for development of the Group's investments. The Company's Board of Directors on 2 December 2014 approved:

- a voluntary, full public exchange offer covering 22,655,247 “Intek Group SpA 2012 – 2017” outstanding bonds, and 115,863,263 “Strumenti finanziari partecipativi di natura obbligazionaria Intek Group S.p.A. 2012 – 2017” [“Intek Group S.p.A. 2012-2017 participatory financial instruments in the form of bonds”] with the consideration being new bonds issued by Intek Group for a total amount of Euro 61.7 million (the "Exchange Offer"), offering a premium of almost three percent on the nominal value to the holders of the old securities;
- the simultaneous the offer of a public bond issue, for a total of about EUR 40 million, which the Company may increase up to approximately EUR 101.7 million, depending on the level of participation in the Exchange Offer.

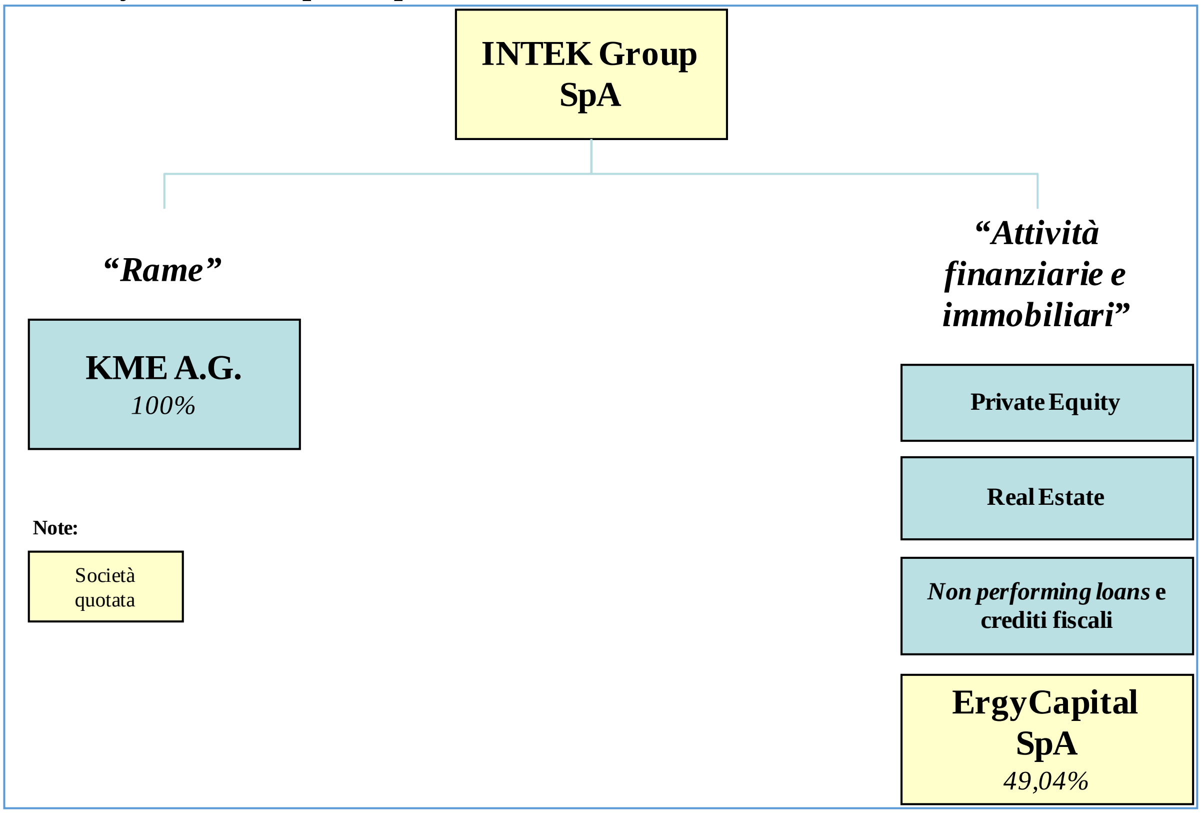
Upon conclusion of the transaction, 4,708,507 new bonds were issued at a unit value of EUR 21.60, for a total value of EUR 101.7 million, listed on Borsa Italiana’s electronic bond market (MOT). The duration of the bonds is from 2015 to 2020, with an interest rate of 5%, against the 8% interest rate of the 2012 – 2017 Intek Group bond issue and the Participatory Financial instruments from the Exchange Offer and repaid, as required, to all subjects who did not participate in the offer.

This was the first issue to take place directly on the MOT, by a non-banking business, without a placement agent. It closed with a notable success. The applications for the subscription of the new bonds amounted to EUR 177 million (EUR 40 million offered initially).

The liquidity from this transaction, added to the liquidity already available to the Group, brings overall cash availability to Euro 79.7 million, awaiting to be newly invested or used to support existing investments.

To efficiently employ this liquidity, beginning from the second half of January 2015, we began to invest part thereof in financial instruments, particularly harmonised Collective Investment Undertakings (“Investment funds” or “UCIs”) which are characterised by absolute yield investment policy. For further details please see the appropriate paragraph on Financial Management.

Summary of the Group's corporate structure



The percentages indicated above also includr the shares classified among current financial assets for ErgyCapital.

The **investment sectors** of INTEK Group S.p.A. are the following: the traditional sector of “**copper**”, which includes the production and marketing of copper and copper-alloy semi-finished products by the German subsidiary KME AG; and the sector of “**financial and real estate assets**”, including the private equity business that is mainly carried out through the closed-end I2 Capital Partners investment fund (the “**Fund**”) as well as the management of receivables (tax and non-performing receivables and those arising from insolvency procedures) and real estate assets. The equity investment in ErgyCapital is included under financial and real estate assets.

With regard to the “**financial and real estate assets**,” in the half year under review, programmes were pursued aimed at accelerating progressive realization.

As for the “private equity” investments, the future programmes focus on enhancing the assets held by the I2 Capital Partners Fund, whose investment period closed at end of July 2012.

ErgyCapital, the parent of a listed group of companies operating in the renewable energy sector, focused its activities on cash generation from installations in operation. Meanwhile, the search for opportunities to carry out extraordinary transactions continues, with these transactions involving the company overall as well as its individual business units, in order to create value for shareholders.

In the “**copper**” sector, actions aimed at restructuring/reorganising the activities of the KME Group were intensified, particularly those carried out in Germany, which are leading to the splitting of the KME AG business into two independent operating entities: one includes the Special Products business, the Brass Rods and the German Standard products business, and the other one concerns the underperforming operations involving standard products (rolled and tubes) in Italy, France and Spain.

The separation of activities described above is aimed at more effective operations by reducing excess capacity. Restructuring was also initiated on several production sites which are expected to have a significant impact in terms of recovery of production efficiency and the group’s profitability.

The rationalisation of the operations continued, aimed at better focusing resources towards production with higher added value and markets with higher growth potential, where customers that have outsourced their own operations show interest in reliable suppliers offering quality in line with European standards.

This strategic approach, which has been undertaken for some time now and has led to significant results with actions concluded last year in China and Great Britain, resulted in the progressive divestment of non-core activities, which are too small or non-competitive, and, thus to the reduction of the complexity of the group, containing its size and promoting cash generation. This translates into the search for solutions, including through agreements or partnerships with other operators, for those areas which are currently not generating an acceptable yield for the resources employed therein.

The parent company Intek Group S.p.A

In the past, the Intek Group made medium-long term investments combining its entrepreneurial spirit with a solid financial structure. Its strategy aims at a flexible portfolio, with reduced investment cycles and faster cash generations.

In line with this strategic redefinition, please note that in evaluating the Intek Group's overall performance, it is necessary to consider not only the results for the period, but also and above all the increase in the value of the individual assets over time and their potential for creating shareholder value.

This assessment is at the heart of the choices made by management in allocating financial resources, rewarding only those sectors which appear high-performing and promising while facilitating the exit from industrial and financial segments with limited potential for value creation or a payback period not in line with the Group's new operating policies. To maximise the value of the assets managed, the Company carefully defines business strategies and controls the subsidiaries, looks for agreements and/or partnership opportunities, sells specific assets, and manages extraordinary operations involving the subsidiaries.

The statement of financial position of Intek Group as at 30 June 2015, in comparison with 31 December 2014, can be summarised as shown below:

Condensed separate statement of financial position

(in thousands of Euro)	*30 Jun. 2015*		*31 Dec. 2014*	
Copper	**395,278**	**85.47%**	**393,997**	**86.02%**
Financial and real estate assets				
Private Equity	*9,144*		*8,288*	
Non operating assets	*4,490*		*4,554*	
Real Estate/Others	*27,898*		*27,204*	
ErgyCapital/Other Services	*22,583*		*20,243*	
Total financial and real estate assets	**64,115**	**13.86%**	**60,289**	**13.16%**
Other assets/liabilities	**3,065**	**0.66%**	**3,766**	**0.82%**
Net investments	**462,458**	**100.00%**	**458,052**	**100.00%**
SFP and outstanding bonds (*)	*(102,488)*		*(61,962)*	
Net cash from third parties	*33,914*		*1,387*	
Net reclassified financial debt Intek Group	**(68,574)**		**(60,575)**	
Net cash available to KME Partecipazioni	**47,376**		**49,933**	
Holding company financial debt due to third parties	**(21,198)**	**4.58%**	**(10,642)**	**2.32%**
Total equity	**441,260**	**95.42%**	**447,410**	**97.68%**

Notes:

- *In accordance with the financial statements at 31 December 2014, the amount of the equity investment held by Intek in KME Partecipazioni was replaced with the amount of the assets and liabilities of the subsidiary.*
- *In the table, investments are expressed net of any financial receivable/payable transactions existing with the Intek Group or KME Partecipazioni.*
- *(*) including accruing interest.*

Investments

The net investments held by the Company amounted to Euro 462.5 million as at 30 June 2015 (Euro 458.1 million at the end of 2014), of which 85.5% were in the "copper" sector and the rest in financial and real estate assets. There have been no significant movements in the investments, which have increased during the period mainly due to the increase in credit positions.

Equity

The net equity of the holding company amounts to Euro 441.3 million compared to Euro 447.4 million as at 31 December 2014; the change is due to the results achieved in the half year under review (loss of Euro 4.4 million) and the acquisition of treasury shares, of which Euro 1.4 million in the form of a dividend from KME Partecipazioni and Euro 0.3 million purchased on the market.

The earnings per share amounted to Euro 1.12 compared to 1.13 at the end of December 2014.

The **share capital** as at 30 June 2015, unchanged compared to 31 December 2014, is Euro 314,225,009.80 subdivided into 345,506,670 ordinary shares and 50,109,818 savings shares. The shares have no nominal value.

Following the acquisitions that took place in the first half of the year under review, the ordinary treasury shares in the portfolio increased from 5,095,746 as at 31 December 2014 to 5,859,746 (1.696% of the share capital) as at 30 June 2015.

In June 2015, the fully-owned subsidiary KME Partecipazioni distributed to the Company, as a dividend in kind, 2,512,024 Intek Group savings shares held by it (equal to 5.013% of the share capital). Following this transfer as at 30 June 2015, Intek Group held 3,490,567 treasury savings shares, equal to 6.966% of the share capital.

In July 2015, in execution of the resolution of the shareholders' meeting held on 19 June 2015, 3,478,766 saving shares were assigned following the distribution of the available reserves via allocation of savings shares held by the company in a ratio of one savings share against every 111 ordinary shares and/or saving shares held. Following this allocation, 11,801 saving shares remain in the Company's portfolio.

Financing activities

The net financial debt of the holding company (which includes both Intek Group and KME Partecipazioni) totalled Euro 21.2 million as at 30 June 2015, compared to Euro 10.6 million as at 31 December 2014. This debt represents 4.58% of all investments. There are no financial payables to third parties except for the bonds.

At the end of June 2015, also by means of the subsidiary KME Partecipazioni, Intek had a liquidity of Euro 78.6 million, also as a result of the net flow deriving from the issue of new bonds and from the early redemption of those outstanding in March 2015. A portion of this liquidity is currently employed in shares of UCIs.

Intek Group’s **reclassified net financial position** as at 30 June 2015, compared with 31 December 2014, is broken down as follows:

Reclassified net financial debt			
(in thousands of Euro)		*30 Jun. 2015*	*31 Dec. 2014*
Cash and cash equivalents		(33,260)	(736)
Current loan assets from subsidiaries		(8,558)	(7,135)
Current receivables for financial guarantees due from subsidiaries		(4,027)	(3,892)
(A) Net financial assets	**(A)**	**(45,845)**	**(11,763)**
Current loans and borrowings		5,843	5,870
Loans and borrowings due to subsidiaries		22,375	36,137
(B) Current financial liabilities	**(B)**	**28,218**	**42,007**
(C) Current net financial debt	**(A) – (B)**	**(17,627)**	**30,244**
Non-current loans and borrowings		12	1,690
Intek Group 2012 – 2017 Participatory Debt		-	48,662
Intek Group 2012 – 2017 Bonds		-	11,328
Intek Group 2015 – 2020 Bonds		100,678	-
(D) Non-current financial liabilities		**100,690**	**61,680**
(E) Net financial debt	**(C) - (D)**	**83,063**	**91,924**
Non-current receivables for financial guarantees due from subsidiaries		-	(1,675)
Non-current loan assets - subsidiaries		(405)	(449)
Non-current loan assets - banks		(672)	(672)
(F) Non-current loan assets		**(1,077)**	**(2,796)**
(G) Reclassified net financial debt	**(E) + (F)**	**81,986**	**89,128**

(E) Definition pursuant to CONSOB communication DEM 6064293 of 28 July 2006 in application of the CESR recommendations of 10 February 2005.

The **Income Statement** below was reclassified by indicating in a special section the results of the investments, including their operating costs.

Reclassified Income Statement		
(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Fair value changes and other gains/losses from investing activities	(462)	7,250
Commission income on guarantees	2,098	2,557
Costs of investing management	(228)	(257)
Gross gain/loss from investments	**1,408**	**9,550**
Net operating costs	(2,328)	(2,568)
Interest income	323	280
Interest expense	(3,188)	(3,501)
Profit/(loss) from continuing operations	**(3,785)**	**3,761**
Non-recurring income/(expense)	(550)	(27)
Profit (loss) before taxes	**(4,335)**	**3,734**
Taxes for the year	(95)	181
Profit (loss) for the period	**(4,430)**	**3,915**

The result of the holding company as at 30 June 2015, in the absence of significant gains in fair value, is a loss of Euro 4.4 million, while it was a profit of Euro 3.9 million in the corresponding period of last year, which had benefited from the increase in the value of Cobra AT.

In June 2015, the subsidiary KME Partecipazioni resolved to distribute a dividend totalling Euro 16,425 thousand against a profit realised in 2014, which had benefited from the result connected to the investment in Cobra AT. This dividend was distributed in cash, insofar as Euro 15.0 million, and in kind insofar as Euro 1.4 million through the assignment of 2,512,024 Intek Group saving shares held by the subsidiary.

As at 30 June 2015, an impairment of Euro 16.5 million was recognised on the carrying amount of the equity investment in KME Partecipazioni to reflect the decrease in equity. This adjustment had the effect of offsetting the income from the dividend that was received.

Operating costs are still in line with the corresponding period of last year. This period has been adversely affected by non-recurring expenses connected to legal, consulting and personnel expenses.

Interest expense, albeit down compared to the first half of 2014, was affected for the period from 20 February 2015 to 20 March 2015 by the presence of the new bond issue and by the previous debt instruments not yet reimbursed.

Financial flows recorded in the first half of 2015 are broken down as follows:

Statement of cash flows – indirect method

(in thousands of Euro)		*1st half 2015*	*1st half 2014*
(A) Cash and cash equivalents at the beginning of the year		**736**	**930**
Profit (loss) before taxes		(4,331)	3,735
Amortisation and depreciation of property plant and equipment and intangible assets		33	50
Impairment losses on non-current, non-financial assets		202	-
Impairment losses (reversal of impairment losses) on current and non-current financial assets		16,669	(7,135)
Changes in provisions for pensions, post-employment benefits and stock options		-	36
Changes in provisions for risks and charges		(266)	(7)
(Increases) decreases in other financial investments		(261)	(70)
Increase (decreases) in loans and borrowings due to related companies		1,238	7,689
(Increases) decrease in loan assets due from related companies		(1,481)	(235)
Dividends received		(16,425)	2
(Increase) / decrease in current receivables		(1,319)	(267)
Increase / (decrease) in current payables		(885)	(1,219)
Taxes paid during the year		(139)	-
(B) Total Cash flows from (used in) operating activities		**(6,965)**	**2,579**
(Increase) in non-current intangible assets and property, plant and equipment		(4)	(30)
(Increase)/decrease in other non-current assets/liabilities		137	235
(C) Cash flows from investing activities		**133**	**205**
(Purchase) sale of treasury shares		(277)	370
Bond issue and early redemption		39,796	-
Payment of interest on bonds		(2,820)	-
Increase (decrease) in current and non-current loans and borrowings		2,657	(3,428)
(D) Cash flows from (used in) financing activities		**39,356**	**(3,058)**
(E) Change in cash and cash equivalents	**(B) + (C) + (D)**	**32,524**	**(274)**
(F) Cash and cash equivalents at the end of the year	**(A) + (E)**	**33,260**	**656**

Insofar as the **business outlook** is concerned, the results will depend mainly on the performance of the individual investments and any disinvestments of the former Intek activities. Furthermore, commissions on financial guarantees provided for the subsidiaries will fall due. As regards performance of the equity investments, please refer to the provisions of the following sections on performance in the sectors that the Group invests in.

* * *

Performance in the various investment sectors

We shall now report on the management of the major investments existing as at 30 June 2015.

The equity investments held in KME Partecipazioni SpA, I2 Capital Partners SGR SpA and I2 Real Estate Srl are considered to have been instrumental to the Company's operations. These companies were the only ones included in the consolidation area after application of the accounting standard on Investment Entities.

Copper sector

The investment in the "copper" sector can be summarised as follows:

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*
KME AG Equity Investment	391,615	391,615
KME Beteiligungsgesellschaft mbH	1,000	1,000
Other	2,663	1,382
Total "Copper"	**395,278**	**393,997**

The “copper” sector includes the production and marketing of copper and copper-alloy semi-finished products by the German subsidiary KME AG, and, as indicated above, continues to be the INTEK Group’s core business.

Due to their wide field of application, the demand for semi-finished products in copper and copper alloys is very closely connected to the general performance of economic activity in the reference markets. In the first half of 2015, the macroeconomic framework held up well in advanced economies, except for Europe, which is still behind in consolidating the recovery, and a slowdown was confirmed in many emerging countries.

In the Euro area, where the KME Group is mainly present, the pace of the recovery is still modest even though the appreciation of the dollar against the Euro has allowed exports from Europe to the United States to recover.

As described in previous directors’ reports, the tough macroeconomic scenario of the last few years has worsened the structural overcapacity of certain areas with a consequent downward pressure on prices. This led operating units in the "copper" sector to strengthen their operating efficiency and organisational flexibility and, concurrently, rationalise their business portfolio, based on an in-depth examination of the relative competitive positions, in order to focus more resources on products with a higher added value in markets with a higher growth potential.

This is the direction followed by the Group's reorganisation strategy.

In order to maximize the production efficiency and the commercial effectiveness, a new organisational structure of the KME Group is currently being implemented, with a separation into two independent operating entities, one including the special products business, the Brass rods business and the German standard products business (rolled and tubes), and the other one including the underperforming activities involving standard products (rolled and tubes) in Italy, France and Spain.

Consequently, the restructuring of certain projects and sites is underway aiming to reduce excess production capacity and to optimize industrial costs and working capital, with significant impacts expected in terms of recovered efficiency and profitability.

The first important result was achieved with the positive outcome of the restructuring in Germany, which resulted in the concentration of the German production of tubes within a single plant (Menden) and the shut-down of a plant with similar production in Osnabruck. This action was accompanied by a corresponding reduction in costs for central services, with the departure of approximately 350 employees. The impact in terms of lower costs is expected to be along the lines of Euro 18 million annually.

From an organisational point of view, the management of the KME Group, fully in line with the strategies defined by the parent Intek Group SpA, is assured by the Board of the German parent KME A.G., with Vincenzo Manes as the "Chief Strategic Officer," and Diva Moriani who maintains the role of "Group CEO" to whom the operating units and all staff functions report.

Regarding the performance of the reference markets for KME products, the demand for **semi-finished goods in copper and its alloys for the building sector** continues to show a fundamental weakness. In the first part of 2015, however, there were some signs of improvement due to the sales of rolled used for roofs and facades, finishes and interior design. The weakness in demand continues to counter the positive effect deriving from the increase in the added value obtained with the price policy and the availability of design ideas, as well as with an incisive programme of promotion of innovative solutions in the field of the home, its furniture and of large public spaces in general; the use of the special TECU-Gold copper-zinc-aluminium alloy chosen by the architects for the external facing of the entrance hall of the big Arab Emirates exposition pavilion at 2015 Milan EXPO is a recent example.

The sales volumes of plumbing tubes are still weak, with prices under pressure.

The pattern of demand for **semi-finished products in copper and its alloys for the industrial sector** confirmed the signs of stability, though with a certain level of differentiation between the various segments. The sales volumes of the industrial rolled, whether copper or alloys, in their vast assortment of compositions, sizes and formats, are growing compared to the last few months of 2014 and at more stable prices. The industrial tubes, which also cover a vast range of applications, confirm greater stability in terms of volumes, while prices have proven to be resistant.

The revenue of special products remains at the average level of 2014, despite the slowdown in business in the main emerging countries; the outlook is closely linked to their recent economic development. In certain segments, such as the ingot moulds and the copper cooling elements for foundries, the KME Group maintains a leading position worldwide, with a strong commitment to innovation and constant technological updating of the products and services, as proven also at the recent METEC 2015 exhibition held in Dusseldorf.

Unfortunately, the negative trend reversal of the market of brass rods recorded in the last two quarters of 2014 continued in the first half of 2015.

The industrial and commercial measures mentioned above continue to positively affect costs, but not to an extent sufficient to offset the drop in sales. In the first half of 2015, turnover net of raw materials was lower than in the same period of 2014 by 4.7% (3.4% on a like-for-like basis), although recent months have shown a progressive trend toward increased sales confirming the signals that demand is improving.

Operating profitability for the first half of 2015 has dropped by 31.8% compared to the first quarter of last year (EBITDA has dropped from Euro 30.5 million to Euro 20.8 million), also due to the sub-optimal use of raw materials caused by the lower availability of scrap on the market. EBITDA. On the other hand, has improved compared to the second half of 2014 (when it was equal to Euro 14.4 million).

Key consolidated results of the copper sector

(Euro million)	***30.06.2015***	***30.06.2014***
Revenue	**1,080.0**	**1,097.5**
Revenue (not including raw materials)	**313.5**	**328.9**
EBITDA	**20.8**	**30.5**
EBIT	**2.4**	**10.2**
Profit (loss) before non-recurring items	**(9.8)**	**1.3**
Non-recurring income/(expense)	**(24.3)**	**32.5**
Effect of IFRS measurement of inventories	**(2.9)**	**(8.0)**
Net profit/(Loss)	**(32.3)**	**12.4**
Net financial debt	**182.4**	**242.8 (31.12.2014)**
Equity	**104.4**	**131.8 (31.12.2014)**

The **Revenue** of the first half of 2015 amounted to a total of Euro 1,080.00 million, down by 1.6 % on 2014, when it amounted to Euro 1,097.5 million. The lower volumes affected this reduction. Net of raw materials, revenue declined from Euro 328.9 million to Euro 313.5 million, down 4.7% (3.4% on a like-for-like basis).

EBITDA (gross operating profit) for the first half ot 2015 was Euro 20.8 million; it was, therefore, lower by 31.8% than in 2014 when EBITDA was Euro 30.5 million and higher by 44% than in the second half of 2014. The cost of labour and other operating costs dropped, confirming the positive effect of the efficiency and flexibility measures adopted to counter the reduction in production, thanks also to the agreements reached with the trade unions which made it possible, among other things, to forestall employment terminations by using the social measures and fine tuning the performance bonuses. As previously described, the operating profitability was affected by the decrease in margins deriving from the optimisation of the use of raw materials due to the lack of scrap on the market. The gross operating profit for the first half of 2015 compared to net sales dropped from 9.3% to 6.6% and went up from 5.2% in the second half of 2014.

EBIT stood at Euro 2.4 million (Euro 10.2 million in 2014).

The **Loss before non-recurring items** was Euro 9.8 million (profit of Euro 1.3 million in 2014).

The **Loss net of taxes** of the copper sector shows, at the end of the first half, was Euro 32.3 million (compared to a profit of Euro 12.4 million in 2014 due to the contribution of capital gains achieved with the sale of sanitary fixtures operations in Great Britain and with the demerger of German activities in the sector of connectors transferred to the joint venture in China, transactions already described previously). The result for the first half of 2015 is adversely affected by non-recurring expenses of Euro 24.3 million, which are mainly due to the costs incurred as part of the restructuring program of the operating units under way.

The **Net Financial Debt** as at 30 June 2015 was Euro 182.4 million, down from the amount at the end of December 2014 of Euro 242.8 million. The lower debt derives from the further optimisation of working capital.

With regard to **business outlook**, the prospects of the economic performance of the copper sector during the year are closely related to the the expected recovery of the economic activity in Europe; the new context will help reduce the increased competitiveness on the markets that contributed to the decline in margins in the last quarters. The upcoming months will benefit from an additional reduction in operating costs connected to the execution of the production structure reorganisation in the various segments of the KME Group operations, aimed at improving competitive positioning vis-à-vis major competitors.

In the first half of 2015 the **investments** of the sectot's production units totalled Euro 5.6 million (Euro 24.7 million in 2014).

The **workforce** as at 30 June 2015 numbered 4,988 units (5,136 as at the end of 2014).

The **price of copper** during the first half decreased by 13.1% in US$ in 2015 compared to the same period of the previous year (decreasing from US$ 6,916/ton to US$ 6,010/ton) and increased by 7.5% in Euros (from Euro 5,048 to Euro 5,421) due to the appreciation of the USD. In terms of trend, the average prices of copper in the second quarter of 2015 recorded an increase, with respect to those of the first quarter of 2015, equal to 3.7% in US$ (from US$ 5,835/ton to US$ 6,054/ton, and 5.7% in Euro (from Euro 5,185 to Euro 5,480).

* * *

Private Equity

The investment in the private equity area is represented by the equity investment in I2 Capital Partners SGR SpA, the receivable and payable due from/to it and the investment in the units of the I2 Capital Partners fund.

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*
I2 Capital Partners fund	8,020	7,704
I2 Capital Partners SGR Equity investment	2,501	2,501
Loans and borrowings due to I2 Capital Partners SGR	(1,328)	(1,951)
Other	(49)	34
Total Private Equity	**9,144**	**8,288**

I2 Capital Partners fund

The Intek Group holds a 19.15% share of the Fund. Following the end of the Fund's investment period, starting from July 2012 the activity of the fund was focused on enhancing the value of the assets present in its portfolio.

At 30 June 2015 the fund had invested for a total of Euro 94.2 million, including disposals. On the the same date, it had redeemed fund units to subscribers totalling Euro 78.5 million, of which Euro 15 million referred to the Intek Group.

The fair value at 30 June 2015 was Euro 41.8 million, of which Euro 8.0 million referred to the Intek Group.

The table below shows the fair value amounts of the main investments in existence at 30 June 2015 which refer to the Intek Group.

(in thousands of Euro)	
ISNO 3 S.r.l - official assignee Festival Crociere SpA	2,308
ISNO 4 S.r.l - official assignee Festival Crociere SpA	576
Nuovi Investimenti SIM SpA	2,490
Benten Srl - (official assignee of Mediafiction SpA)	19
Alitalia – Compagnia Aerea Italiana SpA;	77
Safim Factor in compulsory liquidation	958
Others	17
Total Investment	**6,445**

Other net assets/liabilities of Euro 1.5 million, mainly consisting of pledged deposits, add to the total investment and bring the fair value amount referring to Intek to Euro 8.0 million.

Following is a brief description of the main investments still in existence at 30 June 2015.

Isno 3 S.r.l /Festival Crociere Procedure

During the half year, the court procedures aimed at settling the disputes under way against the company proceeded.

In particular, in April 2015, a settlement was reached of Euro 1.1 million for a minor dispute with Monte dei Paschi di Siena in which Isno 3, in its capacity as the official assignee of the Festival Crociere SpA bankruptcy, claimed repayment of the amounts pursuant to article 67 and 64 of the Bankruptcy Law.

In the first few months of 2015, in relation to a bankruptcy revocation action against a supplier in the Festival Crociere proceedings, a ruling on appeal was issued which was positive for Isno 3, and resulted in the spontaneous payment by the counterparty of the amounts due totalling approximately Euro 2.2 million. The counterparty submitted an appeal to the court of cassation and negotiations are underway to reach an out-of-court settlement.

Regarding the case against Auxiliaire Marittime (which is fully controlled by the Alstom group), which was sentenced on appeal to pay Euro 12 million, Isno 3 submitted a request to render the ruling of the court of appeals of Genoa executive in France.

There are no developments in relation to the main dispute that is going on against Calyon and other defendants. It should be mentioned that in December 2012, the Court of Genoa issued a first instance ruling, appealed by the Company, which rejected the main claims made by Isno 3 Srl, sentencing GIE Vision Bail, which is 100% owned by Calyon, to pay Euro 6.8 million, plus interest, as a bankruptcy rescindment. The next hearing is set for July 2017.

Isno 4 S.r.l/OP Computers S.p.A

In November 2014, a settlement agreement was reached between Isno 4 and the Revenue Agency based on which the company paid to the tax authorities an amount of approximately Euro 5 million, including the taxes due, plus penalties and interests, in return for the Revenue Agency's waiver of the case in cassation for an additional Euro 13 million, generating a net gain as at 31 December 2014 of approximately Euro 5.5 million.

In April 2015, as a consequence of the positive outcome, the Isno 4 Shareholders resolved to distribute a dividend of Euro 3 million to the fund, which was paid in the month of June.

On 30 June 2015, the assets of Isno 4 consisted of cash and cash equivalents of approximately Euro 2.9 million, which were partially used to pay the income taxes, and tax credits, in the form of refunds, of approximately Euro 2 million.

Nuovi Investimenti SIM SpA

Nuovi Investimenti SIM SpA had ended 2014 with a profit of approximately Euro 1 million, mainly due to the good performance of the trading activities it carried out on its own behalf.

For the six months ended 30 June 2015, the company had realised EBIT of approximately Euro 1.3 million against Euro 0.6 million in the corresponding period of the previous year.

With regard to the subsidiary Alpi Fondi SGR, it is hereby noted that it continues the activity aimed at increasing the assets managed by its funds, which were equal to Euro 180 million as at 30 June 2015, with an increase of approximately 37% compared to 31 December 2014 (Euro 143 million).

In the spring of 2014, with the assistance of E&Y in role as advisor of the I2 Capital Partners Fund, a process aimed at selling the equity investment in Nuovi Investimenti SIM was initiated.

Only one of the various counterparties identified presented a non-binding offer for the Fund, which was nevertheless subject to due diligence. This offer, which could have resulted in a capital gain for the fund if it had been finalised within the time set by the counterparty, was not accepted by the management of I2 Capital Partners as it was lower than the carrying amount of the investment.

Benten Srl

In the first half of 2015, the company distributed to the fund a dividend of Euro 510 thousand in consideration of the positive results achieved in the previous year.

As at 30 June 2015, the assets to be realized consisted of tax credits of a significant amount, the collection of which will lead to further positive results.

Other non-performing receivables

As for the receivables due from *Safim Factor SpA in L.c.A.*, which are recognised in the accounts at Euro 1.00, we confirm the positive expectations of realisation through further distributions through the procedure, the reimbursement of which could take place in the current year.

Alitalia – Compagnia Aerea Italiana SpA

In August 2014, the negotiations with Etihad Airways were concluded, resulting in the latter's entrance into the share capital of the new Alitalia (SAI- Società Aerea Italiana).

The UAE-based company holds 49% of the newco Alitalia SAI, while 51% is held, through Midco, by Alitalia CAI.

Following the failure of the fund to subscribe to the latest share capital increase, the equity investment held was very strongly diluted and currently stands at 0.14% of the share capital of CAI. This dilution was also affected by the conversion into shares of various categories of a large part of the receivables due to the company's lending banks, with premium rights. Due to the issue of the above-mentioned senior shares, the Fund's rights in Alitalia CAI are lower than the voting rights.

Nuova GS Srl /Gruppo Selecta– Investment in the Venturini Group

The performance of the year ended as at 31 December 2014 was positive and in line with the business plan.

The pre-closure consolidated data as at 30 June 2015 show (i) turnover equal to Euro 17.5 million (Euro 21.0 million for the six months ended 30 June 2014) and a gross operating profit of Euro 3.6 million (20% of period sales), against a gross operating profit of Euro 4.4 million recognised in the first half of 2014.

The reference market of printing and placing into envelopes of mandatory communications, remains difficult. The volumes and margins are in sharp contraction, while the competition from operators that also offer the more lucrative delivery service is becoming even fiercer.

Though the consolidated debt has decreased (from Euro 22.3 million as at 31 December 2014 to the current Euro 21.0 million), it remains very high in absolute terms, even in consideration of the fact that it is almost exclusively due to Poste Italiane. To this end, negotiations were recently restarted, following the negotiations which led to the approval in 2011 of a schedule confirmed by article 67 with this significant creditor, who is also a competitor (through the subsidiary Postel) and a major supplier of the delivery service. The level of indebtedness of the group controlled by Nuova GS amounts to a total of Euro 33.5 million, of which Euro 21 million at the Selecta level.

In consideration of this, in addition to focusing on maximising operating efficiency, the management is searching for integration transactions or joint ventures with other operators, including those belonging to close-related sectors, in order to fully apply the capabilities and extend its operation to other sectors.

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Non-operating assets

Can be summarised as follows:

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*
FEB - Ernesto Breda Equity investment	15,500	15,335
Former Fime receivables (minus advances)	6,959	6,548
Other *non-performing receivables (tax credit and from arrangements with creditors)*	6,754	6,867
Net assets former Isno 2	(140)	62
Provision for risks	(3,318)	(3,585)
Loans and borrowings due to FEB - Ernesto Breda	(19,084)	(18,834)
Loans and borrowings due to Breda Energia in liquidation	(1,962)	(1,537)
Other	(219)	(302)
Total non-operating assets	**4,490**	**4,554**

FEB - Ernesto Breda

The fair value as at 30 June 2015 of the investment in FEB - Ernesto Breda is equal to Euro 15.5 million compared to Euro 15.3 million as at 31 December 2014.

The company ended the half year with a profit of Euro 0.2 million (profit of Euro 0.6 million for 2014), attributable mainly to the performance of the liquidity.

During the first half of the year, the liquidation of the investees Breda Energia and Bredafin Innovazione continued, the compositions for which were carried out in 2012 pursuant to article 214 of the Italian bankruptcy law, with the subsequent exit from compulsory liquidation in the early months of 2014.

The current account relationship with our Company continued, and as at 30 June 2015 there was a balance in favour of FEB of Euro 19.1 million.

During the reporting period, this receivable generated interest payable to FEB of Euro 0.2 million. The financial investments produced positive effects of Euro 0.3 million in the income statement.

As already described in detail in the 2014 financial statements, the lawsuit initiated on 31 December 2014 by SGA- Società per la Gestione di Attività SpA, which alleges to be the assignee of ISVEIMER for contingent receivables already recognised in the procedure involving Finanziaria Ernesto Breda, is still going on.

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The credit recovery activity related to the former Fime and Isno 2 assets continued. This activity resulted in collections during the year totalling Euro 0.5 million.

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The provision for risks amounting to Euro 3.3 million refers to the disputes connected to the former Fime management.

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Real Estate/Other

The Real Estate/Other assets can be broken down as follows:

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*
Equity investment in I2 Real Estate	13,000	13,400
Equity investment in Rede/Malpaso	8,030	7,930
Land and buildings	257	257
Land and buildings IFRS 5	716	716
Loan assets due from I2 Real Estate	4,530	3,942
Loan assets due from Rede Immobiliare	503	-
Equity investment in Progetto Ryan 2	400	400
Other	462	559
Total Real Estate/Others	**27,898**	**27,204**

The real estate operations are carried out through the subsidiaries I2 Real Estate, Tecno Servizi and Rede Immobiliare.

During the half year, activities aimed at selling the group real estate assets continued, particularly concerning the building in Bologna held through the equity investment in Rede Immobiliare.

In January 2015, two properties located in Sicily were sold for Euro 2 million with concurrent repayment of an equal amount of the last tranche of the debt to Futura Fund Sicav, thereby completely executing the agreement signed at the end of 2013 with Cassa dei Ragionieri and Futura Fund Sicav.

In July, Intek Group purchased the total equity investment in Immobiliare Pictea Srl, for Euro 10.0 million. This company owns the building located in Milan, Foro Buonaparte 44, where Intek Group and most of its subsidiaries have their headquarters. The building has six floors, four of which are used for offices and two for residences. The immediate financial commitment of the Group was equal to Euro 3.0 million, while for the remaining amount of Euro 7.0 million a mortgage was concluded at a variable rate set at one month Euribor plus 2.8 percentage points. A hedging contract for the interest rate risk was also concluded to this end.

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The liquidation of Progetto Ryan 2 (formerly Meccano S.r.l.) continues. The recovery of the receivables which remain in the portfolio is proceeding with difficulty and therefore the closure of the liquidation process cannot be envisaged at this time.

ErgyCapital/Other Services

The assets are broken down as follows:

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*
Equity investment/Warrant ErgyCapital	11,531	11,531
Equity investment Culti Milano and Ryan 3 Project(ex Culti Srl)	2,503	2,503
Equity investment Il Post	400	400
Loan assets due from ErgyCapital	4,120	4,060
Loan assets due from Progetto Ryan 3 (formerly Culti Srl)	2,283	1,942
Loan assets due from to Culti Milano Srl	1,300	-
Other	446	(193)
Total ErgyCapital/Other Services	**22,583**	**20,243**

ErgyCapital

In the consolidated financial statements of the Intek Group at 30 June 2015, the equity investment in ErgyCapital is recognised at fair value at an amount of Euro 7.6 million corresponding to the stock exchange price at 30 June 2015.

In the first half of 2015, the ErgyCapital Group recorded revenue of Euro 7.6 million, down from Euro 8.7 million in the previous year, following mainly the redefinition of the incentive tariffs for the photovoltaic sector.

Gross operating profit come to Euro 3.7 million, down compared to the previous year (Euro 4.2 million). The gross operating margin of approximately 48% is confirmed despite the "spalma incentivi" [incentive distribution] decree which revised the incentive tariffs of the previous Energy Accounts for plants larger than 200 Kwp and also amended the procedures for payment of the incentives. The ErgyCapital Group selected the second option provided by the Decree (except for two plants -1.5 MW - held by the subsidiaries Ergyca Tracker Srl and Ergyca Tracker 2 Srl), therefore remodelling the incentive tariffs, notwithstanding the twenty year period for the provision of the incentives, providing for an initial period in which the incentive will be lowered compared to the current incentive and a subsequent period in which the incentive will be increased by a similar amount.

The loss for the first half of 2015 was Euro 0.8 million, compared to Euro 1.6 million registered as at 30 June 2014, which included non-recurring components connected to the conclusion of an arbitral award procedure.

The net financial debt has slightly improved, with indebtedness down by approximately Euro 2.7 million. It has reached Euro 68.6 million (Euro 71.3 million as at 31 December 2014).

The Intek Group holds 49.04% of the share capital of ErgyCapital and following the dissolution of the shareholders' agreement in existence up to 21 January 2015, it assumed de facto control of the company.

For further information please see the documentation provided by ErgyCapital.

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Culti Srl (now Progetto Ryan 3 Srl)– Culti Milano Srl

After closing with a loss in 2014, Culti Srl, which sells furniture products and the relevant accessories, intensified the restructuring and reorganisation activities started last year.

On 1 of April 2015, a rental agreement was concluded between Culti Srl and Culti Milano Srl, a company established for this purpose at the end of 2014, the share capital of which is held 35% by KME Partecipazioni and 65% by Culti Srl, which was placed under liquidation and has amended its name to Progetto Ryan 3 Srl in liquidazione [under liquidation].

The contract has a duration of 10 years and can be renewed for another five years. It provides for the lease of the brands, all the personnel, and the replacement of Culti Srl by Culti Milano in the orders in process as at 31 March 2015. The warehouse was sold by Culti Srl to Culti Milano with payment set on the basis of the periodic withdrawals made by the latter. The annual lease has been set at Euro 410 thousand.

In the first three months of its operations, Culti Milano had sales of Euro 903 thousand, while in the same period last year the sales of the lessor Culti totalled 1,105 thousand (-22%). Despite the reduction in the sales, the restructuring of the production costs, down from Euro 464 thousand to Euro 156 thousand, and the overhead costs, down from Euro 609 thousand to Euro 545 thousand, allowed the company to reach a gross operating profit of Euro 120,000 (while it was a gross operating loss of Euro 57 thousand in the same period of 2014).

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Financing activities

After fully paying the debt to GE Capital at the end of 2014, Intek Group has no other debt exposure to third parties, except for the financial debt instruments that are outstanding.

As mentioned previously, in the first quarter of 2015, the Company concluded a significant transaction that allowed it to optimise the debt structure both in terms of duration and cost, as well as to acquire new financial resources to be used for the development of the Group's investment activity.

The Company's Board of Directors on 2 December 2014 approved:

- a voluntary total public exchange offer (the "**Exchange Offer"):**

(i) on 22,655,247 outstanding *"Intek Group SpA 2012 – 2017"* bonds , of a nominal unit value of Euro 0.50 (the "2012 Bonds") issued by the company and listed on the Mercato Telematico delle Obbligazioni e dei Titoli di Stato ("MOT"), and

(ii) on 115,863,263 outstanding "Strumenti finanziari partecipativi di natura obbligazionaria Intek Group S.p.A. 2012 – 2017", with a nominal unit value of Euro 0.42 (the "2012 SFPs" and, together with the 2012 bonds, the "Instruments") issued by the company and listed on the MOT;

with consideration being the new bonds issued by the Intek Group based on the following exchange ratio: one 2015 bond for every 42 2012 bonds and every 50 SFPs, both with an overall nominal value of Euro 21.00 (in addition to the payment of the interest instalment due on 3 August 2014 and until the settlement date of the consideration);

- the concurrent promotion of a public subscription offer of a bond issue (the "Offer to Subscribe"), of a total amount equal to approximately Euro 40 million, which the Company is allowed to increase up to approximately Euro 101.7 million, depending on the level of participation in the Exchange Offer.

The Public Exchange Offer allowed Intek to redeem the 2012 bonds and the SFPs early in the event of issue of at least 2,314,815 shares as part of the offer against a minimum counter value of Euro 50,000,004. Once this condition was fulfilled, Intek redeemed in advance all the 2012 bonds and SFPs not used for participating in the Exchange Offer. Therefore, 51,902,713 SFPs were redeemed against a nominal value of Euro 21,799,139.46 and 13,936,215 2012 Bonds were redeemed against a total value of Euro 6,968,107.50 plus interest totalling Euro 1,443,908.18.

On 17 February 2015, the date on which the Public Exchange Offer expired, the following were contributed for participation: (i) 8,719,032 2012 bonds (equal to 38.49% of the offer) and (ii) 63,960,550 SFPs (equal to 55.20% of the offer) against a total nominal value of Euro 31,222,947 with consideration represented by 1,486,807 bonds of the loan, equal to a nominal value of Euro 32,115,031.20, including the approximately 2.9% premium over the nominal value of the instruments.

On 17 February 2015, the Offer to Subscribe was also closed, with a higher participation than the quantity that was offered (8,177,150 for a nominal value of Euro 176.6 million against the initial 40 million offered), and Intek opted to increase the total nominal value of the Offer to Subscribe from Euro 39,000,981.60 to Euro 69,588,720 which corresponds to 3,221,700 bonds of the loan.

Upon completion of the Offer to Subscribe and given the data of the Exchange Offer, the Intek Group made a single issue of bonds consisting of 4,708,507 bonds with a nominal unit value of Euro 21.60 (the "**2015 Bonds"**), amounting to Euro 101,703,751.20 of which 1,486,807 (nominal Euro 32,115,031.20) for the participants in the exchange offer and 3,221,700 (nominal Euro 69,588,720) for the participants in the offer to subscribe.

The Bonds are listed on the Mercato Telematico delle Obbligazioni e dei Titoli di Stato. They have a duration of five years from 20 February 2015, the dividend entitlement date, that is until 20 February 2020. The bonds bear interest at the fixed nominal annual rate of 5%. Interest will be paid in arrears each year, that is at the end of every 12 months

Intek will be entitled to reimburse, including partially, the 2015 Bonds beginning from the end of the second year after the dividend enjoyment date.

The redemption price of the 2015 bonds, expressed as a percentage of the portion of the nominal value being reimbursed will be: (I) from the end of the second year until the end of the third year 102%; (ii) from the third year until the end of the fourth year 101% and (iii) from the end of the fourth year until the maturity date 100%.

The 2012 Bonds and the 2012 SFPs used against the Exchange Offer together with those purchased from the Issuer were cancelled respectively pursuant to article 6 of the Bond Regulation "Intek Group SpA 2012-2017" and article 26-*decies* of the Intek Articles of Association.

The liquidity from this transaction, which, in addition to that already available to the Group, totals Euro 79.7 million, awaiting new investments or being employed to support those already in existence, is currently partially invested in financial instruments, particularly harmonized UCIs (investment funds), characterized by absolute yield investment policies. The average investment in the period up to 30 June 2015 was approximately Euro 21 million. There are a total of 9 target funds invested in, so that appropriate diversification of the portfolio is ensured. Furthermore, in the construction of the portfolio, diversification by asset class (equities or bonds) and by management style were privileged. This approach allowed for the construction of a diversified portfolio which is less sensitive to the changes in the traditional markets. During the reference period, the portfolio generated a profit equal to 0.8%, recording its maximum value of about 1.8% at the end of April. The intensification of the Greek crisis and the jolt experienced on the bond markets confirmed the overall prudence used in regard to the portfolio of absolute yield funds.

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Group results

It should be noted that, following the application of the principle relating to the investment entities at the end of 2014, the amounts shown in consolidated financial statements are aligned with those of the separate financial statements except for the effects of the fair value measurement of the investments held by the sub-holding KME Partecipazioni.

As a result of the exclusion from the consolidation of the industrial investment in KME AG, the management income statement that showed the impacts of the different valuation of stocks is no longer presented. The income statement has been modified by making them similar to those already used for preparing the separate financial statements at 31 December 2014. The figures are compared with those of the same period of the previous year and, in order to allow a better comparison, the latter were restated by reclassifying in a single item costs and revenues related to the previously consolidated assets. The consolidated financial statements now include, in addition to the Parent, the subsidiaries in furtherance of the company object for wholly-owned KME Partecipazioni, I2 Capital Partners SGR and I2 Real Estate.

In reference to the **equity situation**, consolidated equity can be summarised as follows:

Consolidated equity		
(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*
Share capital	314,225	314,225
Reserves	127,822	(27,738)
Profit/ (Loss) for the period	(3,542)	155,851
Equity attributable to owners of the Parent	**438,505**	**442,338**

The 2014 profit benefited from the effects of the application of the principle related to the investment entities of Euro 146.6 million.

The income statement follows below and, compared to the separate income statement, it benefits from the increase in the market value of the ErygCapital equities in the first six months of the year, equalling Euro 650 thousand.

Consolidated Income Statement		
(in thousands of Euro)	*1st half2015*	*1st half 2014*
Net income from investment management	613	7,305
Commissions on guarantees given	2,081	2,557
Other income	935	1,049
Personnel expenses	(1,218)	(1,150)
Amortisation, depreciation and impairment losses	(299)	(114)
Other operating costs	(2,763)	(3,068)
Operating profit (loss)	**(651)**	**6,579**
Financial income	326	301
Financial expense	(3,096)	(3,493)
Net financial expense	*(2,770)*	*(3,192)*
Profit/(loss) before taxes	**(3,421)**	**3,387**
Current taxes	(24)	11
Deferred taxes	(97)	129
Total income taxes	**(121)**	**140**
Profit/(Loss) from Investment Entity management operations	**(3,542)**	**3,527**
Profit from previously consolidated operations	-	12,001
Profit/(loss) for the period	**(3,542)**	**15,528**

The **Group's Financial Deb**t at 30 June 2015 stood at Euro 36.4 million (Euro 30.3 million at the end of 2014). As at 30 June 2015 the Group had liquidity and investments in flexible, low risk and highly liquid, of Euro 79.7 million.

Reclassified consolidated net financial debt			
(in thousands of Euro)		*30 Jun. 2015*	*31 Dec. 2014*
Current loans and borrowings		3,018	5,140
Non-current loans and borrowings		1,355	1,482
Loans and borrowings due to Group companies		21,046	20,372
(A) Loans and borrowings	**(A)**	**25,419**	**26,994**
Cash and cash equivalents		(57,714)	(48,940)
Other financial assets		(21,965)	-
Loan assets due from Group companies		(10,010)	(7,772)
(B) Cash and current financial assets	**(B)**	**(89,689)**	**(56,712)**
(C) Consolidated net financial debt prior to securities in circulation	**(A) + (B)**	**(64,270)**	**(29,718)**
(D) Debt securities in circulation (net of interest)	**100,678**		**59,990**
(E) Consolidated net financial debt	**(C) +**	**36,408**	**30,272**
(F) Non-current financial assets		**(10,634)**	**(10,085)**
(G) Total net financial debt	**(E) + (F)**	**25,774**	**20,187**

(E) Definition pursuant tothe CONSOB communication DEM 6064293 of 28 July 2006 in application of the CESR recommendations of 10 February 2005.

The consolidated net invested capital was as follows:

Consolidated net invested capital		
(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*
Net non-current assets	455,509	454,377
Net working capital	18,031	17,900
Net deferred tax	6,767	6,905
Provisions	(5,394)	(6,572)
Net invested capital	**474,913**	**472,610**
Equity	438,505	442,338
Net financial debt	36,408	30,272
Sources of financing	**474,913**	**472,610**

The "Net Invested Capital" is a financial indicator which is not envisaged by the IFRS and should not be considered as an alternative to the indicators envisaged by the IFRS. Its components are given here below:

- *"Net non-current assets" consists of the sum of non-current assets except for deferred tax assets.*
- *"Net working capital" consists of the sum of the items "Trade receivables" net of "Trade payables" and "Other current assets/liabilities", except for the items previously considered in the definition of "Net financial debt".*
- *"Provisions" includes the items "Employee benefits" and "Provisions for risks and charges".*

The cash flows for the period may be summarised in the Consolidated Statement of Cash Flows, prepared using the indirect method, as follows:

Consolidated Statement of cash flows – indirect method			
(in thousands of Euro)		*1st half 2015*	*1st half 2014*
(A) Cash and cash equivalents at the beginning of the year		**48,940**	**1,692**
Profit (loss) before taxes		(3,421)	3,387
Amortisation and depreciation of property, plant and equipment		44	59
Impairment losses (reversal of impairment losses) on non-current		256	55
Impairment losses (reversal of impairment losses) of investments and financial assets		(619)	(7,305)
Changes in provision for pensions, post-employment benefits and stock options		11	27
Changes in provisions for risks and charges		(1,158)	(7)
(Increases) decreases in financial investments and financial		(22,106)	583
Increase (decrease) in current and non-current loans and borrowings from related companies		(2,868)	564
(Increase) decrease in current and non-current loan assets from related companies		674	6,171
(Increase) / decrease in current receivables		2,312	6
Increase / (decrease) in current payables		(2,417)	(1,394)
Taxes paid during year		(28)	140
(B) Total Cash flows from (used in) operating activities		**(29,320)**	**2,286**
(Increase) in non-current intangible assets and property, plant and equipment		(18)	(30)
Increase/decrease in other non-current assets/liabilities		(1)	(705)
(C) Cash flows used in investing activities		**(19)**	**(735)**
(Purchase) sale of treasury shares and similar shares		(277)	360
Bond issue and early redemption		39,796	-
Payment of interest on bonds		(2,820)	-
Increase/(Decrease) in current and non-current loans and borrowings		1,463	(2,022)
(Increase)/ Decrease in current and non-current loan assets		(49)	-
(D) Cash flows from (used in) financing activities		**38,113**	**(1,662)**
(E) Change in cash and cash equivalents	**(B) + (C) (D)**	**8,774**	**(111)**
(F) Cash and cash equivalents at the end of the year	**(A) + (E)**	**57,714**	**1,581**

The income statement was restated insofar as the data presented previously so as to be comparable with the data in the reference financial statements. For further details, please refer to the notes to the condensed interim consolidated financial statements.

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Update in matters of governance

Continuing the actions started in the previous years, on the occasion of the presentation of the half year report, the Company considers it appropriate to update the information regarding corporate governance provided with the financial statements.

In the meeting held on 19 June 2015, where the shareholders approved the financial statements for the year ended 31 December 2014, also resolved to assign 3,478,766 treasury savings shares in the portfolio to all shareholders, in a ratio of one savings share for every 111 shares held of any category.

It is hereby specified that this assignment was made possible by the previous distribution of a dividend by the wholly owned subsidiary KME Partecipazioni, a portion of which in kind, consisting of 2,512,024 Intek Group saving shares.

In the same meeting, the shareholders renewed the corporate offices appointing the Board of Directors and the Board of Statutory Auditors which will remain in office until the Shareholders' Meeting called to approve the financial statements as at 31 December 2017.

The Directors, all appointed based on the list presented by the shareholder Quattroduedue SpA, are Vincenzo Manes, Diva Moriani, Marcello Gallo, James Macdonald, Alessandra Pizzuti, Luca Ricciardi (independent), Salvatore Bragantini, Franco Spalla (independent) and Giuseppe Lignana (independent).

The Board of Statutory Auditors includes Marco Lombardi (Chairman), Francesca Marchetti and Alberto Villani (standing auditors). Elena Beretta and Andrea Zonca were appointed alternate auditors.

The Board of Directors which met upon conclusion of the Shareholders' Meeting, confirmed Vincenzo Manes as the Chairman and Diva Moriani as the Deputy-Chairwoman, conferring upon them the appropriate powers for the management of the Company.

In the same meeting, the Board appointed the members of the Internal Control and Risks Committee, composed entirely of independent directors, namely Giuseppe Lignana (Chairman), Luca Ricciardi and Franco Spalla. This committee will also carry out the function of the Committee for Transactions with Related Parties.

The Board resolved not to appoint a Nominations Committee (as provided by 5.P.1 principle of the Code) since it considered that the independent directors, three out of a total of nine, are characterised by a significant level of authority and decision-making independence and have adequate knowledge of the structures of the Company and the Group.

Consequently, the Board of Directors considers that the opinions regarding the size and composition of the Board of Directors, the proposals for the appointment of the candidates for the office of director in the event of co-optation where necessary to replace independent directors, and the compilation of a plan for the succession of executive directors can be discussed and decided within the scope of the competencies and the meetings of the Board of Directors itself.

Regarding the decision not to confirm the Remunerations Committee, the Board considered that the revised redefinition of the strategic mission, the approach to the market and the new governance structure have led the company to concentrate on holdings with diversified equity investments focusing on the appreciation of its own strategic assets through the dynamic management of its investment portfolio.

The incentive policies for the executive directors and strategic managers of Intek Group will be more closely related to the gains actually realised on the assets in the portfolio.

In this new context, the essential need for a Remuneration Committee is reduced and it is considered that the Board in its entirety can assess and identify the performance objectives related to the variable component of the remuneration of the administrative and strategic directors. However, the Board will be assisted by the expertise of at least two independent directors whom it will ask for analysis and valuations, as well as performance measurements.

The Board of Directors has confirmed the Chairman Vincenzo Manes as the director in charge of the internal control system and Giuseppe Schiuma (functioning as Chairman) and Fabio Ambrosiani as the members of the Supervisory Board pursuant to Law no. 231/2001.

Finally, the Board confirmed the CEO Giuseppe Mazza as the "Manager in charge of Financial Reporting."

In the Extraordinary Meeting held on 19 June 2015 the shareholders approved the changes to the Articles of Association regarding the introduction of the increased voting right pursuant to art. 127-quinquies of the Legislative Decree "Intek Group S.p.A. 2012-2017" participatory financial instruments in the form of bonds."

The Special Meeting of savings shareholders, held on 19 June 2015, appointed Simonetta Pastorino as the common representative of all the shareholders in this class. She will remain in office for a three-year period until the shareholders meeting called to approve the financial statements at 31 December 2017.

Upon completion of the public exchange offer concluded on 20 February 2015 and the mandatory redemption of the 2012-2017 bond and the SFPs on 20 March 2015, these debt instruments were cancelled.

As a result, Marco Crispo, common representative of the Holders of the "Intek Group SpA 2012/2017 Bonds" and Rossano Bortolotti, common representative of the Holders of the "Strumenti Finanziari Partecipativi di natura obbligazionaria Intek Group SpA 2012/2017", stepped down from their office.

Rossano Bortolotti was appointed common representative of the Holders of the Intek Group 2015-2020 Bond. He will remain in office for three years.

Following the end of the half year, it is noted that the special meeting of holders of savings shares held on 17 July 2015 did not approve the proposal for the mandatory conversion of the shares in this class into ordinary shares as proposed by the Board of Directors on the basis of a conversion ratio of 1:1 ordinary shares plus an adjustment in cash of Euro 0.20 for each savings share. As a result, in the extraordinary meeting of the company that was called on the same day the shareholders were not able to deliberate on this issue.

In the meeting of 5 August, including based on the provisions set forth in Consob communication DEM/10078683 of 24 September 2010, the Board of Directors, taking into account the favourable opinion of the Internal Control and Risks Committee, approved the updated version of the Procedure regarding transactions with related parties which will enter into effect as from 1 September 2015.

* * *

Other information

Treasury shares

At 31 December 2014, the Company held 5,095,746 ordinary treasury shares (1.475% of the shares in this category). At the same date the Company also held 978,543 treasury savings shares (1.953% of that type of share capital).

In March 2015, Intek Group initiated a program for the purchase of its ordinary treasury shares for a maximum amount of Euro 1.5 million, for the purposes and within the limits set by the authorisation granted by the shareholders in their ordinary meeting held on 11 June 2014. 764,000 ordinary shares were purchased in the first half of 2015.

As at 31 December 2014 the wholly-owned subsidiary KME Partecipazioni held 2,512,024 Intek Group savings shares, 5.01% of the relevant share capital. In June 2015, these shares were assigned to Intek Group as part of the dividend distributed by the subsidiary KME Partecipazioni on the profit of 2014. The Company therefore came to own 3,490,567 savings shares.

On 1 July 2015, in execution of the resolution of the Ordinary Shareholders' Meeting of 19 June, 1 treasury savings share was assigned, free of charge, to all the holders, other than the Company itself, of ordinary shares and/or savings shares of the Company, for every 111 ordinary and/or savings shares held.

Due to the above transactions, as at the date of this report, the company holds 5,859,746 own savings shares (or 1.696% of the voting capital and 1.481% of the total share capital) and 11,801 treasury savings shares (or 0.024% of the share capital)

Parent and ownership structures

The Company is controlled by Quattroduedue Holding BV which is based in Amsterdam (Holland), Kabelweg 37, through Quattroduedue SpA, a wholly-owned subsidiary of the aforementioned Quattroduedue Holding BV. At 30 June 2015 Quattroduedue Holding BV held 158,067,506 Intek Group ordinary shares, or 45.749% of the Company's ordinary share capital.

Following the assignment of the aforementioned savings shares, Quattroduedue Holding B.V became the holder of another 1,424,031 savings shares.

, please refer to the directors' report compiled for 2014 pursuant to art. 123 bis of Legislative Decree no. 58/98, which is attached to the financial statements.

Related parties transactions

Transactions with related parties, including intercompany transactions, were neither atypical nor unusual, in that they were part of the Group's day-to-day business and were all conducted on an arm's length basis or according to standard criteria.

The Intek Group has loans with the parent Quattroduedue SpA totalling Euro 1.5 million, of which Euro 1.2 million interest-bearing at the Euribor, plus a spread equal to 100 basis points and Euro 0.3 million interest-bearing at the Euribor, plus a spread equal to 300 basis points.

As at 30 June 2015, there were loans in existence to ErgyCapital (Euro 4.1 million from KME Partecipazioni), Progetto Ryan 3 Srl in liquidation, formerly Culti Srl (Euro 2.3 million, of which Euro 1.4 million from Intek Group and the remainder from KME Partecipazioni), Culti Milano Srl (Euro 1.3 million from KME Partecipazioni) and Rede Immobiliare Srl (Euro 0.5 million).

In June 2015, a current account contract was agreed with KMW AG for a maximum amount of Euro 15.0 million for a duration of one year with interest set at three month Euribor plus 3.75%. At the date of this report, the current account had a positive balance for Intek of Euro 15.0 million.

The existing amounts borrowed from non-consolidated companies refer to FEB- Ernesto Breda (Euro 19.1 million) and Breda Energia (Euro 2.0 million). Intek Group has loans and borrowings due to I2 Capital Partners SGR (Euro 1.3 million) which were eliminated in the consolidated financial statements.

The breakdown of transactions with subsidiaries and parents is included in the Notes to the consended interim consolidated financial statements.

Pending litigation

There are no other significant updates regarding the dispute underway as indicated in the financial statements as at for the year ended 31 December 2014, which you are referred to.

Staff

As at 30 June 2015, Intek Group had 13 employees, of whom three executives and ten white-collar staff.

Following is the average number of employees in consolidated companies, as compared with the first half of 2014:

	30/06/2015;	*30/06/2014;*	*Change*	*Change%*
Executives	4	4	-	0.00%
	23.53%	23.53%		
White-collar	13	13	-	0.00%
	76.47%	76.47%		
Total employees (average)	**17**	**17**	**-**	**0.00%**
	100.00%	100.00%		

* * *

Compliance with Title VI of the Market Regulation - Consob Resolution no. 16191/2007

With reference to the provision of articles 36, 37, and 38 of the Regulation in question, it should be noted that:

- With regard to the provisions of art. 36, the INTEK Group does not hold significant investments, pursuant to art. 151 of Consob Issuers' Regulation, in non-EU Countries;
- the Company, although a subsidiary of Quattroduedue Holding BV, considers itself to be not subject to management and coordination activities, as provided for by articles 2497 et seq. of the Italian Civil Code as well as art. 37 of the Market Regulation, in so far that:
  - it has autonomous powers of negotiation with respect to contractual arrangements with customers and suppliers;
  - it does not participate in any centralised treasury arrangements with Quattroduedue Holding BV or with its subsidiaries;
  - the number of independent Directors (three out of nine) is such as to ensure that their opinions have a material influence on board decisions;
- with regard to the provisions of art. 38, the Company does not fall within the scope of application in so far that its business purpose does not exclusively envisage equity investment activity in accordance with predetermined limitations.

* * *

It is noted that the Company’s Board of Directors, at its meeting on 14 September 2012, decided, among other things, to make use of the exception envisaged by articles 70, paragraph VIII, and 71-bis of the Issuers’ Regulation, which gives the company the right to be exempt from the obligation to publish a Prospectus on significant transactions in terms of mergers, demerger, share capital increases through transfers of goods in kind, acquisitions and disposals.

* * *

Risk Management

Please refer to the specific paragraph in the Notes to the financial statements for further information on the business risks.

* * *

Significant events after 30 June 2015

There were no subsequent events that need to be highlighted beyond those already set out above.

INTEK GROUP

Condensed Interim Consolidated Financial Statements

as at 30 June 2015

Intek Group – Condensed Interim Consolidated Financial Statements at 30 June 2015

Statement of financial position – Assets

(in thousands of Euro)	*Ref. Note*	*30 Jun 2015*	*of which related parties*	*31 Dec 2014*	*of which related parties*
Investments in equity interests and fund units	*4.1*	438,724		437,860	
Non-current loan assets	*4.2*	10,634	*7,861*	11,760	*9,036*
Investment property	*4.3*	4,440		4,488	
Property, plant and equipment	*4.4*	425		456	
Goodwill	*4.5*	798		1,000	
Intangible assets	*4.6*	3		4	
Other non-current assets	*4.7*	485		484	
Deferred tax assets	*4.21*	8,420		8,633	
Total non-current assets		**463,929**		**464,685**	
Current loan assets	*4.8*	36,495	*14,037*	12,131	*11,664*
Trade receivables	*4.9*	12,936	*3,309*	11,040	*1,838*
Other current receivables and assets	*4.10*	10,428	*8*	14,636	*138*
Cash and cash equivalents	*4.11*	57,714		48,940	
Total current assets		**117,573**		**86,747**	
Non-current assets held for sale	*4.12*	1,559		1,559	
Total assets		**583,061**		**552,991**	

The notes are an integral part of these condensed interim consolidated financial statements

The information on related party transactions is provided in note 4.22.

Intek Group – Condensed Interim Consolidated Financial Statements at 30 June 2015

Statement of financial position – Liabilities

(in thousands of Euro)	*Ref. Note*	*30 Jun 2015*	*of which related parties*	*31 Dec 2014*	*of which related parties*
Share capital		314,225		314,225	
Other reserves		39,143		28,251	
Treasury shares		(3,915)		(3,638)	
Retained earnings (accumulated losses)		68,588		(76,318)	
Convertible loan		24,000		24,000	
Other comprehensive income		6		(33)	
Profit (loss) for the period		(3,542)		155,851	
Equity attributable to owners of the Parent	***4.13***	**438,505**		**442,338**	
Non-controlling interests		-		-	
Total equity	***4.13***	**438,505**		**442,338**	
Employee benefits	*4.14*	451		471	
Deferred tax liabilities	*4.21*	1,653		1,728	
Non-current loans and borrowings and financial liabilities	*4.15*	102,033		63,147	
Other non-current liabilities	*4.16*	938		938	
Provisions for risks and charges	*4.17*	4,943		6,101	
Total non-current liabilities		**110,018**		**72,385**	
Current loans and borrowings and financial liabilities	*4.18*	28,091	*21,046*	29,404	*20,372*
Trade payables	*4.19*	865	*17*	1,276	*138*
Other current liabilities	*4.20*	5,582	*1,497*	7,588	*2,090*
Total current liabilities		**34,538**		**38,268**	
Total liabilities and equity		**583,061**		**552,991**	

The notes are an integral part of these condensed interim consolidated financial statements

The information on related party transactions is provided in note 4.22.

Intek Group – Condensed Interim Consolidated Financial Statements at 30 June 2015

Statement of profit and loss and other comprehensive income

(in Euro)	*Ref. Note*	*1st half 2015*	*of which related parties*	*1st half 2014*	*of which related*
Net income from investment management	*5.1*	613		7,305	
Commissions on guarantees given	*5.2*	2,081	2,081	2,557	2,557
Other income	*5.3*	935	64	1,049	127
Personnel expense	*5.4*	(1,218)		(1,150)	
Amortisation, depreciation and impairment losses and	*5.5*	(299)		(114)	
Other operating costs	*5.6*	(2,763)	(12)	(3,068)	
Operating profit (loss)		**(651)**		**6,579**	
Financial income		326	263	301	285
Financial expense		(3,096)	(275)	(3,493)	(187)
Net financial expense	*5.7*	*(2,770)*		*(3,192)*	
Profit/(loss) before taxes		**(3,421)**		**3,387**	
Current taxes	*5.8*	(24)		11	
Deferred taxes	*5.8*	(97)		129	
Total income taxes		**(121)**		**140**	
Profit (loss) from investment management operations		**(3,542)**		**3,527**	
Profit from previously consolidated operations		-		12,001	
Profit/(loss) for the period		**(3,542)**		**15,528**	
Other comprehensive income					
Employee defined benefit plans		*21*		*2,111*	
Tax on other comprehensive income		-		-	
Items that will not be reclassified to profit or loss		21		2,111	
Net exchange rate losses		-		(373)	
Net change in hedging reserve		-		(660)	
Other		-		-	
Taxes on other comprehensive income		-		(4,069)	
Items that will be reclassified to profit or loss		-		(5,102)	
Other comprehensive income, net of tax effect:		21		(2,991)	
Total comprehensive income/(expense) for the period		**(3,521)**		**12,537**	
Profit/(loss) for the period attributable to:					
- non-controlling interests		-		104	
- owners of the parent		(3,542)		15,424	
Profit/(loss) for the period		(3,542)		15,528	
Total comprehensive income/(expense) attributable to:					
- non-controlling interests		-		2	
- owners of the parent		(3,521)		12,535	
Total comprehensive income/(expense) for the period		(3,521)		12,537	

Earnings per share (in Euro)		
Basic earnings (loss) per share	(0.0154)	0.0404
Diluted earnings (loss) per share	(0.0142)	0.0372

The notes are an integral part of these condensed interim consolidated financial statements

The information on related party transactions is provided in note 4.22.

Statement of changes in equity at 31 December 2014

(in thousands of Euro)	*Share capital*	*Other reserves*	*Treasury shares*	*Retained earnings (accumulated losses)*	*Convertible loan*	*Consolidation reserves*	*Other comprehensive income reserves*	*Profit/ (Loss) for the year*	*Total equity attributable to the owners of the parent*	*Non-controlling interests*	*Total consolidated equity*
Equity as at 31 December 2013	**314,225**	**130,368**	**(3,998)**	**53,806**	**20,844**	**(165,329)**	**(55,433)**	**(26,920)**	**267,563**	**6,623**	**274,186**
Allocation of parent's profit/ (loss)	-	-	-	(158)	-	-	-	158	-	-	-
Allocation of subsidiaries' profit/ (loss)	-	-	-	-	-	(26,762)	-	26,762	-	-	-
Sale of treasury shares	-	10	360	-	-	-	-	-	370	-	370
Deferred taxes on equity items	-	(65)	-	-	-	-	-	-	(65)	-	(65)
Expiry of stock options	-	51	-	-	-	-	-	-	51	-	51
Other changes (*)	-	-	-	-	-	3,828	-	-	3,828	(263)	3,565
Changes by Investment Entity	-	(102,113)	-	(129,966)		188,263	60,313	-	16,497	-	16,497
Changes by Investment Entity	-	-	-	-	3,156	-	(8,249)	-	(5,093)	(6,734)	(11,827)
Items of comprehensive income	-	-	-	-	-	-	3,336	-	3,336	260	3,596
Profit for the period	-	-	-	-	-	-	-	155,851	155,851	114	155,965
Total comprehensive income	-	-	-	-	-	-	3,336	155,851	159,187	374	159,561
Equity as at 31 December 2014	**314,225**	**28,251**	**(3,638)**	**(76,318)**	**24,000**	**-**	**(33)**	**155,851**	**442,338**	**-**	**442,338**
Reclassification of treasury shares	(3,638)	-	3,638	-	-	-	-	-	-	-	-
Equity as at 31 December 2014	**310,587**	**28,251**	**-**	**(76,318)**	**24,000**	**-**	**(33)**	**155,851**	**442,338**	**-**	**442,338**

(*) Of which Euro 3,740 thousand from changes in the equity of the subsidiary Cobra AT.

At 31 December 2014 the Parent directly held 978,543 savings shares and 5,095,746 ordinary shares without par value. In addition, 2,512,024 savings shares were indirectly held. The shares were subsequently totally reclassified as a reduction of the share capital.
The notes are an integral part of these condensed interim consolidated financial statements

Statement of changes in equity at 30 June 2015

(in thousands of Euro)	*Share capital*	*Other reserves*	*Treasury shares*	*Retained earnings (accumulated losses)*	*Convertible loan*	*Consolidation reserves*	*Other comprehensive income*	*Profit/ (Loss) for the period*	*Total equity attributable to the owners of the parent*	*Non-controlling interests*	*Total consolidated equity*
Equity as at 31 December 2014	**314,225**	**28,251**	**(3,638)**	**(76,318)**	**24,000**	**-**	**(33)**	**155,851**	**442,338**	**-**	**442,338**
Allocation of Parent's profit/ (loss)	-	10,945	-	-	-	-	-	(10,945)	-	-	-
Allocation of subsidiaries' profit/ (loss)	-	-	-	144,906	-	-	-	(144,906)	-	-	-
Purchase of treasury shares	-	-	(277)	-	-	-	-	-	(277)	-	(277)
Deferred taxes on net equity items	-	(45)	-	-	-	-	-	-	(45)	-	(45)
Expiry of stock options	-	10	-	-	-	-	-	-	10	-	10
Other changes	-	(18)	-	-	-	-	18	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	21	-	21	-	21
Profit/(loss) for the period	-	-	-	-	-	-	-	(3,542)	(3,542)	-	(3,542)
Total comprehensive income (expense)	-	-	-	-	-	-	21	(3,542)	(3,521)	-	(3,521)
Equity as at 30 June 2015	**314,225**	**39,143**	**(3,915)**	**68,588**	**24,000**	**-**	**6**	**(3,542)**	**438,505**	**-**	**438,505**
Reclassification of treasury shares	(3,915)	-	3,915	-	-	-	-	-	-	-	-
Equity as at 30 June 2015	**310,310**	**39,143**	**-**	**68,588**	**24,000**	**-**	**6**	**(3,542)**	**438,505**	**-**	**438,505**

At 30 June 2015 the Parent directly held 3,490,567 savings shares and 5,859,746 ordinary shares without par value. All shares were thus reclassified as a reduction of the share capital. Please refer to note 4.13 regarding the bonus issue of treasury savings shares to shareholders.

The notes are an integral part of these condensed interim consolidated financial statements

Intek Group – Condensed Interim Consolidated Financial Statements at 30 June 2015

Statement of cash flows - indirect method

(in thousands of Euro)		*1st half 2015*	*1st half 2014*
(A) Cash and cash equivalents at the beginning of the year		**48,940**	**1,692**
Profit (loss) before taxes		(3,421)	3,387
Amortisation and depreciation of property, plant and equipment and intangible assets		44	59
Impairment losses (reversal of impairment losses) on non-current assets other than financial assets		256	55
Impairment losses reversal of impairment losses)on investments and financial assets		(619)	(7,305)
Changes in provision for pensions, post employment benefits and stock options		11	27
Changes in provisions for risks and charges		(1,158)	(7)
(Increases) decreases in financial investments and financial assets		(22,106)	583
Increase (decrease) in current and non-current loans and borrowings from related companies		(2,868)	564
(Increase) decrease in current and non-current loan assets from related companies		674	6,171
(Increase) / decrease in current receivables		2,312	6
Increase / (decrease) in current payables		(2,417)	(1,394)
Taxes paid during year		(28)	140
(B) Total Cash flows from (used in) operating activities		**(29,320)**	**2,286**
(Increase) in property, plant and equipment and intangible assets		(18)	(30)
Increase/decrease in other non-current assets/liabilities		(1)	(705)
(C) Cash flows from (used in) investment activities		**(19)**	**(735)**
(Purchase) sale of treasury shares and similar shares		(277)	360
Bond issue and early redemption		39,796	-
Payment of interests on bonds		(2,820)	-
Increase/(Decrease) in current and non-current loans and borrowings		1,463	(2,022)
(Increase)/ Decrease in current and non-current loan assets		(49)	-
(D) Cash flows from financing activities		**38,113**	**(1,662)**
(E) Change in cash and cash equivalents	**(B) + (C) + (D)**	**8,774**	**(111)**
(F) Cash and cash equivalents at the end of the year	**(A) + (E)**	**57,714**	**1,581**

The notes are an integral part of these condensed consolidated interim financial statements.

Intek Group – Condensed Interim Consolidated Financial Statements at 30 June 2015

Notes

1. <u>General information</u>

INTEK Group is a holding company with diverse interests, whose main objective consists in managing portfolio shareholdings and assets, with a dynamic entrepreneurial perspective focused on cash generation and the growth in the value of investments over time, including through sales related to the new development strategies.

The Intek Group is a joint stock company (Società per Azioni) registered in Italy with the Milan Company Register at no. 00931330583, and its shares are listed on the Mercato Telematico Azionario (Borsa Italiana's electronic market) organised and managed by Borsa Italiana S.p.A.

Although it is owned by Quattroduedue Holding BV, through the wholly-owned Quattroduedue S.p.A., Intek is not subject to the management and coordination by Quattroduedue pursuant to articles 2497 et seq. of the Italian Civil Code and article 37 of the Market Regulations due to the fact that:

- it has autonomous powers of negotiation with respect to contractual arrangements with customers and suppliers;
- the Company does not participate in any centralised treasury arrangements operated by the Parent or any other company under Quattroduedue's control;
- the number of independent Directors (three out of nine) is such as to ensure that their opinions have a material influence on board decisions.

The condensed interim consolidated financial statements at 30 June 2015 were approved by the Board of Directors on 5 August 2015 and will be published in accordance with legal requirements.

2. <u>Accounting policies</u>

2.1. Assessment of Investment Entity status

Intek Group considers that it satisfies the characteristics set forth in paragraphs 27 and 28 of IFRS 10 regarding the qualification as an investment entity

Paragraph 27 of IFRS 10 requires that the company:

a) obtain funds from one or more investors with the objective of providing its investors with investment management services;
b) commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
c) measure and evaluate the performance of substantially all of its investments on a fair value basis.

The typical characteristics of investment entities as provided by paragraph 28 of IFRS 10 are the following:

a) it has more than one investment;
b) it has more than one investor;
c) it has investors that are not related parties of the entity; and
d) it has ownership interests in the form of equity or similar interests.

The consolidated financial statements at 30 June 2015 were therefore prepared in application of the accounting standards relative to investment entities, and therefore by measuring at fair value through profit and loss the investments in subsidiaries whose activities are unrelated to the company's business object which are therefore no longer fully consolidated. These principles were applied at the end of the fourth quarter of 2014.

We note that there were no changes to the format of the statement of financial positions from the one presented as at 31 December 2014.

The presentation of the statement of profit or loss and other comprehensive income was however modified to reflect the investment entity activity.

To this end:

- the item "*Net income from investment management*" which contains all the income and expenses relative to the measurement and trading of the equity investments, whether instrumental or not, and the mutual investment funds.
- the item "*Commissions on guarantees given"* which had previously been included under "*Financial income*", is now shown separately;
- the item "*Income from the sales and provision of services*", of a residual nature, is now included under the item "*Other income*";
- the items "*Net income from investment management*" and "*Commissions on guarantees given*" contribute to the Operating Result.

In the cash flow statement, the cash flows from investments in equities and mutual funds, including loan assets with and loans and borrowings from related parties, are classified under cash flows from operating activities.

For comparison purposes, the statement of profit or loss and other comprehensive income and the cash flow statement relative to first half of 2014 were restated inserting an appropriate item under costs and revenue and excluding the cash flows relative to the previously consolidated companies, considered as investments as from the end of 2014.

2.2. Basis of presentation

The condensed consolidated interim financial statements at 30 June 2015 have been prepared pursuant to article 154 *ter* of Legislative Decree 58/1998 and comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission in accordance with the procedure as set out in art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 as well as with the provisions issued in implementation of art. 9 of Legislative Decree 35/2005 where applicable.

The condensed consolidated interim financial statements at 30 June 2015 are composed of the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of cash flows, the statement of changes in equity, as well as the notes thereto.

The accounting schedules and the notes to the financial statements include, besides the amounts relating to the reference period, also the corresponding comparative data:

- at 31 December 2014, for the Statement of financial position
- for the six months ended at 30 June 2014 for the statement of profit or loss and other comprehensive income and the cash flow statement. These statements were restated insofar as the data presented previously so as to be comparable with the data in the reference financial statements. The procedures used for re-presentation of the comparative data are explained in paragraph 2.1.

The statement of financial position has been prepared by classifying separately the current and non-current assets and the current and non-current liabilities.

The Group has opted for presentation of a single statement of profits and loss and other comprehensive income in which the items of revenue and cost recognised during the reporting period are presented, including the financial expense, the portion of the profit (loss) of associated companies in joint ventures accounted for using the equity method, the tax expenses, and a single amount relative to the total discontinued operations. "*Other comprehensive income*" comprises the items, which, following the specific provisions of the individual IFRS, are recognised separately from profit or loss. These items are divided into two categories as follows:

- the items that will not be subsequently reclassified to profit or loss;
- the items that will be subsequently reclassified to profit or loss, when specific conditions are fulfilled.

The amount attributable to the owners of the parent as well as the amount attributable to the non-controlling interests are given for the results of the period and the total comprehensive income.

The method used for the presentation of cash flows within the statement of cash flows is the indirect method, according to which the profit (loss) for the year is adjusted by the effects of:

- changes in receivables and payables generated by operations, which also include investment transactions;
- transactions of a non-monetary nature;
- all other items for which the cash effects are cash flows from investing or financing activities.

In the statement of cash flows, for changes in the consolidation scope, the changes in the assets were considered on the basis of the first consolidation date.

In accordance with IAS 34, the Notes are reported concisely and do not include all the information required in the annual financial statements, while they refer solely to those items that, due to their amount, composition, or changes, are essential for the purpose of representing the Group's financial position and results of operation. These financial statements must therefore be read together with the 2014 consolidated financial statements.

In preparing these consolidated financial statements, the Directors have applied the concepts of accruals, going concern, clarity, significance, materiality, reliability, neutrality, prudence and comparability and applied the same accounting principles used for 2014 consolidated financial statements, except for the standards effective as from 1 January 2015 and for the changes that occurred after the assessment of Investment Entity status as described in paragraph 2.1.

The accounting standards, amendments and interpretations applied for the first time by the company, which nevertheless had no significant effect on equity or the profit/loss for the reporting period, are the following:

- *IFRIC 21 – Levies* IFRIC 21 Levies provides guidance on when to recognise a liability for levies accounted for in accordance with IAS 37, and accounting for liabilities relative to the payment of a levy, the time frame and amount of which are uncertain. IFRIC 21 is applicable from reporting periods that begin on 17 June 2014.
- *Amendments to IAS 19 Employee Benefits.* On 21 November 2013 the IASB published an amendment to IAS 19 entitled Defined Benefit Plans: Employee Contributions. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. This amendment will be applicable from the reporting period that begin subsequently to 1 July 2014.

- *Improvements compared to the 2010-2012 and 2011-2013 cycle.* On 12 December 2012, the IAS issued a series of amendments to the IFRS. These amendments will be applicable from the reporting period that begin subsequently to 1 July 2014.

The Group has not yet applied the accounting standards which are listed below in paragraph 2.22 and which, although already issued by the IASB, become effective after the date of these condensed interim consolidated financial statements or which have not yet completed the endorsement process by the European Union.

Events and transactions affecting the Company are recognised and presented with respect to their economic substance and not only their legal form.

Specific notes contained in the directors' report disclose the content and meaning of the alternative performance indicators, where applicable, which, although not required by IFRS, comply with CESR recommendation 05 - 178b published on 3 November 2005.

These condensed interim consolidated financial statements are presented in Euro (€), the functional currency of the parent and all the consolidated subsidiaries. The tables and figures in the notes are in thousands of Euros, unless otherwise indicated.

2.3. Basis of consolidation

These standards mainly affect equity investments in subsidiaries whose activities are related to the Company's business object as investees held for investment purposes are excluded from the scope of the consolidation.

Subsidiaries are all those companies over which the Intek Group simultaneously has:

- power, i.e. it holds legitimate rights that bestow upon it the actual capacity to manage *relevant activities*, i.e. activities that have a significant effect on returns;
- exposure or the rights to variable returns deriving from the relationship with the company itself;
- capacity to exercise its power.

The assets and liabilities, income and expenses of the subsidiaries consolidated on a line-by-line basis are recognised in the financial statements at their full value; the carrying amount of the investments is eliminated by offsetting it against the underlying interest in the respective equity, and the individual assets and liabilities are measured at their fair value at the date when control of the investee was established. Any residual difference, if positive, is recognised as "goodwill and goodwill arising on consolidation" and in profit or loss, if negative. The portion of equity and profit (loss) attributable to non-controlling interests is recognised under the relevant items. After initial recognition, "goodwill" is measured at cost less accumulated impairment losses as required by IAS 36 "*Impairment of Assets*".

Unrealised profits on intercompany transactions, if material, are eliminated. Receivables, payables, income, expenses, guarantees, commitments and contingencies in connection with transactions between and among consolidated companies are also eliminated. Intercompany losses are not eliminated as they are deemed to represent an impairment loss on the asset sold. All financial statements of subsidiaries, if necessary, have been adjusted to ensure consistency of accounting policies with those of the Group.

The reporting year of all consolidated subsidiaries is the calendar year. They draft their financial statements using the Euro.

In the case of the sale or transfer of an investee, the removal from the scope of consolidation is accounted for from the date of effective loss of control.

In the case of the transfer of a subsidiary to a jointly controlled company or an associate, the recognition of the profit or loss from the loss of control is reflected in profit or loss, as provided for by IFRS 10, paragraph 25. In this case:

a) the assets and liabilities of the former subsidiary are eliminated from the consolidated statement of financial position;

b) any interest retained in the former subsidiary is recorded at the corresponding fair value on the date of loss of control and, thereafter, it is recognised together with any amount due from or to the former subsidiary in accordance with the relevant IFRS provisions. This fair value becomes the basis for the subsequent recognition of the investment;

c) the profits or losses correlated with the loss of control attributable to the former controlling interest are recognised.

d) the amounts recognised under other comprehensive income relative to the former subsidiary are reclassified to profit or loss of the year or transferred directly to retained earnings, if so provided by other IFRS.

The following table lists all subsidiaries consolidated on a line-by-line basis. This has not changed compared to 31 December 2014:

Name	**Registered office**	**Currency**	**Share/quota capital**	**Activity**	**% ownership**	
					direct	**Indirect**
Intek Group SpA	Italy	Euro	314,225,010	Holding company	Parent	
KME Partecipazioni SpA	Italy	Euro	47,900,000	Holding company	100.00%	
I2 Capital Partners SGR SpA	Italy	Euro	1,500,000	Management of investment funds.	100.00%	
I2 Real Estate Srl	Italy	Euro	110,000	Real Estate	100.00%	

2.4. Investments in equity interests and fund units

This item includes investments, including controlling investments, in equities made in order to obtain a yield from the capital appreciation, the income from the investment, or both. Units in investment funds are also included in this item.

These assets are measured at fair value through profit or loss.

Fair value measurement

The initial fair value is determined by means of a transaction price, and therefore it is equal to the consideration paid.

Subsequently, and at the end of each reporting period, the fair value of financial instruments listed on an active market is based on market prices.

The fair value of instruments that are not listed on an active market is determined, also with the support of independent consultants using measurement techniques, based on a series of methods and assumptions relating to market conditions at the reporting date.

The measurement techniques used are the discounted cash flow method, the cost method and the equity method.

The measurement techniques based on the discounted cash flow generally require determination of an estimate of the expected future cash flows throughout the life of the instrument. The model requires an estimate of the cash flows and adoption of market parameters for the discounting: the rate or the discount margin reflects the credit and/or spread financing required by the market for instruments with similar risk profiles and liquidity, so as to define a "discounted value."

For companies that own properties, please see the subsequent paragraph relative to "Investment Property" regarding valuation thereof.

2.5. Investment property

These are properties which are not used in the production or supply of goods or services by the Group. These assets are initially recognised at fair value with any subsequent changes recognized in profit or loss and are, consequently, not systematically depreciated.

For determination of the fair value, reference is made to a value determined mainly by external appraisals, carried out by independent third parties who possess recognized professional qualifications and have experience in the specific type of properties. These appraisals are based on the value per square metre as estimated based on the assessments made by the public real estate registry office for buildings located in the same area, used for the same purpose and considering the state of their upkeep and future potential.

2.6. Financial assets and liabilities

The financial assets and liabilities acquired or held mainly for sale are classified as "financial assets or liabilities at fair value through profit or loss".

Fair value measurement

The fair value of financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets, on initial recognition, is determined on the basis of the transaction price and is, therefore, equal to the amount paid or received.

Subsequently, and at the end of each reporting period, the fair value of financial instruments listed on an active market is based on market prices. The market prices used for derivatives are the bid prices, whereas ask prices are used for financial liabilities. The fair value of instruments that are not listed on an active market is determined using measurement techniques, based on a series of methods and assumptions relating to market conditions on the reporting date.

The fair value of non-derivative financial instruments is determined by discounting future cash flows at the market interest rate at the reporting date.

Non-derivative financial assets and liabilities, except for equity instruments, with fixed or determinable payments, not listed on an active market and not included in any of the above categories, are classified as “Loans and receivables” and are carried at amortised cost using the effective interest method. The amortised cost of current loans and receivables and all current trade payables and receivables, for which the time value of money is immaterial, is deemed to correspond to their carrying amount.

Determination of impairment losses

All financial assets and liabilities, with the exception of “Financial assets and liabilities at fair value through profit or loss”, are tested for impairment in accordance with IAS 39, paragraphs 58-70.

A financial asset is impaired when there is objective evidence that one or more events have had an adverse effect on estimated future cash flows generated by that asset.

An impairment loss on a financial asset measured at amortised cost is the difference between the carrying amount and the present value of projected future cash flows discounted at the original effective interest rate. An impairment loss on an available-for-sale financial asset is determined with reference to the fair value of that asset.

All impairment losses are recognised in profit or loss. Any accumulated impairment losses relating to an available-for-sale financial asset previously recognised in equity, if considered material and permanent, are transferred to profit or loss even if the financial asset has not been derecognised.

Losses are reversed if the subsequent increase in recoverable amount can be objectively related to an event occurring after recognition of the impairment loss. Reversals of impairment losses on assets carried at amortised cost and available-for-sale assets, which are debt instruments, are recognised in profit or loss.

2.7. Property, plant and equipment

Investments in operating assets

Property, plant and equipment are recorded at purchase or production cost, including direct accessory costs, and are shown net of accumulated depreciation and any impairment losses determined in accordance with the methods set out below. Any item of property, plant and equipment consisting of different components with varying useful lives is accounted for separately.

Property, plant and equipment are measured at cost, net of accumulated depreciation and impairment losses, with the exception of land which is not depreciated and is carried at cost net of accumulated impairment losses.

Ordinary maintenance costs are charged to the period they are incurred, while the costs to replace parts of fixed assets and extraordinary maintenance costs are capitalised when it is probable that future measurable economic benefits will arise from them. Borrowing costs relating to the purchase of property, plant and equipment have been capitalised in compliance with IAS 23.

Depreciation is accounted for from the month the asset becomes available for use, or when it is potentially able to provide the economic benefits associated with it. Depreciation is charged monthly on a straight-line basis until the end of the useful life of the relevant asset or, in the event of disposal, until the last month of use.

The useful life is constantly checked, taking into account any changes in the frequency of use of the assets and any changes in depreciation plans are applied prospectively.

Depreciation is charged based on the following useful lives:

Buildings	from 25 to 50 years
Plant and equipment	from 10 to 40 years
Other equipment	from 5 to 15 years

Assets under finance leases

Leases are arrangements by which the lessor transfers the right to use an asset for an agreed period of time to the lessee in exchange for payment or a series of payments. Lease arrangements that essentially transfer all risks and rewards deriving from ownership of the asset are defined as “finance leases” even if title does not pass at the end of the lease. Finance leases are recognised as required by IAS 17, paragraphs 20-32.

“Operating leases” are defined as any arrangement for the lease of assets that is not a finance lease.

Assets acquired under finance leases are recognised as property, plant and equipment together with the corresponding liability. The cost of the lease is separated into two components: financial expense, recognized in profit or loss, and repayment of principal, recognised as a reduction of financial liabilities. Assets held under finance leases are recognised at the lower of cost and the present value of minimum lease payments at the inception of the lease. Assets held under finance leases are depreciated over the shorter of the lease term and their useful lives unless there is reasonable certainty that title to the asset will be obtained at the end of the lease.

Impairment losses

Property, plant and equipment are tested for impairment whenever there is specific objective evidence thereof. The test involves estimating the recoverable amount of the asset, defined as the higher of selling price and value in use, compared to its carrying amount. The recoverable amount is the higher of value in use and its fair value less costs to sell. Value in use is determined by discounting projected cash flows at a pre-tax discount rate that reflects current market estimates of the time value of money and the risks associated with the relevant asset. To the extent that the recoverable amount is less than the carrying amount, the carrying amount is reduced to the recoverable amount with the difference either being recognised in profit or loss or in a revaluation reserve previously created on the revaluation of the relevant asset. Subsequent revaluations are treated analogously.

2.8. Intangible assets

(a) Goodwill

Goodwill is the difference between the acquisition cost of investments and the current value of the subsidiaries' assets, liabilities and contingent liabilities on the acquisition date. Goodwill and other intangible assets with indefinite useful lives are not amortised. Recoverability of their carrying amounts is, however, tested annually and whenever there is objective indication of impairment. Impairment losses are not subsequently reversed.

(b) Other intangible assets with finite useful lives

An intangible asset with finite useful life is an identifiable asset without physical substance that is controlled by an entity and is capable of producing future economic benefits.

Intangible assets, including directly attributable expenses, are initially recogniwed at cost or fair value, respectively. They are then systematically amortised based on their residual useful life, generally between three and five years. The residual value of intangible assets at the end of their useful life is assumed to be zero.

In addition, they are carried net of any impairment losses, in line with the accounting treatment for “Property, plant and equipment”.

2.9. Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits and highly liquid short-term financial investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value (IAS 7 paragraph 7).

2.10. Equity

Share capital consists of ordinary and savings shares without par value, fully subscribed and paid up at the reporting date, reduced by any share capital to be received. The value of treasury shares is reported in accordance with IAS 32 as a reduction of subscribed share capital. Such adjustments are reported in the notes, whilst the historical cost of treasury shares is reported in the statement of financial position as a reduction of equity.

The costs for equity transactions are recognised directly as a reduction of reserves.

2.11. Receivables and payables

The receivables and payables are recognised at fair value which normally coincides with their nominal value, when the effect of the discounting is irrelevant.

2.12. Current and deferred taxes

Tax expense for the year includes both current and deferred taxation. Income taxes are recognised in profit or loss unless relating to transactions recognised directly in equity in which case the relevant tax is also recognized directly in equity.

The current tax expense represents the estimated income tax payable computed on taxable income for the year as determined with reference to current tax rates or those substantially in effect at year end. Deferred taxes are recognised using the equity method, based on temporary differences between the carrying amounts of the assets and liabilities and the corresponding amounts recognised for tax purposes. Deferred taxes are not recognised for the following temporary differences: initial recognition of assets and liabilities for transactions other than business combinations that have no effect on either accounting profit (or loss) or taxable profit (or taxable loss); differences relating to investments in subsidiaries and joint ventures to the extent that the difference is not likely to reverse in the foreseeable future. Deferred tax assets and liabilities are measured with reference to tax rates that it is believed will be in effect in the period in which the underlying asset will be recovered or liability paid based on tax rates in effect or substantially in effect at the end of the year. There is an offset of deferred tax assets and liabilities whenever there is a legal right to offset current tax assets and liabilities and if the deferred tax asset or liability relates to income taxes assessed by the same tax authority on the same taxpaying entity or differing taxpaying entities intending to settle the current tax asset or liability on a net basis or to simultaneously recover the asset and pay the liability.

Deferred tax assets are recognised to the extent that it is likely that there will be sufficient future taxable income to absorb them. The carrying amounts of deferred tax assets are tested for impairment at the end of each reporting period and are reduced to the extent that they are not likely to be recoverable.

2.13. Employee benefits

Post-employment benefits are payable under plans which, depending on their terms and conditions, are classified either as “defined contribution” or “defined benefit” plans. The Group’s liability under defined contribution plans is limited to the payment of contributions to a separate legal entity (including the Government or a fund), and consists of contributions due on the date of these financial statements.

Liabilities under defined benefit plans, such as post-employment benefits pursuant to article 2120 of the Italian Civil Code, less any plan assets, are determined, with the assistance of an independent expert, on the basis of actuarial assumptions and accrued with reference to the length of service required for benefits to become vested. Actuarial gains and losses relating to defined benefit plans deriving from changes in actuarial assumptions or plan terms and conditions are recognised in comprehensive income.

2.14. Provisions for risks and charges

Provisions for risks and charges are liabilities, the amount or due date of which are uncertain. Such provisions are only recognised to the extent that:

- the Group has a current (legal or constructive) obligation as a result of a past event;
- it is probable that resources will be needed to produce economic benefits to meet the obligation;
- it is possible to make a reliable estimate of the amount of the obligation.

The amounts provided are, therefore, the best estimates of the expenses needed to settle the obligation or transfer it to third parties at the reporting date. Where the difference between the present and future value of the provision is significant, the provision is discounted to the amount required to settle the obligation.

2.15. Dividends

Dividends to be paid are recognised as liabilities only in the year in which they were approved by the Shareholders. Dividends to be received are recorded only when the Shareholders' right to receive payment has been established.

2.16. Stock Options

Personnel expense includes the cost associated with stock options granted to executive members of Intek Group SpA's board of directors and certain other group executives, consistent with the nature of remuneration paid.

The fair value of stock options has been determined by the option's value as determined by the Black & Scholes model, which takes into consideration the conditions relating to the exerce of the option, the current share value, and the exercise price, duration of the option, dividends, expected volatility and the risk free interest rate. The cost of stock options, distributed over the entire vesting period, is recognised together with a balancing-entry in equity under Reserve for stock options .

2.17. Non-current assets held for sale (IFRS 5)

Non-current assets are classified in this category when it is expected that their carrying amount will be recovered mainly through sale rather than through continuing use. The sale must be highly probable, with realisation expected within the next twelve months. If the sale is expected to be concluded after more than one year, the costs to sell are measured at their current value. Any increase in the present value of the costs to sell that arises from the passage of time shall be presented as a financial component in the profit or loss.

2.18. Revenue recognition

The revenues arising from the provision of services, including the guarantees granted, are recognized based on the progress of the service as at the reporting date.

The costs and other operating expenses are recognised as a component of profit or loss if they are incurred based on the accruals principle, which refers to revenues, and when they do not fulfil the requirements for recognition as assets in the statement of financial position.

2.19. Financial income and expense

The financial income and expense are recognized in the income statement based on their maturities.

2.20. Earnings/(losses) per share

Basic and diluted earnings/ (losses) per ordinary share are calculated in the following manner:

a) the numerator is equal to profit or loss attributable to the Parent, adjusted by the profit or loss that is to be set aside, for the current year, for outstanding savings shares less any savings treasury shares held directly or through subsidiaries;

b) the denominator of "basic earnings per share" is the weighted average of the outstanding ordinary shares during the year less ordinary treasury shares;

c) the denominator of “diluted earnings per share” is the weighted average of the ordinary shares adjusted by adding the number of any new ordinary shares that could be issued through:

   i) conversion of all outstanding warrants;

   ii) exercise of all stock options granted.

For this calculation, it was assumed that warrants were converted and stock options exercised at the beginning of the year and that the conversion and exercise did not result in increased income or decreased expenses.

The calculation at 31 June 2015 of the basic earnings per share was carried out taking into account the profit or loss attributable to the owners of the Parent, net of the portion applicable to the saving shares, attributable to holders of ordinary shares outstanding and an average number of ordinary shares equal to 340,410,924 taking into account any fractioning and/or regrouping and any increases/reductions of the share capital pursuant to IAS 33 paragraph 64. In addition, the potentially diluting effect arising from the conversion of all the stock options was calculated.

2.21. Use of estimates

The preparation of the condensed interim consolidated financial statements and notes thereto in accordance with IFRS requires the Directors to make estimates and assumptions which influenced the amounts reported under assets and liabilities. In consideration of the fact that interim financial statements are mostly based on updates of the estimates made in previous end-of-year financial statements, and in absence of objective elements, the amounts of the assets and liabilities are adjusted only if the results of the updates of the estimates differ significantly.

The estimates were mainly used to determine: the *fair value* of investments in equity interest and fund units, of investment property, the useful lives of non-current assets and the related recoverable amount, allowance for impairment, any impairment losses, the cost of employee benefits, the estimated current and deferred tax charges, estimated indefinite useful lives of intangible assets and other provisions.

These estimates and assumptions are periodically checked and any variations are immediately recognised in profit or loss. At the reporting date, the Directors were of the opinion that the estimates and assumptions used were the best indicators of the actual amounts given the information to hand. In addition, the Directors believed that the estimates and assumptions adopted did not imply any material adjustments to carrying amounts of assets and liabilities.

2.22. Accounting standards not yet applied

At 30 June 2015, certain new standards, revisions to standards and interpretations applicable to the Group had not yet become effective and were not used to prepare these condensed interim consolidated financial statements.

The most important included:

- *IFRS 15 Revenue from Contracts with Customers.* On 28 May 2014, the IASB and the FASB jointly issued standard IFRS 15, the purpose of which is to improve the representation of revenues and global comparability of financial statements with the objective of rendering accounting of economically similar transactions uniform. This standard is applicable to IFRS users beginning from the reporting period that begins after 1 January 2017 (early application is allowed).
- *IFRS 9 – Financial instruments:* On 12 November 2009, the IASB published the standard in question which was repeatedly amended prior to 28 October 2010, in a subsequent intervention in mid-December 2011 and finally on 24 July 2014. The standard, applicable

from 1 January 2018, represents the first part of a process in phases which aims to replace IAS 39 and introduce new criteria for the classification and measurement of financial assets and liabilities and the derecognition of financial assets. In particular, for financial assets, the new standard uses a single approach based on the management procedures and characteristics of the contractual cash flows of the financial assets themselves in order to determine the valuation criterion, replacing the various rules in IAS 39. On the other hand, the main change with regard to the accounting treatment of changes in fair values of a financial liability designated as a financial liability at fair value though profit and loss, if these are due to changes in the credit rating of the liabilities themselves. According to the new standard, these changes must be recognised in the statement of comprehensive income and should not go through profit or loss.

- *IFRS 14 - Regulatory Deferral Accounts*. On 30 January 2014 the IASB published IFRS 14, relative to the Rate-regulated activities project. IFRS 14 allows only entities adopting IFRS for the first time to continue to recognise amounts relative to rate regulation according to the previous accounting standards adopted. In order to improve comparison with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation be presently separately from other items.
- *Amendment to IAS 16 and 38 Property, Plant and Equipment and Intangible Assets.* On 12 May 2014 the IASB published an amendment to the standard specifying that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The adoption of this standard is not expected to produce effects on the Group's financial statements.
- *Amendments to IFRS 11 - Joint Arrangements.* On 6 May 2014 the IASB published an amendment to the standard which adds new guidelines to the accounting for acquisition of an interest in a joint operation when the operation constitutes a business.
- *Amendment to IAS 27 – Separate financial statements:* On 12 August 2014, the IASB published an amendment to the standard which will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- On 7 September 2014, the IAS issued a group of amendments to the IFRS ("Improvements to IFRS 2012-2013 cycle and 2013-2014 cycle"). These amendments will be applicable from 1 January 2016. Early application is allowed.
- *Amendment to IFR 10, IFR 12 e IAS 28* – Investment Companies: exceptions to the consolidation method. The IASB has issued a series of amendments which mainly refer to:

IFRS 10 *Consolidated Financial statements* – The amendments to the IFRS clarified that the exemption from presenting consolidated financial statements applies to a parent company which is in turn controlled by an investment company, when the investment entity measures all its subsidiaries at fair value.

IAS 28 *Investments in Associates* - The amendment to IAS 28 allows a company that is not an investment company but which has an equity investment in an investment company which is measured using the equity method, to maintain for this measurement, the fair value applied by the investment company with reference to its own interests in subsidiaries.

IFRS 12 *Disclosure of Interests in Other Entities* – The amendment to IFRS 12 clarifies this standard does not apply to investment companies that draft their own financial statements, which measure all subsidiaries at fair value through profit and loss.

These amendments are applicable retroactively from the reporting periods beginning 1 January 2016 or later. Earlier application is allowed.

- *Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.* The amendment issued by the IASB in September 2014 outlines the amendments that aim to rectify an incongruence insofar as the sale or contribution of assets between an investor and its subsidiary or joint venture. The main consequence of the amendments is that a profit or loss is recognised in full when the transaction involves a business. The aforementioned amendments would be applicable prospectively beginning from the financial statements that begin on (or after) 1 January 2016, but, in January 2015, the IASB itself decided to postpone the effective date as inconsistencies were identified in certain paragraphs of IAS 28. Following the decision made by the IASB, the European Union therefore blocked the endorsement process while awaiting publication of the new document with the new effective date.
- *Amendment to IAS 1 – Disclosure Initiative*: In December 2014, the IASB issued a series of amendments to the disclosure to be presented in the financial statements and the schedules contained therein. These amendments are applicable from the reporting periods beginning 1 January 2016 or later. Earlier application is allowed.

The Group will adopt these new standards, amendments and interpretations, on their application dates and it will assess their potential impact as soon as the European Union proceeds with their endorsement.

3. ***<u>Financial risk management</u>***

As a dynamic investment holding company, Intek Group is directly exposed to risks connected to investments and disinvestments. The company's financial results depend mainly on these transactions and the dividends distributed by subsidiaries and, therefore, in the final analysis, in addition to the financial performance they also reflect the investment and dividend distribution policies of the subsidiaries.

Corporate equity investments are by their nature investments that carry a certain level of risk. Indeed, these types of investments do not provide the certainty that the invested capital will be refunded in full or they could produce cash flows that are insufficient for remuneration of the capital investment or in any case result in performances that could trail behind market performances.

Furthermore, the disinvestment process could require more time than was expected and/or be realised on the basis of terms and conditions that are not fully satisfactory or at non-remunerative terms and conditions. In particular, regarding equity investments in unlisted companies, whether held directly or indirectly, the absence of risks connected mainly to the liquidity of these equity investments and their valuation cannot be guaranteed, in consideration: (a) of the possible absence in these companies of control systems similar to those required of companies with listed shares, the possible consequent unavailability of an information flow that is at least equal, insofar as its quantity and quality, to the ones available for companies with listed shares; and (b) of the difficulties inherent in carrying out independent audits of the companies and therefore assessing the completeness and accuracy of the information they provide. For equity investments that are not controlling investments, whether in listed companies or unlisted companies, the possibility of influencing the management of the equity investments themselves in order to promote growth, including through a relationship with the management and the shareholders of the investee, could be limited.

Types of risk:

a) credit risk: there are no significant geographical concentrations in connection with this risk. Existing guidelines guarantee adequate assessment of customers' creditworthiness. This is achieved by selecting customers on the basis of historical experience, statement of financial position and/or cash flow;

b) liquidity risk: Liquidity risk can arise from the inability to raise financing for operating activities as and when required. All inflows and outflows and cash balances of Group companies are centrally monitored and managed by Group Treasury. The Group intends to meet its cash requirements for the repayment of non-current loans and borrowings and capital expenditure through cash flows from operating activities, cash on hand and fresh bank borrowings or the roll-over of existing bank credit.

c) currency risk: the Group is exposed to the risk that the fair value of the investments outside the Euro area will fluctuate with changes in the exchange rates;

d) interest rate risk: interest rate risk, to which the Group is exposed, arises primarily in connection with non-current loans and borrowings. Floating rate payables expose the Group to a cash flow risk, while fixed rate liabilities entail assumption of the risk of a change in fair value.

e) the risk of fluctuation of the share value: the Group is exposed to market fluctuations insofar as the listed shares it holds in its portfolio and changes in the market parameters used for determination of the value of equity investments through valuation techniques. The risk of fluctuations in the values of these equity interests, recognised under " investments in equity interests and fund units" is not actively managed using financial hedging instruments.

4. Notes to the Condensed Interim Consolidated Financial Statements at 30 June 2015

4.1. Investments in equity interests and fund units

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Investments in subsidiaries and associates	429,314	428,674	640
Investments in other companies	12	12	-
Other funds units	8,065	7,738	327
Other investments	1,333	1,436	(103)
Investments in equity interests and fund units	**438,724**	**437,860**	**864**

The breakdown of the item was as follows:

Name	*Registered office*	*Activity*	*Percentage of interest*	*31 Dec. 2014*	*Increases*	*Decreases*	*Positive change in fair value*	*Negative change in fair value*	*30/06/2015;*
KME AG	Osnabruck (D)	Industrial	100.00%	391,615	-	-	-	-	391,615
ErgyCapital SpA	Florence	Alternative Energy	46.37%	6,970	-	-	618	-	7,588
FEB - Ernesto Breda SpA	Milan	Holding company	86.55%	15,335	-	-	165	-	15,500
KME Beteiligungsgesellsch.mbH	Osnabruck (D)	Real Estate	100.00%	1,000	-	-	-	-	1,000
Tecno Servizi Srl	Varedo	Real Estate	100.00%	2,500	-	-	-	(243)	2,257
Malpaso Srl	Milan	Real Estate	100.00%	30	100	-	-	-	130
Rede Immobiliare Srl	Milan	Real Estate	48.98%	7,900	-	-	-	-	7,900
Progetto Ryan 2 Srl in liq.	Milan	In liquidation	88.00%	400	-	-	-	-	400
Intek Investimenti Srl	Milan	Deeds of Arrangement	100.00%	20	-	-	-	-	20
Culti Srl	Milan	Furniture	100.00%	2,500	-	-	-	-	2,500
Culti Milano Srl	Milan	Furniture	100.00%	4	-	-	-	-	4
Il Post Srl	Milan	Publishing	18.80%	400	-	-	-	-	400
Total Subsidiaries and Associates				**428,674**	**100**	**-**	**783**	**(243)**	**429,314**
Other investments				**12**	**-**	**-**	**-**	**-**	**12**
Total investment				**428,686**	**100**	**-**	**783**	**(243)**	**429,326**
I2 Capital Partners Fund				7,704	161	-	156		8,021
Value Secondary Investment SICAR				34	-	-	10	-	44
Total Fund Units				**7,738**	**161**	**-**	**166**	**-**	**8,065**
Warrant ErgyCapital				560	-	-	-	(103)	457
Advances for equity investments				876	-	-	-	-	876
Total Other investments				**1,436**	**-**	**-**	**-**	**(103)**	**1,333**
Investments in equity interests and fund units				**437,860**	**261**	**-**	**949**	**(346)**	**438,724**

(*): the amount indicated refers solely to shares recognised under non-current assets;

(**): of which 48.98% directly and the remainder through Malpaso Srl;

(***): formerly Culti Srl.

For determination of the fair value of the investments, we have updated the estimates made at the time of the drafting of the 2014 financial statements, which you are referred to for further details.

Regarding the equity investment in KME AG, with the assistance of an external consultant, the Unlevered discounted cash flow (UDCF) method was used to discount the operating cash flows generated by the assets themselves (net of the tax effect) at a discount rate which is representative of the weighted average cost of capital (WACC) of 8.0% plus an additional premium of 1.5% to reflect the risks inherent in estimates taking into account the historic deviations. The economic forecasts and changes to certain statement of financial position items contained in the 2015-2019 plan ("the Plan") already used previously were used as a basis.

Similarly to 31 December 2014, sensitivity analyses were carried out in relation to the WACC applied and the EBITDA levels.

The basic assumptions would have led to a positive change in fair value that was less than 10% compared to the one used as at 31 December. This change is due to the improvement of the statement of financial position elements and the reduction of the market rates. In the light of the reduced financial performances in the first half of 2015 and the higher estimate level applied in the process for the updating of the calculations, the directors considered it appropriate to focus on sensitivity analyses that were more prudent, and made no changes to the carrying amount of the equity investment.

Regarding the equity investment in FEB – Ernesto Breda, again with the assistance of an external consultant, the updating of the equity estimate resulted in a fair value that fluctuates from a minimum amount of Euro 12.6 million to a maximum amount of Euro 17 million, and in this case as well the directors opted to use the value of Euro 15.5 million within this range.

For the ErgyCapital shares and warrants, the market price at 30 June 2015 was applied, pursuant to IFRS 13.

For the other equity investments, the reference was mainly made to the amounts of their shareholders' equities, adjusting them based on the current amounts of the relative assets, consisting mainly of properties with fair values corroborated by appraisals carried out by independent third parties. As there was no new information provided by the regional agency, no updates to the amounts were carried out.

The stakes in “Investment funds” relate entirely to the Intek Group holding (19.15%) in the I2 Capital Partners investment fund managed by the subsidiary I2 Capital Partners SGR SpA. The fair value has been calculated based on the fair value of the individual investments of the fund net of other financial assets and liabilities.

4.2. Non-current loan assets

This item can be broken down as follows:

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Bank deposits pledged as collateral	2,673	2,673	-
Receivables due from related companies	7,861	7,361	500
Receivables for guarantees issued	-	1,675	(1,675)
Other non-current financial assets	100	51	49
Non-current loan assets	**10,634**	**11,760**	**(1,126)**

“*Bank deposits pledged as collateral*” refer to the bank guarantees issued for the sale of the equity investment in Cobra AT (Euro 2,000 thousand) and for the special situations activity (Euro 673 thousand).

"Receivables due from related companies" are of Euro 7,456 thousand (Tecno Servizi), Euro 175 thousand (NewCocot) and Euro 230 thousand (Idra International). This last receivable was adjusted by Euro 100 thousand compared to 31 December 2014 in order to reflect the net realizable value.

"*Receivable for guarantees issued*" are the present value of guarantee fees receivable in more than 12 months, for guarantees issued by the Company to banks on behalf of the Group companies to which the loans were extended. These receivables are matched by payables of an equal amount. The carrying amount of receivables determined in that manner is believed to approximate fair value. This item was zeroed since the orders do not refer to loans which mature within the next twelve months.

4.3. Investment property

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Investment property	**4,440**	**4,488**	**(48)**

The most significant item is of Euro 3,862 thousand and is relative to the Ivrea area held by I2 Real Estate.

The breakdown of the movements during the year is the following:

(in thousands of Euro)	
Total at 31 December 2014	**4,488**
Increases in the period	7
Fair value adjustments	(55)
Total at 30 June 2015	**4,440**

4.4. Property, plant and equipment

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Plant and equipment	1	2	(1)
Moveable property	424	454	(30)
Property, plant and equipment	**425**	**456**	**(31)**

Changes in the period may be summarised as follows:

(in thousands of Euro)	*Buildings*	*Plant and equipment*	*Moveable property*	*Total*
Gross amount	1,144	37	2,157	3,338
Accumulated depreciation	(1,144)	(35)	(1,703)	(2,882)
Total at 31 December 2014	**-**	**2**	**454**	**456**
Gross amount at 31 December 2014	**1,144**	**37**	**2,157**	**3,338**
Purchases in the period	-	-	10	10
Gross amount at 30 June 2015	**1,144**	**37**	**2,167**	**3,348**
Accumulated depreciation at 31 December 2014	**(1,144)**	**(35)**	**(1,703)**	**(2,882)**
Amortisation, depreciation and impairment losses	-	(1)	(40)	(41)
Accumulated depreciation at 30 June 2015	**(1,144)**	**(36)**	**(1,743)**	**(2,923)**
Gross amount	1,144	37	2,167	3,348
Accumulated depreciation	(1,144)	(36)	(1,743)	(2,923)
Total at 30 June 2015	**-**	**1**	**424**	**425**

4.5. Goodwill

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Goodwill	**798**	**1,000**	**(202)**

The reduction is connected to impairment losses made for realisation of part of the contingent assets the goodwill refers to.

4.6. Intangible assets

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Other assets	3	4	(1)
Intangible assets	**3**	**4**	**(1)**

The intangible assets shown above relate to software and have finite useful lives.

The changes in the first half of 2015 were as follows:

(in thousands of Euro)	*Other assets*	*Payments on account and ongoing development*	*Total*
Gross amount	9	-	9
Accumulated amortisation	(5)	-	(5)
Total at 31 December 2014	**4**	**-**	**4**
Gross amount at 31 December 2014	**9**	**-**	**9**
Movements in the period	-	-	-
Gross amount at 30 June 2015	**9**	**-**	**9**
Accumulated depreciation at 31 December 2014	**(5)**	**-**	**(5)**
Amortisation and impairment losses	(1)	-	(1)
Accumulated depreciation at 30 June 2015	**(6)**	**-**	**(6)**
Gross amount	9	-	9
Accumulated amortisation	(6)	-	(6)
Total at 30 June 2015	**3**	**-**	**3**

4.7. Other non-current assets

The breakdown of the item was as follows:

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Guarantee deposits	485	484	1
Other non-current assets	**485**	**484**	**1**

The item "*Guarantee deposits*" refers mainly (Euro 466 thousand) to amounts paid in relation to the sale of the property in Paris.

4.8. *Current loan assets*

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Investments in securities	21,965	-	21,965
Receivables due from related companies	10,010	7,772	2,238
Receivables for guarantees issued	4,027	3,892	135
Financial assets held for trading	493	467	26
Current loan assets	**36,495**	**12,131**	**24,364**

The "*Investments in securities"* refer to harmonised UCIs (investment funds), in which a portion of the Group's liquidity is invested while awaiting other investment opportunities.

The"*Receivables from related companies"* refer to:

- Euro 4,121 thousand balance of loans to Ergy Capital:
- Euro 2,283 thousand which is the balance of the loans to subsidiary Progetto Ryan 3 in liquidation (formerly Culti Srl);
- Euro 1,497 thousand balance of loans to subsidiary Quattroduedue S.p.A.;
- Euro 1,308 thousand balance of loans to subsidiary Culti Milano S.r.l.;
- Euro 503 thousand balance of loans to Rede Immobiliare S.r.l.;
- Euro 291 thousand balance in the current accounts held with the indirect subsidiary KME Yorkshire Ltd;
- Euro 7 thousand which is the balance of the current accounts held with the subsidiary Intek Investimenti S.r.l.

The "*Receivables for guarantee issued*" are the present value of guarantee fees that are receivable within 12 months, for guarantees issued by the INTEK Group S.p.A. to banks on behalf of the Group companies to which loans were extended.

The "*Financial assets held for trading*" consist of, among other things:

- 4,458,440 ErgyCapital SpA ordinary shares, which are carried at their official price at the reporting date (Euro 0.098 per share);
- 4,993,900 ErgyCapital SpA warrants, which are carried at their official price at the reporting date (Euro 0.009 per warrant);

In reference to the Consob Communication no. DEM/11070007 of 5 August 2011 which drew on the document issued by the European Securities and Markets Authority (ESMA), it is specified that the Group has no investments in sovereign debt securities.

4.9. Trade receivables

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Due from customers – gross amount	*2,472*	*2,453*	19
Allowance for impairment	*(1,043)*	*(1,043)*	-
Due from customers – net amount	1,429	1,410	19
Due from related companies	3,309	1,838	1,471
Receivables for factoring/leases	8,198	7,792	406
Trade receivables	**12,936**	**11,040**	**1,896**

The "*Due form related companies*" at 30 June 2015 mainly refer to guarantees issued.

The change in the year in the "*receivables for factoring/leases"* is mainly due to the uses of the recovery fund for payments made to lawyers.

4.10. Other current receivables and assets

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Tax assets	4,883	7,104	(2,221)
Receivables from special situations	4,995	6,832	(1,837)
Prepayments and accrued income	190	149	41
Advance payments to suppliers	-	54	(54)
Other receivables	360	497	(137)
Other current receivables and assets	**10,428**	**14,636**	**(4,208)**

"*Tax assets*" include, among other things, receivables for direct taxes of Euro 3,369 thousand (of which Euro 2,500 thousand requested for reimbursement) and VAT receivables for Euro 1,245 thousand of the Parent.

"*Receivables from special situations*" mainly include receivables arising from insolvency procedures for Euro 3,332 thousand and receivables secured by properties for Euro 1,661 thousand. Receivables due from insolvency procedures relate to positions concerning the Finanziaria Ernesto Breda procedure in order to guarantee receivables for its subsidiaries, which are in administrative compulsory liquidation, and which will be collected based on the progress in these companies' insolvency procedures. The receivables secured by real estate were reduced in 2015 by the amounts collected as a result of the sale of certain properties.

The carrying amount of other receivables is believed to approximate their fair value.

4.11. Cash and cash equivalents

"*Cash and cash equivalents*" consist of bank and post office accounts and cash on hand.

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Bank and post office accounts	57,705	48,932	8,773
Cash on hand	9	8	1
Cash and cash equivalents	**57,714**	**48,940**	**8,774**

4.12. Non-current assets held for sale

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Properties held for sale	1,559	1,559	-
Non-current assets held for sale	**1,559**	**1,559**	**-**

These are properties from the former Fime operations which are currently in the process of being sold.

4.13. Equity

Please see the “Statement of changes in equity” for an analysis of changes in equity.

The Intek Group 2012-2017 Convertible Loan has been recognised, on the basis of IAS 32, under equity since:

- the issuer is not obliged to make any payment in relation to the instrument. The authorisation for the Board of Directors to proceed with the cash repayment of the Convertible Bonds instead of their (automatic) conversion into shares is remitted to the shareholders’ meeting (by means of a resolution adopted with the majority required by the regulation for the Convertible Loan);
- the number of shares which the issuer of the Convertible Loan must assign to the holders of the Compulsory Convertible Bonds on their expiry is preset and is not subject to change.

On 1 July 2015, in execution of the resolution of the Ordinary Shareholders’ Meeting of 19 June, 1 treasury savings share was assigned, free of charge to all the holders of ordinary shares and/or savings shares of the Company, other than the Company itselr, for every 111 ordinary and/or savings shares held.

Due to the above transactions, as at the date of this report, the company holds 5,859,746 ordinary shares (or 1.696% of the voting capital and 1.481% of the total capital) and 11,801 savings shares (or 0.0236% of this type of capital)

4.14. Employee benefits

The details and movements of the item during the half year are shown below:

(in thousands of Euro)	*31 Dec. 2014*	*Increases*	*Decreases*	*Contributions to the fund*	*30 Jun. 2015*
Defined benefit plans	-	-	-	-	-
Post-employment benefits	471	44	(42)	(22)	451
Employee benefits	**471**	**44**	**(42)**	**(22)**	**451**

The "*post-employment benefits"* item is composed as follows:

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Other changes*
Executives	152	145	7
White-collars	268	273	(5)
IAS adjustment	31	53	(22)
Post-employment benefits	**451**	**471**	**(22)**

The main criteria used to measure “Employee Benefits ” are as follows:

General Criteria	*30 Jun. 2015*	*31 Dec. 2014*
Discount rate	2.06%	1.49-3.55%
Rate of increase in future remuneration	0.5-1.0%	1.0%
Average remaining working life	10.4-11.3 years	13 years
General Criteria		

A discount rate based on the "Iboxx Eurozone Corporate AA" index was used also at 30 June 2015 for the actuarial valuation of the post-employment benefits (TFR).

4.15. Non-current loans and borrowings and financial liabilities

The breakdown of the item was as follows:

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Intek Group 2015/2020 bonds	100,678	-	100,678
SFP Intek Group 2012/2017	-	48,662	(48,662)
Intek Group 2012/2017 bonds	-	11,328	(11,328)
Related to Financial guarantees issued	-	1,675	(1,675)
Bank loans and borrowings	1,343	1,467	(124)
Due to lease companies	12	15	(3)
Non-current loans and borrowings and financial liabilities	**102,033**	**63,147**	**38,886**

The items “SFP Intek Group” and “Intek Group bonds 2012-2017” relate to the financial instruments issued during the public exchange offers made in 2012 by Intek (with the issue of bonds) and by KME Group (with the issue of participatory financial instruments in the form of bonds). As at 31 December 2014, there were 22,655,247 issued and outstanding Intek Group bonds with a nominal unit value of Euro 0.50, while there were 115,863,263 SFP Intek Group participatory, with a nominal value of Euro 0.42 issued and in circulation. Both categories of securities had a duration of five years from 2012 to 2017 and fixed interest of 8%.

In December 2014 INTEK Group launched the issue of a new bond “Intek Group bonds 2015-2020” with a duration from 2015 to 2020, and yield at a fixed rate of 5%. This security was offered in exchange to holders of outstanding securities and as an offer to subscribe. Upon completion of the transaction concluded in February 2015, the securities that were not used to participate in the exchange were redeemed early. The nominal value of the issue is Euro 101,703,751.20 while the carrying amount was recorded net of the issue costs which were deferred over the duration of the security, so that a constant effective interest rate could be determined.

The "*bank loans and borrowing"* are relative to two mortgage-guaranteed loans of the subsidiary I2 Real Estate which fall due on 31 December 2021 and 31 December 2024. The first loan totalling Euro 1,380 thousand as at 30 June 2015 accrues interest on the basis of six month Euribor plus a spread of 0.9 points and it is secured by the properties in Ivrea. The second loan totalling Euro 1,165 thousand pays interest on the basis of six month Euribor plus a spread of 1.25 points and is secured by the Padua properties. No financial covenants are envisaged.

4.16. Other non-current liabilities

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Other payables	938	938	-
Other non-current liabilities	**938**	**938**	**-**

The "*Other payables*" item refers to special situations within the context of arrangements with creditors and has not changed compared to 31 December 2014.

4.17. Provisions for risks and charges

A summary of the movements relating to the provisions for risks and charges is as follows:

(in thousands of Euro)	*31 Dec. 2014*			*Increases*	*Releases/ uses*	*30 June 2015*
	Non-current	*Current*	*Total*			
Provisions for special situation risks	3,584	-	3,584	-	(266)	3,318
Other provisions for risks and charges	2,517	-	2,517	-	(892)	1,625
Total	**6,101**	**-**	**6,101**	**-**	**(1,158)**	**4,943**

The "*Provisions for special situation risks"* refer to the leasing and factoring which had previously been carried out by the Fime Group. The decrease compared to 31 December 2014 is due to the positive outcome of a Court of Appeals ruling which reduced the liability of the Company.

The "*Other provisions for risks and charges"* were reduced due to the use of the risk provision established as at 31 December 2014, for the swaps of the outstanding debt securities. This item includes an amount of Euro 1,337 thousand allocated for coverage of the tax liabilities relative to a sold equity investment which the Group had guaranteed. In the first half of 2015, a ruling was handed down by the Court of Cassation which rejected the appeals against the prior ruling.

At the publication date of these condensed interim consolidated financial statements, there were no other significant contingent liabilities.

4.18. Current loans and borrowings and financial liabilities

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Due to related companies	21,046	20,373	673
Payable for guarantees issued	4,027	3,892	135
Bank loans and borrowings	1,202	1,202	-
Due to lease companies	6	5	1
Due to others	1,810	3,932	(2,122)
Current loans and borrowings and financial liabilities	**28,091**	**29,404**	**(1,313)**

"Due to related companies" contains the balance of the joint current accounts, which are held at market rates with remuneration set at Euribor plus a spread, in existence with the following direct or indirect subsidiaries:

- Euro 19,084 thousand with FEB-Ernesto Breda
- Euro 1,962 with Breda Energia.

In regard to the "*Payable for guarantees issued"* item, please see the comments under the item *"Non-current financial assets.*"

"*Bank loans and borrowings*" also include amounts falling due within twelve months of the long-term loans as mentioned above.

At 31 December 2014 the item "*Due to others*" include payables due to the Cassa Nazionale Previdenza e Assistenza Ragionieri e Periti Commerciali (Qualified accountant pension fund) (Euro 1,960 thousand) and the interest on the debt securities issued (Euro 1,972 thousand). The amount of the interest on the outstanding securities, constituting the only component of the item as at 30 June 2015, is equal to Euro 1,810 thousand.

The net financial debt with the details of its main components pursuant to Consob Communication no. 6064293 and CESR recommendation of 10 February 2005 “Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses” is presented in the “Directors’ Report” rather than in these notes.

4.19. Trade payables

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Due to suppliers	848	1,138	(290)
Due to related companies	17	138	(121)
Trade payables	**865**	**1,276**	**(411)**

The carrying amount of trade payables is believed to approximate their fair value.

4.20. Other current liabilities

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Tax liabilities	1,859	3,445	(1,586)
Payables to directors and statutory auditors	1,497	2,090	(593)
Due to employees	303	160	143
Due to social security institutions	101	196	(95)
Accrued expenses and deferred income	3	-	3
Other payables	1,819	1,697	122
Other current liabilities	**5,582**	**7,588**	**(2,006)**

“*Payables due to directors and statutory auditors*” refer to the parent and includes Euro 1,254 thousand for the end of term indemnity which had previously existed for the chairman.

“*Tax payables*” primarily relate to value added tax payable and direct taxes.

The "*Due to employees"* item includes the amounts accrued but not paid as at the date of these financial statements which are increased as on the reference date the allocation for the additional monthly amount payable in the month of December is also included.

"Other payables" include Euro 1.3 million of payables to former lease customers, from Intek, and they refer to amounts collected as advances from customers which were not offset with credit items.

4.21. Deferred tax assets and liabilities

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Deferred tax assets	8,420	8,633	(213)
Deferred tax liabilities	(1,653)	(1,728)	75
Deferred tax assets and liabilities	**6,767**	**6,905**	**(138)**

The parent has not recognised deferred taxes on the temporary difference relating to the financial investment in the subsidiary KME AG in compliance with paragraph 39 of IAS 12.

At the reporting date of these condensed interim consolidated financial statements, the Group did not record deferred tax assets on tax losses amounting to Euro 5.7 million on which the deferred tax assets had been recognised.

Deferred tax assets and liabilities by asset and liability item are shown below:

(in thousands of Euro)	*Deferred tax assets*		*Deferred tax liabilities*	
	30 Jun. 2015	*31 Dec. 2014*	*30 Jun. 2015*	*31 Dec. 2014*
Intangible assets	53	53	-	-
Investment property	273	273	-	-
Investments	-	-	(337)	(337)
Trade receivables	5,623	5,940	(1,310)	(1,385)
Other current receivables and assets	104	104	-	-
Other non-current liabilities	-	-	(6)	(6)
Provisions for risks and charges	907	980	-	-
Other current liabilities	257	475	-	-
Deferred tax assets on equity items	44	88	-	-
Deferred tax assets on tax losses carried forward	1,159	720	-	-
Total	**8,420**	**8,633**	**(1,653)**	**(1,728)**

Deferred tax assets recognised in equity primarily refer to costs associated with the share capital increase and the purchase of treasury shares incurred by the parent.

4.22. Transactions with other related parties

During the year, the Group undertook trading and financial transactions with unconsolidated related parties. The related amounts were insignificant, as shown in the tables below.

All such transactions, however, were at arm's length.

(in thousands of Euro)	*Non-current loan assets*	*Trade receivables*	*Other current receivables and assets*	*Current loan assets*	*Current loans and borrowings*	*Trade payables*	*Other current liabilities*
Breda Energia SpA in administrative compulsory liquidation	-	13	-	-	(1,962)	-	-
Bredafin innovazione SpA in administrative compulsory liquidation	-	13	-	-	-	-	-
Culti Milano Srl	-	20	-	1,308	-	-	-
ErgyCapital SpA	-	327	-	4,121	-	-	-
EM Moulds Srl	-	9	-	-	-	-	-
FEB - Ernesto Breda SpA	-	77	-	-	(19,084)	-	-
Fricke Gmbh	-	1	-	-	-	-	-
Idra International SA	230	-	-	-	-	-	-
Intek Investimenti Srl	-	3	-	7	-	-	-
KME AG	-	2,041	-	-	-	-	-
KME Brass France Sas	-	-	-	-	-	-	-
KME Brass Germany Gmbh	-	-	-	-	-	-	-
KME Brass Italy Srl	-	-	-	-	-	-	-
KME France S.A.	-	2	-	-	-	-	-
KME Italy SpA	-	61	-	-	-	(2)	-
KME Germany & CO KG Gmbh	-	140	-	-	-	(15)	-
KME Yorkshire Ltd.	-	210	-	291	-	-	-
KME Spain S.A.	-	-	-	-	-	-	-
New Cocot Srl in liquidazione	175	-	-	-	-	-	-
Progetto Ryan 2 Srl in liquidation	-	100	-	-	-	-	-
Progetto Ryan 3 Srl in liquidation (Culti Srl)	-	61	-	2,283	-	-	-
Quattroduedue SpA	-	46	8	1,497	-	-	-
Rede Immobiliare	-	-	-	503	-	-	-
Società Agr. San Vito Biogas Srl	-	185	-	-	-	-	-
Tecno Servizi	7,456	-	-	-	-	-	-
Receivables for guarantees	-	-	-	4,027	-	-	-
Directors and Statutory Auditors	-	-	-	-	-	-	(1,497)
	7,861	**3,309**	**8**	**14,037**	**(21,046)**	**(17)**	**(1,497)**
Total	**10,634**	**12,936**	**10,428**	**36,495**	**(28,091)**	**(865)**	**(5,582)**
Percentage	**73.92%**	**25.58%**	**0.08%**	**38.46%**	**74.92%**	**1.97%**	**26.82%**

(in thousands of Euro)	*Commissions on guarantees given*	*Other operating revenue*	*Other operating costs*	*Financial income*	*Financial expense*
Adv Mould India Lmt	-	-	-	-	-
Breda Energia SpA in administrative compulsory liquidation	4	7	-	-	(26)
Bredafin Innovazione SpA in administrative compulsory liquidation	4	7	-	-	-
Culti Milano Srl	-	-	-	7	-
EM Moulds Srl	9	-	-	-	-
Ergy Capital SpA	7	-	-	60	-
FEB - Ernesto Breda SpA	4	42	-	-	(249)
Idra International SA	-	-	-	56	-
KME AG	1,952	-	-	-	-
KME Brass France	(8)	-	-	-	-
KME Brass Germany	(8)	-	-	-	-
KME Brass Italy	1	-	-	-	-
KME France SA	2	-	-	-	-
KME Germany & CO KG Gmbh	83	-	-	-	-
KME Italy Srl	42	-	-	-	-
KME Spain S.A.	(8)	-	-	-	-
KME Srl	-	-	(12)	-	-
KME Yorkshire Ltd.	(8)	-	-	4	-
Progetto Ryan 3 Srl in liquidation	5			27	
Quattroduedue SpA	-	8	-	12	-
Rede Immobiliare Srl	-	-	-	4	-
Tecno Servizi Srl	-	-	-	93	-
	2,081	**64**	**(12)**	**263**	**(275)**
Total	**2,081**	**935**	**(2,763)**	**326**	**(3,096)**
Percentage	**100.00%**	**6.84%**	**0.43%**	**80.67%**	**8.88%**

5. ***Statement of profit or loss and other comprehensive income***

For comparison purposes, as indicated in paragraph 2.1, the statement of profit or loss and other comprehensive income and the relative notes were restated. The costs and revenues relative to the previously consolidated companies as at the end of financial year 2014 as investments were reclassified in a special item "*Profit of previously consolidated operations"* the details regarding which are provided under note 5.9.

Pursuant to Consob Communication no. 6064293/06 it is hereby specified that the Group did not carry out any “atypical and/or unusual transactions” during the first half of 2015.

5.1. Net income from investment management

The breakdown of the item was as follows:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*	*Change*	*Change%*
Measurement at fair value of investments	577	7,656	(7,079)	-92.46%
Measurement of fund units and securities at fair value	174	(714)	888	-124.37%
Measurement of equity investments at equity	-	961	(961)	-100.00%
Impairment losses on loans assets due from related companies	(150)	(600)	450	-75.00%
Dividends	12	2	10	500.00%
Net income from investment management	**613**	**7,305**	**(6,692)**	**-91.61%**

The "*Measurement at fair value of investments”* item includes the positive effects of the valuation of the ErgyCapital shares, non-current and current, (Euro 655 thousand) and FEB-Ernesto Breda (Euro 165 thousand) and the negative effects of Tecno Servizi (Euro 243 thousand).

The "*Measurement of fund units and securities at fair value"* is mainly positively influenced by the valuation of the shares in the I2 Capital fund (Euro 156 thousand) and the investments in the UCI funds made by KME Partecipazioni (Euro 120 thousand). The item also includes the negative adjustments to the ErgyCapital warrants totalling Euro 112 thousand

The " *Impairment losses on loans assets due from related companies"* refer to Idra International (Euro 100 thousand), Interservice (Euro 30 thousand) and Intek Investimenti (Euro 20 thousand). Conversely, the 2014 amount was relative to Culti Srl.

5.2. Commissions on guarantees given

(in thousands of Euro)	*1st half 2015*	*1st half 2014*	*Change*	*Change%*
Commissions on guarantees given	2,081	2,557	(476)	-18.62%
Commissions on guarantees given	**2,081**	**2,557**	**(476)**	**-18.62%**

These refer to guarantees provided for subsidiaries and mainly refer to KME AG and its subsidiaries.

5.3. *Other operating revenue*

(in thousands of Euro)	*1st half 2015*	*1st half 2014*	*Change*	*Change%*
Income from "special situations"	164	122	42	34.43%
Fund management fees	578	598	(20)	-3.34%
Rental income	126	198	(72)	-36.36%
Rents charged to related companies	29	29	-	0.00%
Provision of services to related companies	35	98	(63)	-64.29%
Other	3	4	(1)	-25.00%
Other income	**935**	**1,049**	**(114)**	**-10.87%**

"*Fund management fees*" regard the fees and charges collected by I2 Capital Partners SGR for the management of the I2 Capital Partners Fund, which are calculated on the amount invested, as the investment period has ended.

5.4. *Personnel expense*

(in thousands of Euro)	*1st half 2015*	*1st half 2014*	*Change*	*Change%*
Wages and salaries	(809)	(726)	(83)	11.43%
Social security charges	(235)	(230)	(5)	2.17%
Stock option costs	(10)	(26)	16	-61.54%
Other personnel expense	(164)	(168)	4	-2.38%
Personnel expenses	**(1,218)**	**(1,150)**	**(68)**	**5.91%**

Following is the average number of employees, referring to consolidated companies only:

	30 Jun 2015	*31 Dec. 2014*	*Change*	*Change%*
Executives	4	4	-	0.00%
	23.53%	23.53%		
White-collar	13	13	-	0.00%
	76.47%	76.47%		
Total employees (average)	**17**	**17**	**-**	**0.00%**
	100.00%	100.00%		

The existing stock option plan (KME Group SpA 2010-2015 Stock Option Plan) provides for a maximum number of 31,000,000 options authorised by the Shareholders and attributable up to 31 December 2015. Each option carries the right to subscription of one ordinary share.

Two assignments have been made.

The first was in 2010 totalling 25,500,000 options which give beneficiaries the right to subscribe or purchase from the Company an equivalent number of Intek Group S.p.A. ordinary shares at the unit price of € 0.295 with a fair value per option of Euro 0.073.

The second was in 2012 for a further 3,500,000 stock options for a subscription value of Euro 0.326 per share, with a fair value for each share of Euro 0.060.

The evolution of the stock option plan is as follows:

No. of options	*30 Jun. 2015*	*31 Dec. 2014*
Options existing at 1 January	**29,000,000**	**29,000,000**
Movements in the period	-	-
Existing options at end of the period	**29,000,000**	**29,000,000**
of which exercisable	*27,833,333*	*27,833,333*

5.5. Amortisation, depreciation and impairment losses

(in thousands of Euro)	*1st half 2015*	*1st half 2014*	*Change*	*Change%*
Depreciation	(41)	(58)	17	-29.31%
Amortisation	(1)	(1)	-	0.00%
Impairment losses on investment property	(55)	(55)	-	0.00%
Impairment losses	(202)	-	(202)	n/a
Amortisation and impairment losses	**(299)**	**(114)**	**(185)**	**162.28%**

The impairment losses refer to the goodwill adjustment.

5.6. Other operating costs

(in thousands of Euro)	*1st half 2015*	*1st half 2014*	*Change*	*Change%*
Directors' and Statutory Auditors' fees	(820)	(826)	6	-0.73%
Professional services	(1,150)	(1,067)	(83)	7.78%
Travel costs	(88)	(108)	20	-18.52%
Other personnel expense	(39)	(36)	(3)	8.33%
Legal and company advertising	(82)	(45)	(37)	82.22%
Electricity, heating, postal and telephone costs	(96)	(98)	2	-2.04%
Insurance premiums	(55)	(57)	2	-3.51%
Real estate leases	(283)	(251)	(32)	12.75%
Maintenance	(55)	(91)	36	-39.56%
Leases and rentals	(57)	(80)	23	-28.75%
Various tax charges	(142)	(245)	103	-42.04%
Membership fees	(84)	(43)	(41)	95.35%
Other net costs	(43)	(78)	36	-46.15%
Donations	(29)	(34)	5	-14.71%
Bank fees	(6)	(9)	3	-33.33%
Releases of provisions	266	-	266	n/a
Other operating costs	**(2,763)**	**(3,068)**	**305**	**-9.94%**

For the comment on the item "*Releases of provisions*" please see the note under the item "*Provision for risks and charges*.

5.7. Financial income and expense

(in thousands of Euro)	*1st half 2015*	*1st half 2014*	*Change*	*Change%*
Interest income from related companies	*263*	*285*	(22)	-7.72%
Other financial income and interest	*63*	*16*	47	293.75%
Total financial income	326	301	25	8.31%
Interest paid to related companies	*(275)*	*(187)*	(88)	47.06%
Loan interest expense	*(10)*	*(477)*	467	-97.90%
Interest expense on securities issued	*(2,704)*	*(2,694)*	(10)	0.37%
Other interests expense	*(12)*	*(50)*	38	-76.00%
Other financial expense	*(95)*	*(85)*	(10)	11.76%
Total financial expense	(3,096)	(3,493)	397	-11.37%
Net financial expense	**(2,770)**	**(3,192)**	**422**	**-13.22%**

The*“Interest expense on securities issued”* includes Euro 847 thousand which refers to the "SFP Intek Group 2012-2017" and the "Obbligazioni Intek Group 2012-2017" and Euro 1,857 thousand to Intek Group Bonds 2015-2020.

The reduction in the "*Loan interest expense"* is due to the complete repayment in 2014 of all the Intek Group loans from third parties. The amount of Euro 10 thousand is relative to the outstanding I2 Real Estate loan.

The interest income and expense from related companies refers to the debit and credit positions described under current and non-current financial assets and non-current financial liabilities. The breakdown is provided in the paragraph regarding related parties.

5.8. Current and deferred taxes

(in thousands of Euro)	*1st half 2015*	*1st half 2014*	*Change*	*Change%*
Current taxes	(24)	11	(35)	-318.18%
Deferred taxes	(97)	129	(226)	-175.19%
Current and deferred taxes	**(121)**	**140**	**(261)**	**-186.43%**

Since 2007, Intek Group S.p.A. and most of its Italian subsidiaries elected to apply the “national tax consolidation arrangement”, so that IRES (Italian corporate income tax) is computed on a tax base equal to the algebraic sum of the taxable profit/loss of each company participating in the arrangement. Financial relationships, responsibilities and reciprocal obligations are set out in the agreement and terms and conditions regarding the national tax consolidation arrangement by which the Parent and/or subsidiaries with tax losses receive a payment equal to the relevant tax savings realised by the Parent and/or subsidiaries with taxable income.

Reconciliation of theoretical tax charge and the effective charge:

(in thousands of Euro)	*2015*
Profit (loss) before taxes	(3,421)
Theoretical tax charge (tax rate used 31.4%)	**1,074**
Reconciliation:	
Use of different tax rates:	(169)
Other effects:	-
- Non-deductible (expenses) and non-taxable income	3,663
- Impairment losses (reversal of impairment losses) on investments and securities	(4,689)
Taxes recognised in profit or loss	**(121)**

5.9. Profit from previously consolidated operations

This item includes revenues and costs of consolidated assets up to 1 December 2014:

(in thousands of Euro)	*1st half 2014*
Revenue from sales and services	1,097,534
Change in inventories of finished and semi-finished products	1,230
Capitalised internal work	647
Other operating income	54,297
Purchases and changes in raw materials	(811,714)
Personnel expense	(147,725)
Amortisation, depreciation and impairment losses	(18,922)
Other operating costs	(138,475)
Financial income/financial expenses	(13,546)
Taxes	(11,325)
Profit from previously consolidated operations	**12,001**

6. *Other information:*

6.1. *Financial instruments by category*

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*	*Change*
Financial assets at fair value through profit or loss	465,309	443,945	21,364
Held-to-maturity investments	-	-	-
Loans and receivables	97,224	85,802	11,422
Available-for-sale financial assets	-	-	-
Financial liabilities at fair value through profit or loss	(4,027)	(3,892)	(135)
Financial liabilities at amortised cost	(131,623)	(95,016)	(36,607)
Financial instruments by category			

6.2. *Financial instruments by financial statement item*

Financial instruments and reconciliation with financial statements items at 30 June 2015:

(in thousands of Euro)	*Total*	*At amortised cost*	*At fair value*	*Outside the scope of IFRS*
Investments in equity interests and fund units	438,724	-	438,724	-
Non-current loan assets	10,634	10,534	100	-
Other non-current assets	485	485	-	-
Trade receivables	12,936	12,936	-	-
Other current receivables and assets	10,428	5,545	-	4,883
Current loan assets	36,495	10,010	26,485	-
Cash and cash equivalents	57,714	57,714	-	-
Total financial assets	**567,416**	**97,224**	**465,309**	**4,883**
Non-current loans and borrowings and financial liabilities	(102,033)	(102,033)	-	-
Other non-current liabilities	(938)	(938)	-	-
Current loans and borrowings and financial liabilities	(28,091)	(24,064)	(4,027)	-
Trade payables	(865)	(865)	-	-
Other current liabilities	(5,582)	(3,723)	-	(1,859)
Total financial liabilities	**(137,509)**	**(131,623)**	**(4,027)**	**(1,859)**

The carrying amounts of the financial assets and liabilities recognised in these financial statements do not diverge from their fair value.

There are three levels of fair value:

- Level 1 - listed prices on an active market for the asset or liability to be measured;
- Level 2 - inputs other than the listed prices indicated in Level 1 that are observable directly (prices) or indirectly (derived from prices) on the market;
- Level 3 – inputs not based on observable market data.

The analysis of the assets and liabilities by fair value level follows below:

(in thousands of Euro)	*Total fair value*	*Level 1*	*Level 2*	*Level 3*
Investments in equity interests and fund units	438,724	8,045	-	430,679
Non-current loan assets	100	100	-	-
Current loan assets	26,485	22,447	-	4,038
Current loans and borrowings and financial liabilities	(4,027)	-	-	(4,027)
Fair value levels				

The investments in ErgyCapital and shares and warrants and UCIs fall under Level 1 financial instruments.

6.3. Notional amount of financial instruments and derivatives

There are no derivative financial instruments recognised in the financial statements at 30 June 2015.

6.4. Exposure to credit risk and impairment losses

The carrying amount of financial assets is the Group's maximum exposure to credit risk.

The ageing of trade receivables from current transactions with non-Group companies at the date of presentation of these condensed interim consolidated financial statements was as follows:

(in thousands of Euro)	*Gross carrying amount*	*Impairment losses at30 June 2015*	*Carrying*
Not yet due	1,039	-	1,039
over 1 year past due	1,433	(1,043)	390
Trade receivables	**2,472**	**(1,043)**	**1,429**

There were no movements in the period in the allowance for impairment.

6.5. Currency risk

At 30 June 2015 there were no assets or liabilities in a foreign currency.

6.6. Interest rate risk

The Group's interest rate structure of interest-bearing financial instruments at 30 June 2015 was as follows:

(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*
Financial assets	-	-
Financial liabilities	(102,488)	(50,722)
Fixed-rate instruments:	**(102,488)**	**(50,722)**
Financial assets	20,544	17,806
Financial liabilities	(23,609)	(23,062)
Floating rate instruments	**(3,065)**	**(5,256)**

An increase (or decrease) of 50 interest rate basis points at the reporting date would produce a decrease (increase) in equity and profit or loss of approximately Euro 0.07 million (Euro 0.2 million in

2014). The analysis was carried out assuming that the other variables remained constant and was carried out using the same assumptions as for 2014.

6.7. Liquidity risk

Liquidity risk can arise from the inability to raise financing for operating activities as and when required. The holding company coordinates the cash inflows and outflows for the companies.

Annexes to the notes

Reconciliation of the loss for the period of the Parent Intek Group SpA and the loss consolidated result for the year ended 30 June 2015

(in thousands of Euro)	*1st half 2015*
Loss for the period of Intek Group SpA	**(4,430)**
Results for the period of subsidiaries (1)	(249)
Reversal of impairment losses on investments	16,900
Elimination of dividends received	(16,425)
Measurement at fair value of trading investments	662
Loss attributable to owners of the Parent	**(3,542)**
Results of subsidiaries first half of 2015	
(1) I2 Capital Partners SGR:	9
I2 Real Estate	(360)
KME Partecipazioni	102
	(249)

Reconciliation between the equity of Intek Group SpA and the equity attributable to the owners of the parent at 30 June 2015

(in thousands of Euro)	*30 Jun. 2015*
Equity including the loss for the period	**441,260**
Measurement at fair value of ErgyCapital (shares and warrants)	(3,003)
Measurement at fair value of securities	120
Equity of the consolidated companies	128
Equity attributable to the owners of the parent including loss for the period	**438,505**

STATEMENT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154 BIS, PARAGRAPH 5 OF LEGISLATIVE DECREE 58/98 AND ARTICLE 81 TER OF CONSOB REGULATION 11971 DATED 14 MAY 1999 AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED

1 Having regard to the requirements of article 154 *bis*, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, the undersigned Vincenzo Manes, Chairman, and Giuseppe Mazza, the Manager in charge of Financial Reporting of Intek Group SpA, hereby state:

- the adequacy with respect to the characteristics of the Company and
- the effective application

of the administrative and accounting procedures for the preparation of the Condensed Interim Consolidated Financial statements during in the period from 1 January 2015 to 30 June 2015, including the policies which the company applied in order to comply with the requirements of IFRS 10 in relation to Investment Entities.

2 No material findings emerged in this regard.

3 Moreover, they state that:

3.1. the Condensed Interim Consolidated Financial Statements:

a) were prepared in compliance with the International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002; the Investment Entity accounting standard was applied to these condensed interim consolidated financial statements (amendments to IFRS 10 and 12 and IAS 27 as introduced by EU regulation no. 1174/2013)

a reflect the balances recorded in the companies' books and accounting records;

b are suitable to provide a true and fair view of the financial position and results of operations of the issuer and all the consolidated companies;

3.2 the Directors' Report contains a reliable analysis of the references concerning significant events that took place in the first half of the year and their effect on the Condensed Interim Consolidated Financial Statements, together with a description of the major risks and uncertainties for the six months remaining in the year. The Directors' Report also includes a reliable analysis of significant transactions with related parties.

Milan, 5 August 2015

The Chairman	The Manager in charge of Financial Reporting
signed Vincenzo Manes	*signed Giuseppe Mazza*

(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim consolidated financial statements

To the shareholders of
Intek Group S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Intek Group comprising the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes thereto, as at and for the six months ended 30 June 2015. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Intek Group as at and for the six months ended 30 June 2015 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Corresponding figures

Without modifying our conclusion, we bring your attention to the disclosure provided by the directors in note 2.1 to the condensed interim consolidated financial statements about the restatement of certain 2014 corresponding figures, following the adoption of the accounting treatment applicable to investment entities.

Milan, 7 August 2015

KPMG S.p.A.

(signed on the original)

Roberto Fabbri
Director of Audit