INTEK GROUP

Registered office: 20121 Milan - Foro Buonaparte, 44
Share capital Euro 314,225,009.80 fully paid-up
Tax Code and Milan Companies Register no. 00931330583
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PRESS RELEASE

- **THE BOARD OF DIRECTORS OF INTEK GROUP SPA APPROVED THE INTERIM FINANCIAL REPORT AS AT 30 JUNE 2015, THE SEPARATE FINANCIAL STATEMENTS OF WHICH SHOW:**
  - **NET INVESTMENTS** **462.5 MILLION**
  - **NET FINANCIAL DEBT OF THE HOLDING** **(21.2) MILLION**
  - **TOTAL CASH AND CASH EQUIVALENTS** **79.7 MILLION**
  - **EQUITY** **441.3 MILLION**

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The Board of Directors of Intek Group SpA (hereafter also the “Company”), the holding company of diversified equity investments that seeks to provide dynamic investment management, approved the interim financial report as at 30 June 2015.

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 were no significant changes in investments during the reporting period. They increased mainly due to the increase in credit positions.

The Company maintained its already solid structure: Equity totalled Euro 441.3 million compared to Euro 447.4 million as at 31 December 2014. In the period, savings shares were assigned free to shareholders at a ratio of 1 share for every 111 ordinary/savings shares held.

The most significant event in the first half of the year was the transaction enabling the debt structure to be optimised, both in terms of duration and of cost, as well as finding new financial resources usable for further investments by the Group.

The liquidity from the transaction, which joins that already available to the Group, brings total liquidity to Euro 79.7 million. Pending new investments or the liquidity being used to support existing investments, part of it is currently being invested in UCIs.

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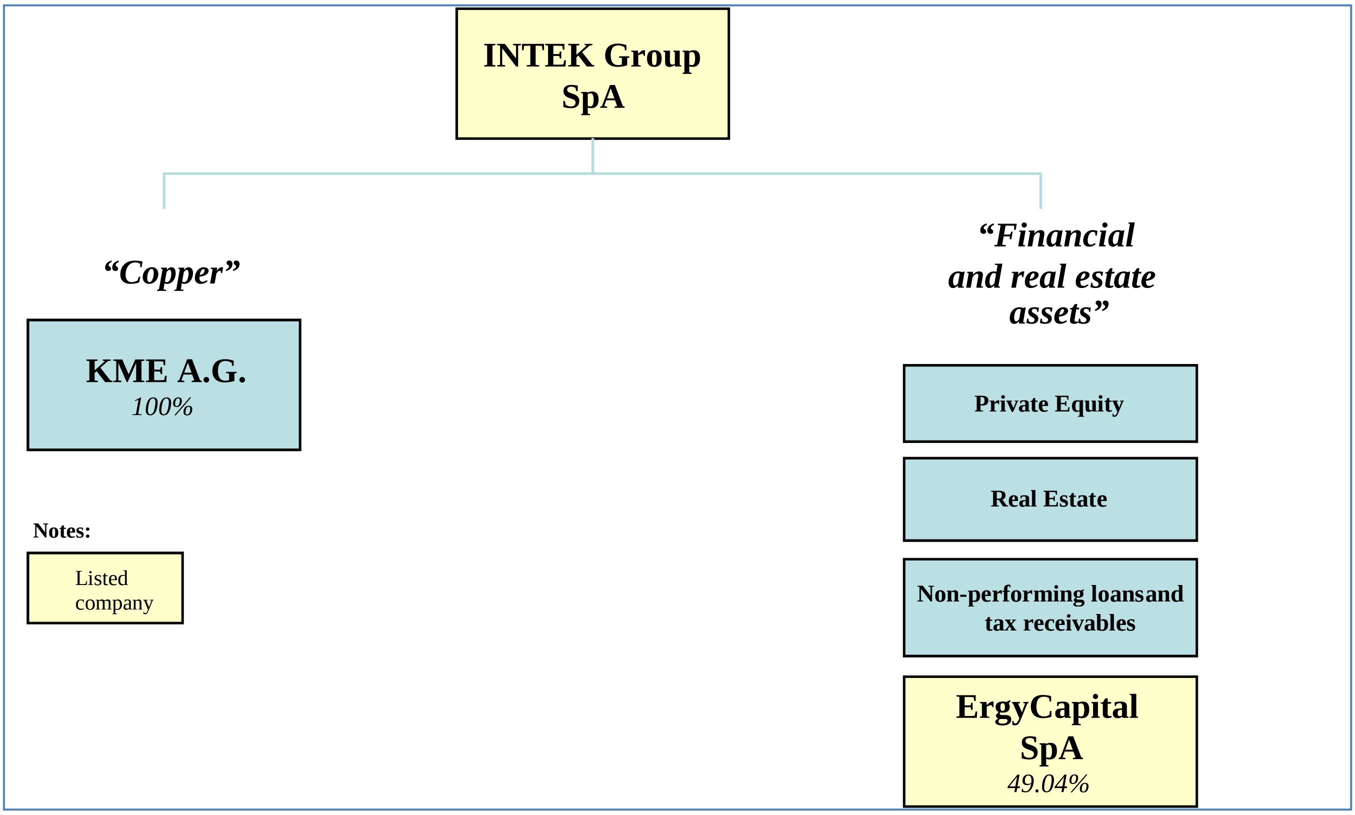
The Group's corporate structure is as follows:



The **investment sectors** of Intek Group SpA are currently as follows: the traditional one of **"copper"**, which includes the production and marketing of copper and copper-alloy semi-finished products by the German subsidiary KME AG, the sector of **"financial and real estate assets"**, including the private equity business that is carried out mainly through the closed-end investment fund I2 Capital Partners (the **"Fund"**) and the management of receivables (tax, non-performing receivables and those arising from insolvency procedures) and real estate assets. The financial and real estate assets also include the equity investment in ErgyCapital.

ErgyCapital, which heads a listed group that operates in renewables, has focussed its business on cash generation from the plants it operates. In the meantime, the Company continues its research and valuation of extraordinary transactions both for the Company overall as well as for the individual business units, aimed at creating value for the shareholders.

In the "**copper**" sector, the KME Group restructuring/reorganisation activities increased, with particular reference to those carried out in Germany, which are leading to the separation of KME AG's business into two independent operating entities: one including the Special Products and Brass Rods businesses and the German Standard Products business, and the other relating to underperforming businesses for Standard products (Rolled products and Pipes) in Italy, France and Spain.

The aforementioned separation of the businesses seeks to achieve more effective management by reducing excess production capacity. Restructuring of some manufacturing sites is underway and this should have a material impact in terms of productivity and profitability gains.

In addition, work continued to streamline the businesses with the aim of focussing resources on higher added value production and higher growth markets where customers that have delocalised their business are seeking reliable suppliers and quality in line with European standards.

This strategic approach, which was adopted some time ago and has already produced important results with the operations completed in recent years in China and Great Britain, has led to the gradual divestment of non-core businesses, which are too small or non-competitive, and thus to a reduction in the group’s complexity, limiting its size and favouring cash generation. This entails the search for solutions, also through agreements or partnerships with other operators, for those divisions, which are currently unable to provide an acceptable yield from the resources deployed.

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The most significant event in the first half of the year was the transaction enabling the debt structure to be optimized, both in terms of duration and cost, as well as finding new financial resources usable for further investments by the Group. As a matter of fact, the Company's Board of Directors on 2 December 2014 approved:

- the promotion of a voluntary public exchange offer for all the 22,655,247 “Intek Group SpA 2012 – 2017” bonds in circulation and 115,863,263 “Intek Group S.p.A. 2012 – 2017 debt securities”, with compensation represented by new bonds issued by Intek Group for a total amount of Euro 61.7 million (the “Exchange Offer”), offering a premium of nearly three percentage points over the par value to the holders of the old bonds;
- the contemporaneous promotion of the offer of a public bond issue, for a total of Euro 40 million, which the company may increase up to approximately Euro 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 Euro 21.60, for a total value of Euro 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% of the 2012 – 2017 Intek Group bond issue and the debt securities from the Exchange Offer and repaid, as required, to all of those 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 distributor. It closed with a notable success. The subscription applications for the new bond issue amounted to Euro 177 million (Euro 40 million were offered initially).

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INTEK Group SpA highlights

The Intek Group's financial highlights can be summarised as follows:

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%**
SPF and outstanding bonds (*)	*(102,488)*		*(61,962)*	
Net cash and cash equivalents from third parties	*33,914*		*1,387*	
Net Reclassified Financial Debt Intek Group	**(68,574)**		**(60,575)**	
Net cash and cash equivalents from KME Partecipazioni	**47,376**		**49,933**	
Holding company's financial debt due to third parties	**(21,198)**	**4.58%**	**(10,642)**	**2.32%**
Total equity	**441,260**	**95.42%**	**447,410**	**97.68%**

Equity

The holding company's equity was Euro 441.3 million compared to Euro 447.4 million at 31 December 2014; the change was caused by the loss in the period under review (Euro 4.4 million) and by the purchase of treasury shares, of which Euro 1.4 million as a dividends from KME Partecipazioni and Euro 0.3 million purchased on the market.

Equity per share was Euro 1.12 compared to 1.13 at the end of December 2014.

Net Reclassified Financial Debt

As at 30 June 2015, the Net Financial Debt of the Holding company (which includes both Intek Group and KME Partecipazioni) amounted to Euro 21.2 million compared to Euro 10.6 million as at 31 December 2014. This debt represents 4.58% of total investments. Besides the bonds issued, there were no financial payables due to third parties.

At the end of June 2015, Intek, also by means of the subsidiary KME Partecipazioni, 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.

The investment sectors

"Copper" sector

The **Consolidated Revenue of the first half of** 2015 amounted to a total of Euro 1,080.0 million, down by 1.6 % compared to 2014. The lower volumes affected this reduction. Excluding raw materials, revenue declined from Euro 328.9 million to Euro 313.5 million, down by 4.7% (3.4% on a like-for-like basis).

EBITDA as at 30 June 2015 was Euro 20.8 million; it was lower than in 2014, when EBITDA was Euro 30.5 million (-31.8%) and higher than in the second half of 2014 (+44%). The cost of labour and other operating costs dropped, confirming the positive impact of the efficiency and flexibility measures adopted to counter the fall in production. The operating income/turnover ratio in the first half of 2015 fell from 9.3% to 6.6%, recovering 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).

As at 30 June 2015, the **Consolidated revenue, net of taxes,** of the copper sector shows a loss of 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 the plumbing pipes business in Great Britain and the spin-off of the German connectors business, which was transferred to the joint venture in China). The net profit as at 30 June 2015 was affected by non-recurring expenses of Euro 24.3 million, mainly due to costs linked to the ongoing restructuring programme for the operating units.

The **Net Financial Position** as at 30 June 2015 was a negative Euro 182.4 million, down compared to the value at the end of December 2014, when it was Euro 242.8 million. The lower debt derives from the further optimisation of the working capital.

"Financial and real estate assets" sector

As for "**financial and real estate assets**", in the half year under review, the Company continued with its programmes to accelerate their gradual sale.

As for "private equity" investments, the future programmes focus on enhancing the value of the assets held by the I2 Capital Partners Fund, whose investment period ended in late July 2012.

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ErgyCapital

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, mainly as a result of the adjustment of incentives for the Photovoltaic Sector.

Consolidated EBITDA is positive at Euro 3.7 million, down compared to the previous year (Euro 4.2 million). The level of gross operating profit was confirmed at around 48%, despite the impact of the so-called "incentive spread decree".

The net financial position improved slightly with debt falling by around Euro 2.7 million and amounting to Euro 68.6 million (Euro 71.3 million as at 31 December 2014).

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Intek Group Consolidated Financial Statements

It should be noted that, following the application of the principle relating to the investment entities occurred at the end of 2014, the values of the 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.

Consolidated equity amounted to Euro 438.5 million compared to Euro 442.3 million as at 31 December 2014. The net loss was Euro 3.5 million given the absence of significant income from equity investments.

Group Debt as at 30 June 2015 stood at Euro 36.4 million (Euro 30.3 million as at 31 December 2014). As at 30 June 2015, the Group had liquidity and investments in flexible, low-risk instruments readily convertible into cash of Euro 79.7 million.

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Procedure applicable to transactions with related parties

Also on the basis of CONSOB Communication of 24 September 2010, DEM/10078683, the Board of Directors, having acknowledge the favourable opinion of the Control and Risks Committee, approved the updated version of the Procedure applicable to transactions with related parties. This procedure, which will come into force as from 1 September 2015, is available at *www.itkgroup.it* in the Governance section.

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The Financial Reporting Manager, Giuseppe Mazza, hereby declares that, pursuant to art. 154- bis, paragraph 2 of the Consolidated Law on Finance, (Italian Legislative Decree no. 58/1998), the accounting information contained in this press release, corresponds to the Company's documents, books, and accounting records.

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This press release is available on the website www.itkgroup.it, where it is possible to request information directly from the Company (telephone 02-806291; e-mail: info@itk.it) and on the authorised storage system 1INFO operated by Computershare SpA at www.1info.it.

Milan, 5 August 2015 The Board of Directors

Annexes:
1) Consolidated Statement of Financial Position
2) Consolidated Income Statement

Annex 1) Consolidated Statement of Financial Position

Statement of financial position		
(in thousands of Euro)	*30 Jun. 2015*	*31 Dec. 2014*
Investments in equity interests and fund units	438,724	437,860
Non-current financial assets	10,634	11,760
Investment property	4,440	4,488
Property, plant and equipment	425	456
Goodwill	798	1,000
Intangible assets	3	4
Other non-current assets	485	484
Deferred tax assets	8,420	8,633
Total non-current assets	**463,929**	**464,685**
Current financial assets	36,495	12,131
Trade receivables	12,936	11,040
Other current receivables and assets	10,428	14,636
Cash and cash equivalents	57,714	48,940
Total current assets	**117,573**	**86,747**
Non-current assets held for sale	1,559	1,559
Total assets	**583,061**	**552,991**
Share capital	314,225	314,225
Reserves and Profit/(Loss) for the period	124,280	128,113
Equity attributable to owners of the Parent	**438,505**	**442,338**
Non-controlling interests	-	-
Total equity	**438,505**	**442,338**
Employee benefits	451	471
Deferred tax liabilities	1,653	1,728
Non-current loans and borrowings	102,033	63,147
Other non-current liabilities	938	938
Provisions for risks and charges	4,943	6,101
Total non-current liabilities	**110,018**	**72,385**
Current loans and borrowings	28,091	29,404
Trade payables	865	1,276
Other current liabilities	5,582	7,588
Total current liabilities	**34,538**	**38,268**
Total liabilities and equity	**583,061**	**552,991**

Note: The Independent Auditors have not yet completed the audit of the above figures.

Annex 2) Consolidated Income Statement

Consolidated Income Statement		
(in thousands of Euro)	*1st half 2015*	*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 expenses	*(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**
Net result from Investment Entity activities	**(3,542)**	**3,527**
Net result from previously consolidated assets	-	12,001
Profit/(loss) for the period	**(3,542)**	**15,528**

Note: The Independent Auditors have not yet completed the audit of the above figures.