

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
www.itkgroup.it

PRESS RELEASE

- **INTEK GROUP SPA 2015 DRAFT FINANCIAL STATEMENTS APPROVED**
 - Significant interventions took place regarding the assets of the KME Group to focus more resources on those with higher added value and on markets with higher growth potential.
 - The development of the other portfolio assets continues: the I2 Capital Partners Fund distributed over Euro 16 million in 2015 and 2016, of which more than Euro 3 million were paid to Intek in the form of fees.
 - Main data:
 - First year of full adoption of the IFRS on Investment Entities that best represents the Group's business model;
 - As at 31 December 2015, the Investments held by the Company amounted to Euro 485.1 million; equity of the holding company totalled Euro 449.2 million, compared to Euro 447.4 million in 2014.
 - The holding company reported Euro 4.0 million in profit after recognising Euro 15.3 million in net fair value gains, which is therefore non-distributable;
 - The Holding company's (which includes both Intek Group and KME Partecipazioni) Net Reclassified Financial Debt amounted to Euro 35.9 million as at 31 December 2015;
- **INTEK GROUP 2015 CONSOLIDATED FINANCIAL STATEMENTS**
 - Shareholders' equity of Euro 447.5 million and a positive result of Euro 6.2 million
- **RESOLVED TO CONVENE THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING ON 30 MAY 2016 ON FIRST CALL AND 31 MAY 2016 ON SECOND CALL.**
- **THE INTEK GROUP BOD RESOLVED NOT TO (COOPT) CO-OPT A NEW DIRECTOR, POSTPONING ANY DECISION UNTIL THE NEXT SHAREHOLDERS' MEETING**
- **FURTHERMORE, THE INTEK GROUP'S BOD PERFORMED THE PERIODIC ASSESSMENT OF WHETHER THE INDEPENDENT DIRECTORS MEET THEIR REQUIREMENTS: THE OUTCOME WAS POSITIVE.**

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Milan, 29 April 2016 - The Board of Directors of Intek Group SpA, a diversified investment holding company with a dynamic approach to investing, today approved the parent's draft financial statements at 31 December 2015, the consolidated results for the year 2015, the report on corporate governance and ownership structure prepared pursuant to article 123 bis of Italy's Consolidated Law on Finance (TUF, *Testo Unico sulla Finanza*), and the report on remuneration prepared pursuant to article 123 ter of the TUF.

The Annual Financial Report as at 31 December 2015 as well as the reports on corporate governance and ownership structures and on remuneration will be available together with the reports of the Independent Auditors and the Board of Statutory Auditors within the terms as provided in laws and regulations at the registered office as well as on the website www.itkgroup.it and the authorised storage mechanism NIS-Storage (www.emarketstorage.com).

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Main events of 2015

In particular, 2015 saw the following main activities:

- a) The reorganisation and rationalisation of the Copper Sector activities continued, ~~this~~ being Intek Group's main investment, with the aim ~~of increasing~~ to increase focus on productions with higher added value and markets with greater growth potential.

To strengthen the implementation of these strategies even more, in June 2015 a decision was made to reorganise the governing body of the KME Group which, in order to guarantee a more effective alignment with the strategies of the parent company INTEK Group SpA, modified the Board of the German parent company, KME A.G., with the addition of Vincenzo Manes as the “Chief Strategic Officer” and the confirmation of Diva Moriani as the “Group CEO”.

In regard to these activities, we indicate here below the initiatives which took place:

- (i) The concentration of the German plumbing tubes production in the Menden facility and the rationalisation of the central services of the Osnabruck headquarters, led to the dismissal of approximately 350 employees. Agreement with the Cupori Group, a Finnish operator in the copper tubes, for the disposal of the controlling interest in KME France S.a.s, in two phases: the first, which was completed in March 2016, refers to 49%; the second, referring to the remaining 11%, carries a put option which can be exercised by KME if certain conditions are met. The operation involved the Givet and Niederbruck facilities and also the Serravalle Scrivia copper tubes facility, these being assets which, with their consolidated sales of approximately Euro 270 million and 700 persons, generated significant losses for the KME Group.
- (ii) Reorganisation and resizing of the headquarters in Florence, with a reduction of approximately 15 managers.

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- b) We reiterate the conclusion of an operation in the first semester of 2015 which made it possible to optimize the debit structure of the Company, in terms of duration and the cost of funding. This transaction referred to the issue of a bond loan of a nominal amount of Euro 101.7 million, duration 2015-2020, at a fixed annual rate of 5%.

The new obligations allowed for early redemption of the previously outstanding debt, the nominal amount of which was Euro 60.0 million, expiring in ~~expiration~~ 2017 and with annual fixed rate of 8%. The holders of these instruments were offered the option of exchanging their bonds against new bonds with a premium of almost three percentage points.

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 applications for the subscription of the new bonds amounted to EUR 177 million (EUR 40 million offered initially).

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- c) The I2 Capital Partners Fund, which is 19.15% held by Intek, continues to develop its own investments which provided a partial redemption amounting to Euro 3.5 million during 2015. In the initial months of 2016, a further redemption of Euro 12.6 million took place, which was connected to the Benten Srl, Isno 3 and Safim Factor investments. Further redemptions are foreseen during 2016.

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- d) Subsidiary FEB- Ernesto Breda SpA developed its assets and ended the year with a profit of Euro 6.3 million, thereby providing Intek group with profits of Euro 3.2 million.

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- e) In the first quarter of 2016, the merger by incorporation of KME Partecipazioni SpA into Intek Group SpA was resolved and approved, based on the respective financial positions of the two companies as at 30 September 2015. The transaction, which referred to a wholly owned subsidiary, was resolved and approved by the Boards of Directors in the simplified form allowed by art. 2505 of the Italian civil code and is expected to be implemented by the end of the first semester of this year.

INTEK Group SpA highlights

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 further 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 those sectors which appear high-performing and promising while facilitating the exit from industrial and financial segments with limited potential for value creation or an excessively long payback period.

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 with third parties, sells specific assets, and manages extraordinary operations involving the subsidiaries.

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The **investment sectors** of INTEK Group S.p.A. are: 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 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 EryCapital is included under financial and real estate assets.

The separate financial statements and the consolidated financial statements as at 31 December 2015 are prepared as a continuation of the separate and consolidated financial statements and the financial report as at 30 June 2015, using the accounting standards applicable to investment entities. This requires fair value measurement for both the separate and consolidated financial statements, with equity investments held as investments recognised in profit and loss, of which the most significant direct equity investments FEB- Ernesto Breda SpA. 2015 has been the first financial year in which these principles were applied from 1st January.

The key balance sheet figures of the Intek Group as at 31 December 2015, in comparison with those at 31 December 2014, can be summarised as shown below:

Condensed separate statement of financial position				
<i>(in thousands of Euro)</i>	<i>31 Dec. 2015</i>		<i>31 Dec. 2014</i>	
Copper	413,317	85.20%	393,997	86.02%
Financial and real estate assets				
<i>Private Equity</i>	8,580		8,288	
<i>Non operating assets</i>	11,058		4,554	
<i>Real Estate/Others</i>	23,099		27,204	
<i>Ergy Capital/Other Services</i>	21,549		20,243	
Total financial and real estate assets	64,286	13.25%	60,289	13.16%
Other assets/liabilities	7,493	1.54%	3,766	0.82%
Net investments	485,096	100.00%	458,052	100.00%
<i>SFP and outstanding bonds (*)</i>	(105,164)		(61,962)	
<i>Net cash from third parties</i>	12,294		1,387	
<i>Investments of liquidity in KME</i>	29,700		-	
Net reclassified financial debts Intek Group	(63,170)		(60,575)	
Net cash available to KME Partecipazioni	27,258		49,933	
Holding company financial debts due to third parties	(35,912)	7.40%	(10,642)	2.32%
Equity	449,184	92.60%	447,410	97.68%

Notes:

- *In the statement, presented with the same method of internal operational representation, the investments are expressed net of any financial credit/debit relations in existence with Intek Group, KME Partecipazioni and Immobiliare Picta except for a liquidity investment in KME AG of Euro 29.7 million.*
- *(*) includes the interests accrued from 20 February to 31 December 2015.*

Investments

The **Net investments** held by the Company amounted to Euro 485.1 million as at 31 December 2015 (Euro 458.1 million at the end of 2014), of which 85.20% were in the “copper” sector and the rest in financial and real estate assets. The increases in the copper Sector are due almost exclusively to the fair value measurement of the equity investment in KME AG. The financial and property Assets have increased mainly in the “non operating assets” sector, on the one hand due to the increase in the value of the equity investment in FEB -Ernesto Breda and on the other due to the decrease in the debit balance of Intek vis a vis FEB - Ernesto Breda.

Equity

The shareholders' equity of the holding company is Euro 449.2 million, compared to Euro 447.4 million as at 31 December 2014, the positive change being due to the result achieved in 2015 which was partially offset by the negative effects of the purchase of the treasury shares against a total of Euro 2.2 million, of which Euro 1.4 million were assigned as dividends by the subsidiary KME Partecipazioni.

Equity per share, net of treasury shares, was Euro 1.16 (1.14 Euro at 31 December 2014), up 2% from the previous year.

Financial performance

The holding's profit was Euro 4.0 million. In 2014, the profit was Euro 10.9 million, as the company had gained Euro 19.1 million in 2014, after taxes, from the effect of the first application of the standard on Investment Entities. The result was affected negatively by non-recurring expenses of Euro 2.6 million, while there has been an improvement of the financial management (the net financial charges have decreased from Euro 6.3 million to Euro 5.5 million) and the containment of the operating costs (from Euro 5.2 million to Euro 4.5 million).

The income from equity investments amounted to Euro 13.5 million and mainly originate from fair value measurements.

The **income statement** below has been reclassified, with indication of the non recurring income and expenses, including also the valuation effects of the investment.

Reclassified Income Statement		
<i>(in thousands of Euro)</i>	<i>2015</i>	<i>2014</i>
Fair value changes and other gains/losses from investing activities	13,813	23,831
Commission income on guarantees given	4,210	4,721
Costs of investing activities	(578)	(2,216)
Gross gain/loss from investments	17,445	26,336
Net operating costs	(4,546)	(5,174)
Interest income	830	453
Interest expense	(6,356)	(6,774)
Profit/(loss) from continuing operations	7,373	14,841
Non-recurring income/(expense)	(2,551)	(5,218)
Profit (loss) before taxes	4,822	9,623
Taxes for the year	(782)	1,322
Net profit (loss) for the year	4,040	10,945

Financing activities

The holding's Net Financial Debt to third parties (including Intek Spa and KME Partecipazioni) as at 31 December 2015 amounted to Euro 35.9 million compared to euro 10.6 million at 31 December 2014. Said debts amounted to slightly more than 7.4% as a proportion of investments and referred exclusively to payables due to the Group's companies, except for the bonds issued, given that payables due to banks have been entirely repaid.

At the end of December 2015, Intek had cash and cash equivalents, including through the subsidiary KME Partecipazioni, of Euro 36 million, of which Euro 27 million were invested in easy to liquidate mutual funds. To this is added the loan granted to the subsidiary KME AG of Euro 29.7 million, increased by Euro 50.0 million as at the date this report was prepared.

The investment sectors

"Copper" sector

The "copper" sector, the main Group investment, includes the production and marketing of copper and copper-alloy semi-finished products by German subsidiary **KME AG**.

The difficult macroeconomic scenario of the last few years has led the operating units of this sector to take action, through targeted strategic choices, so as to improve the competitive positioning of the Group. Our push to strengthen operational efficiency and organisational flexibility has been focused along these lines and the rationalisation of the business portfolio, with the objective of focusing our resources more towards a series of high value added activities and markets with a higher growth potential.

Consolidated sales in 2015 amounted to a total of Euro 1,974.8 million, down by 2.6% on 2014, when it was Euro 2,027.9 million. The lower prices of raw materials have influenced this reduction. Excluding their impact, revenue declined from Euro 606.2 million to Euro 584.1 million, down 3.6% (2.9% on a like-for-like basis).

The consolidated result of the copper sector, after taxes, had an overall loss at the end of December 2015 of Euro 73.1 million (it had incurred a loss of Euro 18.5 million in 2014).

The following aspects affected the 2015 result:

- non-recurring expenses of Euro 42.4 million (in 2014 there was non-recurring income of Euro 2.6 million) almost entirely due to the costs connected to the operating unit restructuring program currently underway and
- the negative impact of the IFRS valuation of the inventory of Euro 27.3 million, due to the significant price reduction of the copper raw material during 2015 (Euro 918.71/ton).

The Net Financial Position as at 31 December 2015 was a negative Euro 231.7 million, improving with respect to the value at the end of December 2014 when it was Euro 243.5 million. The lower debt derives from the further optimisation of working capital.

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"Financial and real estate assets" sector

The Intek Group continues creating value ~~from~~ in these assets and investing in operations in the special situations sector, where it has developed significant experience in bankruptcy proceedings, especially compositions with creditors.

The I2 Capital Partners Fund, which is 19.15% held by Intek, continues to develop its own investments which provided a partial redemption amounting to Euro 3.5 million during 2015. In the initial months of 2016, a further redemption of Euro 12.6 million took place, which was connected to the Benten Srl, Isno 3 and Safim Factor investments. Further redemptions are foreseen during 2016.

In 2015, ErgyCapital Group recorded revenue of Euro 15.1 million, down from Euro 17.0 million in the previous year. Consolidated EBITDA is positive by Euro 7.3 million, even if it is down compared to 2014 (Euro 8.7 million). The net result was negative by Euro 2.7 million (compared to the loss of Euro 2.8 million in 2014).

The variance of the EBITDA is mainly due to the entry into effect of the new incentive scheme (the "incentive spreading" decree) which generated a contraction in the gross operating margin of the photovoltaic sector of approximately Euro 1.4 million, partially mitigated by the operating cost containment actions and the ongoing good performance of the Biogas sector., We therefore confirm the good profitability level as compared to revenues of approximately 49% (51% in 2014).

The net financial position moved from an indebtedness level of Euro 71.3 million as at 31 December 2014, to Euro 66.7 million as at 31 December 2015, mainly following the reduction of the financial debts relative to the photovoltaic and biogas plants.

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Intek Group Consolidated Financial Statements

Following the application of the principle relating to the investment entities occurred at the end of the 2014 financial year, 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.

The consolidated shareholders' equity amounted to Euro 447.5 million compared to Euro 442.3 million as at 31 December 2014, while the result for the year is positive by Euro 6.2 million.

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 statements are modified by making them similar to those already used for preparing the separate financial statements as at 31 December 2014. The figures are compared with those of the same period of the previous financial 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 include, in addition to the Parent company, the subsidiaries in furtherance of the company object for the totality KME Partecipazioni, I2 Capital Partners SGR and I2 Real Estate. From 1 July 2015, Immobiliare Picta Srl is also included, following acquisition of its control.

The Group's financial debt as at 31 December 2015 was equal to Euro 54.6 million, compared to Euro 30.3 million as at 31 December 2014. The increase is due to the investment for the purchase of the property in Milan at Foro Buonaparte 44 and Euro 3.3 million of the increase is due to non-current loans to affiliated companies, which mostly operate in the real estate sector.

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Buyback and disposals of Company shares

The Board of Directors decided to once again seek authorisation from shareholders to buyback and dispose of ordinary and/or savings shares in Intek Group SpA pursuant to articles 2357 and 2357 ter of the Italian Civil Code as well as article 132 of Italian Legislative Decree 58/1998 and the relevant enabling provisions, revoking first the authorisation granted by the meeting of 19 June 2015. We note that from 3 July 2016, the statutory references of EC Regulation 2273/2003 of 22 December 2003 are replaced by the provisions of EU Regulation 596/2014 of 16 April 2014, relative to market abuse.

The proposal is intended to give to the Company an effective operating instrument for all purposes allowed under applicable laws.

The authorisation to buyback Intek Group SpA ordinary and/or savings shares would last for 18 months and would be subject to the maximum limit as provided in applicable laws enacted from time to time (currently, said limit is 20% of the share capital pursuant to article 2357 paragraph 3 of the Italian Civil Code), and in any case to the extent of available profit reported in the most recent approved financial statements (including interim financial statements) at the date of the transaction.

The authorisation to dispose of Intek Group SpA ordinary and/or savings shares would not be limited in time.

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Cooptation of a Director pursuant to art. 2386 of the Italian civil code

The Board of Directors resolved to postpone the cooptation of a new Director to replace the resigning Director, Salvatore Bragantini, making the Shareholders' Meeting responsible for any relative decision in this regard and also relating to any redetermination of the number of members of the Board of Directors, which art. 17 of the Articles of Association sets as a minimum of seven and a maximum of eleven.

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Conferral of an audit mandate

We note that upon approval of the financial statements as at 31 December 2015, the mandate of the audit firm which had been granted for 2007-2015 to KPMG SpA expired. The convoked Shareholders' Meeting will therefore have to also provide for conferral of a mandate for the auditing of the accounts from 2016 to 2024, based on the reasoned proposal of the Board of Statutory Auditors.

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Assessment of the requirements for Independent Directors

The Board of Directors has ascertained that the directors Giuseppe Lignana, Luca Ricciardi and Franco Spalla possess the independence requirements.

The verification was made based on the information provided by the Directors pursuant to art. 148 par. 3 of Legislative Decree 58/98 and the criteria indicated by art. 3.C.1 of the Corporate Governance Code.

The Company did not use parameters or quantitative and/or qualitative criteria other than the above.

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Relations with saving shareholders

In its meeting today, the Board of Directors also examined the proposals made by the Common Representative of the Holders of Savings Shares of Intek Group SpA, with regard to the proposals to convert the savings shares into ordinary shares of Intek Group SpA. These proposals were made at the extraordinary shareholders' meeting held in Genoa on 16 February 2016, upon its third convocation, on the request of some of the holders of savings shares.

As the Company does not consider these proposals feasible, given that there are no grounds supporting any conversion of Intek Group SpA savings shares, it confirms its statements made in the press release of 24 November 2015.

Intek Group indicates its willingness to assess additional proposals, from a number of holders of savings shares representing a significant percentage of this category of share capital, which are nevertheless in the interests of all the Company's shareholders, whether they hold ordinary or savings shares.

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Convocation of the Ordinary Shareholders' meeting

The Board of Directors resolved to convoke the Ordinary Shareholders' Meeting for 30 May 2016, at 11 AM, for the first call and if necessary, a second convocation will be made for 31 May 2016, at Via Filodrammatici 3, Milan, at Mediobanca SpA.

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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 through which it is possible to request information directly from the company (telephone: 02-806291; email: info@itk.it) or through the NIS-Storage system which is operated by BIt Market Services at the url: www.emarketstorage.com.

Milan, 29 April 2016

The Board of Directors

Annexes:

- 1) Intek Group SpA's Statement of Financial Position
- 2) Intek Group SpA's Income Statement
- 3) Intek Group SpA's statement of cash flows
- 4) Consolidated Statement of Financial Position
- 5) Consolidated Income Statement
- 6) Consolidated statement of cash flows

Annex 1:

Intek Group – Separate financial statements at 31 December 2015

Statement of financial position – Assets

<i>(in Euro)</i>	<i>Ref. Note</i>	<i>31-Dec-2015</i>		<i>31-Dec-2014</i>	
			<i>of which related parties</i>		<i>of which related parties</i>
Investments in equity interests and fund units	4.1	439,672,240	432,270,512	424,049,713	416,299,007
Instrumental equity investments	4.2	89,922,033	89,922,033	97,400,433	97,400,433
Non-current loan assets	4.3	710,733	710,733	2,795,533	2,123,155
Property, plant and equipment	4.4	468,031	-	381,313	-
Investment property	4.5	32,289	-	257,289	-
Goodwill	4.6	798,453	-	1,000,000	-
Intangible assets	4.7	3,329	-	2,955	-
Other non-current assets	4.8	17,924	-	17,924	-
Deferred tax assets	4.23	6,211,419	-	7,846,976	-
Total non-current assets		537,836,451		533,752,136	
Current loan assets	4.9	44,098,602	40,408,403	11,038,150	11,027,511
Trade receivables	4.10	10,008,592	2,582,045	9,207,134	1,412,245
Other current receivables and assets	4.11	9,576,888	1,562,331	10,431,271	1,603,406
Cash and cash equivalents	4.12	7,784,944	-	736,160	-
Total current assets		71,469,026		31,412,715	
Non-current assets held for sale	4.13	941,250		716,250	
Total assets		610,246,727		565,881,101	

Intek Group – Separate financial statements at 31 December 2015

Statement of financial position – Liabilities

<i>(in Euro)</i>	<i>Ref. Note</i>	<i>31-Dec-2015</i>		<i>31-Dec-2014</i>	
			<i>of which related parties</i>		<i>of which related parties</i>
Share capital		314,225,010	-	314,225,010	-
Other reserves		35,135,075	-	26,201,736	-
Treasury shares		(2,456,254)	-	(2,183,223)	-
Retained earnings (accumulated losses)		72,187,807	-	72,187,807	-
Stock options reserve		2,051,902	-	2,032,886	-
Convertible loan		24,000,000	-	24,000,000	-
Profit (loss) for the year		4,040,633	-	10,945,322	-
Total equity	<i>4.14</i>	449,184,173		447,409,538	
Employee benefits	<i>4.15</i>	317,961	-	368,879	-
Deferred tax liabilities	<i>4.23</i>	1,959,395	-	1,727,027	-
Non-current loans and borrowings	<i>4.16</i>	8,948	-	1,689,714	-
Bonds and debt securities	<i>4.17</i>	100,789,449	-	59,990,194	-
Other non-current liabilities	<i>4.18</i>	937,700	-	937,700	-
Provisions for risks and charges	<i>4.19</i>	4,964,009	-	6,100,984	-
Total non-current liabilities		108,977,462		70,814,498	
Current loans and borrowings	<i>4.20</i>	47,580,468	40,939,093	42,006,887	36,136,589
Trade payables	<i>4.21</i>	1,345,259	373,929	864,781	138,048
Other current liabilities	<i>4.22</i>	3,159,365	1,086,426	4,785,397	2,395,518
Total current liabilities		52,085,092		47,657,065	
Total liabilities and equity		610,246,727		565,881,101	

Annex 2:

Intek Group – Separate financial statements at 31 December 2015

Statement of comprehensive income

<i>(in Euro)</i>	<i>Ref. Note</i>	<i>2015</i>		<i>2014</i>	
			<i>of which related parties</i>		<i>of which related parties</i>
Net income from investment management	6.1	13,486,798	13,419,444	25,085,034	25,290,886
Commissions on guarantees given	6.2	3,254,220	3,254,220	4,720,851	4,720,851
Other income	6.3	691,327	141,741	857,220	129,180
Personnel expenses	6.4	(1,844,061)	(300,456)	(2,731,084)	(362,497)
Amortisation and impairment losses	6.5	(269,291)	-	(184,424)	-
Other operating costs	6.6	(4,936,759)	(1,712,028)	(7,891,811)	(1,567,296)
Operating profit/(loss)		10,382,234		19,855,786	
Financial income	6.7	795,497	760,050	451,435	421,731
Financial expense	6.7	(6,355,550)	(903,597)	(10,683,495)	(666,949)
<i>Net financial expenses</i>		(5,560,053)		(10,232,060)	
Profit/(loss) before taxes		4,822,181		9,623,726	
Current taxes	6.8	1,042,289	-	1,583,942	-
Deferred taxes	6.8	(1,823,837)	-	(262,346)	-
Total income taxes		(781,548)		1,321,596	
Profit/(loss) from continuing operations		4,040,633		10,945,322	
Profit/(loss) from discontinued operations		-		-	
Net profit/(loss) for the year		4,040,633		10,945,322	
Other comprehensive income:					
<i>Employee defined benefit plans</i>		19,233		(24,160)	
<i>Taxes on other comprehensive income</i>		-		-	
Components that will not be reclassified to profit or loss		19,233		(24,160)	
Items that will be reclassified to profit or loss		-		-	
Other comprehensive income:		19,233		(24,160)	
Total comprehensive income for the year		4,059,866		10,921,162	

The notes are an integral part of these financial statements.

The information on transactions with related parties is provided in note 7.12.

Annex 3:**Intek Group – Separate financial statements at 31 December 2015****Statement of cash flows - indirect method**

<i>(in thousands of Euro)</i>	2015	2014	
(A) Cash and cash equivalents at the beginning of the year	736	930	
Profit (loss) before taxes	4,822	9,624	
Amortisation and depreciation of property, plant and equipment and intangible assets	67	89	
Impairment losses on non-current, non-financial assets	202	95	
Impairment losses (reversal of impairment losses) on current and non-current financial assets	2,950	(25,083)	
Changes in provision for pensions, employment severance benefits and stock options	(13)	68	
Changes in provisions for risks and charges	(245)	3,474	
(Increase) decrease in investments	(100)	(81)	
(Increase) decrease in other financial investments	(2,602)	1,434	
Increase (decreases) in financial payables towards related companies	19,802	23,370	
(Increases) decrease in financial receivables from related companies	(32,652)	5,663	
Dividends received	(16,425)	-	
(Increase)/Decrease in current receivables	133	1,744	
Increase/(Decrease) in current payables	(1,146)	(3,145)	
Taxes paid during year	962	-	
(B) Total Cash flows from (used in) operating activities	(24,245)	17,252	
(Increase) in non-current tangible and intangible assets	(154)	(73)	
Decrease in non-current intangible assets and property, plant and equipment	-	1	
(Increase) decrease in instrumental equity investments	(10,022)	-	
Increase/decrease in other non-current assets/liabilities	-	(194)	
(C) Cash flows from investment activities	(10,176)	(266)	
(Purchase) sale of treasury shares	(835)	371	
Bond issue and Early Redemption	39,751	-	
Payment of interests on Bonds	(2,820)	-	
Increase (decrease) in current and non-current loans and borrowings	5,374	(17,551)	
(D) Cash flows from (used in) financing activities	41,470	(17,180)	
(E) Change in cash and cash equivalents	(B) + (C) + (D)	7,049	(194)
(F) Cash and cash equivalents at the end of the year	(A) + (E)	7,785	736

Annex 4:

Intek Group – Consolidated financial statements at 31 December 2015

Statement of financial position – Assets

<i>(in thousands of Euro)</i>	<i>Ref. Note</i>	<i>31-Dec-2015</i>		<i>31-Dec-2014</i>	
			<i>of which related parties</i>		<i>of which related parties</i>
Investments in equity interests and fund units	4.1	455,275		437,860	
Non-current loan assets	4.2	13,345	11,245	11,760	9,036
Investment property	4.3	3,852		4,488	
Property, plant and equipment	4.4	11,987		456	
Goodwill	4.5	798		1,000	
Intangible assets	4.6	3		4	
Other non-current assets	4.7	486		484	
Deferred tax assets	4.21	7,040		8,633	
Total non-current assets		492,786		464,685	
Current loan assets	4.8	67,517	39,564	12,131	11,664
Trade receivables	4.9	10,959	2,838	11,040	1,838
Other current receivables and assets	4.10	11,442	1,562	14,636	138
Cash and cash equivalents	4.11	10,947		48,940	
Total current assets		100,865		86,747	
Non-current assets held for sale	4.12	1,784		1,559	
Total assets		595,435		552,991	

Intek Group – Consolidated financial statements at 31 December 2015

Statement of financial position – Liabilities

<i>(in thousands of Euro)</i>	<i>Ref. Note</i>	<i>31-Dec-2015</i>		<i>31-Dec-2014</i>	
			<i>of which related parties</i>		<i>of which related parties</i>
Share capital		314,225		314,225	
Other reserves		37,186		28,251	
Treasury shares		(2,456)		(3,638)	
Retained earnings (accumulated losses)		68,539		(76,318)	
Convertible loan		24,000		24,000	
Other comprehensive income		(138)		(33)	
Profit (loss) for the period		6,169		155,851	
Equity attributable to owners of the Parent	4.13	447,525		442,338	
Non-controlling interests		-		-	
Total equity	4.13	447,525		442,338	
Employee benefits	4.14	437		471	
Deferred tax liabilities	4.21	3,564		1,728	
Non-current loans and borrowings	4.15	108,419		63,147	
Other non-current liabilities	4.16	1,788		938	
Provisions for risks and charges	4.17	4,964		6,101	
Total non-current liabilities		119,172		72,385	
Current loans and borrowings	4.18	24,295	16,816	29,404	20,372
Trade payables	4.19	1,271	120	1,276	138
Other current liabilities	4.20	3,172	786	7,588	2,090
Total current liabilities		28,738		38,268	
Total liabilities and equity		595,435		552,991	

Annex 5:

Intek Group – Consolidated financial statements at 31 December 2015

Statement of comprehensive income

<i>(in thousands of Euro)</i>	<i>Ref. Note</i>	2015			2014
			<i>of which related parties</i>		
				<i>of which related parties</i>	
Net income from investment management	5.1	16,015			181,174
Commissions on guarantees given	5.2	3,223	3,223		4,708
Other income	5.3	2,349	144		2,638
Personnel expenses	5.4	(2,193)	(19)		(3,064)
Amortisation and impairment losses	5.5	(883)			(314)
Other operating costs	5.6	(6,258)	(1,222)		(11,611)
Operating profit/(loss)		12,253			173,531
Financial income		1,101	1,004		700
Financial expense		(6,265)	(544)		(10,627)
<i>Net financial expenses</i>	5.7	<i>(5,164)</i>			<i>(9,927)</i>
Profit/(loss) before taxes		7,089			163,604
Current taxes	5.8	930			(1,160)
Deferred taxes	5.8	(1,850)			(916)
Total income taxes		(920)			(2,076)
Net profit/(loss) from Investment Entity assets		6,169			161,528
Net profit/(loss) from previously consolidated assets		-			(5,563)
Profit/(loss) for the year		6,169			155,965
Other comprehensive income:					
<i>Employee defined benefit plans</i>		19			(3,746)
<i>Tax on other comprehensive income</i>		-			-
Components that will not be reclassified to profit or loss		19			(3,746)
<i>Exchange rate gains/(losses)</i>		-			11,554
<i>Net change in hedging reserve</i>		(183)			(1,422)
<i>Other</i>		-			1
<i>Taxes on other comprehensive income</i>		45			(2,791)
Items that will be reclassified to profit or loss		(138)			7,342
Other comprehensive income, net of tax effect:		(119)			3,596
Total comprehensive income for the year		6,050			159,561
Profit/(loss) for the year attributable to:					
- non-controlling interests		-			114
- owners of the Parent		6,169			155,851
Profit/(loss) for the year		6,169			155,965
Total comprehensive income attributable to:					
- non-controlling interests		-			374
- owners of the Parent		6,050			159,187
Total comprehensive income for the year		6,050			159,561
Earnings per share (in Euro)					
Basic earnings (losses) per share		0.0075			0.0172
Diluted earnings (losses) per share		0.0075			0.0158

Annex 6:

Intek Group – Consolidated financial statements at 31 December 2015

Statement of cash flows - indirect method

<i>(in thousands of Euro)</i>	<i>2015</i>	<i>2014</i>
(A) Cash and cash equivalents at the beginning of the year	48,940	1,692
Profit (loss) before taxes	7,089	163,604
Amortisation and depreciation of property, plant and equipment and intangible assets	263	126
Impairment losses on current assets	170	-
Impairment losses (reversal of impairment losses) on non-current assets other than financial assets	620	110
Write-down/(Revaluation) of investments and financial assets	(16,003)	(181,174)
Changes in provision for pensions, employment severance benefits and stock options	4	117
Changes in provisions for risks and charges	(249)	3,449
(Increase) decrease in investments	(1,211)	-
(Increase) decrease in financial investments and financial assets	(26,108)	73,659
Increase (decrease) in current and non-current loans and borrowings from related companies	(3,557)	8,471
(Increase) decrease in current and non-current loan assets from related companies	(34,323)	525
(Increase)/Decrease in current receivables	3,939	6,895
Increase/(Decrease) in current payables	(3,099)	(514)
Taxes paid during year	(1,307)	(2,076)
(B) Total Cash flows from (used in) operating activities	(73,772)	73,192
(Increase) in non-current tangible and intangible assets	(204)	(90)
Decrease in non-current intangible assets and property, plant and equipment	3	1
Investments in instrumental equity interests net of acquired cash	(9,968)	-
Increase/decrease in other non-current assets/liabilities	848	(330)
(C) Cash flows from investment activities	(9,321)	(419)
(Purchase) sale of treasury shares and similar shares	(835)	370
Increase /(Decrease) in current and non-current loans and borrowings	45,983	(23,894)
(Increase)/Decrease in current and non-current loan assets	(48)	(2,001)
(D) Cash flows from (used in) financing activities	45,100	(25,525)
(E) Change in cash and cash equivalents	(B) + (C) + (D)	(37,993)
(F) Cash and cash equivalents at the end of the year	(A) + (E)	47,248
	10,947	48,940