

20 December 2000

## **KM Europa Metal Aktiengesellschaft, Osnabruck**

SMI Società Metallurgica Italiana (SMI Spa) is majority shareholder of KM Europa Metal Aktiengesellschaft (KME) with 99,2% via the German holding Finmetal KG with its limited partner „Europa Metalli“ Investitions Beteiligungs Aktiengesellschaft (EM AG).

In recent months measures for further integration of KME AG in the SMI group have been undertaken; in the frame of this EM AG has informed KME AG about their intention to enter into negotiations about a possible merger KME AG and EM AG to further maximize the benefits of the entire group also considering the fiscal advantages. Esp. for the protection of minority shareholders a joint valuation of KME and EM AG shall be carried out by independent external auditors. The KME Board will enter into the negotiations offered by EM AG about such a merger.