Intek S.p.A. **KME Group S.p.A.**

JOINT PRESS RELEASE

INTEK S.p.A. AND KME GROUP S.p.A.: THERE WERE APPROVED THE GUIDELINES FOR THE GROUP REORGANISATION PLAN, BY MEANS OF THE PARTIAL INVERSELY PROPORTIONAL SPLIT OF INTEK IN FAVOUR OF KME GROUP

- **There were unanimously approved by their respective Boards of Directors the guidelines of a company reorganisation plan, which foresees the partial inversely proportional split of Intek in favour of the subsidiary KME Group, based on their Balance Sheet situations at 30th June 2009.**

- **The plan aims to simplify the company structure regarding the two different business areas within which the Group operates and to increase operational focus, through the concentration within Intek of the activities of a financial nature and within KME Group of those of an industrial nature.**

- **The plan's guidelines lay down the split of Intek through the assignment to KME Group of its Balance Sheet assets and liabilities, basically consisting of shareholdings and among which there is the one owned in KME Group itself.**

- **Due to the Split Intek will annul its own financial instruments, i.e. its ordinary shares, savings shares and Intek 2005 - 2011 ordinary share warrants, on the basis of 5 securities for each 8 securities owned, with the consequent proportional reduction of the Share Capital of Intek. The swap ratio shown in the plan, which has been fixed by the respective Boards of Directors, who have availed themselves of the services of the independent advisors PricewaterhouseCoopers Advisory – Corporate Finance Division and Professor Luca Maria Manzi, lays down the assignment to the Intek shareholders of:**

  - **1 KME Group ordinary share for each annulled Intek ordinary share.**
  - **1 KME Group savings share for each annulled Intek savings share.**
  - **1 new KME Group 2009 - 2011 ordinary share warrant for each annulled Intek 2005 – 2011 ordinary share warrant.**

- **The plan also foresees that, before the start date of the legal impacts of the split, the following will be resolved upon and carried out:**

  - **The splitting of the ordinary and savings shares of KME Group, through the assignment of 3 shares for every 2 shares owned of each group, with the consequent updating of the equity privileges belonging to the savings shares, thus harmonising them with the Intek savings shares.**
  - **The extension of the expiry date of the KME Group 2006 – 2009 ordinary share warrants.**
  - **The assignment to the Intek shareholders of the KME Group 2006 - 2009 ordinary share warrants that are currently owned by Intek.**
  - **The cancellation of the current stock option plans of Intek and KME Group.**
  - **The elimination of the indication of the nominal value of the Intek shares.**

- **Furthermore, the plan also foresees an increase in the Share Capital of KME Group, aimed at strengthening the company's equity situation, for a maximum of 80 million Euros, through the issuing of new ordinary and savings shares to be offered as options to those having the necessary legal right, for a subscription price, after the splitting, contained within a range, for each ordinary share, of between 0.30 Euros and 0.37 Euros, which are equivalent to 0.45 Euros and 0.55 Euros respectively, before the split, and for each savings share of between 0.50 Euros and 0.57 Euros, which are equivalent to 0.75 Euros and 0.85 Euros respectively, before the split, to be resolved upon at the same Shareholders' Meeting that will be called in order to approve the split project and to be carried out after the start date of its legal impacts.**

- **Lastly, the plan foresees new incentive plans reserved for the Intek and KME Group managements, to be carried out after the start date of the legal impacts of the split.**

- **Based on the plan there do not exist any of the prerequisites for exercising the right of withdrawal by the shareholders of Intek and KME Group.**

- **It is foreseen that the Boards of Directors Meetings of Intek and the KME Group can be called and that they will pass the resolutions, relative to the split project, within next September and that their respective Shareholders' Meetings can be held within the month of November and that the total overall operation involving the plan can be finalised by the end of the first quarter of 2010.**

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Milan – 6th August 2009 – The Boards of Directors of Intek S.p.A., i.e. "**Intek**" or the "**Split Company**" and of KME Group S.p.A., i.e. "**KME Group**" or the "**Beneficiary Company**", have today approved, on a preliminary basis, unanimously and with the favourable opinion of their Boards of Statutory Auditors, the guidelines of a plan to rationalise the structure of the Intek Group, i.e. the "**Plan**", which foresees, among other things the partial inversely proportional split of Intek in favour of the KME Group, based on their respective Balance Sheet situations at 30th June 2009, i.e. the "**Split**". The Split project and the Directors' Reports, completely illustrating and detailing the operation, will be approved afterwards.

Currently, Intek owns 126,167,569 ordinary shares, or 53.577%, of the voting capital of KME Group, 896,906 savings shares, amounting to 4.703% of the Share Capital of this category and 51,569,951 KME GROUP 2006-2009 ordinary shares warrants.
With the Split, as shown better in paragraph 2 below, the industrial activities that are headed by Intek in the sector of semi-finished products in copper and its alloys (KME Group), in the utilities sector (ErgyCapital S.p.A.), in the fleet management sector and that of long-term vehicle renting (Drive Rent S.p.A.) and in the sector of space planning and household accessories (Culti S.r.l.) will be concentrated in and headed by the KME Group, which will, therefore, become a holding company for diversified industrial activities.

There shall remain under the control of Intek those activities of a financial nature that are presently carried out by its current subsidiaries in sectors of private equity, i.e. IntekCapital S.p.A., whose activities are also carried on through the fund managed by I2 Capital Partners SGR, operating in the Special Situations sector, and of real estate.

As a result of the Split, the Intek shareholders will receive KME Group shares, proportionately to the amount of the holding each of them has in the Share Capital of Intek and following the methodologies that will be laid down in the Split project.

The Split will be carried out based on the Balance Sheet situations of Intek and the KME Group at 30th June 2009, drawn up pursuant to article 2501-*quater*, of the Italian Civil Code and approved, today, by their respective administrative bodies.

1. Reasons for the operation.

The Plan approved by the Boards of Directors of Intek and KME Group is aimed, on the one hand, at achieving greater unification and focus regarding the Intek Group's activities, also for the purpose of developing medium and long-term growth strategies and, on the other hand, at a simplification of the company structure.

Intek will concentre itself on the financial investments area, which is currently managed through its wholly owned subsidiary IntekCapital S.p.A. and the subsidiaries, or affiliates, of this latter. The operations involved include investments in "special situations" and private equity, through I2 Capital Partners SGR S.p.A., aimed at taking advantage of opportunities for rationalising and developing holdings acquired in companies that find themselves in very complex situations, implementing paths for exploiting them and arriving at their eventual realisation, the supply of real estate services and the managing of non-performing receivables.

KME Group will head the industrial activities. To the traditional industrial activities of the production and sale of semi-finished products in copper and its alloys, in which, for some time now, the group has held a leadership position at worldwide level, with production factories in the main European countries as well as in developing countries like China, with more than 6 thousand employees and yearly revenues of more than 3 billion Euros, there will be added activities in the area of the design, planning, installation and maintenance of plants for the production of electrical power from renewable sources, as well as solutions for energy saving, through the company ErgyCapital S.p.A.

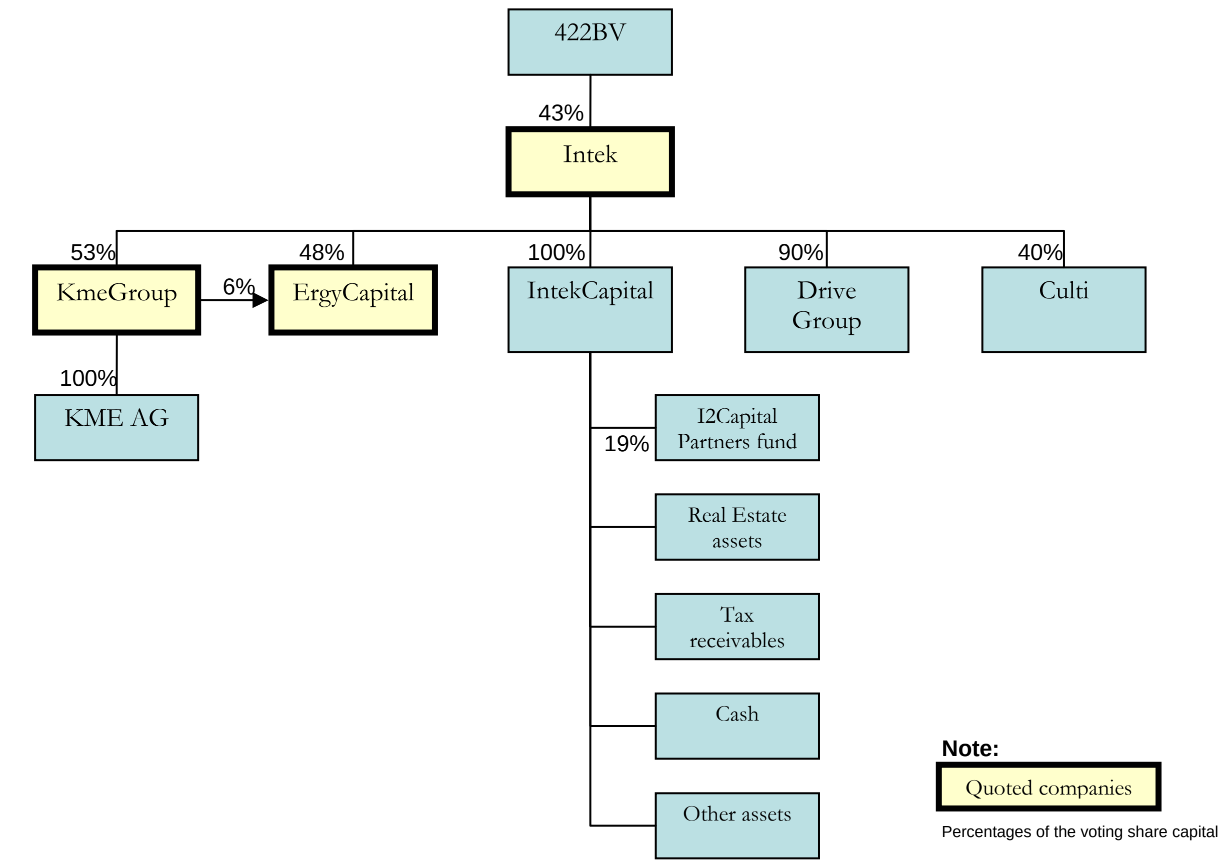
There are also headed by KME Group the service activities of Drive Rent S.p.A., which operates in the field of the long-term renting of motor vehicles and the managing of company motor vehicle fleets and that of the space planning and home accessories of Culti S.r.l.

Another effect of the forecasted Split operation is the simplification of the ownership set-ups and the Group's company structure, which will also bring about a better understanding, by the market, of the underlying values involved. After the operation Intek will not have any holding, whatsoever, in the Share Capital of the KME Group, while Quattroduedue Holding B.V. which, because it is a shareholder of Intek, will be the assignee of KME Group shares, will have a direct holding in this latter amounting to about 25% of its Ordinary Share Capital.

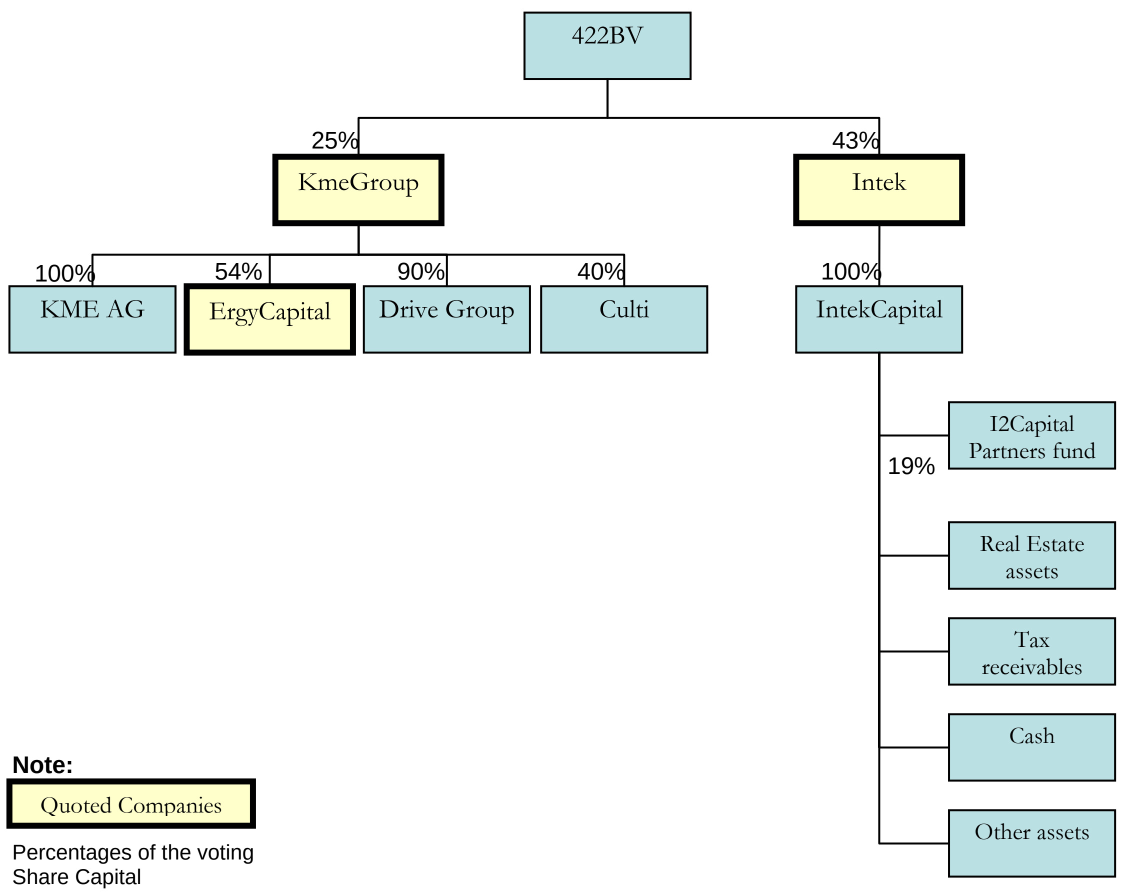
Furthermore, following the Split, the KME Group shareholders will find themselves part of a holding company that also has holdings in other investment sectors that are able to offer them a greater diversification of the risk, compared to the current situations. The Intek shareholders will swap part of the securities they currently own for those of a bigger company, with a wider range of shareholders and one that has greater liquidity.

The graphs that follow show the Intek Group's structure at the date of this press release and its forecasted one following the Split operation, giving the percentage of the holding in the Share Capital that is made up of ordinary shares.

Group Structure – current situation



Group Structure – after the operation



2. Balance Sheet items that are the subject of assignment and the change in the Net Equity of the companies taking part in the Split.

Because of the Split, the Beneficiary Company will be assigned the following Balance Sheet assets and liabilities, hereinafter called the "**Split Compendium**", based on Intek's Balance Sheet situation at 30th June 2009, drawn up according to the International Financial Reporting Standards (IFRS):

(1) company holdings and financial instruments:

- **KME Group**: a holding represented by *(i)* ordinary shares, amounting to 49.563% of the Share Capital and 53.577% of the Share Capital with voting rights, with a book value at 30th June 2009 amounting to 201,622,933.00 Euros and *(ii)* savings shares, amounting to 0.352% of the Share Capital and 4.703% of the Share Capital of shares of the same category, with a book value at 30th June 2009 amounting to 1,433,501.00 Euros;
- **ErgyCapital S.p.A.**: *(i)* a holding amounting to 47.955% of the Share Capital, with a book value at 30th June 2009 amounting to 24,653,603.00 Euros and *(ii)* 101,743,509 warrants called "Warrant ErgyCapital S.p.A. 2011", convertible into ordinary shares, quoted on the MTA (Computerised Stock Market), with a book value at 30th June 2009 amounting to 8,587,000.00 Euros;
- **Culti S.r.l.:** a holding amounting to 40% of the Share Capital, with a book value at 30th June 2009 amounting to 3,015,000.00 Euros;
- **Drive Rent S.p.A.:**, a holding amounting to 90% of the Share Capital, acquired by the Split Company on 30th July 2009, due to the distribution of available reserves by the wholly owned subsidiary IntekCapital S.p.A., with a book value at 30th June 2009 amounting to 30,000,000 Euros, the value at which the aforesaid shares were distributed to Intek.

(2) part of the payable coming from a bank loan for the overall nominal amount of 30 million Euros.

The difference between the accounting book value of the assets, amounting to 272,771,000 Euros, and the accounting book value of the liabilities, amounting to 30,000,000 Euros, which make up the Split Compendium is 242,771,000 Euros.

3. Preliminary and instrumental operations relative to the Split.

The Plan also foresees that, at the same time as that of the approval of the Split project, the Extraordinary Shareholders' Meetings of Intek and KME Group shall pass resolutions regarding some preliminary and instrumental operations relative to the Split, for the purpose of making the values of the securities of the companies involved in the Split more homogenous, simplifying the swap operations and with a view to safeguarding the equity rights of the savings shareholders of the companies taking part in the Split.

Specifically, the following are foreseen:

- The splitting up of the ordinary shares and the savings shares of KME Group, which have no explicit nominal value, through the assignment of: *(i)* 3 ordinary shares for each group of 2 ordinary shares owned and *(ii)* 3 savings shares for each group of 2 savings shares owned.
- The consequent updating of the equity privileges belonging to the savings shares of the KME Group, which will be harmonised with those of the savings shares of Intek.
- The extension of the end date for exercising the KME Group 2006 – 2009 ordinary shares warrants, from the original one of 11th December 2009 to the new one of 31st December 2011.
- The distribution in kind to holders of Intek ordinary shares of the available reserves, for the total overall amount of 2,418,759.51 Euros, to be carried out through the assignment of 51,569,951 KME Group 2006 - 2009 ordinary shares warrants currently owned by Intek.
- The cancellation of the current incentive plans reserved for the management of the companies taking part in the Split.
- The elimination of the indication of the nominal value of the ordinary and savings shares of Intek, currently set, for both categories at 0.26 Euros.

It is highlighted that the above operations will be carried out before the effective date of the Split.

It is highlighted that, due to the Split, Intek will annul its own financial instruments, i.e. ordinary shares, savings shares and Intek 2005 – 2011 ordinary shares warrants, with a swap of 5 securities for each 8 securities owned, impacting all the categories of the said financial instruments.

As a consequence of the said annulment Intek will reduce its own Share Capital, proportionately.

4. Criteria for setting the Swap Ratio.

Because of the attribution to the Beneficiary Company of the Split Compendium, the Intek shareholders will be assigned KME Group shares and warrants, proportionately to the holding each one of them has in the Share Capital of Intek and based on the swap ratio, i.e. the "Swap Ratio", which was examined and approved, regarding the Plan guidelines, by the Boards of Directors Meetings that were held today and which is as follows:

- 1 ordinary share of KME Group for each annulled ordinary share of Intek.
- 1 savings share of KME Group for each annulled savings share of Intek.
- 1 KME Group 2009 – 2011 new ordinary share warrant, to be quoted on the MTA (Computerised Stock Market), for each annulled Intek 2005 – 2011 ordinary share warrant.

There is not foreseen any type of settlement in cash.

Regarding the setting of the Swap Ratio the Boards of Directors and the Internal Controls Committees of Intek and KME Group availed themselves of the consultancy services of PricewaterhouseCoopers Advisory - Corporate Finance Division and of Professor Luca Maria Manzi, who is an Associate Professor of Company Finance in the University of Turin, as independent advisors. For the purposes of setting the Swap Ratio the methods used were that of the Discounted Cash Flow, the Net Equity and the Stock Exchange quotations, as the control method.

An independent expert who will be nominated by the Court of Florence will subject the Swap Ratio to evaluation. The aforesaid expert will be asked to draw up the report on the congruousness of the Swap Ratio and, for this purpose, the Boards of Directors of the companies that are taking part in the Split have given mandates to their respective legal representatives so that they may ask the Court of Florence to nominate a joint expert for them, pursuant to article 2501-*sexies*, of the Italian Civil Code.

5. Lack of the prerequisites regarding the right of withdrawal by the shareholders of the Split Company and the Beneficiary Company – Absence of the obligation to make a public purchase offer.

Due to the Split no change will be made to the Articles of Incorporation of Intek and of KME Group regarding their business objectives or to the voting or holding rights of the shareholders.

Therefore, there do not exist the prerequisites for the shareholders of Intek or KME Group to exercise any right of withdrawal, pursuant to article 2437, first paragraph, letters *a)* and *g)*, of the Italian Civil Code.

Furthermore, carrying out the Split will not bring about the exclusion of the Intek and/or KME Group shares from quotation and, therefore, there do not exist the prerequisites for exercising the right of withdrawal by the shareholders of Intek and/or of KME Group pursuant to article 2437- *quinquies*, of the Italian Civil Code.

Lastly, the carrying out of this operation shall not bring about any obligation to make a public purchase offer of the shares of ErgyCapital S.p.A., because the transfer of the holding, in the context of the Split, shall take place pursuant to what is laid down by article 49, paragraph 1, letter *c)* of the CONSOB (Italian SEC) Regulation number 11971/99.

6. Impacts of the Split on the shareholding structure of the Split Company and the Beneficiary Company.

At the end of the Split operation, the makeup of the shareholding structure of Intek will not undergo any change and it will remain exactly the same as now, except for any operations dependent upon the operations that have been put in place by any persons that have a legal right to do so between today's date and that of the effective date of the Split. Regarding the breakdown of the shareholding structure of KME Group, the current shareholders of Intek will be assigned ordinary and savings shares of the Beneficiary Company, according to the Swap Ratio, directly proportional to the holding owned by each one of them in the Share Capital of Intek.

Intek, which is currently the majority shareholder of KME Group, with a holding amounting to 53.577% of the Ordinary Share Capital and 49.915% of the total Share Capital, at the end of the Split operation will not own any holding in the Share Capital of KME Group.

Following the Split the parent company, Quattroduedue Holding B.V., will maintain unchanged its controlling interest in Intek amounting to 43.17% and will have a holding in the Share Capital of KME Group amounting to about 25% of the Ordinary Share Capital, while Quattroduedue Holding B.V. remains firm in its intention to consolidate and build up its holding in KME Group, through open market transactions and/or agreements with other shareholders.

There are not foreseen, as a consequence of the described operation, any changes to the amounts of the Directors' Fees of Intek and KME Group and those of their subsidiary companies, except for what is described regarding the existing and forecasted stock option plans. Similarly, there are not foreseen any restructurings and/or reorganisations following the planned operation.

7. The operation timetable.

It is believed that the Boards of Directors Meetings of Intek and KME Group can be called and that they can pass the resolutions regarding the Split project and the other operations that are foreseen in the Plan during the month of September 2009. The relative Extraordinary Shareholders' Meetings can take place within the month of November 2009 and the whole operation that is foreseen in the Plan can be fully finalised within the first quarter of 2010.

8. Operations with correlated parties.

The Split is defined as an operation between correlated parties, pursuant to article 2391-*bis*, of the Italian Civil Code and article 71-*bis*, second part, of the Issuers' Regulation number 11971/99, because of the following:

- The group parent company Quattroduedue Holding B.V. is: *(i)* the direct majority shareholder of Intek, with a holding amounting to 43.17% of the Ordinary Share Capital and it is *(ii)* the indirect majority shareholder of KME Group, through Intek.

- The Split Company is the parent company of KME Group, holding 53.577% of the Ordinary Share Capital and 4.703% of the Savings Share Capital, as well as the own shares held by KME Group amounting to 2.325% of the Ordinary Share Capital and 0.475% of the Savings Share Capital.
- Some Directors of Intek and of KME Group are members of both the administrative bodies of the companies taking part in the Split.

Specifically, it is highlighted that Intek and KME Group have the following Directors in common: Vincenzo Manes is the Chairman and Managing Director of Intek and Executive Vice Chairman of the KME Group, Diva Moriani is Vice Chairman of Intek and a Director of KME Group, Marcello Gallo is Vice Chairman of Intek and a Director of KME Group and Salvatore Orland is Chairman of KME Group and a Director of Intek.

During today's Boards of Directors Meetings these Directors have made the necessary declarations, regarding their foregoing situations, that are required by the relative legislative measures and regulations that are currently in force, in observance of the rules of Corporate Governance appertaining to both of the companies involved.

9. Further resolutions.

Lastly, the plan foresees further operations, to be resolved upon at the same time as the approval of the Split operation, but to be carried out after the start date of the legal impacts of the Split.

Specifically, an increase in the Share Capital of KME Group is forecasted, which is aimed at strengthening the company's equity, for a maximum amount of 80 million Euros, through the issue of new ordinary and savings shares to be offered as options to those having the relative right, at a subscription price, after splitting, contained within a range for each ordinary share of between 0.30 Euros and 0.37 Euros that are equivalent to 0.45 Euros and 0.55 Euros before splitting, respectively, and for each savings share of between 0.50 Euros and 0.57 Euros that are equivalent to 0.75 Euros and 0.85 Euros before splitting, respectively. As indicated this Share Capital increase will be carried out after the operations referred to in paragraph 3 above, including the split of KME Group shares and at the start date of the effects of the Split and, therefore, it shall presumably take place during the first quarter of 2010.

Furthermore, there are also foreseen new incentive plans reserved for the managements of Intek and KME Group.

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All the documents required by the relative legislation that is currently in force regarding the operation shall be prepared, deposited and inscribed within the timeframes and with the methodologies that are laid down by the applicable legislative and regulatory measures.

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The Company Executives responsible for the drawing up of the companies' accounting documents, Giuseppe Mazza, for Intek, and Marco Miniati, for KME Group, hereby declare, pursuant to paragraph 2 of article 154-*bis*, of the Consolidated Finance Act, i.e. Legislative Decree number 58/1998, that the accounting informational document contained in this press release reflects the contents of the relative accounting documents, books and entries of the companies.

The Boards of Directors of Intek S.p.A. and KME Group S.p.A.