

**JOINT PRESS RELEASE**

Pursuant to article 114 of the Legislative Decree 58/1998

**THE BOARDS OF DIRECTORS OF INTEK S.p.A. AND KME GROUP S.p.A. HAVE APPROVED THE PROJECT FOR THE PARTIAL INVERSELY PROPORTIONAL SPLIT OF INTEK IN FAVOUR OF THE KME GROUP**

- There was unanimously approved, by their respective Boards of Directors, the project for the inversely proportional split of Intek in favour of its subsidiary KME Group, based on their respective Balance Sheet situations at 30<sup>th</sup> 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 the KME Group of those of an industrial nature.
- The operation foresees the split of Intek through the assignment to the KME Group of its Balance Sheet assets and liabilities, basically consisting of shareholdings and among which there is the one owned in the KME Group itself.
- The swap ratio shown in the Split Project, which has been fixed by the respective Boards of Directors, who have availed themselves of the services of the independent advisors Price Waterhouse Coopers Advisory – Corporate Finance Division and Professor Luca Maria Manzi, lays down the following:
  - (i) The annulment of the Intek financial instruments, i.e. ordinary shares, savings shares and Intek S.p.A. 2005 – 2011 ordinary share warrants, on the basis of 5 securities for every 8 securities owned:
  - (ii) The assignment to the bearers of Intek financial instruments as follows:
    - 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, to be admitted to trading on the MTA (Computerised Stock Exchange), for each annulled Intek 2005 – 2011 ordinary share warrant.

Therefore:

- (a) For the Intek shareholders:
  - For each group of 8 Intek ordinary shares owned, 5 shares will be annulled and replaced with 5 KME Group ordinary shares.
  - For each group of 8 Intek savings shares owned, 5 shares will be annulled and replaced with 5 KME Group savings shares.
- (b) For the bearers of “Intek S.p.A. 2005 – 2011” ordinary share warrants”:
  - For each group of 8 “Intek S.p.A. 2005 – 2011 ordinary share warrants” owned, 5 warrants will be annulled and replaced with 5 “KME Group 2009 – 2011 ordinary

share warrants”, to be admitted to trading on the MTA (Computerised Stock Exchange).

- Furthermore, the Boards of Directors of Intek and KME Group have resolved upon and approved the following proposals and the consequent changes to their Articles of Incorporation to be submitted for the approval of their respective Shareholders’ Meetings:
  - The revoking of the current stock option plans of Intek and KME Group.
  - The extension of the last date for exercising the KME Group S.p.A. 2006 – 2009 ordinary share warrants until 30<sup>th</sup> December 2011.
  - The splitting, without changing the Share Capital, of the ordinary and savings shares of the KME Group, through the attribution of 3 shares for each group of 2 shares owned with, at the same time, the updating and marginal increase of the privileges currently attributed to the KME Group savings shares and, in this way, making fully homogenous the KME Group savings shares privileges with those of the Intek savings shares, for the purpose of simplifying the Split Swap operations.
  - The increase of the Share Capital to service a new incentives plan reserved for the executive Board directors and executives of the KME Group or of its subsidiaries, after the start date of the legal impacts of the split.
  - The elimination of the nominal values of the Intek ordinary and savings shares and the consequent changes to the Articles of Incorporation.
  - The free of charge distribution in kind, to the Intek shareholders, of a part of the available reserves, to be actuated through the assignment of KME Group S.p.A. 2006 - 2009 ordinary share warrants owned by Intek itself.
- As a consequence of the operation there do not exist the prerequisites for exercising any legal right of withdrawal from their respective companies by Intek and KME Group shareholders.
- Furthermore, KME Group will go ahead with a Share Capital increase aimed at strengthening the company’s equity situation, for a maximum amount of 80 million Euros, inclusive of any eventual share premium, through the issue of new ordinary and savings shares to be offered on an option basis, resolved upon by today’s Board of Directors Meeting and to be carried out after the start date of its legal impacts.
- The Boards of Directors of Intek and KME Group have resolved, giving the mandates to their respective Chairmen and Vice Chairmen to take care of the fulfilment of any relative obligation, to call the Ordinary and Extraordinary Shareholders’ Meetings of the companies taking part in the operation, to be held by 31<sup>st</sup> December 2009, in order to approve the split project and the relative planned preliminary operations regarding it.
- Full completion of the operation is forecasted to take place by the end of the first half-year of 2010.

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**Milan – 7<sup>th</sup> October 2009** – In line with what was announced to the market, within the press release dated last 6<sup>th</sup> August, the Boards of Directors of Intek S.p.A. (“Intek” or the “Split Company”) and of KME Group S.p.A. (“KME” or “KME Group” or the “Beneficiary Company”), have, today, unanimously approved, together with the favourable opinion of their Boards of Statutory Auditors, the partial inversely proportional split

project of Intek in favour of KME Group (the “**Split Project**”) and the illustrative report of the directors, based on their respective Balance Sheet situations at 30<sup>th</sup> June 2009.

Currently, Intek owns 126,167,569 ordinary shares, or 53.576%, of the voting capital of the 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, which give the right to subscribe to a total of 17,189,983 KME ordinary shares.

The operation consists of a partial inversely proportional split, because the Split Company has a holding in the Beneficiary Company, according to which a part of the equity of Intek is separated out and attributed to the KME Group (the “**Split**”).

With the Split the industrial activities that are headed by Intek in the sector of semi-finished products in copper and its alloys (KME Group), in the sector of the production of energy from renewable sources (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 (IntekCapital S.p.A., whose business activities are also carried out through the fund managed by I2 Capital Partners SGR S.p.A., operating in the sectors of special situations and 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 at 30<sup>th</sup> June 2009, drawn up pursuant to article 2501, fourth part, of the Italian Civil Code and approved by the respective administrative bodies of the companies on 6<sup>th</sup> August 2009.

The impacts of the Split will start from the date shown in the legal act of Split, which can also be after that of the last of the inscriptions that are referred to in article 2506, fourth part, of the Italian Civil Code.

The accounting and fiscal impacts of the Split will start from the same date.

### **Reasons for the operation.**

As already communicated to the market by the Boards of Directors of Intek and KME Group, at the time of the approval of the guidelines for company restructuring plan on 6<sup>th</sup> August 2009, the Split aims, on the one hand, at greater unity and focusing of 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 concentrate 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.

The 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 the 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 Quattrodue 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.

It is also expected that a greater focusing of the activities of Intek and KME can increase the interest of investors in both of the companies, with consequent positive impacts on their respective share prices.

The graphs attached to this press release 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.

### **Balance Sheet items subject to assignment and the change in the Net Equities 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 30<sup>th</sup> June 2009, drawn up according to the International Financial Reporting Standards (IFRS):

#### (1) Company holdings and financial instruments:

- **KME Group S.p.A.:** a holding represented by (i) ordinary shares, amounting to 49,562% of the Share Capital and 53,576% of the Share Capital with voting rights, with a book value at 30<sup>th</sup> 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 30<sup>th</sup> June 2009 amounting to 1.433.500,95 Euros;
- **ErgyCapital S.p.A.:** (i) a holding amounting to 47.955% of the Share Capital, with a book value at 30<sup>th</sup> June 2009 amounting to 24.653.602,60 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 30<sup>th</sup> June 2009 amounting to 8.587.152,00 Euros.
- **Culti S.r.l.:** a holding with the nominal value of 1,000,000.00 Euros, amounting to 40% of the Share Capital, with a book value at 30<sup>th</sup> June 2009 amounting to 3,015,873.00 Euros.
- **Drive Rent S.p.A.:** a holding amounting to 90% of the Share Capital, acquired by the Split Company on 30<sup>th</sup> July 2009, due to the distribution of available reserves by the wholly owned subsidiary IntekCapital S.p.A., with a book value at 30<sup>th</sup> June 2009 amounting to 30,000,000 Euros, the value at which the aforesaid shares were distributed to Intek).

#### (1) Receivables and payables:

- A financial receivable totalling 1,076,718.37 Euros from the affiliated company Culti S.r.l.
- A receivable of 1,776,638.65 Euros from the company Victorim S.r.l. for the sale price of part of the holding in the affiliated company Culti S.r.l.
- A receivable for prepaid taxes relative to transferred deductible fiscal losses for 1,047,729.31 Euros.
- Part of the payable to Intesa Sanpaolo S.p.A. for the purchase of a holding for an accounting book value of 30,000,000 Euros.

- Payables for 442,913.72 Euros for deferred taxes.
- (2) Any eventual liquidity coming from the exercising of the Intek 2005/2011 Warrant:
- Furthermore, there shall be transferred 5/8 of the amounts cashed in by Intek with the exercising of the warrants between 1<sup>st</sup> July 2009 and the Date of Effectiveness of the Split.

The difference, at 30<sup>th</sup> June 2009, between the accounting book value of the Balance Sheet assets, amounting to 273,214,147.41 Euros and the accounting book value of the Balance Sheet liabilities, amounting to 30,442,913.72 Euros, which makes up the Split Compendium amounted to 242,771,233.69 Euros.

At the end of the Split process, the reduction of the Net Equity, currently calculated as being 242,771,233.69 Euros, will be posted as follows:

- (i) A reduction of the Share Capital, for an amount of 58,982,271.40 Euros, through the annulling of 226,854,890 ordinary and savings shares in the ratio, both for the ordinary and the savings shares, of 5 (five) shares for every 8 (eight) shares in circulation, also highlighting that, only for the purpose of the accounting squaring of the operation, there will be annulled, without any Swap, a further 2 (two) ordinary shares of the shareholder Quattrodue Holding B.V. and 5 (five) savings shares of the shareholder KME, with the posting from Share Capital to Reserves of the further amount of 1.82 Euros and
- (ii) A reduction of the reserves, for the amount of 183,788,960.47 and, specifically, the following:
  - For 148,463,046.82 Euros as a reduction of the “Share Premium Reserve”.
  - For 3,898,494.16 Euros as a reduction of the “Legal reserve”, which will thus amount to 7,077,872.57 Euros and, therefore, one fifth of the value of the Share Capital, after the Split.
  - For 20,084,047.90 Euros, as a reduction of the “Extraordinary Reserve”.
  - For 4,025,080.75 Euros, as a reduction of the “Reserve for Profits brought forward” and
  - For 7,318,290.85 Euros as a reduction of the “Non Available Reserve” set up pursuant to the Legislative Decree 38/2005 for the amount relative to the assets valued at fair value that are included in the Split Compendium.

At the end of the Split process, the accounting book value of the Net Equity of KME will increase by an amount equal to the net book value of the items that make up the Split Compendium that differ from the holding owned by Intek in the Share Capital of KME. Therefore, the accounting book value of the Net Equity of KME, at the end of the Split process, will be posted as follows:

- (i) To the Share Capital, for an amount of 23,739,933.12 Euros, to service the Swap Ratio.
- (ii) To Reserves for the remaining amount..

The Split Compendium will be assigned to KME for the amount calculated at the effective date of the Split and, therefore, taking into account the changes arising from the operational dynamics that take place after the date of 30<sup>th</sup> June 2009.

### **Criteria for calculating the Swap Ratio.**

The swap ratio shown in the split project, i.e. the “**Swap Ratio**”) foresees the following:

- (i) The annulment of the Intek financial instruments, i.e. ordinary shares, savings shares and Intek S.p.A. 2005 – 2011 ordinary share warrants, on the basis of 5 securities for every 8 securities owned.
- (ii) The assignment to the bearers of Intek financial instruments as follows:
  - 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, to be admitted to trading on the MTA (Computerised Stock Exchange), for each annulled Intek 2005 – 2011 ordinary share warrant.

Therefore:

(a) For the Intek shareholders:

- For each group of 8 Intek ordinary shares owned, 5 shares will be annulled and replaced with 5 KME Group ordinary shares.

- For each group of 8 Intek savings shares owned, 5 shares will be annulled and replaced with 5 KME Group savings shares.

(b) For the bearers of “Intek S.p.A. 2005 – 2011” ordinary share warrants”:

- For each group of 8 “Intek S.p.A. 2005 – 2011 ordinary share warrants” owned, 5 warrants will be annulled and replaced with 5 “KME Group 2009 – 2011 ordinary share warrants”, to be admitted to trading on the MTA (Computerised Stock Exchange).

There is not foreseen any type of settlement in cash.

Specifically, there will be assigned to the shareholders of Intek a total of 217,367,595 KME ordinary shares and 9,487,295 KME savings shares, of which 189,251,352 KME ordinary shares and 1,345,359 KME savings shares are already in circulation, owned by Intek and form part of the Split Compendium and 28.116.243 KME ordinary shares and 8,141,936 KME savings shares of the new issued. Consequently, KME will increase its own Share Capital from 250,014,922.60 Euros to 273,754,855.72, in order to satisfy the Swap Ratio, with the issue, for this purpose, of a total of 36,258,179 new shares.

KME, as consequence of the replacement of “Intek S.p.A. 2005 – 2011 ordinary share warrants” with the new “KME Group 2009 – 2011 ordinary share warrants” based on the Swap Ratio, also passed a resolution for share capital increase for a maximum amount of 19,065,971.60 Euros, through the issue of a maximum of 73,330,660 new ordinary shares aimed at servicing the new issue of 73,330,660 KME warrants that will be assigned based on the Swap Ratio, to the owners of Intek S.p.A. 2005 – 2011 ordinary share warrants. Each new swapped KME warrant will be valid for the subscription, until 30<sup>th</sup> December 2011, of 1 KME ordinary share, at the price of 0.90 Euros per share, of which 0.64 Euros as a Share Premium.

In case of the exercising of the Intek S.p.A. 2005 – 2011 ordinary share warrants, before the date of the effectiveness of the Split:

- The Share Capital of the Beneficiary Company will be increased by the further amount that is necessary in order to satisfy the Swap Ratio relative to the shares of the Split Company that have been subscribed following the exercising of the Intek S.p.A. 2005 – 2011 ordinary share warrants .
- Within the Split Compendium there will also be included an amount of cash equal to 5/8 of the amounts cashed in by Intek following the exercising of the aforesaid Warrants.
- The net book values of the Balance Sheet items will record a corresponding increase, which will be posted as a further increase of the Share Capital and reserves of KME and to a further reduction of the Share Capital and Reserves of INTEK.

In the context of the calculation of the Swap Ratio the Boards of Directors and the Internal Controls Committees of Intek and KME Group have availed themselves of the consultancy services of Price Waterhouse Coopers – Advisory - Corporate Finance Division and of Professor Luca Maria Manzi, Associate Professor of Company Finance at the University of Turin, as independent advisors, and who have provided the Boards of Directors of Intek and KME, with the reports regarding the criteria used by the companies in order to calculate the Swap Ratio, as well as the evaluation of the congruousness of the Swap Ratio.

For the purposes of calculating the Swap Ratio there were utilized the DCF (Discounted Cash Flow) method, the net Equity method and the Stock Exchange Quotation method, as the control method.

KPMG S.p.A., in its position as the independent expert, nominated by the Court of Florence on 8<sup>th</sup> September 2009, following a joint plea by Intek and KME Group, will draw up the report on the congruousness of the Swap Ratio calculated by the Boards of Directors, pursuant to article 2501, sixth part, of the Italian Civil Code.

#### **Preliminary and instrumental operations relative to the Split.**

At the same time as the approval of the Split Project, the Boards of Directors Meetings of Intek and the KME Group also passed a resolution to submit for approval, to their respective Extraordinary Shareholders' Meetings,

some changes to their Articles of Incorporation aimed, among other things, at simplifying the swap operations and safeguarding the equity rights of the savings shareholders of the companies taking part in the Split.

Specifically, the following are foreseen:

(a) Proposals to be submitted for the approval of the Shareholders' Meeting of the Beneficiary Company:

- The revocation of the current incentives plan reserved for the management of KME Group.
- The extension of the end date for the exercising of the KME Group S.p.A. 2006 – 2009 ordinary share warrants, from the originally expiry date that was fixed at 11<sup>th</sup> December 2009 to the new expiry date of 30<sup>th</sup> December 2011;
- The splitting up of the Share Capital, without any change in its value, of the 235,494,342 ordinary shares and of the 19,072,110 savings shares that current make up the Share Capital of KME, through the attribution of shares, according to the following assignment ratio: (a) 3 ordinary shares for each group of 2 ordinary shares owned and (b) 3 savings shares for each group of 2 savings shares owned. Due to the splitting of the in KME ordinary shares in circulation the KME Group S.p.A. 2006 – 2009 ordinary share warrants in circulation will give the right to the subscription of 1 KME ordinary share, at the price of 0.70 Euros for each group of 2 warrants owned.
- The updating and marginal increase, at the same time, of the privileges that are currently attributed to the savings shares of KME, pursuant to articles 8 and 28 of the company's Articles of Incorporation and, in this way, making fully homogenous the KME savings shares privileges with those of the same category of shares of Intek, for the purpose of simplifying the Split Swap operations.

(b) Proposals to be submitted for the approval of the Shareholders' Meeting of the Split Company:

- The revocation of the current incentives plan reserved for the management of Intek.
- The elimination of the indication of the nominal value of the ordinary and savings shares of Intek, current stated, for both categories, as being 0.26 Euros, together with the consequent changes to the Articles of Incorporation.
- The free of charge distribution in kind, to the shareholders who own Intek ordinary and savings shares, of a part of the available reserves and, specifically, of the extraordinary reserve, for a maximum overall amount of 2,418,759.51 to be actuated through the assignment of 51.569.951 KME Group S.p.A. 2006 - 2009 ordinary share warrants owned by Intek itself, on the basis of an assignment ratio of 7 KME warrants for each 50 Intek ordinary shares owned and 7 KME warrants for each 50 Intek savings shares owned.

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

### **Impacts of the Split on the shareholding structures 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 the 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 the KME Group, with a holding amounting to 53.576% of the Ordinary Share Capital and 49.562% of the total Share Capital, at the end of the Split operation will not own any holding in the Share Capital of the KME Group.

Following the Split the parent company, Quattrodue 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 the KME Group amounting to about 25% of the Ordinary Share Capital, while Quattrodue Holding B.V. remains firm in its intention to consolidate and build up its holding in the 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 the 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.

Lastly, there are not foreseen any changes in the Corporate Governance of Intek and/or KME in connection with the Split.

#### **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 the 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 the 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 the KME Group pursuant to article 2437, fifth part, 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.

#### **Increase in the option Share Capital.**

The Board of Directors of the Beneficiary Company has also resolved to propose to its Shareholders' Meeting a Share Capital increase, aimed at strengthening the equity situation of the company, for a maximum amount of 80 million Euros, including any eventual share premium, through the issue of ordinary shares and savings shares, without any indicated nominal value, to be offered, on an option basis, to those having the necessary legal right.

The approved resolution will allow the Board of Directors of KME to establish, slightly before the option offer date, the subscription price after the splitting up of the shares, positioned within a range, for each individual ordinary share of between 0.30 Euros and 0.37 Euros, which corresponds to 0.45 Euros and 0.55 Euros before the splitting up of the shares and for each individual savings share between 0.50 Euros and 0.57 Euros, which corresponds to 0.75 Euros and 0.85 Euros before the splitting up of the shares, as well as the number of shares to be issued and the relative option ratio .

This Share Capital increase will take place after there have been carried out the changes to the Articles of Incorporation to be submitted for the approval of the Extraordinary Shareholders' Meetings of the companies involved, including the splitting up of the shares of the KME Group, and after the start date of the impacts of the Split.

Therefore, it is currently forecasted that the Share Capital can, presumably, take place during the first half-year of 2010.

#### **Incentives plan of the Beneficiary Company.**

Furthermore, the Board of Directors has resolved to propose to the Shareholders' Meeting of KME the setting up and putting in place of a new stock option plan for the executive Board directors and executives of KME Group S.p.A. and its subsidiary companies, to be actuated through the attribution of options that are valid for the purchase of ordinary shares that are in the company's portfolio and/or by subscribed the new issue ordinary shares, coming from a Share Capital increase that has been delegated pursuant to article 2443 of the Italian Civil Code, with the exclusion of the option right pursuant to article 2441, paragraph 4, second period of the Italian Civil Code, for a maximum amount of 15,000,000.00 Euros. The subject of the new stock option plan, which shall be actuated after the effective date of the Split and, in any case, after there has run out the timeframe of 90 days from the said date, will be a maximum number of 31,000,000.00 ordinary shares of KME, at a purchase and/or subscription price that is equal to the arithmetical average of the official closing prices of the ordinary



shares of KME, taken from the period that runs from the assignment date of the options back to the same day of the prior calendar month.

### **The Operation Timetable.**

The Extraordinary Shareholders' Meetings of the companies taking part in the operation, which are called to pass resolutions regarding the approval of the Split Project and the approval of the changes to the Articles of Incorporation are forecasted to be convened within the last ten days of the month of November 2009.

It is also foreseen, therefore, that the Split can be fully finalised within the first quarter of 2010.

### **Operations with correlated parties.**

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

- The group parent company Quattrodue 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 the KME Group, through Intek;
- The Split Company is the parent company of the 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 the 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 the KME Group are members of both the administrative bodies of the companies taking part in the Split.

Specifically, it is highlighted that Intek and the 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 the KME Group, Marcello Gallo is Vice Chairman of Intek and a Director of the KME Group and Salvatore Orlando is Chairman of the 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.

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The documentation relative to the Split, which includes, among other things, the Split Project, the Directors Illustrative Report on the Split Project, the Report of the independent expert regarding the congruousness of the Swap Ratio and the Informational Document, drawn up pursuant to articles 70, paragraph 4, and 71, second part, of the Consob (Italian SEC) Regulation number 11971/1999, will be made available to the general public according to the methodologies and the timeframes that are laid down for such matters by the applicable legislation.

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It is highlighted that the exercising of the "KME Group S.p.A. 2006-2009 ordinary share warrants" and of the "Intek S.p.A. 2005 – 2011 ordinary share warrants" will be suspended, pursuant to the measures contained in the relative Regulations, from the dates of call of the Shareholders' Meetings of KME and Intek respectively, until the day (inclusive) on which the Shareholders' Meeting actually takes place. Details of the calling of the said Shareholders' Meetings and the, consequent, suspension of the exercising of the warrants will be communicated by means of a specific notice published in a daily newspaper.

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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 the KME Group, hereby declare, pursuant to paragraph 2 of article 154,

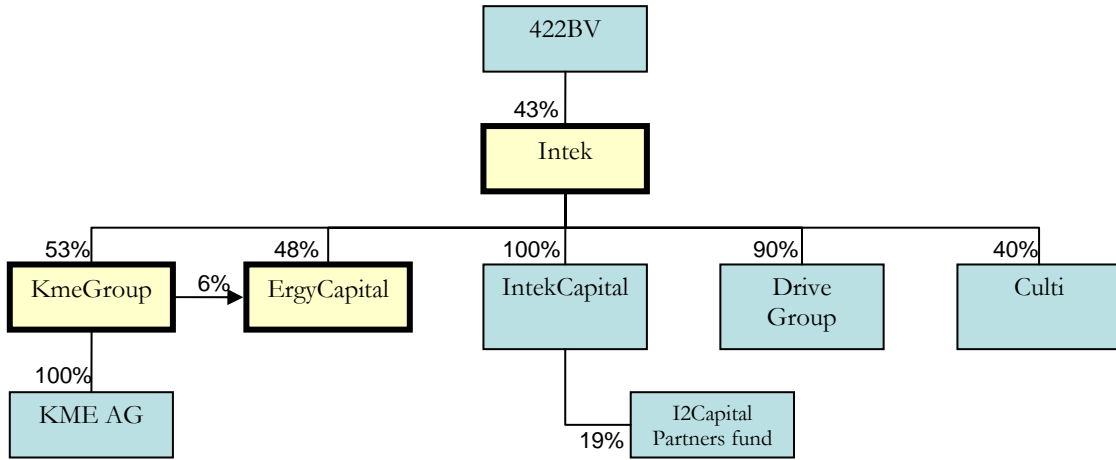
second part, of the Consolidated Finance Act, i.e. Legislative Decree number 58/1998, that the accounting informational document contained in this press release reflects the contents of the relative accounting documents, books and entries of the companies.

1 Attachment.

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

Attachment

Group Structure – before the operation

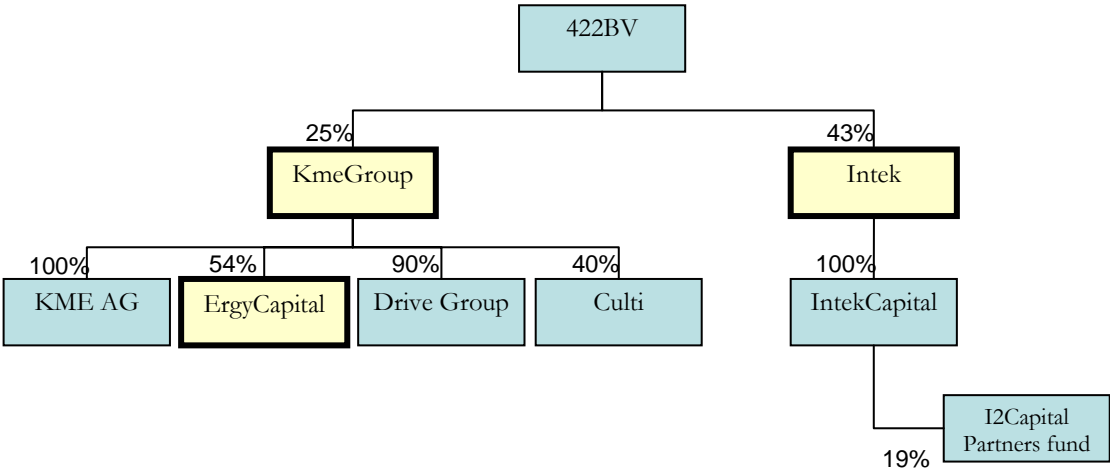


Notes

Quoted Companies

Percentages are on the voting capital

**Group Structure – after the operation**



**Notes:**

Quoted Companies

Percentages are on the voting capital