



JOINT PRESS RELEASE

pursuant to Article 114 of Legislative Decree No. 58/1998

Milan – Florence, February 3, 2010 – In order to provide their shareholders and the market with various information concerning the partial, proportional, reverse demerger of Intek S.p.A. (“**Intek**” or the “**Demerged Company**”) for the benefit of KME Group S.p.A. (“**KME**” or “**KME Group**,” or the “**Beneficiary Company**”), as approved by the respective Shareholders’ Meetings, convened in ordinary and extraordinary session on December 2, 2009 (the “**Demerger**”), Intek and KME Group make the following announcement:

It is important to keep in mind that, on December 2, 2009, prior to approving the Demerger, the shareholders’ Meetings of Intek and KME Group, convened in ordinary and extraordinary session, discussed certain amendments to their Bylaws, the approval of which constituted a condition precedent for the Demerger and which are described below under the heading “Transactions Preparatory for and Instrumental to the Demerger.”

The approval resolutions by the Shareholders’ Meetings of KME and Intek were recorded in the Florence Company Register on December 4, 2009 and in the Turin Company Register on December 18, 2009, respectively.

Transactions Preparatory for and Instrumental to the Demerger

On December 2, 2009, prior to approving the Demerger Proposal, the Shareholders’ Meetings of Intek and KME Group, convened in ordinary and extraordinary session, approved certain amendments to their Bylaws, the purposes of which included simplifying the share exchange process and protecting the equity rights of the savings shareholders of the companies parties to the Demerger:

- a) Motions approved by KME’s Shareholders’ Meeting, convened in ordinary and extraordinary session:
 - Cancellation of the current incentive plan for KME’s management;
 - Extension of the final deadline to exercise the “2006/2006 KME Group S.p.A. Common Share Warrants” from the original date of December 11, 2009 to December 30, 2011;
 - Stock split, without change in the share capital amount, involving the 235,494,342 common shares and the 19,072,110 savings shares of which KME’s share capital is comprised by means of a distribution of shares based on the following allocation ratio: (a) 3 common shares for every 2 common shares held; and (b) 3 savings shares for every 2 savings shares held, with a concurrent updating and marginal improvement of the preferential rights conveyed by the KME savings shares;
 - Implementation of a contributory, divisible share capital increase of up to 80,000,000.00 euros, including any additional paid-capital, carried out by issuing common and savings shares, placed with KME shareholders through a rights offering.
 - Adoption of a new incentive plan for KME’s management.
- b) Motions approved by Intek’s Shareholders’ Meeting, convened in ordinary and extraordinary session:
 - Cancellation of the current incentive plan for Intek’s management;

- Elimination of the par value of 0.26 euros per share assigned to Intek’s common and savings shares;
- Distribution in kind, free of charge, to Intek’s common and savings shareholders of a portion of the available reserves — including, specifically, the special reserve — in an amount of up to 2,418,759.51 euros, carried out through the allocation of up to 51,569,951 “2006/2006 KME Group S.p.A. Common Share Warrants” owned by Intek, based on the allocation ratio of 7 warrants for every 50 Intek common and/or savings shares held.

In implementation of the resolution approved by KME’s Shareholders’ Meeting on December 2, 2009 (recorded in the Florence Company Register on December 4, 2009), the stock split, without change in the share capital amount, involving the 235,500,859 common shares¹ and the 19,072,110 savings shares of which KME’s share capital is comprised will be carried out on February 8, 2010, based on the following allocation ratio: (a) 3 common shares for every 2 common shares held; and (b) 3 savings shares for every 2 savings shares held.

On February 15, 2010, in implementation of the resolution approved by Intek’s Shareholders’ Meeting on December 2, 2009, the “2006/2011 KME Group S.p.A. Common Share Warrants” will be distributed free of charge to Intek’s shareholders based on the allocation ratio of 7 “2006/2011 KME Group S.p.A. Common shares warrants” for every 50 Intek common and/or savings shares, without par value, held.

The execution of the deed of demerger is planned for the second half of February, once the statutory deadline for the filing of creditor challenges has expired. The Demerger will be effective for statutory purposes after the relevant authorities have issued the necessary authorizations and the deed is recorded in the respective company registers, but, in any case, not before March 1, 2010 (the “**Demerger Effective Date**”).

The Demerger will be effective for accounting and tax purposes as of the same date, when the change in KME’s share capital required to reflect the share capital increase resulting from the Demerger, together with the related amendment to its Bylaws, and the change in Intek’s share capital required to reflect the share capital reduction resulting from the Demerger, together with the related amendment to its Bylaws, will also go into effect.

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The documents concerning the Demerger — including, in particular, the Demerger Proposal, the Reports of the Boards of Directors explaining the Demerger Proposal, the Independent Expert’s Report on the fairness of the Exchange Ratio and the Prospectus prepared in accordance with Articles 70, Section 4, and 71-*bis* of Consob Regulation No. 11971/1999 — were made available to the public in the manner and within the deadline required by the applicable laws. An update to the Prospectus will be published before the Demerger Effective Date.

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This press release is also available at Companies websites www.itk.it and www.kme.com where further informations may be obtained.

¹ The number of common shares increased by 6,517 shares, compared with the number shown in the resolution approved by the Shareholders’ Meeting on December 2, 2009, due to the exercise of 19,551 KME warrants.