

INTEK S.p.A

KME Group S.p.A.

**REVERSE PARTIAL PROPORTIONAL DEMERGER OF
INTEK S.p.A. FOR THE BENEFIT OF KME Group S.p.A.**

Effective Date of the Demerger

INTEK S.p.A. and KME Group S.p.A. announce that:

- in accordance with the resolutions approved on December 2, 2009 by the Extraordinary Shareholder' Meetings of iNTEK S.p.A. ("INTEK") and KME Group S.p.A. ("KME");
- in accordance with the provisions of the deed of demerger executed on February 26, 2010;
- further to the recording of the deed of demerger in the Company Registers of Turin and Florence on March 8, 2010 and March 9, 2010, respectively;

The reverse partial proportional Demerger of INTEK for the benefit of KME (the "Demerger") will become effective on March 22, 2010.

Demerger Executive formalities

Transactions involving the cancellation and substitution of INTEK and KME common shares, savings shares and warrants will begin on March 22, 2010, on the basis of the following formalities:

- For each group of 8 INTEK common shares (ISIN Code IT0000076791, ranking for dividends on January 1st, 2009, Coupon No. 26.) held, 5 shares will be cancelled and replaced with 5 KME common shares (ISIN Code IT0004552359, ranking for dividends on January 1st, 2009, Coupon No. 1 and following), and 3 shares, not cancelled, will be replaced with 3 INTEK common shares without par value (new ISIN Code IT0004552409, ranking for dividends on January 1st, 2009, Coupon No. 1 and following);
- For each group of 8 INTEK savings shares (ISIN Code IT0004168313 for the bearer shares, ISIN Code IT0004168339, ranking for dividends on January 1st, 2009, Coupon No. 5) held, 5 shares will be cancelled and replaced with 5 KME savings shares (ISIN Code IT0004552367 for the bearer shares, ISIN Code IT0004552375 for the registered shares, ranking for dividends on January 1st, 2009, Coupon No. 1 and following), and 3 shares, not cancelled, will be replaced with 3 INTEK savings shares without par value (new ISIN Code IT0004552417 for the bearer shares, ISIN Code IT0004552425 for the registered shares, ranking for dividends on January 1st, 2009, Coupon No. 1 and following);

- For each group of 8 “2005/2011 INTEK S.p.A. Common Share Warrants” (ISIN Code IT0004168347), 5 warrants will be cancelled and replaced with 5 new warrants called “2009/2011 KME Group S.p.A. Common Share Warrants” (ISIN Code IT0004552383), and 3 warrants, not cancelled, will be replaced with 3 new warrants called “2005/2011 INTEK S.p.A. Common Share Warrants” (new ISIN Code IT0004552433);

no cash adjustments being required.

To allow the implementation of the abovementioned transactions, KME will:

- redistribute to the INTEK shareholders 189,251,352 common shares and 1,345,359 savings shares already outstanding, which are held by INTEK and are part of the demerged complex;
- increase its share capital by 23,739,975.21 euros, raising it from 250,021,765.45 euros to 273,761,740.66 euros by issuing a total of 36,258,179 shares, including 28,116,243 common shares and 8,141,936 savings shares, both share classes without par value, regular ranking for dividends;
- issue 73,330,660 “2009-2011 KME Group S.p.A. Common Share Warrants.”

On the effective date of the demerger, KME will hold no INTEK savings shares.

As a result of the share exchange, INTEK will reduce its share capital by 58,982,273.22 euros, due to the cancellation, without reimbursement, of a total of 226,854,890 shares, including 217,367,595 common shares and 9,487,295 savings shares, plus the cancellation of an additional 2 common shares and 5 savings shares required to make the transactions arithmetically possible. Five “2005/2011 INTEK S.p.A. Common Share Warrants” will also be cancelled for the same reason.

As part of the exchange transactions, 73,330,660 “2005/2011 INTEK S.p.A. Common Share Warrants” will also be cancelled in exchange for the issuance of 73,330,660 “2009/2011 KME Group S.p.A. Common Share Warrants,” as explained below.

The cancellation of INTEK financial instruments and the concurrent substitution of KME financial instruments will be carried out by Monte Titoli S.p.A. against the balances held by the respective authorized intermediaries, in accordance with current laws.

To facilitate the exchange transactions, INTEK has authorized EQUITA SIM S.p.A. to handle trading in its common and savings shares and in the “2005/2011 INTEK S.p.A. Common Share Warrants,” to the extent that may be necessary to enable INTEK shareholders to hold round numbers of securities for the purpose of exchanging them for KME common and savings shares and “2009/2011 KME Group S.p.A. Common Share Warrants.” This service is being offered without charges, taxes or commissions.

Acceptance for Official Listing on the Online Securities Market Operated by Borsa Italiana S.p.A. and Start of Trading in the “2009-2011 KME Group S.p.A. Common Share Warrants”

By Resolution No. 6615 of March 15th, 2010, Borsa Italiana S.p.A. accepted for official listing on the Online Securities Market the “2009/2011 KME Group S.p.A. Common Share Warrants”. The start of the trading is planned for March 22, 2010.

If the abovementioned warrants are exercised (1 KME common share for each warrant, at a price of 0.90 euros per share, including 0.64 euros in additional paid-in capital, exercise from April 1st, 2010 to December 30, 2011), KME’s share capital could increase by up to 19,065,971.60 euros, due to the issuance of up to 73,330,660 common shares, regular ranking for dividend, without par value.

The regulations of the “2009/2011 KME Group S.p.A. Common Share Warrants” is available on file at KME’s registered office in Florence and at the office of Borsa Italiana S.p.A. It will also be available on a special page of the www.kme.com website.

List of the Financial Instruments Issued by KME Outstanding as of March 22, 2010

Shares

KME’s share capital will amount to 273,761,740.66 euros, comprised of a total of 418,117,631 shares, including 381,367,530 common shares, per Euro 249.699.680,43 and 36,750,101 savings shares, per Euro 24.062.060,23 both share classes without par value.

Warrants

67,895,450 “2006/2011 KME Group S.p.A. Common Share Warrants,” the exercise of which (1 KME common share for every 2 warrants, at a price of 0.70 euros per share, exercise until December 30, 2011) could cause KME’s share capital to increase by up to 23,763,407.50 euros, due to the issuance of up to 33,947,725 common shares, regular ranking for dividend, without par value;
73,330,660 “2009/2011 KME Group S.p.A. Common Share Warrants,” the exercise of which (1 KME common share for each warrant, at a price of 0.90 euros per share, including 0.64 euros in additional paid-in capital, exercise until December 30, 2011) could cause KME’s share capital to increase by up to 19,065,971.60 euros, due to the issuance of up to 73,330,660 common shares, regular ranking for dividend, without par value.

List of the Financial Instruments Issued by iNTEK S.p.A. Outstanding as of March 22, 2010

Shares

iNTEK’s share capital will amount to 35,389,362.84 euros, comprised of a total of 136,112,934 shares, including 130,420,557 common shares, per Euro 33.909.344,82 and 5,692,377 savings shares, per Euro 1.480.018,02 both share classes without par value.

Warrants

n. 43,998,396 “2005/2011 INTEK S.p.A. Common Share Warrants,” the exercise of which (1 INTEK common share for each warrant, at a price of 0.90 euros per share, including 0.64 euros in additional paid-in capital, exercise until December

30, 2011) could cause INTEK's share capital to increase by up to 11,439,582.96 euros, due to the issuance of up to 43,998,396 common shares, regular ranking for dividend, without par value.

NOTICE

TO THE HOLDERS OF “2005/2011 INTEK S.p.A. COMMON SHARE WARRANTS”

It shall be understood that, upon the reverse partial proportional demerger of INTEK S.p.A. for the benefit of KME Group S.p.A. becoming effective on March 22, 2010, the exchange ratio shown below will be applied to any INTEK common shares issued due to the exercise of warrants between March 1, 2010 and March 19, 2010, prior to the delivery of the shares. Specifically:

- For each group of 8 INTEK common shares (ISIN Code IT0000076791, ranking for dividends on January 1st, 2009, Coupon No. 26) held, 5 shares will be cancelled and replaced with 5 KME common shares (ISIN Code IT0004552359, ranking for dividends on January 1st, 2009, Coupon No. 1 and following), and 3 shares, not cancelled, will be replaced with 3 INTEK common shares without par value (new ISIN Code IT0004552409, ranking for dividends on January 1st, 2009, Coupon No. 1 and following).

To facilitate the exchange transactions, INTEK has authorized EQUITA SIM S.p.A. to operate with regard to these shares in the same manner as explained above, also without charges, taxes or commissions.

Milan/Florence, March 18, 2010,

INTEK S.p.A.

KME Group S.p.A.