PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE REPORT ON OPERATIONS FOR THE FIRST HALF OF 2010

CONSOLIDATED REVENUES FOR THE FIRST SIX MONTHS TOTAL 1,399.7 MILLION EUROS OVERALL AND 404.9 MILLION EUROS NET OF THE VALUE OF RAW MATERIALS (332.5 MILLION EUROS IN 2009)

EBITDA(*) FOR THE FIRST HALF AMOUNT TO 45.7 MILLION EUROS (22.3 MILLION EUROS IN 2009); THE GROUP'S PROFITABILITY SHOWS SIGNIFICANT IMPROVEMENT COMPARED BOTH WITH THE SAME PERIOD LAST YEAR AND THE SECOND HALF OF 2009

THE CONSOLIDATED RESULT BEFORE TAXES IS POSITIVE BY 5.3 MILLION EUROS(*); NET OF TAXES(*), IT IS NEGATIVE BY 3.4 MILLION EUROS (NEGATIVE BY 20.1 MILLION EUROS IN 2009)

CONSOLIDATED NET DEBT(*) IS LOWERED TO 173.4 MILLION EUROS (286.6 MILLION EUROS AT DECEMBER 31, 2009) BY OPTIMIZING THE MANAGEMENT OF WORKING CAPITAL REQUIREMENTS

SHAREHOLDERS' EQUITY GROWS TO 490.7 MILLION EUROS

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Florence, August 5, 2010 - The Board of Directors of KME Group S.p.A. reviewed and approved the Report on Operations and the Group's financial statements for the first half of 2010.

It is important to keep in mind that the reverse proportional partial demerger of iNTEk S.p.A. for the benefit of KME Group S.p.A. became effective on March 22, 2010. The demerger resulted in the conveyance to KME Group S.p.A. of equity investments that were included for the first time in the scope of consolidation at June 30, 2010. The impact of this change is disclosed in the review of the data for the first half of the year, when material.

- **Consolidated revenues** totaled 1,399.7 million euros in the first half of 2010 (898.5 million euros in the same period last year).
  Restated net of the value of raw materials, the consolidated revenues amount is 404.9 million euros, up from 332.5 million euros in 2009. The expansion in the scope of consolidation contributed 29.8 million euros; net of this change, the increase is 12.8%.

- **EBITDA(*)** for the first six months of 2010 amounted to 45.7 million euros (42.9 million euros net of the expansion in the scope of consolidation); in 2009, EBITDA totaled 22.3 million euros. The year-over-year increase is thus 92.4%.
  The increase in profitability is also apparent when the data are viewed on a relative basis, with the ratio of EBITDA to net revenues improving from 6.7% in the first and second half of 2009 to 11.3% in the first six months of 2010.

- **EBIT**(*) totaled 17.7 million euros (loss of 8.9 million euros in 2009).

- The **consolidated result before taxes**(*) for the first half of 2010 was positive by 5.3 million euros (including the Group's interest in the net loss of ErgyCapital S.p.A., amounting to 1.8 million euros); **net of taxes,** it was negative by 1.6 million euros (negative by 20.1 million euros in 2009).

- On the balance sheet side, **consolidated net debt(*)** totaled 173.4 million euros at June 30, 2010 (286.6 million euros at December 31, 2009), holding at a level lower than the value of working capital, as evidence of a balanced financial position without structural indebtedness.
  Consolidated shareholders' equity amounted to 488.9 million euros (422.8 million euros at December 31, 2009).
  The financial position and shareholders' equity at June 30 do not reflect the impact of the capital increase completed on July 23, 2010, which generated proceeds of 23.2 million euros.

- As for the **business outlook,** the signs of improvement in demand recorded early in 2010 by activities in the area of copper and copper-alloy semifinished products, which represent the Group's core business, became more pronounced in the ensuing months, gradually generating a more favorable environment in the various business markets.
  The competitive position achieved by the Group through the implementation of programs to strengthen its manufacturing activities and overall organization enables it to benefit from this framework and generate results that are markedly better than those reported last year, resuming a path of rising profitability, with the goal of raising it to a level sufficient to provide an adequate return on invested capital.

(*) An explanation of the reclassifications of the data listed above is provided on page 3 of Annex 1 to this press release.

Consolidated Financial Highlights		
(in millions of euros)	First half 2010	First half 2009
Revenues	**1,399.7**	**898.5**
Revenues (net of raw materials)	**404.9**	**332.5**
EBITDA	**45.7**	**22.3**
EBIT	**17.7**	**(8.9)**
Profit (Loss) before taxes	**5.3**	**(14.9)**
Net profit (loss)	**(3.4)**	**(20.1)**
Net debt	**173.4** (at June 30, 2010)	**286.6** (at December 31, 2009)
Total equity	**488.9** (at June 30, 2010)	**422.8** (at December 31, 2009)

The income statement data provided above (stated on a comparable basis in both years) provide a fair presentation of the results from operations.
The table below shows the consolidated income statement data computed valuing the structural inventory of raw materials for the Group's activities in the area of copper and copper-alloy semifinished products at current prices, as required by the IFRS accounting principles, instead of valuing it at cost by the LIFO method. The structural inventory is the inventory that has not been set aside to fill customer orders and, consequently, constitutes a strategic reserve, essentially stable over time, maintained to ensure the continuity of the manufacturing operations.
In the current environment of rising prices, this type of valuation produced a positive differential of 41.4 million euros, compared with a differential of 4.4 million euros at June 30, 2009, when prices were falling. Clearly, during periods of extremely volatile raw material prices, the use of the IFRS accounting principles introduces in the information provided in interim reports an external economic component, the high variability of which creates the risk of providing a totally distorted presentation of the results from operations.

(in millions of euros)	First half 2010	First half 2009
Net result (non IFRS inventory measurement)	**(3.4)**	**(20.1)**
Impact IFRS measured inventories	**41.4**	**4.4**
Result before taxes (IFRS inventory measurement)	**38.0**	**(15.7)**

Note: This press release contains reclassifications of the income statement data and uses some alternative performance indicators that are not provided in the IFRS accounting principles. The meaning and content of these reclassifications and performance indicators is discussed in the annexes.

Operating Performance of the Group in the First Half of 2010

It is important to keep in mind that the reverse proportional partial demerger of iNTEk S.p.A. for the benefit of KME Group S.p.A. became effective on March 22, 2010 (hereinafter referred to in short as the "Demerger").
The Demerger resulted in the conveyance to KME Group S.p.A. of assets and liabilities belonging to iNTEk S.p.A., which consisted primarily of equity investments.
More specifically, KME Group S.p.A. acquired equity investments in the following companies: ErgyCapital S.p.A., a company specialized in the area of renewable energy sources and energy conservation; Drive Rent S.p.A., a service company that manages corporate vehicle fleets; Culti S.p.A., a company active in the areas of furniture and furnishings.
For accounting purposes, the direct subsidiary Drive Rent S.p.A. and its subsidiaries are being consolidated on a line-by-line basis for the first time as of June 30, 2010; ErgyCapital S.p.A. is being consolidated by the equity method.

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The signs of a recovery in the global economy that emerged in the early months of 2010 were characterized by a wide disparity in the trends that developed in the various countries and regions of the world. The rate of growth improved in the United States and Japan, picking up even more speed in the emerging Asian economies of China and India. However, gains were more modest in Europe, where the recovery was fueled mostly by orders from foreign customers benefiting primarily Germany.
Within Europe, which is the market where the Group is most active, domestic demand remained sluggish and the factors accounting for this trend could have an impact on the strength and timing of a recovery.

The programs carried out in recent years to streamline the Group's manufacturing system and overall organization and implemented with renewed vigor in response to the effects of the recent international recession enabled the Group to strengthen its competitive position and benefit fully from a turnaround in market conditions.
In the first half of 2010, the Group reported better consolidated results than in the same period last year in terms both of unit sales and operating profitability.

Consolidated revenues totaled 1,399.7 million euros in the first six months of 2010, or 55.8% more than in the corresponding period a year ago.
Restated net of the value of raw materials, revenues show an increase of 21.8%, rising from 332.5 million euros to 404.9 million euros. The expansion in the scope of consolidation contributed 29.8 million euros. Net of this effect, revenue growth is 12.8%.

EBITDA(*) for the first half of 2010 totaled 45.7 million euros (42.9 million euros net of the expansion in the scope of consolidation), compared with 22.3 million euros in the same period last year and 23.0 million euros in the second half of 2009.
The increase in profitability is also apparent when the data are viewed on a relative basis, with the ratio of EBITDA to net revenues improving from 6.7% in the first and second half of 2009 to 11.3% in the first six months of 2010.

EBIT(*) were positive by 17.7 million euros in the first half of 2010, as against negative EBIT of 8.9 million euros in 2009.

The **consolidated result before taxes**(*) was positive by 5.3 million euros (including the Group's interest in the net loss of ErgyCapital S.p.A., amounting to 1.8 million euros); **net of taxes,** it was negative by 3.4 million euros (negative by 20.1 million euros in the first half of 2009).

As stated elsewhere in this press release, the indicators provided in this report on operations were computed in accordance with presentation and measurement criteria that are partly different from the IFRS principles used to prepare the consolidated financial statements. Specifically, the data are presented without showing the effect on the income statement of an accounting valuation substantially at current values of the inventory of raw materials used by the Group's activities in the area of copper and copper-alloy semifinished products, as the IFRS accounting principles require, because, due to the volatility of raw material prices, such an approach introduces an external economic component the variability of which makes it impossible to provide truly comparable data for different periods and a fair presentation of the actual results from operations.
Because prices were rising compared with those at the beginning of 2010, the process of valuing the inventory of raw materials at current prices (FIFO or end-of-period realizable value, whichever is lower), instead of applying the LIFO valuation method to the structural inventory(**), produced a larger positive difference between the LIFO values and those determined in accordance with IFRS accounting principles. Specifically, the positive differential increased from 4.4 million euros at June 30, 2009 to 41.4 million euros at June 30, 2010.

Consequently, when the inventory of raw materials is valued in accordance with the IFRS accounting principles, the Group's **consolidated net result** for the first half of 2010 is positive by 38.0 million euros, as against a negative result of 15.7 million euros in 2009.

(*) Reclassified indicators an explanation of which is provided in the section of this press release entitled "Operating Performance of the Group."

(**) The structural inventory is the inventory that has not been set aside to fill customer orders. It thus constitutes a strategic reserve, substantially stable over time, needed to guarantee the Group's operating capability.

With regard to financial performance, the programs implemented to minimize working capital funding requirements, achieved by optimizing the management of payment terms with customers and, more importantly with suppliers of raw materials, enabled the Group to further reduce its **net debt,** which totaled 173.4 million euros at June 30, 2010 (286.6 million euros at December 31, 2009).
The Group's debt exposure held at a level lower than the value of its working capital, a situation indicative of a balanced financial position without structural debt.

Consolidated **shareholders' equity** before minority interest totaled 488.9 million euros at June 30, 2010 (422.8 million euros at December 31, 2009).

Copper and Copper-Alloy Semifinished Product Sector

Demand in the industries that are the main users of **copper and copper-alloy semifinished products** varied depending on the merchandise category or geographic region.

In the first half of 2010, demand for **semifinished products by the construction industry** (the consolidated revenues generated in this area account for 33% of total revenues) was adversely affected by unusually cold weather in Europe and North America, which caused a further reduction in construction activity, and by an increase in the price of raw copper in an environment of price volatility that causes uncertainty about spending decisions among users.
Despite this decisively weak market environment, the Group continued to develop new downstream integration strategies and entered multiple-metal areas of business. Specifically, it expanded its sales of zinc sheet metal for roofing applications and the activity involving the delivery of turnkey architectural projects (Architectural Solutions).

Demand for **semifinished products by the manufacturing industry** (the consolidated revenues generated in this area account for 67% of total revenues) showed a healthy increase in the first six months of 2010, recovering from the slump that occurred in 2009.
The increase in demand for sheet metal by the manufacturing sector was most noticeable in the automotive, mechanical equipment and appliance industries, primarily in Germany.
Demand was also up for **tubing for industrial applications,** particularly in air conditioning, refrigeration and components for systems used to generate energy from renewable sources.

During the first half of 2010, the **price of raw copper,** which is the main metal used in the Group's semifinished products, was higher on average than in the fourth quarter of 2009, driven by the recovery of the emerging economies and by speculative activity directly related to the vast liquidity available internationally. Prices continued to show an upward bias in June and July as well.

The commercial strategy implemented to offer customers integrated services and solutions and strengthen the distribution chain enabled the KME Group to benefit from the upturn in demand.

This Sector's **consolidated revenues** amounted to 1,369.9 million euros in the first half of 2010, for a gain of 52.5% compared with the same period last year.
Restated net of the value of raw materials, revenues show an increase of 12.8%, rising from 332.5 million euros to 375.1 million euros. Unit sales were also up (+21.1%), due to a different sales mix.
The value of raw materials accounted for about 73% of the sales revenues generated by semifinished products, compared with 66% for all of 2009.

The gain in revenues and the increase in competitiveness made possible by programs to streamline the Group's manufacturing system and overall organization, implemented to respond to the economic recession of 2009, are the reason for the improvement in operating profitability reported by the Group's Copper Sector during the first half of 2010 compared both with the same period last year and the second half of 2009.

In the first half of 2010, this Sector's **EBITDA**(*) amounted to 42.9 million euros, compared with 22.3 million euros in the same period a year ago and 23.0 million euros in the second half of 2009.
The increase in profitability is also apparent when the data are viewed on a relative basis, with the ratio of EBITDA to net revenues improving from 6.7% in the first and second half of 2009 to 11.4% in the first six months of 2010.

This Sector reported positive **EBIT**(*) of 17.6 million euros at June 30, 2010, as against negative EBIT of 8.9 million euros a year earlier.

During the first half of 2010, the **capital expenditures** of the Sector's manufacturing units totaled 12.5 million euros (11.9 million euros in 2009).
The Sector's operations had 6,444 employees at June 30, 2010 (6,485 employees at the end of 2009).

As for the **business outlook,** the signs of improvement in the overall economy that surfaced early in 2010 became more pronounced in the ensuing months, gradually generating a more favorable environment in the various business markets.
The competitive position achieved by the Group through the implementation of programs to strengthen its manufacturing activities and overall organization enables it to benefit from this framework and generate results that are markedly better than those reported last year, resuming a path of rising profitability, with the goal of raising it to a level sufficient to provide an adequate return on invested capital.

(*) To make the figures comparable with those for 2009, they include the data attributable to the Group's Parent Company.

Renewable Energy Source Sector

The investee company ErgyCapital continued to develop its core business in the areas of facilities construction, the generation of energy from renewable sources and energy conservation.
In the first half of 2010, the ErgyCapital Group reported revenues of 9.2 million euros, or 28% more than in the first six months of 2009, on a comparable scope of consolidation basis. Energy production, which generated more than double last year's revenue amount thanks to an increase in installed capacity, accounts for most of this improvement.
Consolidated EBITDA for the operating activities were negative by 0.3 million euros, compared with negative EBITDA of 3.2 million euros at June 30, 2009.
The net loss, which amounted to 3.9 million euros (4.8 million euros in the first half of 2009) reflects the impact of nonrecurring charges.
Additional information about the performance of ErgyCapital S.p.A. is provided in a press release issued today.

Service Sector

The **Drive Rent S.p.A.** subsidiary is the holding company of the Drive Group, which operates several different businesses: long-term rental of automobiles, management of vehicles owned by third parties, rental of loaner vehicles to automotive repair shops, management of corporate guest facilities and management of a vehicle parking facility in central Milan.
During the first half of 2010, the Sector further downsized its activities in the long-term rental of automobiles, consistent with the strategy of exiting this business.
The management of vehicles owned by third parties continued to feel the negative impact of the crisis in the automotive industry, which in 2009 hit corporate fleets especially hard and, in 2010, following the expiration of government incentives, is also affecting consumer demand, with a sharp drop in new vehicle registrations. Despite this situation, the Drive Group was able to maintain a stable level of activity, thanks to important contracts with new customers signed during the period, but revenues fell below expectations.
The volume of activity was also less than anticipated in the rental and management of loaner vehicles to automotive repair and body shops, due to the ongoing difficulties faced by businesses in this area. However, in this case as well, an expansion of the customer portfolio and a consolidation of the leadership position achieved in this industry provide a promising foundation for a significant turnaround in revenues and margins as soon as market business conditions begin to improve.
Activity in the management of corporate guest facilities was substantially stable in terms of the number of apartments under management, following a drop in 2009.
Lastly, the Easydriver Car Services Espana S.L.U. subsidiary, which was acquired in 2008, reported a better than expected result, thanks to steady gains in productivity, as revenues were substantially stable compared with the same period last year.

In the first half of 2010, the Drive Group reported consolidated revenues of 29.8 million euros, in line, on a comparable basis, with those reported at June 30, 2009. EBITDA were positive by 2.8 million euros (3.8 million euros in the first six months of 2009).

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Marco Miniati, the Corporate Accounting Documents Officer of KME Group S.p.A., acting in accordance with the requirements of Article 154 bis, *Section 2, of the Uniform Financial Code (Legislative Decree No. 58/1998), declares that the accounting information contained in this press release is consistent with the data in the supporting documents and in the Company's books of account and accounting records.*

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This press release is available on the Company website, www.kmegroup.it. Additional information may also be obtained directly from the Company (telephone number +39 055.4411454; e-mail investor.relations@kme.com).

Florence, August 5, 2010

The Board of Directors

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Annexes:

1. Reclassifications Made and Reconciliations. Alternative Performance Indicators
2. Consolidated Income Statement
3. Consolidated Statement of Financial Position
4. Net Financial Debt

Annex 1

Reclassifications Made and Reconciliations to the IFRS Accounting Principles

As explained earlier in this press release, according to the IFRS principles, the ending inventory of the Copper and Copper-Alloy Semifinished Product Sector cannot be measured by the LIFO method, which is used internally for management controlling purposes. This approach introduced an external economic component that, because of its volatility, makes it impossible to generate truly comparable data for different periods and provide a fair presentation of the actual results from operations.

Consequently, some of the operating and financial data provided in this press release are based on accounting principles that differ in some respects from the IFRS principles, mainly in terms of measurement and presentation. More specifically:

1 Revenues are shown net of the value of raw materials to eliminate the impact of fluctuations in raw material prices.

2 When valuing the ending inventory of the Copper and Copper-Alloy Semifinished Product Sector, the portion representing the structural inventory (i.e., the portion of the inventory that was not set aside to fill customer orders) was valued by the LIFO method. The portion of inventory set aside for customer orders was valued based on the value of the corresponding orders, which is deemed to be the realizable value. Under the IFRS method, the inventory is valued at the lower of the cost computed by the FIFO method or net realizable value. The IFRS principles also require that inventory buy and sell commitments and the corresponding hedges executed on the LME be disclosed separately and shown in the financial statements as financial instruments measured at fair value.

3 Extraordinary items are shown below the EBITDA line.

The table that follows shows the impact on the 2010 data of the different measurement and presentation criteria used.

KME Group – Consolidated Income Statement

Reclassified Income Statement (in millions of euros)	1st half 2010 IFRS		Reclassifi-cations	Restate-ments	1st half 2010 RECL	
Gross revenues	1,399.7	**100.0%**			1,399.7	
Raw material costs	-		(994.8)		(994.8)	
Revenues net of raw material costs	**-**				**404.9**	**100%**
Personnel costs	(176.5)		0.6		(175.9)	
Other consumables and costs	(1,118.5)		991.1	(55.9)	(183.3)	
EBITDA (*)	**104.7**	**7.5%**			**45.7**	**11.3%**
Non recurring income (expenses)	-		2.6		2.6	
Amortisation and depreciation	(30.9)		0.3		(30.6)	
EBIT	**73.8**	**5.3%**			**17.7**	**4.4%**
Net financial expense	(15.1)		0.2	4.3	(10.6)	
Interest in the result of companies valued by the equity method	(1.8)				(1.8)	
Profit (Loss) before taxes (non-IFRS inventory measurement)	**56.9**	**4.1%**			**5.3**	**1.3%**
Current taxes	(8.1)		-		(8.1)	
Deferred taxes	(10.8)		-	10.2	(0.6)	
Net result (non-IFRS inventory measurement)	**38.0**	**2.7%**			**(3.4)**	**-0.8%**
Impact IFRS measured inventories and forward contracts	-			51.6	51.6	
Taxes under IFRS measured inventories and forward contracts	-			(10.2)	(10.2)	
Consolidated net result	**38.0**	**2.7%**			**38.0**	**9.4%**
Profit attributable to non-controlling interest	0.5				0.5	
Group interest in net result	**37.5**	***2.68%***			**37.5**	***9.27%***

Alternative Performance Indicators

EBITDA

This indicator provides a useful yardstick to assess the Group's operating performance. It is an intermediate income statement item equal to EBIT before deducting depreciation and amortization and extraordinary items.

Net Financial Debt

This indicator is used to evaluate the financial structure. It is equal to gross borrowings less cash and cash equivalents and other financial receivables.

Net Invested Capital

Net invested capital is defined as the sum of Non-current assets and Current assets, net of Current liabilities, except for the items used to compute Net debt, as described above.

Annex 2

KME Group – Consolidated Income Statement

(in millions of euros)	1st half 2010 RECL		1st half 2009 RECL		% change
Gross revenues	1,399.7		898.5		55.8%
Raw material costs	(994.8)		(566.0)		75.8%
Revenues net of raw material costs	**404.9**	**100%**	**332.5**	**100%**	***21.8%***
Personnel costs	(175.9)		(151.2)		16.4%
Other consumable and costs	(183.3)		(159.0)		15.3%
EBITDA(*)	**45.7**	**11.3%**	**22.3**	**6.7%**	***n.m.***
Non-recurring income (expenses)	2.6		(3.8)		n.m.
Amortisation and depreciation	(30.6)		(27.4)		11.7%
EBIT	**17.7**	**4.4%**	**(8.9)**	**-2.7%**	***n.m.***
Net financial expense	(10.6)		(6.0)		76.8%
Interest in the result of companies valued by the equity method	(1.8)		-		n.m.
Result before taxes (non-IFRS inventory measurement)	**5.3**	**1.3%**	**(14.9)**	**-4.5%**	***n.m.***
Current taxes	(8.1)		(13.5)		-40.3%
Deferred taxes	(0.6)		8.3		n.m.
Net result (non-IFRS inventory measurement)	**(3.4)**	**-0.8%**	**(20.1)**	**-6.0%**	***n.m.***

Effect of measuring Raw Material Inventories at Current Prices (IFRS)

KME Group – Consolidated Income Statement (continued)

(in millions of euros)	1st half 2010 RECL		1st half 2009 RECL		% change
Net result (non-IFRS inventory measurement)	**(3.4)**	**-0.8%**	**(20.1)**	**-6.0%**	***n.m.***
Impact of IFRS measurement of inventories and forward contracts	51.6		2.8		n.m.
Taxes under IFRS measurement of inventories and forward contracts	(10.2)		1.6		n.m.
Consolidated net result	**38.0**	**9.4%**	**(15.7)**	**-4.7%**	**-342.0%**
Profit attributable to non-controlling interest	0.5		0.2		
Group interest in net result	**37.5**	***9.27%***	**(15.9)**	***-4.78%***	***-336.0%***

Earnings per share (in euros):	**6/30/10**	**6/30/09**
Basic earnings (loss) per share	0.0945	(0.0503)
Diluted earnings (loss) per share	0.0945	(0.0503)

(Unaudited data)

Annex 3

KME Group - Consolidated

Consolidated Statement of Financial Position

(in thousands of euros)	6/30/10	12/31/09
Property, plant and equipment	591,202	594,217
Investment property	23,762	23,728
Goodwill and consolidation difference	140,994	114,897
Other intangible assets	10,438	3,528
Investments in subsidiaries and associates	20,171	6,526
Investments in other companies	258	258
Investments valued by the equity method	24,798	3,958
Other non-current assets	32,057	28,878
Non-current financial assets	114,387	111,923
Deferred-tax assets	29,613	34,867
NON-CURRENT ASSETS	**987,680**	**922,780**
Inventories	518,255	469,512
Trade receivables	216,700	140,129
Other current receivables and assets	35,590	27,186
Current financial assets	183,868	100,912
Cash and cash equivalents	60,167	108,964
CURRENT ASSETS	**1,014,580**	**846,703**
TOTAL ASSETS	**2,002,260**	**1,769,483**
Share capital	273,768	250,015
Other reserves	189,728	174,082
Treasury shares	(2,888)	(2,888)
Retained earnings	15,191	14,395
Technical consolidation reserve	(28,779)	8,135
Reserve for other components of the Comprehensive Income Statement	(795)	65
Net profit (loss) for the period	37,521	(23,929)
Equity attributable to owners of the Parent	**483,746**	**419,875**
Equity attributable to non-controlling interests	5,196	2,928
TOTAL EQUITY	**488,942**	**422,803**
Employee benefits	154,319	152,382
Deferred-tax liabilities	115,731	111,550
Financial payable and liabilities	343,380	363,075
Other non-current liabilities	17,698	14,266
Provisions for risks and charges	137,817	136,113
NON-CURRENT LIABILITIES	**768,945**	**777,386**
Financial payable and liabilities	181,457	237,980
Trade payables	400,383	209,657
Other current liabilities	141,096	94,714
Provisions for risks and charges	21,437	26,943
CURRENT LIABILITIES	**744,373**	**569,294**
TOTAL LIABILITIES AND EQUITY	**2,002,260**	**1,769,483**

The Independent Auditors have not completed their review of the data provided above.

Annex 4

Net Financial Debt

(in thousands of euros)		**6/30/10**	**12/31/09**
Short-term financial debt		162,418	186,700
Medium to long-term financial debt		343,380	363,075
Financial payables due to Group companies		11,310	2,432
(A) Total loans and borrowings		**517,108**	**552,207**
Cash and cash equivalents		(60,167)	(108,964)
Other financial assets		(17,913)	-
Short-term financial receivables		(128,395)	(64,609)
Financial receivable due from Group companies		(1,242)	(1,283)
(B) Total cash and cash equivalents and financial receivables due from financial institutions		**(207,717)**	**(174,856)**
Fair value of LME and metal forwardscontracts		(21,032)	20,771
Fair value of other financial instruments		(533)	351
(C) Financial instruments measured at fair value		**(21,565)**	**21,122**
Consolidated net financial position (A)+(B)+(C)	**(1)**	**287,826**	**398,473**
Non-current financial receivables due from banks	**(2)**	**(114,387)**	**(111,923)**
Total net financial debt		**173,439**	**286,550**

(1) Definition as per Consob Communication No. DEM/6064293 of July 28, 2006 that implements the recommendations issued by the CESR on February 10, 2005.
(2) These receivable include108.5 million euros in escrow accounts established in connection with two fines imposed by the European Community in 2003 and 2004 on certain industrial companies of the group for two violations of competition rules. Obviously, these fines will generated final cash outlays only upon the conclusion of the entire proceedings before the entities of competent jurisdiction before which appeals are pending and only for the adjudicated amount.

The Independent Auditors have not completed their review of the data provided above.