KME Group S.p.A.

PRESS RELEASE

THE BOARD OF DIRECTORS REVIEWED THE PERFORMANCE OF THE GROUP'S OPERATION AT JUNE 30, 2012

CONSOLIDATED REVENUE FOR THE FIRST HALF TOTALS 1,365.6 MILLION EUROS 376.2 MILLION EUROS NET OF THE VALUE OF RAW MATERIALS (-10.7% COMPARED WITH THE AMOUNT IN 2011)

EBITDA TOTAL 30.2 MILLION EUROS (50.7 MILLION EUROS IN 2011)

EBIT AMOUNT TO 6.8 MILLION EUROS (28.3 MILLION EUROS IN 2011)

RESULT BEFORE NONRECURRING ITEMS RELATED TO THE RESTRUCTURING PLANS NEGATIVE BY 4.3 MILLION EUROS (PROFIT OF 23.1 MILLION EUROS IN 2011) THE LOSS REFLECTS CURRENCY TRANSLATION LOSSES OF 3.4 MILLION EUROS THAT WILL BE RECOVERED IN THE COMING MONTHS

CONSOLIDATED NET LOSS OF 17.8 MILLION EUROS (PROFIT OF 25.4 MILLION EUROS IN 2011) AFTER RECOGNITION OF A SMALLER POSITIVE EFFECT (-12.0 MILLION EUROS) FROM THE VALUATION OF RAW MATERIAL INVENTORIES IN ACCORDANCE WITH IFRS ACCOUNTING PRINCIPLES

CONSOLIDATED NET DEBT DECREASES TO 229.1 MILLION EUROS, DOWN FROM THE 254.4 MILLION EUROS OWED AT THE END OF MARCH 2012

SHAREHOLDERS' EQUITY TOTALS 413.7 MILLION EUROS

Florence, August 3, 2012 — The Board of Directors of KME Group S.p.A. reviewed and approved the Report on Operations and the condensed financial statements for the first half of 2012.

Overview of the Group's results in the first half of 2012

Consolidated Financial Highlights

(in millions of euros)	*First half 2012*		*First half 2011*	
Revenue	**1,365.6**		**1,595.7**	
Revenue (net of raw materials)	**376.2**		**421.4**	
EBITDA	**30.2**		**50.7**	
EBIT	**6.8**		**28.3**	
Profit before nonrecurring items	**(4.3)**		**23.1**	
Nonrecurring income/(expense)	***(12.9)***		***(6.4)***	
Consolidated profit (loss) before taxes (non-IFRS inventories)	**(17.2)**		**16.7**	
Impact of IFRS measured inventories	***6.5***		***18.5***	
Losses of companies valued by equity method	***(2.8)***		***(1.2)***	
Consolid. result attribut. to owners of Parent	**(17.8)**		**25.4**	
Reclassified net debt	**229.1**	***(at 6/30/12)***	**197.6**	***(at 12/31/11)***
Shareholders' equity	**413.7**	***(at 6/30/12)***	**431.0**	***(at 12/31/11)***

- **Consolidated revenue** totaled 1,365.6 million euros in the first half of 2012, down 14.4% compared with 2011, when it amounted to 1,595.7 million euros.
  This decrease reflects the impact of a reduction in sales volumes (-15.4%) and lower average raw material prices. Net of the value of raw materials, the revenue amount shows a decreases of 10.7%, falling from 421.4 million euros to 376.2 million euros; a comparison with the trend in unit sales shows the effect of higher prices and of a product mix with a greater value-added component.

- **EBITDA**(*) totaled 30.2 million euros at June 30, 2012, for a decrease of 40.4% compared with the 50.7 million euros earned in the first half of 2011. EBITDA for the second quarter of 2012 were in line with those reported in the previous two quarters.
  The ratio of EBITDA to net revenue contracted from 12.0% in the first half of 2011 to 7.9% in the fourth quarter of 2011 and 8% in the first half of 2012.

- **EBIT**(*) decreased to 6.8 million euros (28.3 million euros in 2011).

- The **loss before nonrecurring items**(*) amounted to 4.3 million euros (profit of 23.1 million euros at June 30, 2011). The financial expense reported the first half of 2012 reflects currency translation losses of 3.4 million euros that will be recovered in the coming months.

- **Net nonrecurring expense,** which totaled 12.9 million euros, refers mainly to charges for additional programs to restructure and streamline production units in the “Copper” Sector.

- The **after-tax effect of valuing raw material inventories and commitments**(*) at current prices, as required by IFRS accounting principles, decreased to 6.5 million euros (down from 18.5 million euros at June 30, 2011) due to the different prices of raw copper during the two periods under comparison.

- The **after-tax consolidated net loss attributable to the owners of the Parent** amounted to 17.8 million euros (profit of 25.4 million euros in 2011).
  This amount is after losses from investee companies consolidated by the equity method totaling 2.8 million euros, which include 0.4 million euros for the Group’s interest in the loss reported by ErgyCapital S.p.A., and 2.4 million euros for the Group’s interest in the loss incurred by Cobra A.T. S.p.A. in the first half of 2012.

- On the balance sheet side, the **net financial position**(*) was negative by 229.1 million euros at June 30, 2012 (negative by 197.6 million euros at the end of December 2011).
  The rise of 15.9% in debt since the beginning of the year reflects an increase in net working capital, which grew from 210.0 million euros to 227.4 million euros.
  At the end of June, debt was lower than at the end of March 2012, when it amounted to 254.4 million euros.

- Consolidated **shareholders' equity**(*) totaled 413.7 million euros at June 30, 2012 (431.0 million euros at December 31, 2011).

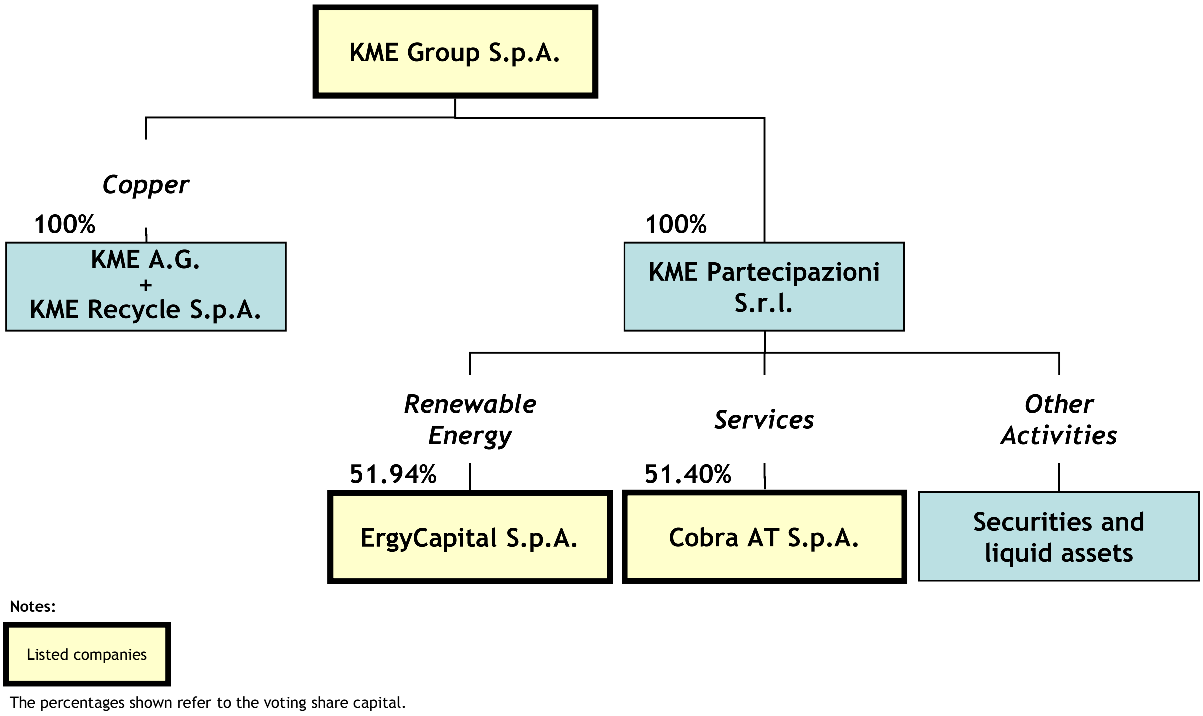
- As for the **business outlook,** following a first half of the year that saw a continuation of the decline in sales that started in the second half of 2011, the projections for the coming months provide no indication of an upturn.
  The adoption of programs to streamline the manufacturing and organizational structure, including both completed and ongoing projects, will enable the Group to enhance its competitiveness, which is a prerequisite for resuming the path towards better operating results when a more favorable environment is reestablished in the various markets in which it operates.

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

Review of Operating Performance in the First Six Months of 2012

Prior to proceeding with a review of the Group's operating performance, an overview of the Group's corporate structure that shows the investment sectors of KME Group S.p.A. is provided below.
*In addition to its traditional activities in the "**Copper**" Sector, which encompass the production and distribution of copper and copper-alloy semifinished products (headed by the German subsidiary **KME A.G.**) and continue to be its core business, the Group's investments include the new Sectors of "**Renewable Energy Sources**" and energy conservation, headed by **ErgyCapital S.p.A.**, and integrated "**Services**" in the field of risk management in connection with the possession, ownership and use of motor vehicles, headed by **Cobra A.T. S.p.A.** as of July 1, 2011.*
*These new investment sectors and sundry activities are held by **KME Partecipazioni S.r.l.**, a wholly-owned subsidiary of the Group.*
The carrying amounts of the investments held by KME Group S.p.A. are 386.1 million euros for the "Copper" Sector, 25.8 million euros for the "Renewable Energy" Sector and 39.8 million euros for the "Service" Sector.

Overview of the Group's Corporate Structure



The indications of a deterioration in economic activity that characterized the major developed economies in the second half of last year were confirmed in the first six months of 2012.
In Europe, which is the area where the Group is most active, the weakness in economic activity that began in the second half of 2011 continued, but not all countries were equally affected: GDP grew in Germany, held steady in France and contracted in Great Britain, Spain and Italy. In the second quarter of this year, industrial production, which has been decreasing since the summer of 2011, fell to levels barely above the minimum of this economic downturn, reached in the summer of 2009.
The short-term outlook remains negative; manufacturing activity continues to decline, particularly in the capital goods sector, due to ample margins of unused production capacity, weak demand and the increasingly demanding and onerous financing terms faced by businesses, which are thus unable to access credit to compensate for their reduced self-financing ability.

In a macroeconomic context that remain challenging and is characterized by a fragile and uncertain outlook, all KME Group companies accelerated and made even more incisive their programs to restructure and stimulate growth in the various investment sectors.
The Group’s Parent Company is also engaged in implementing a strategic project that involves concentrating under a single holding company the corporate organizations of KME Group S.p.A. and Intek S.p.A., a company under joint control, so as to unify the management of the businesses headed by these two companies with the aim of dynamically maximizing their potential, while focusing on enhancing cash generation and creating value over time.
The benefits of this concentration, which will be accomplished by merging Intek S.p.A. into KME Group S.p.A., in accordance with the motions approved by the respective Shareholders’ Meetings on May 9, 2012, will include, in addition to significant costs savings resulting from the fact that both KME and Intek are listed companies, a unified strategic management and the combined presence of expertise and specific competencies in a wide range of businesses.
Moreover, the merger will diversify the source of funds available to the two companies individually: the cash flow generated by KME, which, being tied mainly to its industrial activities, is significantly affected by the effects of the economic cycle, will be combined with the cash flow from the projected monetization of Intek’s assets (buildings and receivables) and from its private equity operations, which are less affected by general economic conditions.
In this new configuration, KME Group S.p.A. will thus function even more as a true holding company, whose goal will be to maximize the value of the assets and investments in its portfolio, also using asset divestments, when they are functional to the implementation of new growth strategies, which will include a broad-based reassessment of all Group businesses and a reevaluation of the return on invested resources, seeking alternative solutions for those activities that cannot deliver an acceptable rate of return.

Already for some years, against the backdrop of a macroeconomic context dominated by significant recessionary conditions and widespread causes of uncertainty, KME has been guiding and coordinating important programs to restructure and develop the companies that operate in its different investment sectors, with the aim of improving their competitiveness and bring their profitability back to a level providing an adequate return on invested resources.

The programs launched to streamline the operating units in the "**Copper" Sector,** which are headed by the KME A.G. subsidiary, pursue the twin objectives of refocusing the activities of the manufacturing and distribution operations, in order to strengthen their business diversification, while increasing operating efficiency and optimizing costs at all levels. These programs are being implemented concurrently with the adoption of a highly disciplined approach to investment decisions and an organizational structure designed in accordance with flexible operating models that respond quickly to change, are aimed at promoting innovation and are intensely focused on customer and market needs.

The companies that are at the helm of the new investment sectors are also engaged in implementing radical reorganization programs.

In the second half of 2010, ErgyCapital S.p.A., a company active in the **"Renewable Energy Source" Sector,** began the process of redefining the mission of its group and downsizing its operations through the closure of operating locations and a reduction in staff levels, with an attendant significant decrease in operating expenses.
Insofar as the business strategy is concerned, the company intends to do the following:

- In the photovoltaic sector, given the high level of uncertainty in the new regulatory framework, it will concentrate over the short term on maximizing the operating efficiency of its grid-connected photovoltaic facilities, which have a total capacity of 19.6 MWp.
- In the biogas sector, where a new facility went on stream in July, management decisions will be directly related to the expected profitability of the plants already on stream and on the ability to maximize the value of some permits, based on the outcome of ongoing sales negotiations with third parties.
- In the geothermal sector, in view of the expected growth of the market for low-enthalpy geothermal resources in Italy, despite a downturn of business activity in the target industry (building construction), the geothermal division is expanding its sales organization and broadening its product line. As a results, positive results in the sales area are expected to generate increased revenues over the long term.

The programs implemented began to produce positive results in 2011, which became more noticeable in 2012.
These new strategic guidelines were adopted to enable ErgyCapital S.p.A. to regain its profitability and financial balance, which are the prerequisites for effectively developing collaboration/ aggregation opportunities with other players in the renewable energy sector that could hasten the company's expansion and boost value creation.

In the **"Service" Sector,** with the merger by absorption, effective July 1, 2011, of the Drive Rent S.p.A. subsidiary into Cobra Automotive Technologies S.p.A., a company based in Varese, which is the holding company of a group listed on Borsa Italiana, KME Partecipazioni, which acquired a 42.7% interest in the new entity resulting from this transaction, helped lay the

groundwork for an expansion of vehicle management services and enhanced the value of the new entity by combining the services, products and distinctive knowhow of the two groups. This new corporate entity is one of the main operators in Europe, capable of providing integrated services to manage the risks associated with the possession, ownership and use of vehicles, through the use of information technology and satellite technology.
Subsequent to the effective date of the business combination, Cobra, within the framework of a program to strengthen the new entity's financial position, carried out a capital increase that generated proceeds of 17 million euros, with KME Partecipazioni S.r.l. underwriting its pro rate share. Upon completion of the underwriting process, KME Partecipazioni's interest in Cobra had increased from 42.7% to 51.5%.
In February 2012, Cobra A.T. S.p.A. entered into an agreement to sell to its Electronic Systems Division to a private equity fund. As announced on August 1, 2012, one of the agreement's conditions precedent could not be fulfilled by the stipulated deadline and the agreement was cancelled. Nevertheless, the company will continue to pursue the strategy of divesting its Electronic Systems Division, in order to focus on its telematic business, which has greater value added, offering services to protect vehicle ownership, manage maintenance costs, and monitor driver behavior and safety.
On July 31, 2012, as part of the effort to simplify and streamline the Group's organization, Cobra A.T. and Tracker signed an agreement pursuant to which the service companies Drive Service SpA e Easydriver Car Service Espana SLU, already wholly owned subsidiaries of Cobra A.T. S.p.A., will be transferred to Cobra Service Network SA, a company owned 80% by Cobra and 20% by Tracker.

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The industrial and commercial programs implemented, while they strengthened the competitiveness of the KME Group, were not sufficient to offset the impact of an unfavorable market environment and weak demand. Consequently, in the first half of 2012, the Group's profitability, while holding at the level achieved in the last quarter of 2011, was lower than in the first six months of 2011.

<u>"Copper" Sector</u>

Demand for copper and copper-alloy semifinished products in the construction industry continues to be characterized by an underlying weakness, fueled in part by the negative effect of the high level and volatility of raw copper prices and the resulting uncertainty weighing on spending decisions by users and makes other metals that are less penalized by price trends more competitive.

In response to this scenario, the KME Group continued to promote innovative solutions, offering original, cutting-edge alternatives with a high architectural value to designers in the interior furnishings business that can be used for coverings and objects made of copper or

copper alloys, available in a number of variations for different applications and aesthetic effects.
Special attention is also being paid to products in the environmental and health areas.
Products in this area include "environmental copper" sheeting, produced exclusively with scrap, with a positive impact in terms of energy savings and raw material cost optimization. The same is true for items sold under the *"KME Plus"* brand, which is used for finished and semifinished products made of copper and alloys with proven antimicrobial properties (*"Antimicrobial Copper"*), which are sold mainly to healthcare facilities, schools and mass transit systems.
Projects launched in these areas produced substantial increases in value added and prices. However, a sharp contraction in sales volumes in the last quarter of 2011 and the first half of 2012 reduced the benefits produced by these programs, with the biggest negative effects occurring in the area of construction sheet metal.

In the market segment of brass bars, the trend of healthy gains in sales volumes recorded in the early quarters of 2011 suffered a sharp loss of momentum that continued in 2012. However, pricing programs continue to have a positive effect.

In the first half of 2012, demand for semifinished products for the industrial sector continued to be characterized by the weakness that emerged in the second half of 2011. This downturn hit Italy and Spain particularly hard, with the French market holding relatively steady.
An analysis by market segments shows that demand remained stagnant in the home appliance and air conditioning areas but continued to be more stable in the electrical, components and automotive industries. The overall result was a decline in sales of industrial sheet metal products and tubing for industrial applications.

Orders for specialty products, particularly for ingot molds and copper bars, continued to perform well, despite slower economic activity in the emerging countries.

In the first half of 2012, **investments** in the Sector's production facilities totaled 18.4 million euros (15.7 million euros in 2011).

The Sector had 6,101 employees at June 30, 2012 (6,248 employees at the end of 2011).

For a review of the Copper Sector's operating and financial performance, please see the accounting data resulting from line-by-line consolidation, the entire amount of which refers to the Copper Sector and KME Group S.p.A., the Group's Parent Company.

"Renewable Energy Source" Sector

In the first half of 2012, the ErgyCapital Group reported **revenue** of 9.4 million euros, for a gain of 6% compared with the first six months of 2011.

Consolidated **EBITDA**, positive by 4.4 million euros, were sharply higher than the 2.8 million euros earned in the same period last year. This improvement is the net result of the following factors:

- Further progress in implementing the corporate restructuring program, which produced an additional, significant reduction in overhead of more than 20%, compared with the same period last year.
- Higher revenues from the production of electric power from photovoltaic systems (+21%), due to an increase in the number of units in operation and a solid performance by all generating facilities.
- Revenues from the first biogas system (1.1 million euros), which, combined with 0.8 million euros in proceeds from the sale of four authorized projects, brought the Sector's revenues to about 2.0 million euros.
- On the other hand, the downturn in the housing industry, within which the Group's geothermal activities operate, caused a significant reduction in production value, which totaled 0.9 million euros, down from 2.9 million euros in the first half of 2011.

The **consolidated net loss** amounted to 0.9 million euros (1.2 million euros at June 30, 2011). In the second quarter of 2012, the ErgyCapital reported a profit before taxes of 0.4 million euros.

The **net financial position** shows indebtedness growing to 92.6 million euros, up from 85.8 million euros at December 31, 2011. Financing received in connection with investments in the biogas area account for virtually all of this increase.

Shareholders' equity totaled 14.7 million euros at June 20, 2012. On June 26, 2012, the company's Extraordinary Shareholders' Meeting approved a motion authorizing the Board of Directors, for a period of 12 months counting from the date of the resolution, to carry out a contributory capital increase of up to 15 million euros, including any additional paid-in capital, by means of a rights offering addressed to shareholders pursuant to Article 2441 of the Italian Civil Code.

For additional information about the operating performance of ErgyCapital S.p.A., please consult the documents made available by the company.

The results of the ErgyCapital Group for the reporting period are shown in the consolidated income statement of KME Group S.p.A. under the line item "Losses of companies valued by the equity method."

“Service” Sector

Following the transaction involving the spin-off of the Electronic Systems Division, the Cobra Group, as required by IFRS 5, no longer consolidates this Division line by line.

The consolidated economic and financial data of the Cobra Group, stated in accordance with the new scope of consolidation, show **revenue** of 37.2 million euros, up 67.2% compared with the same period in 2011, due mainly to the additional revenue generated by the merger with Drive Rent.
EBITDA totaled 2.5 million euros, up sharply compared with a loss of 0.1 million euros in the first half of 2011. Excluding nonrecurring charges, adjusted consolidated EBITDA amount to 3.9 million euros, equal to 10.4% of total revenue.
EBIT were negative by 3.0 million euros. When the data are restated excluding nonrecurring charges, the adjusted consolidated EBIT show an improvement over the negative EBIT of 2.2 million euros reported at June 30, 2011.
The group’s **net loss** decreased to 5.0 million euros, down from a loss of 6.0 million euros in the first half of 2011, thanks to a reduction of the loss incurred by the division earmarked for divestment.

The **consolidated net financial position** totaled 22.0 million euros at June 30, 2012.

The **number of subscribers** (direct and indirect) of the Group’s telematic services grew to 223,000 units, for a gain of 12.76% compared with December 31, 2011. The main reason for this improvement is a consolidation of the *“Smart Insurance”* business, which increased by 72.9% compared with December 31, 2011.

As for the **business outlook,** the Cobra A.T. Group plans to increase its profit margins and consolidate its competitive position in Italy and the main European markets, despite the continuation of unsettled macroeconomic conditions. It intends to accomplish this goal by strengthening its financial and managerial structure, with the aim of creating a group focused exclusively on telematic services with a high value added.

For additional information about the operating performance of Cobra A.T. S.p.A. please consult the document made available by the company.

The results of the Drive Group are shown in the consolidated income statement of KME Group S.p.A. under the line item “Discontinued operations” for the period up to June 30, 2011. The economic result of Cobra AT S.p.A. for the second half of 2012 is accounted for by the equity method.

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Marco Miniati, the Corporate Accounting Documents Officer, acting pursuant to 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 accounts and other accounting records.*

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

The Board of Directors

Annexes:

1) Reclassifications Made and Reconciliations to the IFRS Accounting Principles
2) Reclassified Consolidated Income Statement
3) Consolidated Statement of Financial Position
4) Consolidated Statement of Cash Flows

Annex 1

Reclassifications Made and Reconciliations to the IFRS Accounting Principles

In reviewing the Group's economic performance, particularly with regard to the "Copper" Sector, a reclassified income statements (abbreviated as "RECL") is used in addition to the IFRS income statement, because it is believed to be more representative of the actual operating performance.

The main restatements, adjustments and reclassifications, in terms of measurement and presentation, concerned primarily the items reviewed below:

1 *Revenue is also shown net of the value of raw materials to eliminate the impact of fluctuations in raw material prices.*

2 *When valuing ending inventories of the copper and copper-alloy semifinished product sector, the portion of the metal component representing structural inventories (i.e., the portion of inventories that was not set aside to fill customer orders) was valued by the LIFO method. The portion of inventories 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, inventories are 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.*

   The IFRS principles, by not allowing the measurement of the Sector's ending inventories by the LIFO method, which is the method used for internal management controlling activities, introduced an exogenous economic component the variability of which makes it impossible to compare homogeneous data for different periods and does not allow an accurate presentation of the actual results from operations.

3 *Nonrecurring items are shown below the EBITDA line.*

The table that follows shows the impact of the different measurement and presentation criteria applied to the data for the first half of 2012.

(in millions of euros)	1st half 2012 IFRS		Reclassifi-cations	Restate-ments	1st half 2012 RECL	
Gross revenue	1,365.6	*100.0%*			1,365.6	
Raw material costs	-		(989.4)		(989.4)	
Revenue net of raw material costs	**-**				**376.2**	***100.0%***
Personnel expense	(167.8)		3.6		(164.2)	
Other consumables and costs	(1,172.9)		997.3	(6.2)	(181.8)	
EBITDA	**24.8**	***1.8%***			**30.2**	***8.0%***
Depreciation and amortization	(24.8)		1.4		(23.4)	
EBIT	**0.1**	***0.0%***			**6.8**	***1.8%***
Net financial expense	(11.1)		-		(11.1)	
Result before nonrecurring items	**(11.0)**	***-0.8%***			**(4.3)**	***-1.1%***
Nonrecurring income / (expense)	-		(12.9)		(12.9)	
Impact of IFRS measured inventories and forward contracts	-			6.2	6.2	
Taxes under IFRS measured inventories and forward contracts	-			0.3	0.3	
Current taxes	(3.5)		-		(3.5)	
Deferred taxes	(0.2)			(0.3)	(0.5)	
Result after taxes (IFRS measurement)	**(14.7)**	***-1.1%***			**(14.7)**	***-3.9%***
Share of profit of equity-accounted investee companies	(2.8)				(2.8)	
Loss from discontinued operations	-				-	
Consolidated net loss	**(17.4)**	***-1.3%***			**(17.5)**	***-4.6%***
Result attributable to non-controlling interests	0.3				0.3	
Result attributable to owners of the Parent	**(17.8)**	***-1.30%***			**(17.8)**	***-4.73%***

The reclassified indicators mentioned above are used in the review of the Group's operating results, because they are deemed to be more representative of the Group's actual operating and financial performance.

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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 amount is used as an indicator 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 - Reclassified Consolidated Income Statement

(in millions of euros)	1st half 2012 RECL		1st half 2011 RECL		% change
Gross revenue	1,365.6		1,595.7		*-14.4%*
Raw material costs	(989.4)		(1,174.3)		*-15.7%*
Revenue net of raw material costs	**376.2**	***100%***	**421.4**	***100%***	***-10.7%***
Personnel expense	(164.2)		(173.0)		*-5.1%*
Other consumables and costs	(181.8)		(197.7)		*-8.0%*
EBITDA (*)	**30.2**	***8.0%***	**50.7**	***12.0%***	***-40.4%***
Depreciation and amortization	(23.4)		(22.4)		*4.4%*
EBIT	**6.8**	***1.8%***	**28.3**	***6.7%***	***-75.8%***
Net financial expense	(11.1)		(5.2)		*113.5%*
Result before nonrecurring items	**(4.3)**	***-1.1%***	**23.1**	***5.5%***	***-118.6%***
Nonrecurring income / (expense)	(12.9)		(6.4)		*n.m.*
Impact of IFRS measured inventories and forward contracts	6.2		28.5		*-78.2%*
Taxes under IFRS measured inventories and forward contracts	0.3		(10.0)		*n.m.*
Current taxes	(3.5)		(4.9)		*n.m.*
Deferred taxes	(0.5)		(4.1)		*n.m.*
Result after taxes (IFRS measurement)	**(14.7)**	***-3.9%***	**26.2**	***6.2%***	***-156.1%***
Share of profit of equity-accounted investee companies	(2.8)		(0.6)		*n.m.*
Loss from discontinued operations	-		(0.6)		*n.m.*
Consolidated net loss	**(17.5)**	***-4.6%***	**25.0**	***5.9%***	***-169.8%***
Result attributable to non-controlling interests	0.3		(0.4)		
Result attributable to owners of the Parent	**(17.8)**	***-4.73%***	**25.4**	***6.03%***	***-170.1%***

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

Annex 3

KME Group – Consolidated Statement of Financial Position

(in thousands of euros)	6/30/12	12/31/11
Property, plant and equipment	574,009	580,114
Investment property	30,830	30,812
Goodwill and consolidation difference	118,364	118,367
Other intangible assets	3,033	2,982
Investments in subsidiaries and associates	15,953	15,152
Investments in other companies	258	258
Investments in equity-accounted investees	45,015	47,826
Other non-current assets	7,828	8,560
Non-current financial assets	4,154	4,589
Deferred-tax assets	28,028	31,491
NON-CURRENT ASSETS	**827,472**	**840,151**
Inventories	586,203	607,483
Trade receivables	125,671	129,489
Other current receivables and assets	30,699	31,980
Current financial assets	153,885	251,902
Cash and cash equivalents	74,219	66,483
Current assets held for sale	-	-
CURRENT ASSETS	**970,677**	**1,087,337**
TOTAL ASSETS	**1,798,149**	**1,927,488**
Share capital	297,041	297,041
Other reserves	177,016	186,674
Treasury shares	(2,680)	(2,680)
Retained earnings	72,188	72,188
Consolidation reserve	(111,729)	(107,852)
Reserve for deferred tax	(491)	(80)
Loss for the period	(17,785)	(14,292)
Equity attributable to owners of the Parent	**413,560**	**430,999**
Equity attributable to non-controlling interests	5,806	6,062
TOTAL EQUITY	**419,366**	**437,061**
Employee benefits	153,926	153,439
Deferred-tax liabilities	115,704	119,133
Financial payables and liabilities	327,985	266,669
Other non-current liabilities	20,616	20,320
Provisions for risks and charges	28,323	17,128
NON-CURRENT LIABILITIES	**646,554**	**576,689**
Financial payables and liabilities	127,405	247,776
Trade payables	484,506	526,938
Other current liabilities	120,318	123,009
Provisions for risks and charges		16,015
Current liabilities held for sale	-	-
CURRENT LIABILITIES	**732,229**	**913,738**
TOTAL EQUITY AND LIABILITIES	**1,798,149**	**1,927,488**

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

Annex 4

KME Group – Consolidated Statement of Cash Flows

(in thousands of euros)	6/30/12	6/30/11
(A) Cash and cash equivalents at the beginning of the year	**66,483**	**39,751**
Profit before taxes	(13,752)	44,536
Depreciation and amortization	23,375	22,781
Impairment losses on current assets	1,814	3,795
Impairment losses (Reversals of impairment losses) of non-current assets other than financial assets	1,413	(338)
Impairment losses (Reversals of impairment losses) of current and non-current financial assets	607	-
Losses (Gains) on disposal of non-current assets	(3)	137
Change in provisions for pensions, post-employment benefits and stock options	172	178
Change in provisions for risks and charges	(4,967)	13,005
Decrease (Increase) in inventories	21,961	(19,870)
Share of profit of equity-accounted investees	2,750	580
(Increase) Decrease in current receivables	3,303	(13,485)
Increase (Decrease) in current payables	(45,613)	122,631
Changes from currency translations	(51)	682
Decrease (Increase) in LME and metal forward contracts	(11,331)	(60,409)
Paid taxes	(3,509)	(5,247)
(B) Cash flow from operating activities	**(23,832)**	**108,976**
(Increase) in non-current intangible assets and property, plant and equipment	(18,395)	(15,411)
Decrease in non-current intangible assets and property, plant and equipment	325	621
(Increase) Decrease in investments	(1,405)	(3,339)
(Increase) Decrease in available-for-sale financial assets	-	-
Increase/Decrease in other non-current assets/liabilities	1,028	(316)
Dividends received	194	271
(C) Cash flow from investing activities	**(18,254)**	**(18,174)**
Equity cash variations	-	-
(Purchase) Sale of treasury shares	-	226
Increase (Decrease) in current and non-current financial payables	(49,167)	5,399
(Increase) Decrease in current and non-current financial receivables	99,683	(44,131)
Dividends paid and profits distributed	(694)	(7,990)
(D) Cash flow from financing activities	**49,822**	**(46,496)**
(E) Change in cash and cash equivalents (B)+('C)+(D)	**7,736**	**44,306**
(F) Change in scope of consolidation	**-**	**-**
(G) Total cash flow generated by (used in) discontinued operations	**-**	**154**
(H) Cash and cash equivalents at the end of the year (A)+(E)+(F)+(G)	**74,219**	**84,211**

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