



JOINT PRESS RELEASE

pursuant to Article 114 of Legislative Decree No. 58/1998 (“TUF”)

MERGER BY ABSORPTION OF INTEK S.P.A. INTO KME GROUP S.P.A., SUBSEQUENT TO THE ABSORPTION OF QUATTROTRETRE S.P.A. BY INTEK S.P.A.

- Meeting today, the Boards of Directors of Intek and KME determined, each within the scope of its jurisdiction, the share exchange ratio for the merger by absorption of Quattrotretre into Intek and the share exchange ratio for the merger by absorption of Intek into KME.
- Share exchange ratio for Quattrotretre into Intek: 27.49 Intek shares for each Quattrotretre share.
- Share exchange ratio for Intek into KME: 1.15 KME Group shares for each Intek share.
- The deeds of merger for the Intek Merger and the KME Merger are tentatively scheduled to be executed in October 2012, with the effective date of the mergers set for November 2012.

MILAN, SEPTEMBER 14, 2012 – Meeting today, the Boards of Directors of KME Group S.p.A. (“**KME**”) and Intek S.p.A. (“**Intek**”) determined, each within the scope of its jurisdiction, the share exchange ratio for the merger by absorption of Intek into KME (the “**KME Merger**”) and the share exchange ratio for the merger by absorption of Quattrotretre S.p.A. (“**433**”) into Intek (the “**Intek Merger**”), in accordance with the terms and conditions specified below (the KME Merger and the Intek Merger being jointly referred to as the “**Mergers**”).

The terms and conditions pursuant to which the Mergers will be executed are listed, respectively, in the merger proposal prepared in accordance with Article 2501-ter of the Italian Civil Code for the KME Merger and the merger proposal prepared in accordance with Article 2501-ter of the Italian Civil Code for the Intek Merger, which were approved by the Boards of Directors of KME and Intek on January 27, 2012 and the Extraordinary Shareholders’ Meetings of KME and Intek on May 9, 2012. Documents concerning the Mergers are available on the Intek website, at the www.itk.it address, and the KME website, at the www.kme.com address.

The Mergers are taking place subsequent to:

- the launch by Intek of a public, voluntary exchange offer for all of its own common shares, pursuant to Article 102 of the TUF (the “**Intek Offer**”), with the exception of the shares indirectly held by Quattrotretre Holding B.V. (“**422BV**”), its controlling shareholder, through its 433 subsidiary and the treasury shares already held by Intek; and
- the launch by KME, in concert with 422BV, its controlling shareholder, of a public, voluntary exchange offer for all of its own common shares, pursuant to Article 102 of the TUF (the “**KME Offer**”), with the exception of the share indirectly held by 422BV, its controlling shareholder, through its 433 and Intek subsidiaries and the treasury shares already held by KME, followed by a mandatory

tender offer pursuant to Article 106, Section 3, Letter b), of the TUF and Article 46 of Consob Regulation No. 11971/1999 (the “**Mandatory Offer**” and, in combination with the Intek Offer and the KME Offer, the “**Offers**”).

For information about the acceptance level of the Intek Offer and the KME Offer, please consult the notices about final offer results issued pursuant to Article 41, Section 6, of Consob Regulation No. 11971/1999, which were published in the newspaper *Italia Oggi* on August 14, 2012 and September 11, 2012, respectively, and are available on the Intek website, at the www.itk.it address, and the KME website, at the www.kme.com address.

Please note that all of the Intek and KME common shares tendered in acceptance of the Intek Offer and the KME Offer were cancelled, in implementation of the resolutions adopted by the Shareholders’ Meetings of Intek and KME on May 9, 2012.

As a result of the cancellation of the common shares tendered in acceptance of the Intek Offer and of the treasury shares held by Intek, as of the date of this press release, 422BV held indirectly, through 433, an equity stake equal to 59.403% of Intek’s common share capital.

As a result of the cancellation of the common shares tendered in acceptance of the KME Offer and of the treasury shares held by KME, as of the date of this press release, 422BV held indirectly an equity stake equal to 57.083% of KME’s common share capital (including 40.967% through 433 and 16.116% through Intek).

1. THE MERGERS

1.1 Determination of the 433 and Intek share exchange ratio

Because the Intek Merger will take place subsequent to the implementation of the Intek Offer and the KME Offer, the exact numeric expression of the exchange ratio was determined—by applying the formula provided in the merger proposal for the Intek Merger and disclosed to the market on January 27, 2012—once the acceptance level of the Intek Offer and the KME Offer became known.

The share exchange ratio for the Intek merger is as follows:

- for each (1) 433 common share tendered for exchange, award of 27.49 Intek common shares.

No cash adjustment payments is being provided.

1.2 Determination of the Intek and KME share exchange ratio

Because the KME Merger will take place subsequent to the implementation of the Intek Offer and the KME Offer, the exact numeric expression of the exchange ratio was determined—by applying the formula provided in the merger proposal for the KME Merger and disclosed to the market on January 27, 2012—once the acceptance level of the Intek Offer and the KME Offer became known.

The share exchange ratio for the KME merger is as follows:

- for each (1) Intek common/savings share tendered for exchange, award of 1.15 KME common/savings shares

No cash adjustment payments is being provided.

1.3 Intek Merger – Conditions

Please note that, pursuant to the Intek Merger proposal approved by Intek’s Extraordinary Shareholders’ Meeting on May 9, 2012, the Intek Merger shall be subject to the condition precedent that the following events take place before the date of execution of the corresponding deed of merger:

- a) Intesa Sanpaolo S.p.A. approves the cancellation of the pledge encumbering 13,610,797 Intek common shares held by 433 and authorizes the transfer to Intek of 100,462,436 KME common shares held by 433 that are encumbered by a pledge;
- b) Associazione Cassa Nazionale di Previdenza ed Assistenza a favore dei Ragionieri e Periti Commerciali approves the cancellation of the pledge encumbering 5,316,666 Intek common shares held by 433;
- c) GE Capital S.p.A. approves the cancellation of the pledge encumbering 42,704,550 Intek common shares held by 433 and authorizes the transfer to Intek of 28,535,361 KME shares held by 433 that are encumbered by a pledge;
- d) GE Capital S.p.A. approves the Intek Merger, pursuant to the loan agreements in effect with Intek and 433.

As of the date of this press release:

- a) Intesa Sanpaolo S.p.A. approved the cancellation of the pledge encumbering 13,610,797 Intek common shares held by 433 and authorized the transfer to Intek of 100,462,436 KME common shares held by 433 that are encumbered by a pledge; the abovementioned approval is subject to Quattrodue S.p.A. and 422BV fulfilling certain requirements, which they will do by the date of execution of the deed of merger for the Intek Merger;
- b) Associazione Cassa Nazionale di Previdenza ed Assistenza a favore dei Ragionieri e Periti Commerciali approved the cancellation of the pledge encumbering 5,316,666 Intek common shares held by 433;
- c) negotiations with GE Capital S.p.A. are being finalized for the purpose of obtaining (i) its approval of the cancellation of the pledge encumbering 42,704,550 Intek common shares held by 433 and the authorization to transfer to Intek 28,535,361 KME shares held by 433 that are encumbered by a pledge; and (ii) its approval of the Intek Merger, pursuant to the loan agreements in effect with Intek and 433.

Lastly, please note that the Intek Merger is also conditional on (a) the non-occurrence by the date of execution of the deed of merger and in the course of and/or due to the execution of the said transaction and/or concurrently or contextually with it of (i) extraordinary events or situations at the national and/or international level producing major changes in the political, financial, economic, currency or market situation that have substantially prejudicial effects on the conditions of the activities and/or on the balance sheet, income statement and/or cash flow of the company and/or the group or of (ii) actions, facts, circumstances, events, oppositions or situations that had not materialized as of the date of the Intek Merger proposal, which could cause a hindrance with a material impact on the conditions of the activities and/or on the balance sheet, income statement and/or cash flow of the company and/or the group, and/or (b) the lack of enactment/publication, by the date of execution of the deed of merger, by relevant institutions, entities or authorities, of legislative, administrative (including those concerning any compliance obligations pursuant to Articles 106 and following of the TUF) or judicial documents or measures that could impede, limit or make substantially more onerous, in whole or in part, permanently or temporarily, the ability of the company and/or the group to which it belongs to implement the merger and/or the complex of transactions listed in the merger proposal in accordance with the terms and condition set forth therein.

1.4 KME Merger – Conditions

The KME Merger will be implemented after the Intek Merger becomes effective.

Please note that, pursuant to the KME Merger proposal approved by the Extraordinary Shareholders' Meetings of KME and Intek on May 9, 2012, the KME Merger shall be subject to the condition precedent that the following events take place before the date of execution of the corresponding deed of merger:

- a) Intesa Sanpaolo S.p.A. approves the cancellation of the pledge encumbering 140,462,436 KME common shares, including 40,000,000 shares held by Intek and 100,462,436 shares currently held by 433 and earmarked for transfer to Intek as a result of the Intek Merger;
- b) Cassa Nazionale di Previdenza ed Assistenza a favore dei Ragionieri e Periti Commerciali approves the cancellation of the pledge encumbering 8,861,110 KME common shares held by Intek;
- c) GE Capital S.p.A. approves the cancellation of the pledge encumbering 31,174,250 KME common shares, including 2,638,889 shares held by Intek and 28,535,361 shares currently held by 433 and earmarked for transfer to Intek as a result of the Intek Merger;
- d) GE Capital S.p.A. approves the KME Merger, pursuant to the loan agreements in effect with Intek and 433;
- e) Banca d'Italia authorizes the transfer to KME of the equity stake in I2 Capital Partners SGR S.p.A. currently held by Intek.

As of the date of this press release:

- a) Intesa Sanpaolo S.p.A. approved the cancellation of the pledge encumbering 100,462,436 KME common shares currently held by 433 and earmarked for transfer to Intek as a result of the Intek Merger; the abovementioned approval is subject to Quattrodue S.p.A. and 422BV fulfilling certain requirements, which they will do by the date of execution of the deed of merger for the Intek Merger; negotiations are being finalized with Intesa Sanpaolo S.p.A. to obtain its approval of the cancellation of the pledge encumbering 40,000,000 KME common shares held by Intek;
- b) Associazione Cassa Nazionale di Previdenza ed Assistenza a favore dei Ragionieri e Periti Commerciali approved the cancellation of the pledge encumbering 8,861,110 KME common shares held by Intek;
- c) negotiations with GE Capital S.p.A. are being finalized for the purpose of obtaining (i) its approval of the cancellation of the pledge encumbering 31,174,250 KME common shares, including 2,638,889 shares held by Intek and 28,535,361 currently held by 433 and earmarked for transfer to Intek as a result of the Intek Merger; and (ii) its approval of the KME Merger, pursuant to the loan agreements in effect with Intek and 433;
- d) Banca d'Italia authorized the transfer to KME of the equity stake in I2 Capital Partners SGR S.p.A. currently held by Intek.

Lastly, please note that the KME Merger is also conditional on (a) the non-occurrence by the date of execution of the deed of merger and in the course of and/or due to the execution of the said transaction and/or concurrently or contextually with it of (i) extraordinary events or situations at the national and/or international level producing major changes in the political, financial, economic, currency or market situation that have substantially prejudicial effects on the conditions of the activities and/or on the balance sheet, income statement and/or cash flow of the company and/or the group or of (ii) actions, facts, circumstances, events, oppositions or situations that had not materialized as of the date of the merger proposal, which could cause a hindrance with a material impact on the conditions of the activities and/or on the balance sheet, income statement and/or cash flow of the company and/or the group, and/or (b) the lack of

enactment/publication, by the date of execution of the deed of merger, by relevant institutions, entities or authorities, of legislative, administrative (including those concerning any compliance obligations pursuant to Articles 106 and following of the TUF) or judicial documents or measures that could impede, limit or make substantially more onerous, in whole or in part, permanently or temporarily, the ability of the company and/or the group to which it belongs to implement the merger and/or the complex of transactions listed in the KME Merger proposal in accordance with the terms and condition set forth therein.

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The deeds of merger for the Intek Merger and the KME Merger are tentatively scheduled to be executed in October 2012, with the effective date of the mergers set for November 2012.

2. 2012-2017 KME GROUP S.P.A. PARTICIPATORY DEBT FINANCIAL INSTRUMENTS

A Meeting of the holders of the *2012-2017 KME Group S.p.A. Participatory Debt Financial Instruments* (“**PFI**s”), convened to elect a member of KME’s Board of Directors who meets the independence requirements of Article 148, Section 3, of the TUF will be held after the KME merger becomes effective, i.e., sometimes in December 2012.

The Meeting of the holders of PFIs, convened to elect a common representative of PFI holders and determine the length of the representative’s term of office and his/her compensation, had been tentatively scheduled for December 2012.

3. 2012-2012 INTEK S.P.A. BOND ISSUE

A meeting of the holders of the bond issue called *2012-2017 Intek S.p.A.*, convened to elect a common representative of the bondholders and determine the length of the representative’s term of office and his/her compensation, had been tentatively scheduled for December 2012.

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Giuseppe Mazza and Marco Miniati, the Corporate Accounting Documents Officers of Intek and KME, respectively, acting pursuant to Article 154 bis, Section 2, of the TUF, declare 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.

This press release is available on the following company websites: www.itk.it and www.kme.com