# INTEK GROUP

## PRESS RELEASE

- DRAFT FINANCIAL STATEMENTS OF INTEK GROUP S.P.A. FOR 2012 APPROVED.
- THROUGH THE COMPLEX CORPORATE REORGANISATION CARRIED OUT DURING 2012, THE INTEK GROUP S.P.A. WAS TRANSFORMED INTO A HOLDING COMPANY.
  AS A RESULT, ALL INVESTMENTS WILL BE MANAGED WITH A UNIFIED APPROACH, AIMED AT DYNAMICALLY INCREASING THEIR VALUE, SHARPLY FOCUSED ON CASH FLOW GENERATION AND INCREASING VALUE OVER TIME.

  IN LINE WITH THAT APPROACH, THE PARENT COMPANY'S FINANCIAL STATEMENTS PROVIDE THE BEST PICTURE OF THE FINANCIAL POSITION AND THE ACTUAL DEVELOPMENT OF INCOME OF THE NEW ENTITY.
- THE INVESTMENTS HELD BY THE COMPANY AMOUNT TO 520 MILLION EURO AS AT 31 DECEMBER 2012, OF WHICH 73% IN THE "COPPER", SECTOR, 14% IN THE "FINANCIAL AND REAL ESTATE" SECTOR, AND 13% IN THE "ADVANCED SERVICES" SECTOR.
- THE NEW ENTITY HAS A SOUND FINANCIAL STRUCTURE: EQUITY AMOUNTS TO 436 MILLION EURO (1.1 EURO PER SHARE, AN INCREASE OF 20% COMPARED TO THE END OF 2011) AND NET FINANCIAL DEBT AMOUNTS TO 84 MILLION EURO, OF WHICH 59 MILLION EURO REFERS TO LISTED BONDS MATURING IN 2017.
- THE HOLDING'S PROFIT FROM ORDINARY OPERATIONS CAME TO 2.0 MILLION EURO. AFTER NON-RECURRING CHARGES OF 19.5 MILLION EURO, MAINLY RELATING TO WRITE-DOWNS OF HOLDINGS, THE NET LOSS FOR THE YEAR AMOUNTS TO 18.4 MILLION EURO (LOSS OF 9.9 MILLION EURO IN 2011).
- PERFORMANCE OF THE SECTORS OF INVESTMENT:
  - "COPPER"
    - CONSOLIDATED REVENUES AMOUNTED TO 2,571.5 MILLION EURO IN 2012. OWING TO ADDED VALUE 11.3% LESS THAN THE PREVIOUS YEAR, PROFITABILITY DECREASED: EBITDA AMOUNTED TO 44.5 MILLION EURO COMPARED TO 92.2 MILLION EURO IN 2011. PROVISIONS WERE ALLOCATED FOR ADDITIONAL RESTRUCTURING CHARGES OF 50.0 MILLION EURO, AS PART OF THE STRATEGY OF RATIONALISING THE SECTOR'S INDUSTRIAL OPERATIONS.
    IMPORTANT PARTNERSHIP AGREEMENT IN CHINA WORTH APPROXIMATELY 150 MILLION EURO.
  - "FINANCIAL AND REAL ESTATE"

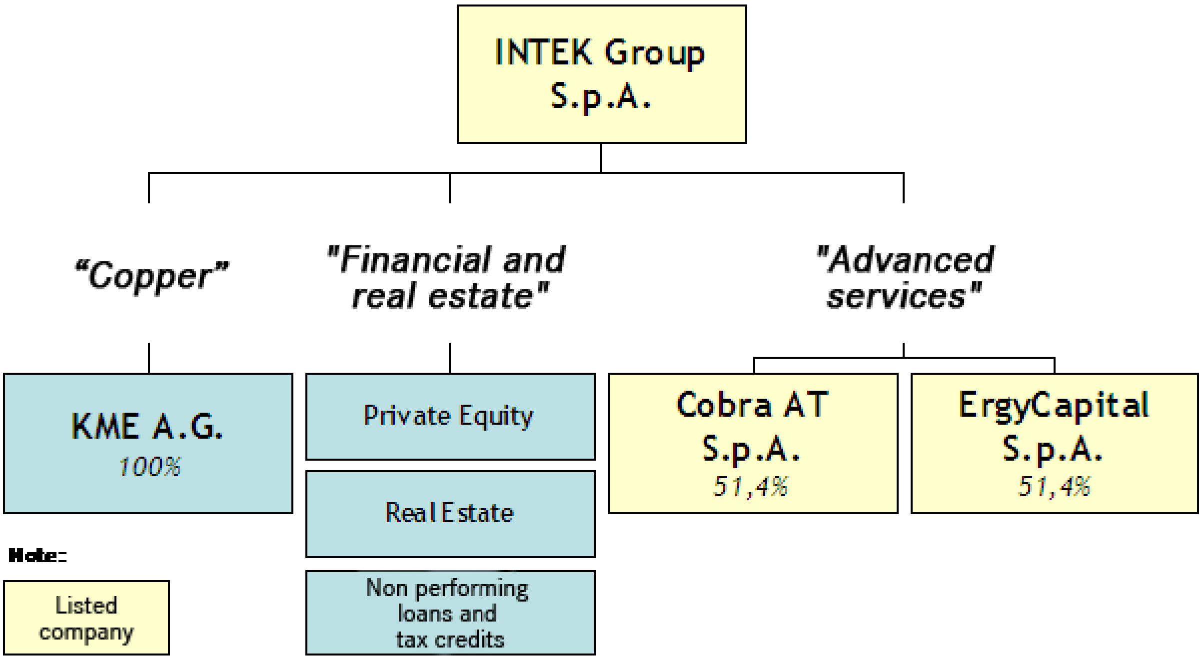
    - CONSIDERABLE DIVESTMENTS IN 2012, INCLUDING THE DISPOSAL OF REINET TCP HOLDINGS (15.0 MILLION EURO) AND REAL ESTATE (7.0 MILLION EURO), AS WELL AS COLLECTIONS LINKED TO NON-PERFORMING LOANS (4.8 MILLION EURO). IN MARCH 2013, OVER 7 MILLION EURO (APPROXIMATELY) WAS COLLECTED FROM THE I2 CAPITAL PARTNERS FUND AS A DISTRIBUTION FROM THE DISPOSAL OF FRANCO VAGO S.P.A.
  - "ADVANCED SERVICES"

    - THE SUBSIDIARY COBRA A.T. S.P.A. ACHIEVED CONSOLIDATED REVENUES OF 156.6 MILLION EURO IN 2012, GROWING FOR THE SERVICES BUSINESS UNIT (+35.7%) AND DROPPING FOR THE ELECTRONIC SYSTEMS BUSINESS UNIT (-12.2%). CONSOLIDATED EBITDA HAS IMPROVED FROM 3.6 MILLION EURO IN 2011 TO 5.8 MILLION EURO (+61.1%). THE CONSOLIDATED NET LOSS CAME TO 14.7 MILLION EURO (LOSS OF 17.7 MILLION EURO IN 2011), FOLLOWING PAYMENT OF NON-RECURRING CHARGES OF 9.1 MILLION EURO.

    THE SUBSIDIARY ERGYCAPITAL S.P.A., OPERATING IN THE RENEWABLE ENERGIES SECTOR, RECORDED CONSOLIDATED REVENUES OF 18.3 MILLION EURO IN 2012. CONSOLIDATED EBITDA SIGNIFICANTLY IMPROVED FROM 6.7 MILLION EURO TO 9.2 MILLION EURO. THE CONSOLIDATED NET LOSS WAS 2.1 MILLION EURO (LOSS OF 7.3 MILLION IN 2011). AN ADDITIONAL

IMPROVEMENT IS EXPECTED IN 2013, DERIVING FROM THE CASH GENERATION OF INSTALLATIONS IN OPERATION.

The new structure of the Group is as follows:




**Key data of the INTEK Group S.p.A.**

| (millions of Euros) | 2012 | 2011(*) |
|---|---|---|
| **Investments/Operations** | ***520*** | ***465*** |
| of which: | | |
| • *"Copper" sector* | *382* | *390* |
| • *"Financial/real estate" sector* | *72* | *-* |
| • *"Advanced services" sector* | *62* | *78* |
| • *Other* | *4* | *(3)* |
| **Equity** | ***436*** | ***452*** |
| of which: | | |
| • *Share Capital* | *314* | *297* |
| • *Reserves* | *140* | *165* |
| • *Profit (loss) for the year* | *(18)* | *(10)* |
| **Restated net financial debt** | ***84*** | ***13*** |
| *of which* | | |
| • *Bond-Based Financial Instruments 2012/2017* | *48* | *--* |
| • *Bonds 2012/2017* | *11* | *--* |
| • *Other Net debt* | *25* | *13* |

(*) 2011 data refer only to the merging company KME Group S.p.A.

**Investments**

Total **Investments** of the INTEK Group S.p.A. amounted to a book value of **520 million Euro** (465 million Euro as at 31 December 2011, prior to the corporate reorganisation), of which 73% in the “copper” sector, 14% in the “financial/real estate” sector and 13% in the “advanced services” sector.

The INTEK Group S.p.A. intends to make investments with medium/long-term time horizons, aiming to redefine its portfolio, making it more flexible, with shorter investment cycles and quicker cash generation, also by selling assets which are no longer considered instrumental to the new development strategies. Maximising the value of the assets managed shall be pursued by precisely defining business strategies, overseeing subsidiaries, identifying partnership agreements and/or opportunities, enhancing the value of specific assets and managing corporate transactions concerning subsidiaries.

**Equity**

The book value of the Company's **Equity** came to **436 million Euro** (452 million Euro as at 31 December 2011). Reserves, net of the loss for the year, accounted for 28% of total equity. The value of equity per share totalled 1.1 Euro per share, up 20% compared to the end of 2011.

Equity decreased by 46 million Euro as a result of the cancellation of the ordinary shares exchanged with debt instruments, as part of the Exchange Tender Offers in July/August 2012, in addition to the loss for 2012. On the other hand, Equity increased as a result of the incorporation of Intek S.p.A. (48 million Euro, net of the effects of the withdrawal) which took effect on 30 November 2012.

**Restated Net Financial Debt**

The **Restated Net Financial Debt** amounted to **84 million Euro**, of which 59 million Euro relating to Bond-Based Financial Instruments 2012-2017 and Bonds 2012-2017 issued for the ordinary shares contributed for participation in the Exchange Tender Offer. Debt amounted to 16% of the Company's Investments and was less than one-fifth of Equity, highlighting a sound financial structure.

## Sectors of Investment

**"Copper" sector**

The “copper” sector refers to the production and marketing of semi-finished copper and copper-alloy products. It is headed by the German subsidiary **KME A.G.** and is the Group's core business.

The difficult macroeconomic scenario of the last few years has driven the Group to increase the focus of its manufacturing and distribution operations, with a view to stricter governance of investment decisions, reinforcing operating efficiency and organisational flexibility, diversification of the business and a larger presence in emerging countries.

From this point of view, a large-scale review of all operations managed is underway, analysing the relationship of returns to resources used, searching for solutions for those which are not achieving acceptable levels of returns, through disposals or agreements/partnerships that boost their development in the medium term.

As part of this strategy, the subsidiary KME A.G. defined an important framework agreement with the Chinese company Golden Dragon Precise Copper Tube Group Inc. The purpose of the agreement is to create a 50-50 joint venture in the sector of connectors, specific types of copper-alloy rolled products with high added value, used for connecting electrical cables, for example, in electronic components of automobiles.

KME will contribute to the initiative through its German facilities in Stolberg, and through plants of other units in the Group, as well as by contributing its extensive know-how in the sector. The Chinese company will contribute to the joint venture the financial resources needed to cover the investments for the construction of the new factory in the Henan Province of China.

It is expected that the total value of the assets provided by the two partners to the project, whose execution, in any event, is subject to the issue of the necessary authorisations by the central and local authorities of the People's Republic of China as well as the competent Chinese and European Antitrust authorities, could reach about 150 million Euro.

In terms of the income statement, in 2012 the industrial and commercial measures implemented were unable to offset the unfavourable market scenario and the weakness in demand. Therefore, profitability for the year in the copper sector was down compared to the previous year.
Consolidated **Revenues** in the sector for 2012 amounted to 2,571.5 million Euro, down 13.4% on 2011, which had amounted to 2,969.7 million Euro. Net of the value of raw materials, revenues went from 799.9 Euro to 709.8 million Euro, a decrease of 11.3%. Comparison with the performance of sales volumes (-13.5%) shows the positive effects of the actions to boost price recovery.
**EBITDA** for 2012 amounted to 44.5 million Euro, down 51.7% on 2011.
The **Loss before non-recurring components** came to 24.4 million Euro (profit of 27.5 million Euro in 2011).
The **Consolidated net loss** for the "copper" sector was 63.4 million Euro (similarly, a loss of 7.8 million in 2011), after allocating provisions of 50 million Euro for **non-recurring charges** relating to additional actions to reorganise and rationalise industrial units, implemented as part of the strategic approach described above, whose benefits will be seen in the upcoming months.
In 2012, **Investments (CAPEX)** in the sector came to 34.0 million Euro. The **workforce** at the end of December totalled 5,974 employees.

## Financial and Real Estate

The **"Financial and Real Estate"** sector includes real estate investments, non-performing receivables and tax credits, for which plans for gradual sale/collection are in place. For investments in private equity, future plans are focused on creating maximum value and development of the interests held by the closed-end investment fund, reserved for qualified investors, managed by I2 Capital Partners SGR.
In 2012, significant divestments were carried out, including:

- the 10% holding in Reinet TCP Holdings Ltd, which contributed 15.0 million Euro in financial resources;
- disposals of properties, with collections of approximately 7.0 million Euro;
- collections linked to non-performing loans, amounting to 4.8 million Euro, deriving from the proceedings of Bredafin Innovazione under compulsory administrative winding-up.

Several pending disputes, primarily linked to the former Fime operations, also came to a positive conclusion, with lower outlays than provisioned in the financial statements.
The above divestments had a positive impact on the net financial position, which will continue in the current year.
In this regard, we note the recent disposal of the investment held by the I2 Capital Partners fund in Franco Vago S.p.A. (a company operating in transport and logistics for the haute couture sector), which generated a gross gain for the fund of 23.6 million Euro on an investment of 20.0 million Euro. As a result of this operation, INTEK Group collected a distribution of approximately 7 million Euro. The Fund concluded its investment activities in July 2012 and, following the disposal of Franco Vago, still has a portfolio of investments in both holdings and non-performing assets of over 42 million Euro, which will contribute to providing the Group with additional financial resources over the next few years.
The activities aimed at increasing the value of the real estate sector continue, from which significant divestments are expected starting from the current year.

## "Advanced Services" Sector

In the **Advanced Services** sector, through the holding in the listed company ***COBRA Automotive Technologies S.p.A.*** the INTEK Group has expanded its operations through one of the leading European operators providing integrated services for the management of risks

associated with the possession, ownership and use of vehicles, using IT and satellite technologies.
COBRA is involved in a radical reorganisation and restructuring of its operations, which has been underway over the past few years. This process will ensure the optimisation of resources and the reduction in operating costs, to achieve greater efficiency. Streamlining, along with improving volumes and the offering of new products on the market will be essential factors for Cobra's growth over the next few years.
This program will rationalise operational processes for the electronics segment, in order to focus on profitability as well as turnover, with a resulting improvement in operating profit, as achieved in 2012 compared to 2011. This is also linked to the updating of the range of products, which will cover additional market segments, also to increase the value of the electronics branch with a view to its possible sale over a medium term time horizon.
As regards services, the development of computerised and security services will continue. For computerised services, the partnership with the insurance industry and the Generali Group in particular, will continue. In the automotive sector, partnership with Porsche AG will continue, based on agreements in place, which will significantly increase over the next few years.

At 31 December 2012, also as a result of the trends in the markets and the failure to sell the electronics branch, the Cobra Group was unable to meet the covenants set forth in a loan agreement of 28.5 million Euro. Therefore, negotiations are underway with the lending banks to obtain a stand still agreement on the outstanding credit lines up to 30 September 2013. Under such agreement, the current credit lines would be maintained and there would be a moratorium on both principal and interest, in order to define financial measures related to the plan presented to the banks, in agreement with them. Through KME Partecipazioni S.p.A., the Intek Group has stated that, on the condition that the lending banks grant Cobra said stand still period, it is willing to disburse a shareholders' loan to of 1.5 million Euro to Cobra. In a press release of 26 March, Cobra specified that the banks have repeatedly confirmed their willingness to assess the requests made and submit them to their decision-making bodies. Nonetheless, to date, no formal acceptance of the proposal has been obtained. This is a considerable uncertainty in terms of the importance of the stand still agreement on the company's ability to continue operating as a going concern. Despite this, the management of Cobra AT reasonably expects that it will be able to formalise in a short time the agreement to reschedule the deadlines for the outstanding financial debt. Also for this reason, in drawing up the financial statements at 31 December 2012, Cobra's directors continued to consider the company as a going concern.

In 2012, COBRA achieved consolidated revenues of 156.6 million Euro, growing for the services business unit (+35.7%) and dropping for the electronic systems business unit (-12.2%). Consolidated EBITDA has improved from 3.6 million Euro in 2011 to 5.8 million Euro at 31 December 2012 (+61.1%). The consolidated net loss came to 14.7 million Euro (loss of 17.7 million Euro in 2011), following payment of non-recurring charges of 9.1 million Euro. The consolidated Net Financial Position showed debt of 38.2 million Euro compared to 39.5 million Euro at 31 December 2011.

For further information on the outlook of operations for COBRA A.T. S.p.A., refer to the documentation made available by the company.

In the second half of 2010, the parent company for the sector of renewable energies, the listed company **ErgyCapital S.p.A.**, launched a redefinition of the Group's mission and a resizing of the Group through the closing of operating facilities, the reduction of the workforce, and the resulting significant decrease in overheads. The actions implemented began to demonstrate positive effects in 2011, which gained strength in 2012.
In terms of business strategy, in the **photovolatic** sector, the Company decided to simply promote its projects and continue optimising the managing of previously executed installations, without using additional financial resources. For the **biogas** sector, the goal is to promote the pipeline of authorisations by building plants and enhancing the value of its projects. In the **geothermal heating** sector, the management strategy is aimed at capturing all opportunities.

The new strategic guidelines were adopted with the goal of restoring ErgyCapital to profitability and financial balance, as the prerequisites to be able to develop possible opportunities for partnership/combination with other entities which could accelerate its growth in size and value.
In 2012 the ErgyCapital Group achieved **Revenues** of 18.3 million Euro, improving on the previous year.
Consolidated **EBITDA** was positive, and growing sharply from 6.7 million Euro to 9.2 million Euro, owing to: i) the increase in electricity generation of the photovoltaic plants (+5%); ii) the revenues from both biogas plants in operation, amounting to 2.7 million Euro. In addition to other revenues and income attributable to the disposal of authorised projects, brought revenues for the sector to approximately 4.1 million Euro; iii) the continuation of operating cost cutting measures.
The **Net loss** amounted to 2.1 million Euro (-7.3 million Euro in 2011) and was affected by provisions and write-downs of 1.1 million Euro.
An additional improvement in income statement results is expected in 2013, focusing operations on the generation of cash flow by installations in operation, which should guarantee a significant net cash surplus, as well as prudent development in the geothermal heating sector, possibly pursuing agreements with third parties.
For further information on the outlook of operations for ErgyCapital S.p.A., refer to the documentation made available by the company.

## The Parent Company INTEK Group S.p.A.

As the Company has taken on the configuration of a holding company for diversified interests as a result of the merger, it is deemed that the parent company's financial statements are more suitable to effectively represent the financial position and the actual evolution of the income statement of the new entity.
In 2012 the income statement closed with **Profit on ordinary operations** of 2 million Euro, in line with the previous year.
**Non-recurring charges** amounted to 19.5 million Euro, of which 18.4 million Euro refers to adjustments to the book values of the holdings in KME Partecipazioni and KME Recycle (subsequently sold to KME A.G.) and 1.1 million Euro to costs relating to non-recurring corporate transactions.
The **Loss for the year**, net of taxes, amounted to 18.4 million Euro (loss of 9.9 million Euro in 2011).

## Consolidated Financial Statements of INTEK Group S.p.A.

The accounting data for the period, consolidated on a line-by-line basis, refers solely to the companies in the semi-finished copper and copper alloy products sector, in addition to the parent company INTEK Group S.p.A., as the subsidiaries of Intek did not generate significant effects on the income statement in December.
The results of COBRA A.T. S.p.A. and ErgyCapital S.p.A. are recorded in the consolidated financial statements of the INTEK Group S.p.A. at equity.
In 2012, the consolidated financial statements closed with a loss of 79 million Euro, following payment of non-recurring charges of 51 million Euro relating to rationalisation programs implemented, and equity of 358 million Euro. Note that the financial statements took account of the actions taken by ErgyCapital, on specific request by Consob, in relation to the consolidated financial statements for 2011. Therefore, the comparative data for 2011 have been restated considering the impact of the adjustment of 2.8 million Euro implemented by ErgyCapital. Net financial debt amounted to 339 million Euro and includes bonds issued for the exchange tender offers, described above, for 59 million Euro.

## Purchase and disposal of own shares

The Board of Directors decided to propose that the Shareholders authorise the purchase and disposal of ordinary and/or savings shares of the INTEK Group S.p.A. pursuant to the combined provisions of articles 2357 and 2357 *ter* of the Italian Civil Code, as well as article 132 of Italian Legislative Decree no. 58/1998 and the related implementing provisions.
The proposal is aimed at newly providing the Company with a useful operating instrument for all purposes permitted by regulations in force.
Authorisation will be requested for a term of eighteen months, for the purchase of ordinary and savings shares of the INTEK Group S.p.A., within the maximum limit set by applicable *pro-tempore* regulations (currently, said limit is set at 20% of share capital, pursuant to article 2357, paragraph 3 of the Italian Civil Code) and, in any event, within the limits of distributable profits and available reserves as per the latest approved financial statements (including interim reports) at the time the operation is implemented.

## Call of the Meeting of Shareholders and holders of debt instruments

Shareholders of INTEK Group S.p.A. ordinary shares and holders of INTEK Group S.p.A. Bond-Based Financial Instruments 2012-2017 (the latter with exclusive reference to the appointment of the Director to be their representative) shall be called to an ordinary Shareholders' Meeting, on single call, on 30 April 2013, to resolve on: the financial statements for the year ended as at 31 December 2012; the Report on Remuneration pursuant to article 123 *ter* of Italian Legislative Decree no. 58/1998; the integration of the assignment for the legal auditing of the accounts to KPMG S.p.A.; the appointment of a Director to represent the holders of Bond-Based Financial Instruments; the appointment of Directors to complete the Board of Directors; the completion of the Board of Statutory Auditors and the appointment of its Chairman; the authorisation for the purpose and disposal of own shares.
The holders of INTEK Group S.p.A. Bond-Based Financial Instruments 2012-2017 will also be called for the same day, as well as holders of INTEK Group Bonds 2012-2017, to appoint their respective Joint Representatives.

As regards the resolutions that shall be adopted by the Shareholders' Meeting concerning the completion of the Board of Directors, Directors Riccardo Garrè and Italo Romano have submitted their resignations from the position of director and general manager, effective from the end of the shareholders' meeting to approve the financial statements for 2012, in order to concentrate their work in the copper sector, following the reorganisation which involved the operations of the Company and the Group.

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*The Manager assigned to draw up the company's accounts, Marco Miniati, hereby declares pursuant to article 154 (2) (2) of the Finance Consolidation Law (Legislative Decree no. 58/1998) that the accounting information in this document is a truthful representation of the contents of the accounting documents, books and entries.*

* * *

*This press release is available on the site www.itkgroup.it, on which additional information can also be requested directly from the Company(*telephone +39 055-4411454; email: investor.relations@itk.it*).*

Milan, 27 March 2013 The Board of Directors

Annexes:
1) Summary individual Statement of Financial Position of the INTEK Group S.p.A.
2) Restated income statement of the INTEK Group S.p.A.
3) Reclassifications made and reconciliations with IFRS accounting standards
4) Restated consolidated income statement
5) Consolidated statement of financial position
6) Consolidated Management Cash Flow Statement

*N.B. This press release includes reclassifications of the consolidated income statement and uses a number of alternative performance indicators not envisaged by the IFRS accounting standards, the meaning and contents of which are explained in Annex 3.*

*Annex 1*

# Intek Group

## Summary individual Statement of Financial Position

| *Euro/000* | 31 Dec 2012 | | | 31 Dec 2011 |
|---|---|---|---|---|
| **Copper** | **381,651** | **73.41%** | | **389,573** |
| **Former Intek Assets** | | | | |
| *Private Equity* | 19,655 | | | - |
| *Non operating assets* | 24,302 | | | - |
| *Real Estate* | 25,987 | | | - |
| *Other* | 1,960 | | | - |
| **Total for Intek** | **71,904** | **13.83%** | | **-** |
| **Advanced services** | **62,073** | **11.94%** | | **78,278** |
| Other non-current assets/liabilities | 4,271 | **0.82%** | | (2,442) |
| **Book value of investments** | **519,899** | **100.00%** | | **465,409** |
| Restated net financial debt (net of securities issued) | (24,853) | | | (12,880) |
| S.F.P. Intek Group S.p.A. 8% 2012 - 2017 | (48,072) | | | - |
| Intek Group S.p.A 8% 2012 - 2017 bonds | (10,966) | | | - |
| Restated net financial debt | (83,891) | **16.24%** | | (12,880) |
| **Total Equity** | **436,008** | **83.86%** | | **452,529** |
| | | | | |

*N.B. The External Auditing Company has not completed its assessment of the above data*

*Annex 2*

# Intek Group

## Restated Income Statement

| *Euro/000* | 2012 | 2011 |
|---|---|---|
| **Revenues from Services** | 2,609 | 2,839 |
| **Net operating costs** | (4,591) | (5,066) |
| **Stock option costs** | (421) | (867) |
| **Net financial income (charges)** | 4,424 | 5,216 |
| **Profit (loss) from ordinary operations** | **2,021** | **2,122** |
| Non-recurring income (charges) | (19,553) | (11,160) |
| **Profit (loss) before taxes** | **(17,532)** | **(9,038)** |
| Taxes for the year | (850) | (847) |
| **Net profit (loss) for the year** | **(18,382)** | **(9,885)** |

*N.B. The External Auditing Company has not completed its assessment of the above data*

***Annex 3***

## *Reclassifications made and reconciliations with IFRS accounting standards*

*In the comments on the income statement results, economic and financial data deriving from the Group's management systems was used, based on accounting standards that differ from the IFRS, mainly in terms of measurement and presentation. The main components are as follows*

1. *Sales are also presented net of the value of the raw materials, to remove the effect of the variability of the relative prices.*
2. *closing inventories for the sector of semi-finished products in copper and copper alloys, for the metal part, are valued at LIFO for the portion that refers to the structural inventory, which means the part of inventory not committed to customers' sales orders. The committed part of the inventory, on the other hand, is valued at the value of the relative commitments, which is considered to be the realisable value. For IFRS purposes, on the other hand, inventories are required to be measured at the lower between the cost calculated using the FIFO method and the net realisable value. IFRS also requires forward sale and purchase contracts for inventory, as well as the related hedging contracts entered into on the LME market to be separately identified and recognised in the financial statements at their fair value, as financial instruments. Since the IFRS standards do not allow valuation of inventory in this sector using the LIFO criteria, which are adopted for internal management accounting, they introduce an extremely variable external economic parameter, making it difficult to make a realistic comparison between data for different periods, and thus provide an accurate presentation of the company's performance.*
3. *The non-recurring components are shown under the operating profit. The table below shows the impacts on 2012 of using these different measurement and presentation criteria.*

**Intek Group - Reclassified Consolidated Income Statement**

| (million Euros) | 2012 IFRS | | Reclassifications | 2012 Adjustments Reclassified | | |
|---|---|---|---|---|---|---|
| Gross Revenues | 2,571.50 | **100.0%** | | 2,571.50 | | |
| Cost of raw material | - | | (1.861,80) | (1,861.80) | | |
| **Revenues net of raw materials cost** | **-** | | | **709.70** | | **100,00%** |
| Labour cost | (331.40) | | 15,90 | (315.50) | | |
| Other consumables and costs | (2,230.80) | | 1.888,30 | (11.20) | (353,70) | |
| **EBITDA (*)** | **9.30** | **0.36%** | | **40.50** | | **5,71%** |
| Amortisation, depreciation | (51.60) | | 7,60 | (44.00) | | |
| **EBIT** | **(42.30)** | **-1.64%** | | **(3.50)** | | **-0,49%** |
| Net financial charges | (27.60) | | | (27.60) | | |
| **Profit (loss) before non-recurring components** | **(69.90)** | **-2.72%** | | **(31.10)** | | **-4,38%** |
| Non-recurring (Charges)/Income | - | | (51,00) | (51.00) | | |
| Valuation impact (IFRS) on inventories and financial instruments | - | | | 11.20 | | **11,20** |
| Taxes on valuation (IFRS) of inventories and financial instruments | - | | | (0.90) | (0,90) | |
| Current taxes | (7.60) | | | (7.60) | | |
| Deferred taxes | 6.70 | | | 0.90 | 7,60 | |
| **Net profit (loss) (IFRS inventory measurement)** | **(70.80)** | **-2.75%** | | **(71.80)** | | **-10,12%** |
| Profit (loss) of subsidiaries at equity | (7.30) | | | (7.30) | | |
| Profit (loss) from discontinued operations | - | | | - | | |
| **Consolidated profit (loss)** | **(78.10)** | **-3.04%** | | **(78.10)** | | **-11,00%** |
| Minorities profit (loss) | 0.60 | | | 0.60 | | |

| | | | | |
|---|---|---|---|---|
| **Group profit (loss)** | **(78.70)** | **-3.06%** | **(78.70)** | **-11,09%** |

*For the purposes of the comments on the Group financial trend and progress, the reclassified indicators as described above are used, as they are considered to be more representative of the real economic and financial performance.*

* * *

***Alternative performance indicators***

***Gross operating profit (EBITDA – earnings before interest, tax, depreciation and amortisation)***

*This indicator is a useful unit of measurement for evaluating the Group's operating performance, and is an intermediate economic parameter derived from the net operating profit (EBIT), which does not include amortisation of tangible and intangible fixed assets or non-recurring expenses/earnings.*

***Net financial debt***

*This indicator refers to the financial structure and consists of gross financial debt less liquid assets (cash or equivalent resources) and other financial receivables.*

***Net invested capital***

*Net invested capital is defined as the sum of "non-current assets" and "current assets" less "current liabilities", except for the balance sheet items previously included in the definition of "net financial debt".*

*Annex 4*

**Intek Group - Reclassified Consolidated Income Statement**

| (million Euros) | 2012 Reclassified | | 2011 Reclassified Restated | | 2011 Reclassified Published | |
|---|---|---|---|---|---|---|
| Gross Revenues | 2,571.50 | | 3,011.60 | | 3,011.60 | |
| Cost of raw material | (1,861.80) | | (2,205.70) | | (2,205.70) | |
| **Revenues net of raw materials cost** | **709.70** | **100.00%** | **805.90** | **100.00%** | **805.90** | **100.00%** |
| Labour cost | (315.50) | | (337.10) | | (337.10) | |
| Other consumables and costs | (353.70) | | (378.20) | | (378.20) | |
| **(EBITDA) (*)** | **40.50** | **5.71%** | **90.60** | **11.24%** | **90.60** | **11.24%** |
| Amortisation, depreciation | (44.00) | | (45.60) | | (45.60) | |
| **EBIT** | **(3.50)** | **-0.49%** | **45.00** | **5.58%** | **45.00** | **5.58%** |
| Net financial charges | (27.60) | | (15.40) | | (15.40) | |
| **Profit (loss) before non-recurring components** | **(31.10)** | **-4.38%** | **29.60** | **3.67%** | **29.60** | **3.67%** |
| Non-recurring (Charges)/Income | (51.00) | | (24.60) | | (24.60) | |
| Valuation impact (IFRS) on inventories and financial instruments | 11.20 | | 7.60 | | 7.60 | |
| Taxes on valuation (IFRS) of inventories and financial instruments | (0.90) | | (6.50) | | (6.50) | |
| Current taxes | (7.60) | | (21.90) | | (21.90) | |
| Deferred taxes | 7.60 | | 10.30 | | 10.30 | |
| **Net profit (loss) (IFRS inventory measurement)** | **(71.80)** | **-10.12%.** | **(5.50)** | **-0.68%** | **(5.50)** | **-0.68%** |
| Profit (loss) of subsidiaries at equity | (7.30) | | (8.30) | | (7.10) | |
| Profit (loss) from discontinued operations | - | | (0.60) | | (0.60) | |
| **Consolidated profit (loss)** | **(78.10)** | **-11.00%** | **(14.40)** | **-1.79%** | **(13.20)** | **-1.64%** |
| Minorities profit (loss) | 0.60 | | 1.10 | | 1.10 | |
| **Group profit (loss)** | **(78.70)** | **-11.09%** | **(15.50)** | **-1.92%** | **(14.30)** | **-1.77%** |

*N.B. The External Auditing Company has not completed its assessment of the above data*

*Annex 5*

## Intek Group

## Consolidated Statement of Financial Position

| *(thousands of Euros)* | 31-Dec-12 | 31/12/2011 Restated | 31/12/2011 Published |
|---|---|---|---|
| Property, plant and equipment | 562,751 | 580,114 | 580,114 |
| Real estate investments | 80,104 | 30,812 | 30,812 |
| Goodwill | 125.801 | 118,367 | 118,367 |
| Intangible assets | 3,545 | 2,982 | 2,982 |
| Holdings in subsidiaries and affiliates | 13,810 | 15,152 | 15,152 |
| Holdings in other enterprises | 270 | 258 | 258 |
| Holdings at net equity | 35,221 | 46,625 | 47,826 |
| Other non-current assets | 8,318 | 8,560 | 8,560 |
| Non-current financial assets | 24,711 | 4.589 | 4,589 |
| Deferred tax assets | 42,567 | 31,491 | 31,491 |
| **Total non-current assets** | **897,098** | **838,950** | **840,151** |
| Inventories | 570,993 | 607,483 | 607,483 |
| Trade receivables | 129,846 | 129,489 | 129,489 |
| Other receivables and current assets | 50,028 | 31,980 | 31,980 |
| Current financial assets | 112,876 | 251,902 | 251,902 |
| Cash, banks and equivalent | 65,813 | 66,483 | 66,483 |
| Non-current assets held for sale | 4,590 | - | - |
| **Total current assets** | **934,146** | **1,087,337** | **1,087,337** |
| **Total Assets** | **1,831,244** | **1,926,287** | **1,927,488** |
| Share Capital | 314,234 | 297,041 | 297,041 |
| Reserves | 116,250 | 148,250 | 148,250 |
| Profit (loss) for the period | (78,732) | (15,493) | (14,292) |
| **Group Equity** | **351,752** | **429,798** | **430,999** |
| Minority interests | 6,743 | 6,062 | 6,062 |
| **Total Equity** | **358,495** | **435,860** | **437,061** |
| Employee Benefits | 156,571 | 153,439 | 153,439 |
| Deferred tax liabilities | 117,034 | 119,133 | 119,133 |
| Non-current financial payables and | 399,050 | 266,669 | 266,669 |
| Other non-current liabilities | 17,528 | 20,320 | 20,320 |
| Provisions for risks and charges | 50,982 | 17,128 | 17,128 |
| **Total non-current liabilities** | **741,165** | **576,689** | **576,689** |
| Financial payables and liabilities | 119,913 | 247,776 | 247,776 |
| Trade Payables | 503,693 | 526,938 | 526,938 |
| Other current liabilities | 106,044 | 123,009 | 123,009 |
| Provisions for risks and charges | 1,934 | 16,015 | 16,015 |
| **Total current liabilities** | **731,584** | **913,738** | **913,738** |
| **Total liabilities and equity** | **1,831,244** | **1,926,287** | **1,927,488** |

*N.B. The External Auditing Company has not completed its assessment of the above data*

*Annex 6*

## Intek Group
## Consolidated Management Cash Flow Statement

| *(thousands of Euros)* | 2012 | 2011 |
|---|---|---|
| **(A) Cash, banks, and equivalents at the beginning of the year** | **66,483** | **39,751** |
| Profit (loss) before taxes | (77,158) | 5,462 |
| Depreciation of tangible assets and amortisation of intangible | 46,524 | 45,396 |
| Write-down of current assets | 4,764 | 3,961 |
| Write-down of non-current non-financial assets | 5,148 | 10,240 |
| Write-down of financial assets | 7,279 | 4,695 |
| Losses/(Gains) on non-current assets | (18) | (13,562) |
| Changes in pension funds, Employee Leaving Indemnity, stock | 2,883 | 981 |
| Change in provisions for risks and charges | 5,041 | 73 |
| Decreases (Increases) in inventories | 36,874 | 16,842 |
| Profit (loss) of subsidiaries at equity | 7,319 | 9,083 |
| (Increases)/ Decreases in current receivables | 11,639 | 25,091 |
| Increases /(Decreases) in current payables | (47,597) | 123,294 |
| Currency conversion changes | (185) | (330) |
| Decreases / (Increases) of LME contracts and metal | (11,707) | (49,127) |
| Taxes paid | (7,979) | (22,194) |
| **(B) Total cash flow from operating activities** | (17,173) | **159,905** |
| (Increases) in non-current tangible and intangible assets | (37,645) | (60,537) |
| (Decreases) in non-current tangible and intangible assets | 1,360 | 15,766 |
| (Increases) Decreases in holdings | (6,373) | (17,448) |
| Increases/decreases in other non-current assets/liabilities | (2,890) | 7,017 |
| Dividends received | 271 | 852 |
| **(C) Cash flow from investment activities** | **(45,277)** | **(54,350)** |
| Increases in equity by payment | (47,162) | 57 |
| (Purchase) sale of own shares | (2,543) | 226 |
| Increases (Decreases) in current and non-current financial | (57,539) | (90,648) |
| (Increases) Decreases in current and non-current financial | 149,438 | 16,271 |
| Dividends paid and profits distributed | - | (7,990) |
| **(D) Cash flow from financing activities** | **42,194** | **(82,084)** |
| **(E) Change in cash, banks and equivalents (B)+(C)+(D)** | **(20,256)** | **23,471** |
| **(F) Impact of change in the consolidation perimeter (merger)** | **19,586** | **3,107** |
| **(G) Total cash flow generated/(absorbed) by discontinued** | - | **154** |
| **(H) Cash, banks, and equivalents at the end of the year** | **65,813** | **66,483** |

*N.B. The External Auditing Company has not completed its assessment of the above data*