

# INTEK GROUP

## PRESS RELEASE

**The Interim Report on Operations at 30 September 2013 of INTEK Group SpA is approved.**

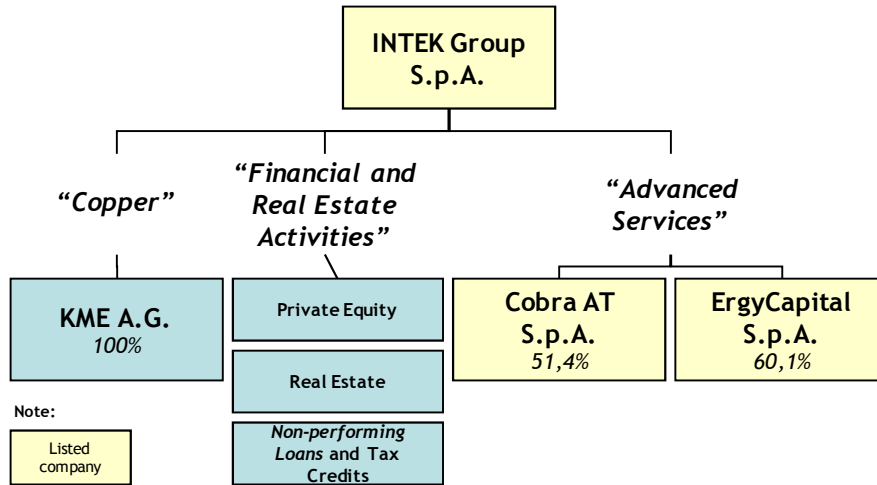
- At 30 September 2013, the investments held by the Company totaled 512 million euros: 74% in the Copper Sector, 12% in the Financial and Real Estate Activities Sector and 14% in the Advanced Services Sector.
- The holding company's financial position is strong, with shareholders' equity of 432.1 million euros (1.09 euros per share) and net financial debt of 85.1 million euros, including 58 million euros in publicly traded debt instruments maturing in 2017.
- At 30 September 2013, absent investment transaction income, the holding company reported a loss for the period of 3.9 million euros due mainly to the effect of financial expense on debt instruments.
- Performance of the investment Sectors:
  - **“Copper”**
    - EBITDA increased by 34.5% (53.4 million euros in the first nine months of 2013, up from 39.7 million euros in the same period in 2012). EBITDA for the third quarter of 2013, in line with those for the first two quarters of the year, were sharply higher than the amount reported in the third quarter of the previous year. Consolidated revenue for the first nine months of 2013 totaled 1,814.6 million euros, or 8.5% less than in 2012, when they amounted to 1,982.6 million euros.
  - **“Financial and Real Estate Activities”**
    - The Group continued to implement programs to realize the potential value of these assets. Proceeds totaling 2.0 million euros were generated during the third quarter.
  - **“Advanced Services”**
    - The investee company COBRA A.T. SpA reported significant improvements in profitability. Consolidated EBITDA grew to 13.3 million euros, compared with 7.9 million euros in the first nine months of 2012, for an increase of about 68%. Consistent with the gain in EBITDA, EBIT for the first nine months of 2013 improved sharply, rising to a positive balance 4.0 million euros (3.7% of revenues), as against a negative balance of 2.9 million euros in the first nine months of 2012.
    - The investee company ErgyCapital SpA reported revenues of 14.6 million euros in the first nine months of 2013, in line with the corresponding period last year. Consolidated EBITDA were positive by 7.7 million euros (+7%), up from 7.2 million euros in the same period the previous year.

**The updated version of the Procedure for Related-party Transaction is approved.**

# INTEK GROUP

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The Group's Corporate Structure is presented below:



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## Financial Highlights of Intek Group SpA

<b>Condensed Separate Statement of Financial Position</b>				
<i>(in thousands of euros)</i>				
	<i>30 Sept. 2013</i>		<i>31 Dec. 2012</i>	
<b>Copper</b>	<b>381,837</b>	<b>73.83%</b>	<b>381,651</b>	<b>73.41%</b>
<b>Financial and Real Estate Activities</b>				
<i>Private Equity</i>	12,936		19,655	
<i>Non-operating assets</i>	21,981		24,302	
<i>Real Estate/Other</i>	26,802		27,947	
<b>Total financial and real estate activities</b>	<b>61,719</b>	<b>11.93%</b>	<b>71,904</b>	<b>13.83%</b>
<b>Advanced Services</b>	<b>70,681</b>	<b>13.67%</b>	<b>62,073</b>	<b>11.94%</b>
Other non-current assets/liabilities	2,980	0.58%	4,271	0.82%
<b>Carrying amount of investments</b>	<b>517,217</b>	<b>100.00%</b>	<b>519,899</b>	<b>100.00%</b>
Reclassified net financial debt <i>(net of securities issued)</i>	(26,791)		(24,853)	
2012 – 2017 8% Intek Group SpA Debt Securities	(47,458)		(48,072)	
2012 – 2017 8% Intek Group SpA Bonds	(10,853)		(10,966)	
Reclassified net financial debt	<b>(85,102)</b>	<b>-16.45%</b>	<b>(83,891)</b>	<b>-16.14%</b>
<b>Total shareholders' equity</b>	<b>432,115</b>	<b>83.55%</b>	<b>436,008</b>	<b>83.86%</b>

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The Interim Financial Report on Operations at 30 September 2013 is annexed to this press release.

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# INTEK GROUP

## Procedure for Related-party Transactions

Taking also into account the requirements of Consob Communication No. DEM/10078683 of 24 September 2010, the Board of Directors, having been informed of the favorable opinion by the Control and Risk Committee, approved the updated version of the Procedure for related-party Transactions. This Procedure, which will go into effect on 15 November 2013, is available on the Governance page of the website [www.itkgroup.it](http://www.itkgroup.it).

\* \* \*

*Giuseppe Mazza, 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.*

*This press release is available on the Company website, [www.itkgroup.it](http://www.itkgroup.it). Additional information may be obtained directly from the Company (telephone number +39.02.806291; email: [info@itk.it](mailto:info@itk.it)).*

Milan, 13 November 2013

The Board of Directors

*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.*

# INTEK GROUP

## **INTERIM REPORT ON OPERATIONS AT 30 SEPTEMBER 2013 (THIRD QUARTER 2013)**

Meeting of the Board of Directors  
of 13 November 2013

INTEK GROUP SpA  
Registered Office and Administrative Offices:  
20121 Milan - Foro Buonaparte, 44  
Share capital 314,225,009.80 euros fully paid-in  
Tax Identification and Milan  
Company Register No. 00931330583  
[www.itkgroup.it](http://www.itkgroup.it)

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## Corporate Governance and Control Entities

### Board of Directors

**Chairman**

Vincenzo Manes<sup>B</sup>

**Deputy Chairperson**

Diva Moriani<sup>B</sup>

Mario d'Urso<sup>A,C,D</sup>

Marcello Gallo

Giuseppe Lignana<sup>A,C,D</sup>

James Macdonald

Ruggero Magnoni

Alberto Pirelli<sup>A,C</sup>

Luca Ricciardi<sup>A,D</sup>

Franco Spalla<sup>A</sup>

A. Independent Director

B. Executive Director

C. Member of the Compensation Committee (*Alberto Pirelli, Chairman*)

D. Member of the Control and Risk Committee (*Mario d'Urso, Chairman*)

### Board of Statutory Auditors

**Chairman**

Marco Lombardi

**Statutory Auditors**

Francesca Marchetti

Alberto Villani

**Alternates Auditors**

Lorenzo Boni

Andrea Zonca

### Corporate Accounting Documents Officer

Giuseppe Mazza

### Independent Auditors

KPMG SpA

### Common Representative of Savings Shareholders

Pietro Greco

### Common Representative of the Holders of "2012/2017 INTEK Group SpA Bonds"

Marco Crispo

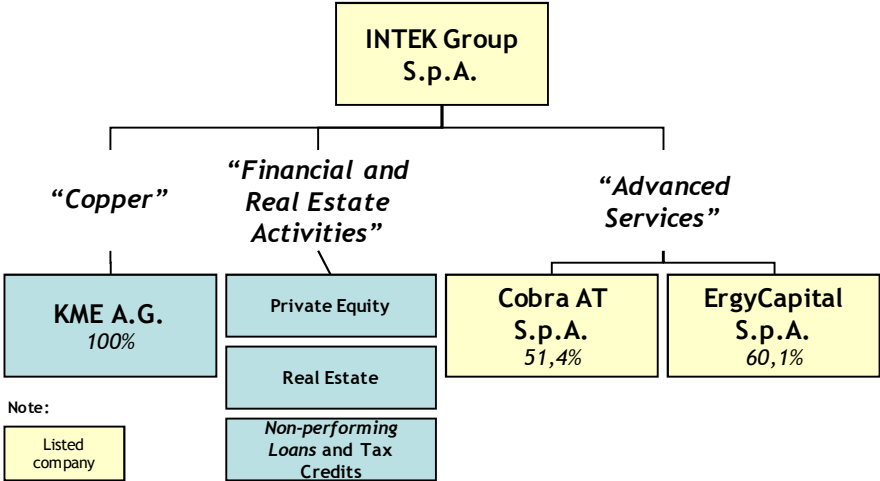
### Common Representative of the Holders of "2012 – 2017 INTEK Group SpA Debt Securities"

Rossano Bortolotti

# Interim Report on Operations for the Third Quarter of 2013

The chart below provides an overview of the Group’s corporate structure, showing the Company’s investment Sectors, as it resulted from the merger by absorption of Intek SpA into KME Group SpA (which upon the merger changed its name to Intek Group SpA), with the organizations of both companies and the businesses they operated concentrated under a single parent holding company.

## Overview of the Group’s Corporate Structure



The **Investment Sectors** of INTEK Group SpA (hereinafter “INTEK Group” or the “Company”) are: its traditional “**Copper**” Sector, which includes the production and distribution of copper and copper-alloy semifinished products, is headed by the German subsidiary KME A.G. and continues to represent the Group’s core industrial business; the “**Financial And Real Estate Activities**” Sector, which includes the private equity activities, carried out mainly through the closed end investment fund I2 Capital Partners, and credit management and real estate management; the “**Advanced Services**” Sector, which includes the investment in integrated services to manage the risks entailed by the possession, ownership and use of vehicles and is headed by Cobra A.T. SpA, a company based in Varese with shares traded on the Online Securities Market operated by Borsa Italiana, and the investments in energy from renewable sources and energy conservation, which is headed by ErgyCapital SpA, an investment company based in Rome with shares traded on the Online Securities Market operated by Borsa Italiana.

In its current configuration, INTEK Group constitutes a holding company with diversified interests, whose activity is focused on managing the assets and equity investments in its portfolio, driven by a dynamic entrepreneurial approach focused on cash flow generation and on increasing the value of its investment over time, pursuing, if appropriate, divestments that are functional to its new development strategies.

## **INTEK Group SpA, the Group's Parent Company**

The configuration adopted by the Company following the abovementioned merger transaction, as a holding company with diversified investments, will cause the Parent Company's separate financial statements to provide an increasingly effective presentation of the new entity's equity, financial position and operating performance.

INTEK Group carries out investments with medium/long-term horizons, combining its entrepreneurial approach with a solid financial position, with the aim of redefining a flexible portfolio with shorter investment cycles and faster cash generation.

The maximization of value of the managed assets is pursued by clearly defining the business strategies and monitoring their implementation by subsidiaries, identifying agreements and/or partnership opportunities, realizing the value of specific assets and executing extraordinary transactions for subsidiaries.

At 30 September 2013, the **carrying amount** of the Company's **investments** totaled 517 million euros, virtually unchanged compared with 31 December 2012, while **net financial debt** amounted to 85.1 million euros, which includes 58.3 million euros for the principal and accrued interest of the debt securities issued in connection with the Public Exchange Offers (hereinafter also "PEOs") carried out in July/August of 2012 ahead of the merger as part of a structured corporate reorganization project.

As for the composition of the investments, while those in the Copper Sector held relatively steady, there was an increase in the Advanced Services Sector due to the underwriting of the capital increase carried out by ErgyCapital. The investments in Financial And Real Estate Activities decreased, reflecting the gradual divestments of these assets.



The highlights of INTEK Group's statement of financial position are summarized below:

<b>Condensed Separate Statement of Financial Position</b>				
<i>(in thousands of euros)</i>	<i>30 Sept. 2013</i>		<i>31 Dec. 2012</i>	
<b>Copper</b>	<b>381,837</b>	<b>73.83%</b>	<b>381,651</b>	<b>73.41%</b>
<b>Financial and Real Estate Activities</b>				
<i>Private Equity</i>	12,936		19,655	
<i>Non-operating assets</i>	21,981		24,302	
<i>Real Estate/Other</i>	26,802		27,947	
<b>Total financial and real estate activities</b>	<b>61,719</b>	<b>11.93%</b>	<b>71,904</b>	<b>13.83%</b>
<b>Advanced Services</b>	<b>70,681</b>	<b>13.67%</b>	<b>62,073</b>	<b>11.94%</b>
Other non-current assets/liabilities	<b>2,980</b>	<b>0.58%</b>	<b>4,271</b>	<b>0.82%</b>
<b>Carrying amount of investments</b>	<b>517,217</b>	<b>100.00%</b>	<b>519,899</b>	<b>100.00%</b>
Reclassified net financial debt <i>(net of securities issued)</i>	(26,791)		(24,853)	
2012 – 2017 8% Intek Group SpA Debt Securities	(47,458)		(48,072)	
2012 – 2017 8% Intek Group SpA Bonds	(10,853)		(10,966)	
Reclassified net financial debt	<b>(85,102)</b>	<b>-16.45%</b>	<b>(83,891)</b>	<b>-16.14%</b>
<b>Total shareholders' equity</b>	<b>432,115</b>	<b>83.55%</b>	<b>436,008</b>	<b>83.86%</b>

The **shareholders' equity** per share was equal to 1.09 euros, in line with the amount at 31 December 2012.

The **shareholders' equity** did not change during the first nine months of 2013, except for the result for the period. At 30 September 2012, the **share capital** totaled 314,225,009.80 euros, divided into 345,506,670 common shares and 50,109,818 savings shares. All shares are without par value.

At 30 September 2013, INTEK Group held 6,230,691 common treasury shares (equal to 1.80% of the total for this class) and 978,543 savings treasury share (equal to 1.95% of the total for this class), for a total carrying amount of 2.5 million euros.

The KME Partecipazioni SpA subsidiary held 2,512,024 INTEK Group savings shares (equal to 5.01% of the total for this class), for a carrying amount of 1.0 million euros.

INTEK Group's **reclassified net financial position** at September 30, 2012 and a comparison with the data at 31 December 2012 are presented in the table below:

<b>Reclassified Net Financial Position</b>			
<i>(in thousands of euros)</i>		<i>30 Sept. 2013</i>	<i>31 Dec. 2012</i>
Cash and cash equivalents		(3,734)	(10,576)
Other financial assets		(4)	(439)
Current financial receivables from subsidiaries		(10,661)	(38,454)
Current receivables from subsidiaries for financial guarantees		(4,770)	(5,152)
<b>(A) Net financial assets</b>	<b>(A)</b>	<b>(19,169)</b>	<b>(54,621)</b>
Short-term financial debt		38,737	50,720
Financial debt owed to subsidiaries		13,832	15,021
<b>(B) Short-term financial debt</b>	<b>(B)</b>	<b>52,569</b>	<b>65,741</b>
<b>(C) Short-term net financial position</b>	<b>(A) - (B)</b>	<b>33,400</b>	<b>11,120</b>
Long-term financial debt		806	57,770
2012 – 2017 Intek Group SpA Debt Securities		46,840	46,472
2012 – 2017 Intek Group SpA Bonds		10,709	10,594
<b>(D) Long-term financial debt</b>		<b>58,355</b>	<b>114,836</b>
<b>(E) Net financial position</b>	<b>(C) - (D)</b>	<b>91,755</b>	<b>125,956</b>
Non-current receivables from subsidiaries for financial guarantees		(806)	(3,084)
Non-current financial receivables from subsidiaries		(5,175)	(34,585)
Non-current financial receivables from financial institutions		(672)	(4,396)
<b>(F) Non-current financial receivables</b>		<b>(6,653)</b>	<b>(42,065)</b>
<b>(G) Reclassified net financial position</b>	<b>(E) + (F)</b>	<b>85,102</b>	<b>83,891</b>

*(E) Definition as per CONSOB communication DEM 6064293 issued on 28 July 2006 to implement the CESR recommendations of 10 February 2005.*

The **reclassified net financial debt** amounted to 85.1 million euros, which includes 58.3million euros for the principal and accrued interest of the 2012-2017 Debt Securities (PFIs) and the 2012-2017 Bonds issued in 2012 in exchange for the common shares tendered in response to the PEOs. The Company's debt held steady at about 16% of the value of its investments and about one-fifth of its shareholders' equity, showing a strong financial position.

While in absolute terms the Company's debt was in line with the amount reported at the end of December 2012, some of the individual components, long-term positions in particular, show decreases. More specifically, the transfer of facilities concerning the copper sectors to KME AG, the copper sector sub-holding company, was completed in the early months of 2013. This transaction was executed through offsets against receivables owed by KME and other operating companies in the copper sector as a result, inter alia, of divestments of equity investments executed in 2012. As a result,

the indebtedness of the Group's Parent Company, which is still the guarantor of the transferred facilities, is comprised exclusively of typical holding company positions.

The Company, as part of the process of renegotiating its credit lines GE Capital, obtained an extension to the end of November 2013 of the installment of 10.0 million euros originally due at the end of September 2013.

In addition, the deadline for finalizing the agreement for settling the debt of 7.5 million euros owed to Cassa Nazionale Previdenza e Assistenza a favore dei Ragionieri e Periti Commerciali (the "Bookkeepers' Fund"), payable half on 30 June 2013 and half on 30 June 2014, was extended to the end of December. The agreement calls for the extinguishment of the debt through the transfer of buildings owned in Paris by the I2 Real Estate Srl subsidiary and other properties acquired through agreements with the Palano Estate, of which the Intek Group is a creditor.

The holding company's **result for the period** was a loss of 3.9 million euros. The Company's income statement for the first nine months of 2013 is not truly meaningful because it merely records the evolution over time of operating expenses and of financial expense on the net indebtedness and ordinary financial income, consisting for the most part of the commissions earned on the guarantees provided on behalf of subsidiaries. The third quarter of 2013 ended with a net loss of about 1.0 million euros.

No significant transactions entailing the divestment of assets were executed during the reporting period nor were any dividends collected from investee companies. Information about the operating performance of these companies and their business outlook for the coming months is provided in the corresponding sections later in this Report.

The **income statement** shown below was reclassified showing nonrecurring income and expense as a separate line item:

<b>Reclassified Income Statement</b>		
<i>(in thousands of euros)</i>	<i>1 Jan. – 30 Sept. 2013</i>	<i>1 Jan. – 30 Sept. 2012</i>
Service revenue	174	2,130
Net operating expenses	(2,667)	(3,859)
Stock option costs	(122)	(315)
Net financial income (expense)	(891)	2,897
<b>Result from operations</b>	<b>(3,506)</b>	<b>853</b>
Nonrecurring income (expense)	-	(3,500)
<b>Result before taxes</b>	<b>(3,506)</b>	<b>(2,647)</b>
Income taxes for the period	(475)	-
<b>Net result for the period</b>	<b>(3,981)</b>	<b>(2,647)</b>

Service revenue, the entire amount of which refers to services provided to Group companies, decreased. The deterioration of "*Net financial income (expense)*" reflects the impact of interest paid on debt securities outstanding starting in the second half of 2012.

The cash flows for the first nine month of 2013 are summarized below:

<b>Statement of Cash Flows – Indirect Method</b>		
<i>(in thousands of euros)</i>	<i>1 Jan. – 30 Sept. 2013</i>	<i>1 Jan. – 30 Sept 2012</i>
<b>(A) Cash and cash equivalents at the beginning of the year</b>	<b>10,575</b>	<b>6,605</b>
Result before taxes	(3,506)	(2,647)
Depreciation and amortization	71	14
Impairment losses on current assets	300	-
Impairment losses/(Reversals of impairment losses) of current/non-current financial assets	(2)	3,500
Change in provisions for pensions, post-employment benefits and stock options	127	322
Change in provisions for risks and charges	(300)	-
(Increase)/Decrease in current receivables	3,417	837
Increase/(Decrease) in current payables	(2,075)	(764)
Taxes for the period	371	25
<b>(B) Cash flow from operating activities</b>	<b>(1,597)</b>	<b>1,287</b>
(Increase) in non-current intangible assets and property, plant and equipment	(9)	-
Decrease in non-current intangible assets and property, plant and equipment	1,000	-
(Increase)/Decrease in investments	-	(4,527)
Increase/Decrease in other non-current assets/liabilities	(200)	219
Dividends received	2	-
<b>(C) Cash flow from investing activities</b>	<b>793</b>	<b>(4,308)</b>
Change in shareholders' equity	-	(48,663)
(Purchase) Sale of treasury shares	-	(359)
Increase/(Decrease) in current and non-current financial payables	(69,677)	30,524
(Increase)/Decrease in current and non-current financial receivables	63,640	15,427
Dividends paid and profits distributed	-	-
<b>(D) Cash flow from financing activities</b>	<b>(6,037)</b>	<b>(3,071)</b>
<b>(E) Change in cash and cash equivalents</b>	<b>(B) + (C) + (D)</b>	<b>(6,841)</b>
<b>(G) Cash and cash equivalents at the end of the period</b>	<b>(A) + (E)</b>	<b>3,734</b>
		<b>513</b>

As for the **foreseeable business outlook**, the Company expects to continue earning income generated by fees for financial guarantees provided in behalf of subsidiaries and close divestment transactions involving former Intek assets. For information about the operating performance of the investee companies, please see the projections provided later in this Report regarding trends in the sectors in which the Group operates.

## **Operating Performance in the Various Investment Sectors**

### **“Copper” Sector**

The “Copper” Sector, which includes the production and distribution of copper and copper-alloy semifinished products, is headed by the German subsidiary **KME A.G.** and represents the core industrial business of the INTEK Group.

In the Group’s target markets, demand continued to be conditioned by a level of economic activity characterized by modest growth rates. The United States and Japan began to show signs of faster growth, with the emerging countries holding quite steady, albeit with some difficulties, and Europe still contending with what amounts to stagnation, even though the most recent economic indicator seem to point to a gradually improving outlook.

Among the major European countries, the most obvious signals of an upturn in economic activity were recorded in recent months in Germany, where inclement weather hampered construction activity in the first quarter, and, to a lesser extent, in France; in Italy, the rate of production contraction merely slowed; a healthy turnaround began in Great Britain.

In response to the challenging macroeconomic scenario, the “Copper” Sector’s operating units strengthened their operating efficiency and organizational flexibility, as a prerequisite for resuming more decisively a path to improved results as soon as a more favorable environment is reestablished in their target market, while at the same time streamlining and maximizing the value of their activities with the aim of increasingly focusing their resources on products with greater value added and growing markets, where customers who have delocalized their operations have shown a desire to work with reliable suppliers who can deliver European quality standards.

The goal of this strategic approach is to eliminate non-core activities that are either too small or not competitive, reduce complexity by containing size and focusing on cash flow generation and identifying solutions, which may include agreements or partnerships, to spur growth in those areas that are currently unable to deliver an acceptable return on invested resources.

Agreements recently reached in China and Great Britain are consistent with this approach.

As mentioned in earlier reports, the first agreement was reached with the Chinese company Golden Dragon Precise Copper Tube Group Inc. to establish a joint venture in the market for connectors, special types of copper-alloy laminates used for electric-cable connections. Under the terms of the agreement, the KME Group will convey to the joint venture a production facility in Germany and its industry knowhow, while the Chinese partner will provide the financial resources needed to fund the investments needed to build a new plant in Henan Province. The total value of the assets contributed by both partners to this project is expected to reach an amount estimated at about 150 million euros. The implementation of the transaction is conditional on the issuance of the requisite permits by the central and local authorities in the People’s Republic of China and the relevant Chinese and European antitrust authorities.

The second agreement, signed on 18 October 2013, involves the sale of the copper plumbing pipe operations located at the Kirkby (Liverpool) plant of KME Yorkshire Ltd to Mueller Europe Limited, a subsidiary of Mueller Industries Inc. (USA). The closing of the transaction, valued at 18 million British pounds (about 21 million euros), is conditional of securing the approval of the relevant British authorities. The copper plumbing pipe operations of KME Yorkshire Ltd, a subsidiary of the

sub-holding company KME AG, generated revenue of 119 million British pounds (about 141 million euros) in 2012 with about 175 employees.

As for market trends during the first nine months of the current year, demand for **copper and copper-alloy semifinished products in the construction industry** continues to be characterized by the underlying weakness that persisted throughout 2012. Sales volumes contracted by about 12% for laminates compared with the levels in the previous year, due in part to particularly unfavorable weather conditions in Northern Europe in the first quarter of the year. This development nullified the positive effect generated by the increase in value added achieved with an appropriate pricing policy and an incisive program to promote innovative solutions for the home building and home furnishing businesses.

The trend in demand for **copper and copper-alloy semifinished in the industrial sector** showed signs of greater stability, albeit not in all segments, benefiting both industrial laminates and industrial tubing. The Group continues to offer an extensive and varied product portfolio with a high level of quality and service, maintaining an ongoing dialog with users, aimed at providing them with the best solutions for every specific need.

Sales of specialty products continued at the low levels reached in the second half of 2012, showing that economic activity in the emerging countries has been holding steady in recent months.

As for the economic performance of the Sector as a whole, the industrial and commercial programs implemented are beginning to show their positive effects; despite an unfavorable market environment, the Sectors' profitability improved in the first nine months of 2013, compared with the corresponding period in 2012, even though sales decreased by 4.2%.

**Financial Highlights of the Copper Sector**

<i>(n millions of euros)</i>	<i>30/9/2013</i>	<i>30/9/2012</i>
<b>Revenue</b>	<b>1,814.6</b>	<b>1,982.6</b>
<b>Revenue (net of raw materials)</b>	<b>515.9</b>	<b>547.5</b>
<b>EBITDA</b>	<b>53.4</b>	<b>39.7</b>
<b>EBIT</b>	<b>21.7</b>	<b>5.6</b>
<b>Profit/(Loss) before nonrecurring items</b>	<b>9.0</b>	<b>(14.6)</b>
<i>Nonrecurring income/(expense)</i>	<i>(5.0)</i>	<i>(15.0)</i>
<i>Impact of IFRS inventory measurement</i>	<i>(17.0)</i>	<i>(0.3)</i>
<b>Consolidated profit/(loss) before taxes</b>	<b>(13.0)</b>	<b>(29.9)</b>
<b>Net debt</b>	<b>200.9 (30/9/2013)</b>	<b>242.2 (31/12/2012)</b>
<b>Shareholders' equity(*)</b>	<b>135.2 (30/9/2013)</b>	<b>149.5 (31/12/2012)</b>

*(\*) Shareholders' equity at 31 December, 2012 was restated compared with the amount presented earlier due to the adoption of IAS 19, which abolished the use of the "corridor" method, requiring that all actuarial differences on pension funds be recognized as a component of shareholders' equity. Shareholders' equity does not include 109.8 million euros of goodwill allocated to the Copper Sector in the consolidated financial statements of INTEK Group SpA.*

**Consolidated revenue** totaled 1,814.6 million euros in the first nine months of 2013, for a decrease of 8.5% compared with the 1,982.6 million euros reported in 2012. This contraction reflects the impact of a reduction in sales volumes (-4.2%) and lower average prices for raw materials. Net of the value of raw materials, revenue decreased by 5.8%, falling from 547.5 million euros to 515.9 million euros, due both to the impact of a contraction in business activity, cushioned in part by a better sales mix, and a reduced market availability of scrap metal, which compressed sales margins.

**EBITDA** grew to 53.4 million euros in the first nine months of 2013, up 34.5% compared with the 39.7 million euros reported at 30 September 2012 and sharply higher than the amount earned in the third quarter of last year. Personnel expense and other operating expenses decreased by 5.8% and 11.5%, respectively, hence by more than the reduction in sales volumes, confirming the positive effect of the efficiency and flexibility measures adopted in response to a drop in production, thanks in part to the agreements reached with the labor unions, which made it possible to avoid employee terminations through the use of social safety-net programs and variable performance bonuses. The ratio of EBITDA to revenue net of raw materials improved from 7.3% to 10.4% in the first nine months of 2013.

**EBIT** totaled 21.7 million euros (5.6 million euros in 2012).

The **profit before nonrecurring items** amounted to 9.0 million euros (loss of 14.6 million euros in 2012).

The Copper Sector reported a **consolidated profit/(loss) before taxes** of 13.0 million euros (loss of 29.9 million euros in 2012). The impact of valuing the raw material inventory in accordance with the IAS/IFRS accounting principles was negative by 17.0 million euros, compared with a negative impact of just 0.3 million euros at 30 September 2012. The weight of nonrecurring charges was less pronounced.

The **net financial position**, while negative by 200.9 million euros at 30 September 2013, improved compared with net financial debt of 242.2 million euros at the end of December 2012.

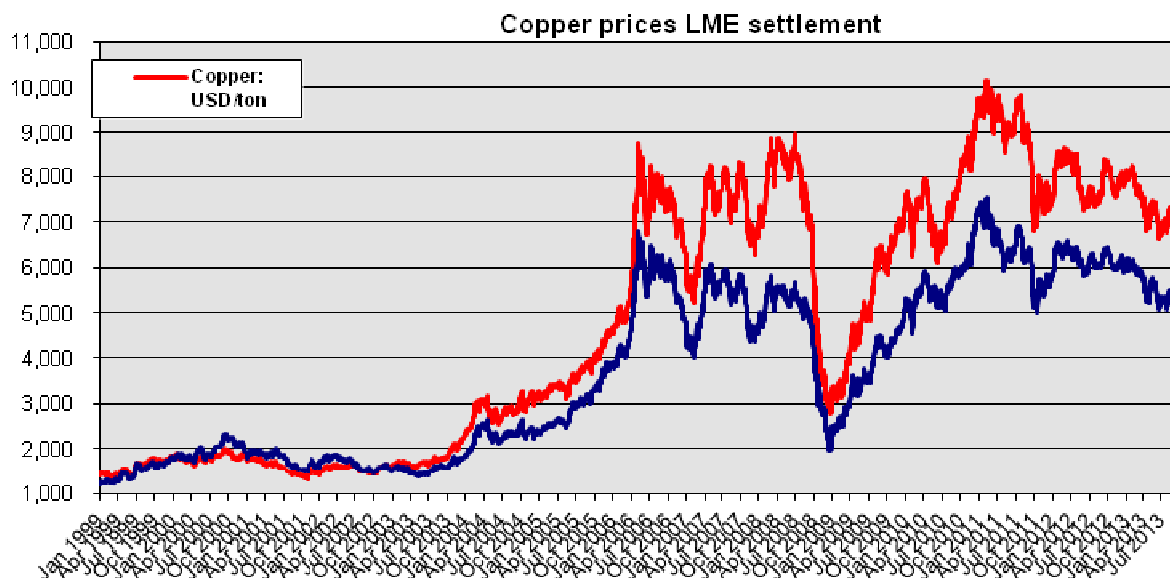
As for the **business outlook**, the indications of improvement in profitability gradually achieved in the first nine months of 2013 thanks to the implementation of programs to streamline the manufacturing organization and cut costs, even though demand continued to be quite weak, justify positive expectations for the full-year operating performance of the Copper Sector of the INTEK Group compared with the previous year, based also on the efficiency boosting measures adopted and the assumption that market trends will be more favorable.

The Copper Sector had 5,786 employees at 30 September 2013 (5,974 employees at the end of 2012).

In the first nine months of 2013, the **price of raw copper**, which is the main metal used in the Group's semifinished products, was lower on average than in the same period last year, showing a decrease of 7.3% when stated in U.S. dollars (from USD 7,964/ton to USD 7,379/ton) and of 9.8% when stated in euros (from EUR 6,211/ton to EUR 5,603/ton). Looking at price trends, average copper prices were slightly lower in the third quarter of 2013 than in the second quarter, decreasing by 1.0% in US dollars (from USD 7,148/ton to USD 7,073/ton) and by 2.4% in euros (from EUR 5,473/ton to EUR 5,342/ton).

In October 2013, the price of copper averaged USD 7,189/ton, equal to EUR 5,272/ton.

\* \* \*



\* \* \*

### **Financial and Real Estate Activities Sector**

This Sector includes the activities originally headed by Intek SpA and its subsidiaries. INTEK Group continues to implement programs to realize the potential value of these assets and invest in transactions involving special situations, leveraging the significant expertise it has developed in composition with creditors proceeding and bankruptcy reorganizations.

#### **Private Equity Activities**

The most significant factor concerning the activities of the I2 Capital Partners Fund (the “Fund”) is the capital increase transaction promoted by Alitalia, which the Group is currently assessing to determine whether or not it should underwrite it.

There were no significant new developments concerning the other investments held by the Group, which included:

- Nuova GS Srl – Investment in the Venturini Group;
- New SIM SpA investments;
- Isno 3 Srl – Festival Crociere Bankruptcy;
- Isno 4 Srl – OP Computers Bankruptcy;
- Non-performing receivables (Safim Factor SpA in Lca and Safim Leasing SpA in Lca).

With regard to the investment in the Festival Crociere Bankruptcy, an appeal was filed, and ruled admissible, for the challenge lodged against the decision handed down in December 2012 by the Court of Genoa, which granted only in part the motions for actions to void in bankruptcy for the benefit of Isno 3.

From the beginning of its activity to 30 September 2013, the Fund issued contribution requests for a total of 116.9 million euros, including 2.3 million euros during the first half of the current year, used to carry out investments and cover operating expenses.

At 30 September 2013, executed investments totaled 91.6 million euros, before completed divestments. Investments outstanding as of the same date amounted 4.3 million euros, consisting



almost exclusively of equity investments. As of the writing of this Report, the Fund has distributed to its investors a total of 68.6 million euros.

\* \* \*

### **Special Situation Activities**

Additional proceeds of 2.0 million euros generated by the former Fime operations were collected in the third quarter of 2013, thanks in part to the sale of a building in Cernusco sul Naviglio (MI). An additional 0.6 million euros were collected in October following the settlement of an action to void in bankruptcy filed in connection with the bankruptcy of the former Belleli.

\* \* \*

### **Real Estate Activities**

Work continued on realizing the potential value of other properties in the investment portfolios of Group companies.

\* \* \*

### **Advanced Services Sector**

The Advanced Services Sector of the INTEK Group holds an interest in **COBRA Automotive Technologies SpA** (hereinafter “Cobra”), a publicly traded company that is one of Europe’s top operators in the delivery of integrated services to manage the risks entailed by the possession, ownership and use of vehicles through the deployment of information and satellite technology.

Cobra is engaged in implementing a program to radically reorganize and restructure its operations that started the previous years. This process is aimed at developing the company’s online and security services. In the area of online services, work continued in 2013 on collaborative projects with the insurance industry, primarily all of the companies of the Generali Group, which signed a framework agreement in June 2013. In the automotive segment, a projects launched in collaboration with Porsche AG is continuing, with significant developments expected in the coming years.

Operational processes in the electronic area are also being rationalized, focusing on profitability in addition to revenue. This goal is also being pursued through the renovation of the product line, which should result in the coverage of additional market segments, thereby enhancing the value of the electronics operations, with a view to their divestment in the future.

In general, the activities currently being pursued should help optimize resources and reduce operating expenses, thereby producing a gain in efficiency. Greater efficiency, coupled with an increase in volumes and the addition of new products, will be vital factors for Cobra’s growth in the coming years.

Revenue for the first nine months of 2013 totaled 110.2 million euros, down 5.5% compared with the same period last year (116.6 million euros). This decrease is chiefly the result of the deconsolidation of some activities included in the 2012 data and the decision to focus on products with higher profit margins. All operating margins improved significantly in the first nine months of 2013 compared with the same period in 2012.

Consolidated **EBITDA** improved considerably, rising to 13.3 million euros compared with 7.9 million euros in the first nine months of 2012, for a gain of about 68%, driving the ratio of EBITDA to revenue up from 6.8% to 12.0% in the first nine months of 2013. The EBITDA increase compared

with 2012 reflects primarily an improvement in contribution margins and a reduction in operating expenses.

Consistent with the gains reported at the EBITDA level, **EBIT** were up sharply in the first nine months of 2013, rising to a positive balance of 4.0 million euros (3.7% of revenue), as against a negative balance of 2.9 million euros for the first nine months of 2012.

**Group interest in net result** improved from a loss of 7.3 million euros in the first nine months of 2012 to a profit of 0.3 million euros. In this case as well, this positive change was achieved mainly thanks to an increase in operating margins.

Please note that, owing in part to adverse market condition, the Cobra Group was not in compliance with the required financial covenants at 31 December 2012. In July 2013, Cobra signed a moratorium and standstill agreement with the lender banks, in effect until 30 September 2013. The agreement calls for maintaining the existing medium/long-term and short-term credit lines and a moratorium for the payments maturing during the reference period. With regard to short-term credit lines, the agreement calls for a reduction, as of 1 July 2013, of the interest charged on short-term credit line to a rate equal to the three-month Euribor plus 400 basis points, as already applied to the medium-term credit lines.

The moratorium and standstill agreement is aimed at enabling Cobra to finalize the development of a five-year financial and industrial plan designed to complete the group's ongoing reorganization process, while negotiating and defining with the lender banks appropriate agreements for the financial transactions related to the plan. In July 2013, to help achieve these agreements with the banks, the shareholder KME Partecipazioni provided Cobra with an interest bearing loan of 1.5 million euros.

On 24 September 2013, ahead of the expiration of the Standstill Agreement on 30 September 2013, Cobra Automotive Technologies SpA sent to the credit institutions parties to the Agreement a request to extend the moratorium for the length of time needed to finalize the agreements governing the financial transactions related to the Group's 2013-2018 Economic and Financial Plan, the guidelines of which had been presented to the credit institutions by the company and its advisors.

In this regard, at the meetings held in September and October by Cobra Automotive Technologies SpA and representatives of the credit institutions involved, the company stressed and explained the need to keep in effect the provisions of the Standstill Agreement.

Thus far, the credit institutions, while the respective procedures for approving the terms of the financial transactions proposed to them are being completed, have not put forth objections to the continued implementation of the Standstill Agreement, even though an official extension has not been granted.

Cobra's Directors believe that the process of increasing efficiency and regaining profitability already on display in the course of the year will continue in the last quarter of 2013. In this context, the declining value of the Japanese yen (purchasing currency for some raw materials) will continue to constitute a positive factor for the recovery of profitability, while the growth of the market for online services will have a positive cascading effect on revenue from the sale of hardware, enabling the income statement to achieve the breakeven level also at the consolidated level. In light of these considerations, the Directors therefore believe that the company reversed the trend at the bottom-line level and that the Group's Business Units can regain their industrial equilibrium over the medium

term. The Group's result should constitute a positive factor also in the negotiations currently under way with the Lender Institutions for the restructuring of the financial position of the Cobra Group.

For additional information about Cobra's operating performance, please consult the documents made available by the company.

\* \* \*

In the renewable energy area, the publicly traded company **ErgyCapital SpA** ("ErgyCapital"), which is the lead company in this sector, began in the second half of 2010 the process of redefining the group's mission and downsizing its operations through closures of operational facilities, staff reductions and a resulting significant decrease of operating expenses. The programs implemented, which started to bear fruit in 2011, gained momentum in 2012 and 2013.

With regard to business strategy, in the **photovoltaic** area the company decided to focus on realizing the value of its existing projects and continuing programs to increase the operating efficiency of facilities already constructed, without employing additional financial resources; in the **biogas** area, the objective is to realize the full value of the authorization pipeline by developing the production facilities or realizing the value of its projects; in the **geothermal** area, the company continues to pursue a strategy based on seizing available opportunities.

These new strategic guidelines were adopted with the aim of restoring ErgyCapital's profitability and financial balance as prerequisites for the ability to develop potential collaboration/combination opportunities with other entities that could accelerate its growth in terms of size and enhance its value.

In July 2013, the company, in implementation of the resolutions adopted by the Extraordinary Shareholders' Meeting on 26 June 2012 and 9 May 2013, began to carry out a planned share capital increase. The Board of Directors, acting pursuant to the power of attorney it received from the abovementioned Shareholders' Meetings, agreed to issue up to 104,323,461 new common shares without par value available to shareholders through a rights offering at a price of 0.134 euros per share, comprised of 0.110 euros as additional paid-in capital and 0.024 euros as share capital.

Upon the conclusion of the transaction, counting subscriptions of unexercised rights, the company issued 72,180,603 new common shares, equal to 69.19% of the maximum approved number, for total proceeds of 9,672,200.80 euros. The KME Partecipazioni subsidiary, by virtue of its subscription commitments, underwrote its pro rata share of the capital increase, amounting to 7.2 million euros, by offsetting this cost against receivables owed by ErgyCapital. As a result of this transaction, KME increased its interest in ErgyCapital from 51.37% to the current 61.256%. This ownership stake decreased to 60.06% due to the sale of some of the shares held.

In the first nine months of 2013, the **revenue** of the ErgyCapital Group amounted to 14.6 million euros, in line with the same period last year.

Consolidated **EBITDA** were positive by 7.7 million euros, up 7% compared with 7.2 million euros in the same period the previous year.

The **profit before taxes** amounted to 0.1 million euros in the first nine months of 2013, a significant improvement over the consolidated loss before taxes of 0.4 million euros reported a year earlier.

This positive performance in terms of profit margins characterized the third quarter as well, with ErgyCapital reporting positive **EBITDA** of 3.2 million euros, up from 2.8 million euros the previous year, **EBIT** of 1.9 million euros, compared with 1.5 million euros in the corresponding period last year, and **profit before taxes** of 0.7 million euros, compared with 0.3 million euros in the same quarter in 2012.

Owing in part to the implementation of a capital increase of about 9.7 million euros, the company's equity and financial structure became considerably stronger, with a net financial position negative by 79.0 million euros (compared with 91.1 million euros at 31 December 2012), which includes 5.1 million euros in VAT payables, an amount offset in full by the corresponding VAT receivables recognized as assets, and 5.8 million euros in financial liabilities arising from the measurement at fair value of contracts execute to hedge interest rate risks.

The Directors of ErgyCapital believe that, over future quarters, they can continue to make progress on the path to improved profitability and financial strength, compared with past periods. Mores specifically, management will continue to focus on cash generation, which, given the seasonality of the photovoltaic business, is concentrated in the second half of the year.

It is also worth mentioning that the duration of the shareholders' agreement executed with Aledia SpA has been extended to January 2015, with an early cancellation option exercisable on 15 days advance notice starting on 15 April 2014.

For additional information about ErgyCapital's operating performance, please consult the documents made available by the company.

\* \* \*

The interests held in Gruppo Cobra A.T. and ErgyCapital are recognized by the equity method in the consolidated financial statements of INTEK Group, which are prepared in accordance with the IFRSs.

\* \* \*

## Results of the Group

With regard to the Group's performance in the first nine months of 2013, please keep in mind that it is affected by the results of the Copper Sector and the Financial and Real Estate Activities and that the Services Sector and the Renewable Energy Sector are consolidated by the equity method

Shareholders' equity at 31 December 2012 was reduced by 55,794,000 euros compared with the amount presented in the consolidated financial statements at the same date due to the adoption of the revised version of IAS 19, which abolished the use of the "corridor" method, requiring that all actuarial differences on pension funds be recognized as a component of shareholders' equity.

\* \* \*

The comments provided on the Group's operating performance include the use of the reclassified indicators described below, which are deemed to be more representative of the true operating and financial performance.

\* \* \*

### ***Alternative Performance Indicators***

#### ***EBITDA***

*This indicator represents a useful yardstick to assess the Group's operating performance; it is an intermediate income statement line item that derives from EBIT, which, in turn, does not include depreciation and amortization and nonrecurring (charges)/income.*

#### ***Net financial debt***

*This indicator is used to assess the financial structure and is determined as the amount corresponding to gross financial debt 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 mentioned above in the definition of "Net financial debt."*

\* \* \*

### **Reclassified Income Statement**

*The review of operating results includes financial and economic information that were taken from the Group's operating systems and are based on accounting principles that differ from the IFRSs, mainly in terms of measurement and presentation. The main items are listed 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 nine months of 2013.

<b>Operational Reclassified Consolidated Income Statement</b>						
<i>(in millions of euros)</i>	<i>1 Jan – 30 Sept 2013 IFRS</i>		<i>Reclassifi- cations</i>	<i>Adjustments</i>	<i>1 Jan – 30 Sept 2013 reclassified</i>	
Gross revenue	1,814.70	<b>100.0%</b>			1,814.70	
Raw material costs	-		(1,298.70)		(1,298.70)	
<b>Revenue net of raw material costs</b>	<b>-</b>				<b>516.00</b>	<b>100.0%</b>
Personnel expense	(227.40)		2.00		(225.40)	
Other consumables and costs	(1,557.90)		1,301.10	17.00	(239.80)	
<b>EBITDA (*)</b>	<b>29.40</b>	<b>1.6%</b>	<b>4.40</b>	<b>17.00</b>	<b>50.80</b>	<b>9.8%</b>
Depreciation and amortization	(33.30)		0.60		(32.70)	
<b>EBIT</b>	<b>(3.90)</b>	<b>-0.2%</b>	<b>5.00</b>	<b>17.00</b>	<b>18.10</b>	<b>3.5%</b>
Net financial expense	(12.80)		-		(12.80)	
<b>Result before nonrecurring items</b>	<b>(16.70)</b>	<b>-0.9%</b>	<b>5.00</b>	<b>17.00</b>	<b>5.30</b>	<b>1.0%</b>
Nonrecurring (charges) / income	-		(5.00)		(5.00)	
Impact of IFRS measured inventories and financial instruments	-		-	(17.00)	(17.00)	
<b>Result before taxes (IFRS measurement)</b>	<b>(16.70)</b>	<b>-0.9%</b>	<b>(0.00)</b>	<b>-</b>	<b>(16.70)</b>	<b>-3.2%</b>
Result attributable to non-controlling interests	0.30				0.30	
<b>Result attributable to owners of the Parent</b>	<b>(17.00)</b>	<b>-0.9%</b>	<b>(0.00)</b>	<b>-</b>	<b>(17.00)</b>	<b>-3.3%</b>

The table that follows provides an overview of the consolidated operating results of the KME Group in the first nine months of 2013 compared with those for the corresponding period in 2012.

<b>Operational Reclassified Consolidated Income Statement</b>				
<i>(in millions of euros)</i>	<i>1 Jan – 30 Sept 2013 reclassified</i>		<i>1 Jan – 30 Sept 2012 reclassified</i>	
Gross revenue	1,814.70		1,982.50	
Raw material costs	(1,298.70)		(1,435.00)	
<b>Revenue net of raw material costs</b>	<b>516.00</b>	<b>100.0%</b>	<b>547.50</b>	<b>100.0%</b>
Personnel expense	(225.40)		(238.20)	
Other consumables and costs	(239.80)		(271.60)	
<b>EBITDA (*)</b>	<b>50.80</b>	<b>9.8%</b>	<b>37.70</b>	<b>6.9%</b>
Depreciation and amortization	(32.70)		(34.10)	
<b>EBIT</b>	<b>18.10</b>	<b>3.5%</b>	<b>3.60</b>	<b>0.7%</b>
Net financial expense	(12.80)		(18.10)	
<b>Result before nonrecurring items</b>	<b>5.30</b>	<b>1.0%</b>	<b>(14.50)</b>	<b>-2.6%</b>
Nonrecurring (charges) / income	(5.00)		(16.90)	
Impact of IFRS measured inventories and financial instruments	(17.00)		(0.30)	
<b>Result before taxes (IFRS measurement)</b>	<b>(16.70)</b>	<b>-3.2%</b>	<b>(31.70)</b>	<b>-5.8%</b>
Share of profit of equity-accounted investee companies	-		(3.40)	
Profit/(Loss) from discontinued operations	-		-	
<b>Consolidated result before taxes</b>	<b>(16.70)</b>	<b>-3.2%</b>	<b>(35.10)</b>	<b>-6.4%</b>
Result attributable to non-controlling interests	0.30		0.60	
<b>Result attributable to owners of the Parent</b>	<b>(17.00)</b>	<b>-3.3%</b>	<b>(35.70)</b>	<b>-6.5%</b>

During the period subject of this Report, the consolidated financial statements closed with a loss of 17.0 million euros, after nonrecurring charges of 5.0 million euros incurred to implement streamlining programs. EBITDA were positive by 50.80 million euros. The data show a significant improvement compared with the same period last year.

An overview of the consolidated shareholders' equity presented in the **statement of financial position** is provided below:

<b>Consolidated Shareholders' Equity</b>			
<i>(in thousands of euros)</i>	<i>30/9/2013</i>	<i>31/12/2012 restated</i>	<i>31/12/2012 published</i>
Share capital	314,225	314,225	314,225
Reserves	(17,960)	60,465	116,259
Result for the period (*)	(17,016)	(78,732)	(78,732)
<b>Result attributable to owners of the Parent</b>	<b>279,249</b>	<b>295,958</b>	<b>351,752</b>
Result attributable to non-controlling interests	6,616	6,743	6,743
<b>Total shareholders' equity</b>	<b>285,865</b>	<b>302,701</b>	<b>358,495</b>

(\*) Before taxes for 2013.

At 30 September 2013, the Group's **net financial debt** amounted to 302.7 million euros, for a significant improvement compared with the amount owed at the end of 2012 (339.4 million euros).

<b>Consolidated Net Financial Position – Reclassified</b>		
<i>(in thousands of euros)</i>	<i>30 Sept. 2013</i>	<i>31 Dec. 2012</i>
Short-term debt	214,093	114,122
Medium- and long-term debt	188,041	341,983
Borrowings from Group companies	4,934	927
<b>(A) Financial debt</b>	<b>(A) 407,068</b>	<b>457,032</b>
Cash and cash equivalents	(37,901)	(65,813)
Short-term financial receivables	(92,842)	(70,680)
Financial receivables from Group companies	(13,543)	(14,135)
<b>(B) Cash and cash equivalents and current financial assets</b>	<b>(B) (144,286)</b>	<b>(150,628)</b>
Fair value of LME contracts/metal commitments	(14,543)	(20,994)
Fair value of other financial instruments	1,523	1,526
<b>(C) Financial instruments measured at fair value</b>	<b>(C) (13,020)</b>	<b>(19,468)</b>
<b>(D) Consolidated net financial position before securities outstanding</b>	<b>(A) + (B) + (C) 249,762</b>	<b>286,936</b>
<b>(E) Debt securities outstanding (net of accrued interest)</b>	<b>57,549</b>	<b>57,066</b>
<b>(F) Consolidated net financial position</b>	<b>(D) + (E) 307,311</b>	<b>344,002</b>
<b>(G) Non-current financial assets</b>	<b>(4,575)</b>	<b>(4,585)</b>
<b>(H) Total net financial debt</b>	<b>(F) + (G) 302,736</b>	<b>339,417</b>

*(F) As defined in Consob Communication DEM/6064293 issued on 28 July 2006 to implement the CESR recommendations of 10 February 2005.*

*(H) This indicator is used to assess the financial structure and is determined as the amount corresponding to gross financial debt less cash and cash equivalents and other financial receivables.*



The table below shows an overview of the consolidated net invested capital:

<b>Consolidated Net Invested Capital</b>			
<i>(in thousands of euros)</i>	30/09/2013	31/12/2012 <i>restated</i>	31/12/2012 <i>published</i>
Capital invested in net non-current assets	822,429	849,895	849,895
Net working capital	93,221	131,971	131,971
Provisions	(327,049)	(339,748)	(283,954)
<b>Net invested capital</b>	<b>588,601</b>	<b>642,118</b>	<b>697,912</b>
Total shareholders' equity	285,865	302,701	358,495
Net financial position	302,736	339,417	339,417
<b>Financing sources</b>	<b>588,601</b>	<b>642,118</b>	<b>697,912</b>

*“Net invested capital” is a financial measurement not provided in the IFRSs and should not be treated as an alternative to those provided in the IFRSs. It is comprised of the following components:*

- *“Capital invested in net non-current assets,” which is the sum of “Property, plant and equipment and intangible assets,” “Investments in associates,” “Other non-current assets” and “Other non-current financial assets” not included in the definition of “Net financial debt” (usually, shares of closed end and reserved mutual funds).*
- *“Net working capital,” which is the sum of “Inventories” and “Trade receivables,” net of “Trade payables” and “Other current assets/liabilities,” except for the items previously included in the definition of “Net financial debt.”*
- *“Net provisions,” which include “Provisions for employee benefits,” “Net deferred-tax liabilities” and other “Provisions for risks and charges.”*

## **Other Information**

### **Controlling Company and Ownership Structure**

The Company is controlled by Quattrodedue Holding B.V., based at 37 Kabelweg, Amsterdam, Netherlands, through Quattrodedue SpA, a wholly owned subsidiary of Quattrodedue Holding B.V. At 30 September 2013, Quattrodedue SpA held 158,067,506 Intek Group common shares, equal to 45.749% of the Company's share capital.

With regard to the shareholders' agreement relevant for the purposes of Article 122 of Legislative Decree No. 58/1998, the subject of which is the entire share capital of Quattrodedue Holding B.V. (the “Agreement”) in effect among the shareholders of the abovementioned company Vincenzo Manes (through Mapa Srl), Ruggero Magnoni (through Likipi Holding S.A.) and Hanseaticpe Sarl (jointly referred to as the “Parties to the Agreement”), pursuant to Articles 128 and 131 of the Consob Issuers' Regulations, Quattrodedue Holding B.V. announced that the Agreement, expiring on 30 June 2013 was renewed for an additional three years, i.e., until 30 June 2016.

\* \* \*

Please note that the Board of Directors, at the meeting held on 14 September 2012, resolved, inter alia, to avail itself of the waiver provide by Article 70, Section 8, and Article 71 *bis* of the Issuers' Regulations, which give the Company the option of being exempt from the obligation to make available to the public an Information Memorandum in connection with material transactions involving mergers, demergers, capital increases through the conveyance of assets in kind, acquisitions and divestments.

### **Related-party Transactions**

Transactions executed with related parties, including intra-Group transaction, do not qualify as atypical and/or unusual transactions, as they were carried out by Group companies in the regular course of business. These transactions were settled on customary conditions, determined with standard parameters, or on market terms.

INTEK Group is the owner of a loan provided to its controlling company Quattrodedue SpA (originally owed by Quattrodedue Holding B.V.). This loan accrues interest at the Euribor, plus a spread of 100 basis points. At 30 September 2013, the balance owed for this loan amounted to 1.2 million euros. Quattrodedue collateralized with 41,500,000 Intek Group common shares that it owns a loan of 4.7 million euros received by Intek Group.

Early in July 2013, FEB - Ernesto Breda SpA provided Quattrodedue SpA with a loan in the amount of 3.1 million euros that matures on 31 December 2013 and accrues interest at the Euribor plus a spread of 325 basis points.

At 30 September 2013, loans outstanding include facilities provided to ErgyCapital (10.4 million euros owed to KME Partecipazioni, lowered to 3.2 million euros due to the subscription of KME Partecipazioni's pro rata share of the share capital increase ) and Culti Srl (2.0 million euros owed to Intek Group and 0.9 million euros owed to KME Partecipazioni).

### **Business Outlook**

The Group's operating performance will reflect the results of the individual investment sectors.

### **Significant Events Occurring After 30 September 2013**

There were no significant events other than those described in the preceding pages.

## **Financial Statements of the Interim Report on Operations at 30 September 2013**

The Interim Report on Operations at 30 September 2013, which was not audited, was prepared in accordance with Article 154 *ter* of the Uniform Financial Code enacted by Legislative Decree No. 195/2007.

The consolidated statement of financial position refers to the end of the quarter subject of this Report and the end of the previous reporting year.

Consolidated income statement data are provided for the first nine months of 2013. They are also compared with the data for the same period a year earlier. The presentation format of the accounting schedules is consistent with that of the same accounting schedules included in the Semiannual Financial Report and Annual Financial Report.

The Interim Report on Operations at 30 September 2013 was prepared in accordance with the valuation and measurement criteria of the International Financial Reporting Standard (IFRSs) published by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with the procedure set forth in Article 6 of EC Regulation No. 1606/2002 of the European Parliament and Council dated July 19, 2002, and the resolutions issued in implementation of Article 9 of Legislative Decree No. 38/2005, when applicable.

The results are presented before taxes for the period.

**Consolidated Statement of Financial Position**

<b>Statement of Financial Position – Assets</b>		
<i>(in thousands of euros)</i>	<i>30/09/2013</i>	<i>31/12/2012 restated</i>
Property, plant and equipment	536,157	562,751
Investment property	80,402	80,104
Goodwill	125,801	125,801
Other intangible assets	2,580	3,545
Investments in associates	15,219	13,810
Investments in other companies	270	270
Investments valued by the equity method	40,775	35,221
Other non-current assets	7,813	8,318
Non-current financial assets	17,113	24,711
Deferred-tax assets	64,065	65,591
<b>Non-current assets</b>	<b>890,195</b>	<b>920,122</b>
Inventories	549,029	570,993
Trade receivables	131,770	129,846
Other receivables and current assets	58,352	50,028
Current financial assets	135,439	112,876
Cash and cash equivalents	37,901	65,813
Non-current assets held for sale	4,690	4,590
<b>Total current assets</b>	<b>917,181</b>	<b>934,146</b>
<b>Total assets</b>	<b>1,807,376</b>	<b>1,854,268</b>

<b>Statement of Financial Position – Liabilities and Shareholders' Equity</b>		
<i>(in thousands of euros)</i>	<i>30/09/2013</i>	<i>31/12/2012 restated</i>
Share capital	314,225	314,225
Reserves	(17,960)	60,465
Profit (Loss) for the period	(17,016)	(78,732)
<b>Group interest in shareholders' equity</b>	<b>279,249</b>	<b>295,958</b>
Minority interest in shareholders' equity	6,616	6,743
<b>Total shareholders' equity</b>	<b>285,865</b>	<b>302,701</b>
Provisions for employee benefits	235,174	235,389
Deferred-tax liabilities	117,055	117,034
Borrowings and non-current financial liabilities	244,784	399,050
Other non-current liabilities	16,181	17,528
Provisions for risks and charges	26,265	31,167
<b>Total non-current liabilities</b>	<b>639,459</b>	<b>800,168</b>
Borrowings and other financial liabilities	228,517	119,913
Trade payables	538,863	503,693
Other current liabilities	102,052	106,044
Provisions for risks and charges	12,620	21,749
<b>Total current liabilities</b>	<b>882,052</b>	<b>751,399</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,807,376</b>	<b>1,854,268</b>

### Consolidated Income Statement

<b>Statement of Profit (Loss) for the Period</b>				
<i>(in thousands of euros)</i>	<i>Nine months 2013</i>	<i>Nine months 2012</i>	<i>3<sup>rd</sup> quarter 2013</i>	<i>3<sup>rd</sup> quarter 2012</i>
Sales and service revenue	1,814,699	1,982,451	574,582	616,889
Change in inventories of finished goods and semifinished products	3,933	(1,383)	357	(470)
Capitalization of internally produced assets	1,140	2,577	493	725
Other operating income	16,221	10,779	4,302	3,868
Purchases and change in inventory of raw materials	(1,367,807)	(1,489,246)	(436,141)	(470,187)
Labor costs	(227,352)	(245,259)	(72,013)	(77,490)
Depreciation, amortization, impairment losses and writedowns	(33,347)	(35,531)	(10,621)	(10,743)
Other operating expenses	(211,351)	(237,439)	(64,037)	(75,702)
<b>EBIT</b>	<b>(3,864)</b>	<b>(13,051)</b>	<b>(3,078)</b>	<b>(13,110)</b>
Financial income	4,074	12,443	347	4,931
Financial expense	(16,920)	(31,145)	(4,754)	(12,572)
Result of companies valued by the equity method	24	(3,403)	985	(653)
<b>Result before taxes</b>	<b>(16,686)</b>	<b>(35,156)</b>	<b>(6,500)</b>	<b>(21,404)</b>
<b>Net result of continuing operations</b>	<b>(16,686)</b>	<b>(35,156)</b>	<b>(6,500)</b>	<b>(21,404)</b>
Net profit (loss) of discontinued operations	-	-	-	-
<b>Result for the period</b>	<b>(16,686)</b>	<b>(35,156)</b>	<b>(6,500)</b>	<b>(21,404)</b>

Milan, 13 November 2013

The Board of Directors

*Declaration by the Corporate Accounting Documents Officer Pursuant to Article 154 bis, Section 2, of Legislative Decree No. 58/1998 (Uniform Financial Code)*

Giuseppe Mazza, 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 Interim Report on Operations at 30 September 2013 is consistent with the data in the supporting documents and in the Company's books of accounts and other accounting records.

Signed: Giuseppe Mazza  
Corporate Accounting Documents Officer