INTEK GROUP

Registered office: 20121 Milan - Foro Buonaparte, 44
Share capital Euro 314,225,009.80 fully paid-up
Tax Code and Milan Companies Register no. 00931330583
www.itkgroup.it

PRESS RELEASE

INTERMEDIATE REPORT ON OPERATIONS OF INTEK GROUP S.P.A. AT 30 SEPTEMBER 2015 APPROVED

- **THE BOD OF INTEK GROUP SPA HAS APPROVED THE INTERIM REPORT ON OPERATIONS AT 30 SEPTEMBER 2015, WITH SEPARATE FINANCIAL STATEMENTS SHOWING THE FOLLOWING RESULTS:**
  - **NET INVESTMENTS** — **467.3 MILLION EURO**
  - **NET FIN. INDEBTEDNESS OF THE HOLDING** — **(28.2) MILLION EURO**
  - **TOTAL CASH AND CASH EQUIVALENTS** — **40.5 MILLION EURO**
  - **EQUITY** — **439.2 MILLION EURO**

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- KME'S RESTRUCTURING OPERATIONS WERE INTENSIFIED DURING THE QUARTER.
- INTEK, ALSO THROUGH THE SUBSIDIARY KME PARTECIPAZIONI, HAS EUR 40.5 MILLION IN CASH.
- THE SOLIDITY OF THE INTEK GROUP SPA FINANCIAL STRUCTURE IS CONFIRMED: SHAREHOLDERS' EQUITY TOTALS EURO 439.2 MILLION (EURO 1.11 PER SHARE).
- THE COMPANY'S INVESTMENTS AS AT 30 SEPTEMBER 2015 AMOUNT TO EURO 502.5 MILLION, OF WHICH 86% IN THE "COPPER" SECTOR AND 14% IN "FINANCIAL AND REAL ESTATE ASSETS. "

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The Board of Directors of Intek Group SpA (hereinafter also the "Company") a holding company of diversified equity investments, the management objective of which is the dynamic management of the investments, has approved the interim report on operations as at 30 September 2015.

The Net investments held by the Company amounted to Euro 467.3 million as at 30 September 2015 (Euro 458.1 million at the end of 2014), of which 84.4% were in the "copper" sector and the rest in financial and real estate assets. The increase in the Net Investments is mainly due to the new loans granted to the investee companies and the acquisition of the company that owns the building at Foro Buonaparte 44 in Milan.

The Company is maintaining its already solid structure: shareholders' equity totals Euro 439.2 million as compared to Euro 447.4 million as at 31 December 2014, with Net Financial Indebtedness of the Holding company of Euro 28.2 million.

The quarter in question was characterised by an acceleration of the reorganisation process focused on the copper sector operations, which is Intek Group’s main investment.

This process, which began last year in relation to the operations in Germany, is leading to the reorganisation of the business owned by the holding company KME AG into two independent operating entities: the first comprises of the Special Products, Brass Rods and standard products businesses located in Germany; the second comprises of the Standard Products (Rolled and Tubes) businesses located in Italy, France and Spain. With regard to the activity carried out during the quarter presented here, we note the following significant initiatives:

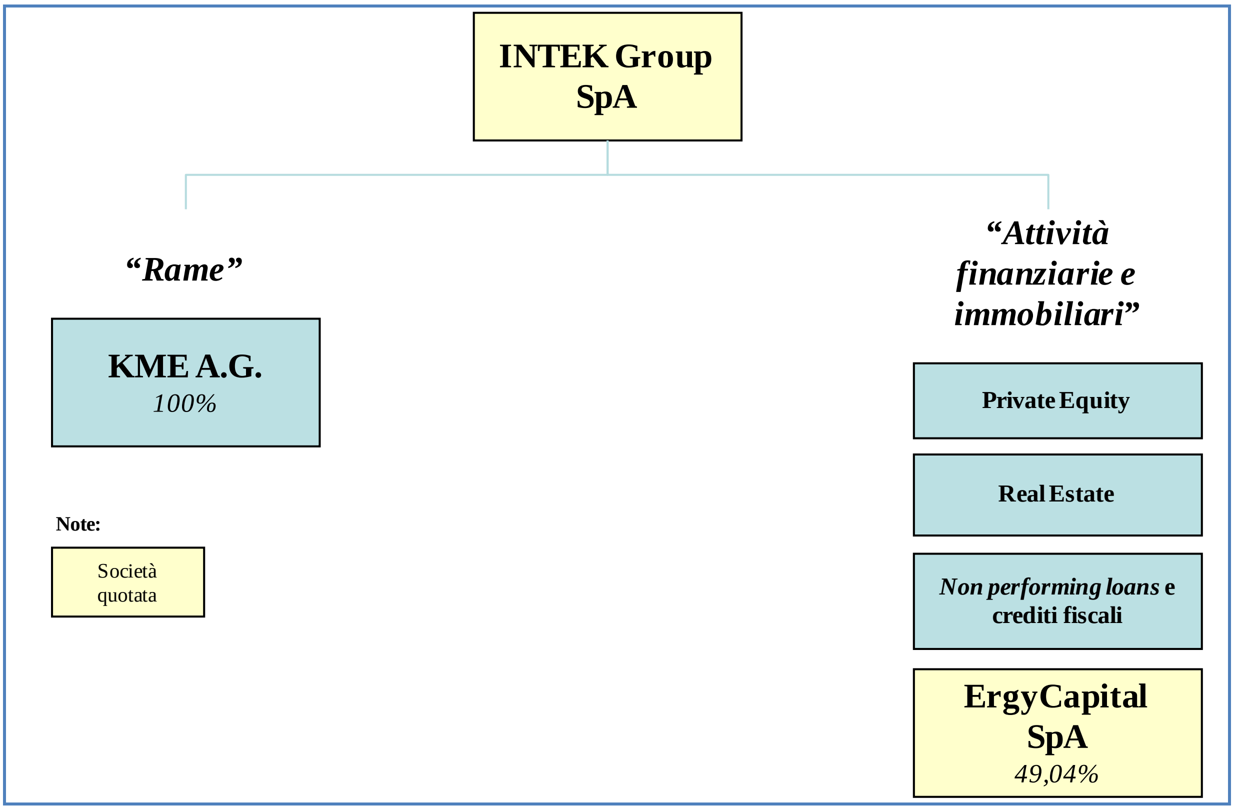
- the concentration of the German production of tubes into a single facility (Menden) and closure of the Osnabrück tube manufacturing line ;

- the positive conclusion of the trade union negotiation with the French national coordination, prior to concluding an agreement for the sale of the controlling interests of the tube manufacturing facilities in France and Italy and the brass rod facilities in France, to a sector operator.

Furthermore, analyses are currently being conducted in order to define different restructuring scenarios for the Italian manufacturing division, in order to reduce or streamline the available manufacturing capacity, and meetings with the trade union representatives have been initiated to this end.

* * *

The Group's corporate structure is as follows:



The **investment sectors** of INTEK Group S.p.A. are the following: the traditional sector of "**copper**", which includes the production and marketing of copper and copper-alloy semi-finished products by the German subsidiary KME AG; and the sector of "**financial and real estate assets**", including the private equity business that is carried out through the closed-end I2 Capital Partners investment fund (the "**Fund**") as well as the management of receivables (tax and non-performing receivables and those arising from insolvency procedures) and real estate assets. The equity investment in ErgyCapital is included under financial and real estate assets.

ErgyCapital, the leading company of a listed group of companies operating in the renewable energy sector, focused its activities on cash generation from installations in operation. Meanwhile, the search for opportunities to carry out extraordinary transactions continues, with these transactions involving the company overall as well as its individual business units, in order to create value for shareholders.

In the "**copper**" sector, actions aimed at restructuring/reorganizing the activities of KME Group were intensified, particularly those carried out in Germany, which are leading to the splitting of the KME AG business into two independent operating entities: one which includes the Special Products, the Brass Rods and the German Standard products businesses, and the other which is relative to the underperforming operations involving standard products (Rolled and Tubes) in Italy, France and Spain.

The separation of activities described above is aimed to more effective operations by reducing excess production capacity. Restructuring was also initiated on several production sites which are expected to have a significant impact in terms of recovery of production efficiency and the Group's profitability.

Consequently, restructuring projects for certain sites have been started, aiming to reduce excess production capacity, to streamline the structure, and to optimize industrial costs and working capital, with significant impacts on operations in terms of recovered efficiency and profitability.

The first completed project led to the reorganisation of the production facilities of the sector in Germany, through the concentration of the tube manufacturing into a single facility (Menden) and closure of the Osnabrück manufacturing line. This action, which was accompanied by a drastic decrease in the costs for central services, led to the departure of approximately 350 employees.

In France, on 6 November, the Comité Central d'Entreprise (Works Council) of the subsidiary KME France S.A.S. worked on finalising the procedures that will lead to an agreement in the next few days with CUPORI, one of the main manufacturers of industrial copper tubes, to sell the Givet and Niederbruck facilities, and also the tube operations carried out in the Italian facility of Serravalle Scrivia; the KME Group will remain in the new structure with a 40% equity investment. The offer will allow CUPORI OY to develop its own activities in Europe while the KME Group will be able to streamline the "copper" sector in France, concurrently also protecting the jobs of a significant number of employees. In addition to its very high strategic and market focused significance, the transaction made it possible to avoid closing the French tube facility at Givet which had been announced in June 2015. This had led to the initiation of a union procedure for definition of a Social Plan, involving approximately 280 employees. The CUPORI offer was subject to reaching an agreement with the unions that provides for a much more contained reorganisation.

In Italy, a project was recently presented which provides for the closure in 2016 of the "copper" operations in the Fornaci di Barga (Lucca) facility, and its manufacturing operations, rolled and special products, will be moved to other Group units. A study is currently being conducted on the reconversion of the entire area to what has the potential to become the largest European hydroponic agriculture facility, the effect of which would also be to minimise the social impact of the restructuring above. The discussion with the union representatives has begun; however, we are continuing to look into other alternative restructuring scenarios.

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INTEK Group SpA highlights

The Intek Group's financial highlights can be summarised as follows:

Condensed separate statement of financial position				
(in thousands of Euro)	*30 Sept. 2015*		*31 Dec. 2014*	
Copper	**394,630**	**84.44%**	**393,997**	**86.02%**
Financial and real estate assets				
Private Equity	*8,509*		*8,288*	
Non operating assets	*4,552*		*4,554*	
Real Estate/Others	*28,367*		*27,204*	
ErgyCapital/Other Services	*22,486*		*20,243*	
Total financial and real estate assets	**63,914**	**13.68%**	**60,289**	**13.16%**
Other assets/liabilities	**8,802**	**1.88%**	**3,766**	**0.82%**
Net investments	**467,346**	**100.00%**	**458,052**	**100.00%**
SFP and outstanding bonds (*)	*(103,817)*		*(61,962)*	
Net cash from third parties	*13,484*		*1,387*	
Cash investments in KME	*35,122*		*-*	
Net reclassified financial debts Intek Group	**(55,211)**		**(60,575)**	
Net cash available to KME Partecipazioni	**27,045**		**49,933**	
Holding company financial debts due to third parties	**(28,166)**	**6.03%**	**(10,642)**	**2.32%**
Total shareholders' equity	**439,180**	**93.97%**	**447,410**	**97.68%**

Equity

The equity of the holding company amounts to Euro 439.2 million compared to Euro 447.4 million as at 31 December 2014; the change is almost entirely due to the results achieved in the first nine months of 2015 (loss of Euro 6.4 million) and the acquisition of own shares of which Euro 1.4 million received as a dividend from KME Partecipazoni and Euro 0.4 million purchased on the market.

The equity per share amounted to Euro 1.11 compared to Euro 1.13 as at 31 December 2014.

Net debt reclassified

The net financial indebtedness of the Holding Company (which includes positions toward third parties, Intek Group and KME Partecipazioni) totalled Euro 28.2 million as at 30 September 2015, compared to Euro 10.6 million as at 31 December 2014. This indebtedness represents 6.0% of all investments.

At the end of September 2015, Intek, also by means of the subsidiaries KME Partecipazioni and Immobiliare Pictea, had a liquidity of Euro 40.5 million, also as a result of the net flow deriving from the issue of new bonds and from the early redemption of those outstanding in March 2015. A portion of this liquidity is currently employed in shares of UCIs (Euro 26.2 million).

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The investment sectors

Copper sector

The **Consolidated Turnover** at 30 September 2015 amounted to a total of Euro 1,555.0 million, down by 1.7% on 2014, when it was Euro 1,582.0 million. The lower volumes affected this reduction. Less the value of the raw materials, turnover declined from Euro 470.4 million to Euro 453.6 million, down 3.6% (2.6% on a like-for-like basis).

EBITDA at 30 September 2015 was Euro 36.8 million; it was lower by 5.9% than in 2014 when EBITDA was Euro 39.1 million. The cost of labour and other operating costs dropped, confirming the positive effect of the efficiency and flexibility measures adopted to counter the reduction in production, thanks also to the agreements reached with the trade unions which made it possible, among other things, to forestall employment terminations by using the social measures and fine tuning the performance bonuses. As previously described, the operating profitability was affected by the decrease in margins deriving from the optimisation of the use of raw materials due to the continuing lack of scrap on the market. The operating result for the first nine months of 2015 compared to net sales dropped from 8.3% in the first nine months of 2014 to 8.1% but went up from 6.6 % in the first half of 2015.

EBIT stood at Euro 10.0 million (Euro 10.1 million in 2014).

The **Result before non-recurring components** is negative by Euro 7.4 million, down by Euro 2 million compared to 2014 (negative by Euro 5.4 million), due mainly to foreign exchange differences.

The **Consolidated revenue, before tax,** of the copper sector shows, at the end of September 2015, an overall loss of Euro 56.0 million (compared to a profit of Euro 16.3 million in 2014 due to the contribution of capital gains achieved with the sale of plumbing tubes business in UK and with the contributions of the German connectors activities into the Chinese joint venture). The result as at 30 September 2015 is mainly affected by non-recurring expenses of Euro 30.3 million, which are almost entirely due to costs connected to the restructuring of the operating units under way and Euro 15.8 million in negative valuation differences of the copper inventory, according to IFRS.

The **Net Financial Position** as at 30 September 2015 was a negative Euro 225.6 million, improving with respect to the value at the end of December 2014 when it was Euro 242.8 million. The lower debt derives from the further optimisation of the working capital.

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“Financial and real estate assets” sector

With regard to the “financial and real estate assets” in the quarter, programmes were pursued aimed at accelerating progressive realization.

Efforts to streamline the litigation underway of the various vehicles that are the official assignees of bankruptcy agreements with respect to Fondo I2 Capital Partners are underway. Certain lawsuits were thus settled and the negotiations for others are in an advanced phase.

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ErgyCapital

ErgyCapital SpA has carried out its operations achieving a production value in the first nine months of 2015 of Euro 11.9 million, down compared to the corresponding period in the previous year (Euro 13.5 million). The decrease is mainly due to the remodulation of the incentive tariffs of the Photovoltaic Sector governed by the Italian “incentive spreading” Decree.

Consolidated EBITDA in the first nine months of 2015 was Euro 6.0 million (Euro 7.0 million in the corresponding period of the previous year): this confirms the good operating gross profitability which is equal to approximately 51% despite the effect of the “incentive spreading” Decree.

The net financial position is Euro 68.5 million, showing an improvement of Euro 2.8 million (Euro 71.3 million as at 31 December 2014), due to the reduction of the financial debt for the photovoltaic plants and biogas facilities and the reduction of the fair value of the interest rate hedging contracts.

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<u>Intek Group Consolidated Financial Statements</u>

It should be noted that, following the application of the principle relating to the investment entities occurred at the end of the 2014 financial year, the values of the consolidated financial statements are aligned with those of the separate financial statements except for the effects of the fair value measurement of the investments held by the sub-holding KME Partecipazioni.

The consolidated shareholders’ equity is Euro 435.1 million compared to Euro 442.3 million as at 31 December 2014. The result is negative by Euro 6.8 million due to the absence of significant revenue from management of the equity investment.

The Group financial debt at 30 September 2015 stood at Euro 13.0 million compared to Euro 30.3 million as at 31 December 2014. As at 30 June 2015 the Group had cash and investments in flexible instruments, which could be easily sold and which had low risks, equalling to 39.2 million Euro.

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<u>Purchase of own shares</u>

In the third quarter of 2015, based on a share buyback program resolved upon by the shareholders’ meeting held on 19 June 2015, the company purchased 377,692 ordinary shares or 0.11% of this share class. In October 2015, the Company purchased an additional 358,420 ordinary shares (or 0.10% of the capital with voting rights) and therefore, as at the date of this press release, the

Company owns 6,595,858 ordinary shares, or 1.91% of this share class, and 11,801 savings shares, equal to 0.024% of this share class.

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Annexed is the “Interim report on operations as at 30 September 2015” to be referred to for points on the Company and Group outlook.

The Financial Reporting Manager, Giuseppe Mazza, hereby declares that, pursuant to art. 154- bis, paragraph 2 of the Consolidated Law on Finance (Italian Legislative Decree no. 58/1998), the accounting information contained in this press release, corresponds to the company’s documents, books, and accounting records.

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This press release is available on the website www.itkgroup,it through which it is possible to request information directly from the Company (telephone: 02-806291; e-mail:info@itk.it) or through the NIS-Storage system which is operated by BIt Market Services at: www.emarketstorage.com.

Milan, 13 November 2015 The Board of Directors

Annexes:

1) Consolidated Statement of Financial Position
2) Consolidated Income Statement

Annex 1) Consolidated Statement of Financial Position

Statement of financial position		
(in thousands of Euro)	*30/09/2015*	*31/12/2014*
Investments in equity interests and fund units	437,327	437,860
Non-current loan assets	10,788	11,760
Investment property	4,412	4,488
Property, plant and equipment	12,266	456
Goodwill	798	1,000
Intangible assets	4	4
Other non-current assets	486	484
Deferred tax assets	8,691	8,633
Total non-current assets	**474,772**	**464,685**
Current loan assets	75,622	12,131
Trade receivables	14,131	11,040
Other current receivables and assets	10,310	14,636
Cash and cash equivalents	13,005	48,940
Total current assets	**113,068**	**86,747**
Non-current assets held for sale	1,559	1,559
Total assets	**589,399**	**552,991**
Share capital	314,225	314,225
Reserves and Profit/(Loss) for the year	120,897	128,113
Equity attributable to the Group	**435,122**	**442,338**
Non-controlling interests	-	-
Total equity	**435,122**	**442,338**
Employee benefits	421	471
Deferred tax liabilities	3,676	1,728
Non-current loans and borrowings	108,429	63,147
Other non-current liabilities	938	938
Provisions for risks and charges	4,947	6,101
Total non-current liabilities	**118,411**	**72,385**
Current loans and borrowings	29,192	29,404
Trade payables	1,144	1,276
Other current liabilities	5,530	7,588
Total current liabilities	**35,866**	**38,268**
Total liabilities and equity	**589,399**	**552,991**

N.B. Not audited

Attachment 2) Consolidated income statement

Consolidated Income Statement				
(in thousands of Euro)	*1 January - 30 September 2015*	*1 January - 30 September 2014*	*3rd quarter 2015*	*3rd quarter 2014*
Net income from investment management	(654)	41,432	(1,267)	34,127
Commissions on guarantees given	3,137	3,661	1,056	1,104
Other income	1,597	1,980	662	931
Personnel expenses	(1,694)	(1,905)	(476)	(755)
Amortisation and impairment and write-downs	(437)	(264)	(138)	(150)
Other operating costs	(4,173)	(5,726)	(1,410)	(2,658)
Operating profit/(loss)	**(2,224)**	**39,178**	**(1,573)**	**32,599**
Financial income	607	540	281	239
Financial expense	(4,679)	(6,427)	(1,583)	(2,934)
Net financial expenses	*(4,072)*	*(5,887)*	*(1,302)*	*(2,695)*
Profit/(loss) before taxes	**(6,296)**	**33,291**	**(2,875)**	**29,904**
Current taxes	(565)	-	(541)	(11)
Deferred taxes	25	-	122	-
Total income taxes	**(540)**	**-**	**(419)**	**(11)**
Net result from Investment Entity activities	**(6,836)**	**33,291**	**(3,294)**	**29,893**
Net result from previously consolidated assets	-	16,112	-	4,111
Profit/(loss) for the year	**(6,836)**	**49,403**	**(3,294)**	**34,004**

N.B. Not audited

INTEK GROUP

INTERMEDIATE REPORT ON OPERATIONS AS AT 30 SEPTEMBER 2015

(3rd QUARTER 2015)

Board of Directors
of 13 November 2015

Intek Group SpA
Registered and Administrative Office:
20121 Milan - Foro Buonaparte, 44
Share capital Euro 314,225,009.80 fully paid-up
Tax Code and Business Register
of Milan no. 00931330583
www.itkgroup.it

Contents

Company Bodies

Board of Directors *(office ending with the approval of the 2017 financial statements)*

Chairman	Vincenzo Manes [B]
Deputy Chairwoman	Diva Moriani [B]
	Salvatore Bragantini
	Marcello Gallo
	Giuseppe Lignana [A,C]
	James Macdonald
	Alessandra Pizzuti
	Luca Ricciardi [A,C]
	Franco Spalla [A,C]

A. Independent Director
B. Executive director
C. Member of the Internal Control and Risks Committee (Giuseppe Lignana, Chairman)

Board of Statutory Auditors *(office ending with the approval of the 2017 financial statements)*

Chairman	Marco Lombardi
Statutory Auditors	Francesca Marchetti
	Alberto Villani
Alternate Auditors	Elena Beretta
	Andrea Zonca
Secretary of the Board of Directors	Roberto De Vitis
Manager in charge of Financial Reporting	Giuseppe Mazza
Independent Auditors	KPMG SpA
Common Representative of Saving Shareholders	Simonetta Pastorino
Common Representative of the "2015/2020 Intek Group SpA bond holders"	Rossano Bortolotti

Intermediate Report on Operations for the third quarter 2015

This intermediate report on operations is presented, consistently with the separate and consolidated financial statements as at 31 December 2014, by adopting the accounting standards envisaged for investment entities (amendments made to IFRS 10, 12 and IAS 27) introduced by the EU Regulation 1174/2013 and applied by the Intek Group as from the end of 2014. As a result of the use of the accounting standards of investment entities, Intek does not carry out the full consolidation of the investments in subsidiaries not in furtherance of the company object, but they are measured at fair value through profit or loss, in accordance with the provisions of Italian Legislative Decree no. 38/2005. Therefore, equity investments held for investment - including KME AG, a holding company at the head of the KME Group working in the "copper" sector and FEB – Ernesto Breda SpA - are excluded from the consolidation.

2015 has been the first financial year in which these principles were applied from 1st January.

It should be noted that in the absence of events of significant impact, measurements of investments and unlisted securities are updated every six months.

During the period under review, Intek Group pursued its management of equity investments and investments in other assets in order to increase their value.

The Company is a holding company with diversified interests. the activities of which are focused on the dynamic management of the investments in line with the management guidelines of the Group has set for itself since the end of 2012 with the merger of Intek into KME Group, which was focused on cash generation and increasing the value of the investments over time, including through disposals in line the with the development strategies.

Intek Group invests with a focus on the medium to long term, with the objective of creating and maintaining a flexible portfolio of assets, with investment cycles that are reduced compared to the past and therefore result in a faster cash generation. As a consequence, the disinvestment opportunities offered by the market are taken and attention is focused on the more profitable and promising sectors, while exiting segments, whether industrial or financial, with lowered prospects for appreciation or realization times which are not in line with the group's management policies.

It is hereby specified that the Company's operations do not fall into the scope of application of the law on collective asset management. To this end, it is hereby specified that the accounting standards of the investment entities adopted do not constitute a significant element that would qualify Intek Group as a company operating in the area of collective asset management and therefore, for the purposes of their application, registration of the Company in the register of investment companies is not necessary.

The quarter in question was characterised by an acceleration of the reorganisation process focused on the copper sector operations, which is Intek Group's main investment.

This process, which began last year in relation to the operations in Germany, is leading to the reorganisation of the business owned by the holding company KME AG into two independent operating entities: the first comprises of the Special Products, Brass Rods and standard products businesses located in Germany; the second comprises of the Standard Products (Rolled and Tubes) businesses located in Italy, France and Spain. With regard to the activity carried out during the quarter reviewed here, we note the following significant initiatives:

- the concentration of the German production of tubes into a single facility (Menden) and closure of the Osnabrük tube manufacturing line;
- the positive conclusion of the trade union negotiation with the French national coordination, prior to concluding an agreement for the sale of the controlling interests of the tube manufacturing facilities in France and Italy and the brass rod facilities in France, to a sector operator.

Furthermore, analyses are currently being conducted in order to define different restructuring scenarios for the Italian manufacturing division, in order to reduce or streamline the available manufacturing capacity, and meetings with the trade union representatives have been initiated to this end.

The rationalization of the operations work continued, aiming to better focus resources towards productions with higher added value and markets with higher growth potential, where customers that have outsourced their own operations show interest in reliable suppliers providing for quality in line with European standards.

For further details regarding the activities of KME Group please see the chapter covering the “copper sector” in this report.

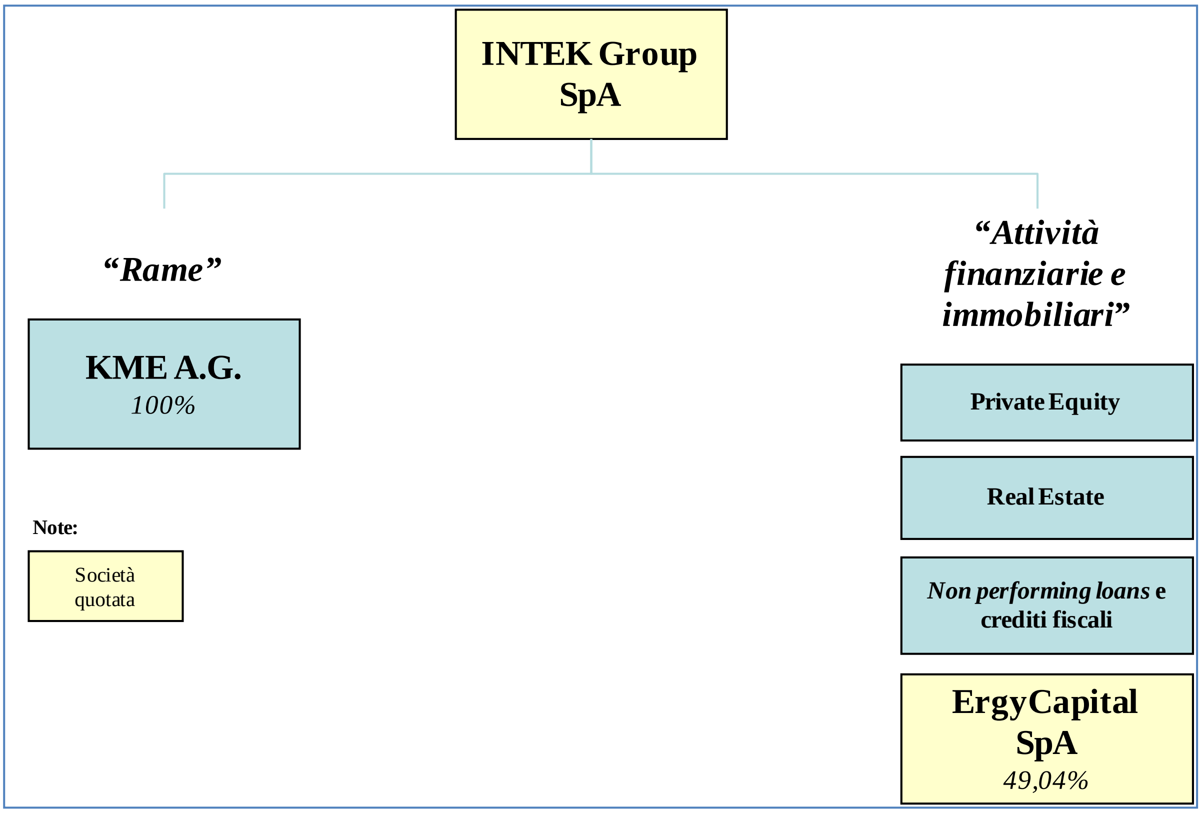
* * *

In the third quarter of 2015, based on a share buyback program resolved upon by the shareholders’ meeting held on 19 June 2015, the company purchased 377,692 ordinary shares or 0.11% of this share class. In October 2015, the Company purchased an additional 358,420 ordinary shares (or 0.10% of the capital with voting rights) and therefore, as at the date of this press release, the Company owns 6,595,858 ordinary shares, or 1.91% of this share class, and 11,801 savings shares, equal to 0.024% of this share class.

* * *

Following is a summary description of the Intek Group corporate structure as at 30 September 2015, with an indication of the investment sectors following the merger of Intek S.p.A into KME Group S.p.A, which took place in 2012 and concentrated the two companies and their businesses under a single holding – parent.

Summary of the Group's corporate structure



The **investment sectors** of INTEK Group S.p.A. (hereinafter "Intek Group" or "the Company") are: the traditional sector of "**copper**", which includes the production and marketing of copper and copper-alloy semi-finished products by the German subsidiary KME AG and remains the Group's core business; and the sector of "**financial and real estate assets**", including the private equity business that is carried out through the closed-end I2 Capital Partners investment fund as well as the management of receivables (tax and non-performing receivables and those arising from insolvency procedures) and real estate assets.

The equity investment in Ergycapital SpA, an investment company listed on the Italian Stock Exchange electronic equity market, which operates in the energy from renewable sources and energy saving sector is included among the financial and property assets.

The parent company Intek Group SpA

The structure of the holdings in diversified investments, made by the company upon completion of the previously mentioned merger, results in the separate financial statements of the parent company portraying the equity and income structure and actual economic evolution of the Company in a more effective manner.

The Intek Group makes investments with medium-long term time horizons combining its entrepreneurial perspective with a solid financial structure and seeks to redefine a flexible portfolio with smaller investment cycles and more rapid cash generation.

To maximise the value of the assets managed, the Company carefully defines business strategies and controls the subsidiaries, looks for agreements and/or partnership opportunities, sells specific assets, and manages extraordinary operations involving the subsidiaries.

The Intek Group's financial highlights can be summarised as follows:

Condensed separate statement of financial position

(in thousands of Euro)	*30 Sept. 2015*		*31 Dec. 2014*	
Copper	**394,630**	**84.44%**	**393,997**	**86.02%**
Financial and real estate assets				
Private Equity	*8,509*		*8,288*	
Non operating assets	*4,552*		*4,554*	
Real Estate/Others	*28,367*		*27,204*	
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Net cash from third parties	*13,484*		*1,387*	
Liquidity investments in KME	*35,122*		*-*	
Net reclassified financial debts Intek G	**(55,211)**		**(60,575)**	
Net cash available to KME Partecipazioni	**27,045**		**49,933**	
Holding company financial debts due to third parties	**(28,166)**	**6.03%**	**(10,642)**	**2.32%**
Total shareholders' equity	**439,180**	**93.97%**	**447,410**	**97.68%**

Notes:

- *In the statement, presented with the same method of internal operational representation, the investments are expressed net of any financial credit/debit relations in existence with Intek Group or KME Partecipazioni, except for a liquidity investment in KME AG of Euro 35 million.*
- *(*) including accruing interests.*

Investments

The Net investments held by the Company amounted to Euro 467.3 million as at 30 September 2015 (Euro 458.1 million at the end of 2014), of which 84.4% were in the “copper” sector and the rest in financial and real estate assets. The increase in the Net Investments is mainly due to the new loans granted to the investee companies and the acquisition of the company that owns the building at Foro Buonaparte 44 in Milan.

Equity

The equity of the holding company amounts to Euro 439.2 million compared to Euro 447.4 million as at 31 December 2014; the change is almost entirely due to the results achieved in the first nine months of 2015 (loss of Euro 6.4 million) and the acquisition of treasury shares of which Euro 1.4 million received as a dividend from KME Partecipazoni and Euro 0.4 million purchased on the market.

The earnings per share amounted to Euro 1.11 compared to Euro 1.13 as at 31 December 2014.

The **Share Capital** at 30 September 2015 was Euro 314,225,009.80 subdivided into 345,506,670 ordinary shares and 50,109,818 savings shares. The shares have no nominal value.

Financing activities

The net financial indebtedness of the Holding company (which includes positions toward third parties, Intek Group and KME Partecipazioni) totalled Euro 28.2 million as at 30 September 2015, compared to Euro 10.6 million as at 31 December 2014. This indebtedness represents 6.0% of all investments.

At the end of September 2015, Intek, also by means of the subsidiaries KME Partecipazioni and Immobiliare Pictea, had a liquidity of Euro 40.5 million, also as a result of the net flow deriving from the issue of new bonds and from the early redemption of those outstanding in March 2015.

A portion of this liquidity is currently employed in CIU shares (Euro 26.2 million).

Intek Group's **reclassified net financial position** as at 30 September 2015, compared with 31 December 2014, is broken down as follows:

Reclassified net financial debt			
(in thousands of Euro)		*30 Sept. 2015*	*31 Dec. 2014*
Cash and cash equivalents		(3,171)	(736)
Other financial assets		(2,893)	-
Current loan assets from subsidiaries		(44,013)	(7,135)
Current receivables for financial guarantees from subsidiaries		(3,241)	(3,892)
(A) Net financial assets	**(A)**	**(53,318)**	**(11,763)**
Current loans and borrowings		6,340	5,870
Loans and borrowings due to subsidiaries		39,591	36,137
(B) Short-term financial liabilities	**(B)**	**45,931**	**42,007**
(C) Current net financial debt	**(A) - (B)**	**(7,387)**	**30,244**
Long-term financial payables		11	1,690
Intek Group 2012 – 2017 Debt securities		-	48,662
Bonds Intek Group 2012 – 2017		-	11,328
Bonds Intek Group 2015 – 2020		100,725	-
(D) Non - current financial liabilities		**100,736**	**61,680**
(E) Net financial position	**(C) - (D)**	**93,349**	**91,924**
Non-current receivables for financial guarantees due from subsidiaries		-	(1,675)
Non-current loan assets – subsidiaries		(433)	(449)
Non-current loan – assets - banks		(672)	(672)
(F) Non-current loan assets		**(1,105)**	**(2,796)**
(G) Reclassified net financial debt	**(E) + (F)**	**92,244**	**89,128**

(E) Definition pursuant to communication CONSOB DEM 6064293 of 28 July 2006 in application of the CESR recommendations of 10 February 2005

The **profit and loss result** of the holding company as at 30 September 2015 is negative by Euro 6.4 million, due to the lack of transactions concluded in the period under review or significant positive changes in fair value. The result was influenced by the financial expenses and operating costs, both of which were nevertheless decreased by 10% compared to the previous year. Economic performance was also adversely affected by non-recurring legal, consulting and personnel expenses which amounted to Euro 0.7 million.

The income statement below was reclassified reflecting the results of the investments, including the operating cost thereof, in the item “Fair value changes and other gains/losses from investing activities”.

Reclassified Income Statement		
(in thousands of Euro)	*1 January - 30 September 2015*	*1 January - 30 September 2014*
Fair value changes and other gains/losses from investing activities	(181)	7,345
Commission income on guarantees given	3,161	3,661
Costs of investing activities	(332)	(348)
Gross gain/loss from investments	**2,648**	**10,658**
Net operating costs	(3,543)	(3,868)
Interest income	374	375
Interest expense	(4,730)	(5,149)
Profit/(loss) from continuing operations	**(5,251)**	**2,016**
Non-recurring income/(expense)	(697)	(246)
Profit (loss) before taxes	**(5,948)**	**1,770**
Taxes for the year	(473)	882
Net profit (loss) for the year	**(6,421)**	**2,652**

Financial flows recorded in the first nine months of 2015 are broken down as follows:

Statement of cash flows – indirect method			
(in thousands of Euro)		*1 January - 30 September 2015*	*1 January - 30 September 2014*
(A) Cash and cash equivalents at the beginning of the year		**736**	**930**
Profit (loss) before taxes		(5,947)	1,771
Amortisation and depreciation of property, plant and equipment and		49	70
Impairment losses on non-current, non-financial assets		202	-
Impairment losses (reversal of impairment losses) on current and non-current financial		16,869	(8,145)
Changes in provision for pensions, employment severance benefits and		(24)	57
Changes in provisions for risks and charges		(266)	(7)
Increase/ decrease in investments		(100)	(154)
(Increases) decreases in other financial investments		(2,604)	-
Increases (decreases) in financial payables towards related companies		18,454	8,363
(Increases) decrease in financial receivables from related companies		(37,013)	12,902
Dividends received		(16,425)	-
(Increase) / decrease in current receivables		(1,055)	1,276
Increase / (decrease) in current payables		301	(2,629)
Taxes paid during year		(518)	32
(B) Total Cash flows from (used in) operating activities		**(28,077)**	**13,536**
(Increase) in non-current tangible and intangible assets		(61)	(31)
Increase/ decrease in instrumental equity interests		(10,021)	-
Increase/decrease in other non-current assets/liabilities		4	(194)
(C) Cash flows from investment activities		**(10,078)**	**(225)**
(Purchase) sale of treasury shares		(371)	370
Bond issue and Early Redemption		39,796	-
Payment of interests on Bonds		(2,820)	-
Increase (decrease) in current and non-current loans and borrowings		3,985	(12,925)
(Increase) decrease in current and non-current loan assets		-	119
(D) Cash flows from (used in) financing activities		**40,590**	**(12,436)**
(E) Change in cash and cash equivalents	**(B) + (C) + (D)**	**2,435**	**875**
(F) Cash and cash equivalents at the end of the year	**(A) + (E)**	**3,171**	**1,805**

With respect to the **business outlook**, commissions on the financial guarantees given on behalf of subsidiaries will fall due during the current year and former Intek assets will be subject to divestments. For information regarding the performance of the equity investments please refer to the pages below.

Performance in the various investment sectors

<u>Copper sector</u>

The "copper" sector includes the production and marketing of copper and copper-alloy semi-finished products by German subsidiary **KME AG**, and continues to be the INTEK Group's main investment.

Due to their wide field of application, the demand for semi-finished products in copper and copper alloys is very closely connected to the general performance of economic activity in the various reference markets.

In this sense the international macroeconomic scenario continues to be considerably uncertain; while the good cyclical results continue in developed countries, except for Europe which continues to lag behind as a consolidated recovery is not yet underway, a slowdown is occurring in many emerging markets.

In the United States, economic activity is strong and expansion continues in the United Kingdom. In Japan however, growth is more uneven.

Regarding the major merging economies, the confirmed slowdown of the economy in China is producing effects on other Asian countries and economies that are exporters of raw materials. In Brazil and Russia, the recessionary environment has intensified.

In the Euro area, where KME Group mostly operates, the recovery is still occurring at a modest rate. The outlook remains positive but it is connected to uncertainty regarding the intensity of the growth that is expected, including in light of the possible repercussions of the Volkswagen scandal on the entire automobile sector and the activities surrounding it, as these are sectors that contributed significantly to the recent recovery of the Euro area.

As described in previous management reports, the tough macroeconomic scenario of the last few years has worsened the structural overcapacity of certain areas with a consequent downward pressure on prices. This led the operating units of the "copper" sector to immediately intervene in order to improve competitive positioning, including in the current difficult market conditions, while concurrently making strategic decisions aimed at obtaining benefits over the medium term in a more favourable environment. Our push to strengthen operational efficiency and organisational flexibility has been focused along these lines and the rationalisation of the business portfolio, with the objective of focusing our resources more towards a series of high value added activities and markets with a higher growth potential.

This latter strategy has led to the definition of a significant project, the purpose of which is to rationalise the facility for the manufacturing of rolled products for connectors in China, in partnership with a leading local operator, which is currently underway. The project implementation has proceeded according to the deadlines that have been set: orders to suppliers have started for construction of the production unit, while the finishing line will make it possible to distribute directly to Chinese clients has also started, beginning from the semi-finished products from the Stolberg facility and other KME Group units. Chinese customers have endorsed the quality of the first products coming off the finishing line.

The maximum production efficiency and commercial effectiveness objective led to a new organizational structure in the sector, which envisages a separation into two independent operating entities, one including the special products business, the Brass rods business and the German standard products business (rolled and tubes), and the standard products business (rolled and tubes) in Italy, France and Spain.

The result is a more streamlined operating model and a rationalised portfolio.

Consequently, restructuring projects for certain sites have been started, aiming to reduce excess production capacity, to streamline the structure, and to optimize industrial costs and working capital, with significant impacts on operations in terms of recovered efficiency and profitability.

The first completed project led to the reorganisation of the production facilities of the sector in Germany, through the concentration of the tube manufacturing into a single facility (Menden) and closure of the Osnabrük tube manufacturing line. This action, which was accompanied by a drastic decrease in the costs for central services, led to the departure of approximately 350 employees.

In France, on 6 November, the Comité Central d'Entreprise (Works Council) of the subsidiary KME France S.A.S. worked on finalising the procedures that will lead to an agreement in the next few days with CUPORI OY, one of the main manufacturers of industrial copper rods, to sell the Givet and Niederbruck facilities, and also the tube operations carried out in the Italian facility of Serravalle Scrivia; the KME Group will remain in the new structure with a 40% equity investment. The offer will allow CUPORI OY to develop its activities in Europe and KME Group to rationalise the "copper" production line in France, while protecting the jobs of a significant number of employees. In addition to its very high strategic and market focused significance, the transaction made it possible to avoid closing the French tube facility at Givet which had been announced in June 2015. This had led to the initiation of a union procedure for definition of a Social Plan, involving approximately 280 employees. The CUPORI offer was subject to reaching an agreement with the union that provides for a very contained reorganisation.

In Italy, a project was recently presented which provides for the closure in 2016 of the "copper" operations in the Fornaci di Barga (Lucca) facility, and its manufacturing operations, rolled and special products will be moved to other Group units. A study is currently being conducted on the reconversion of the entire area to what has the potential to become the largest European hydroponic agriculture facility, the effect of which would also be to minimise the social impact of the restructuring above. The discussion with the union representatives has begun; however, we are continuing to look into other alternative restructuring scenarios.

From an organizational point of view, the management of the KME Group, fully in line with the strategies defined by the parent company INTEK Group S.p.A., is assured by the Board of the German parent company KME A.G., with Vincenzo Manes as the "Chief Strategic Officer," and Diva Moriani who maintains the role of "Group CEO" to whom the operating units and all staff functions report.

As for the market trend, the demand for **semi-finished products in copper and its alloys for the building sector** is still characterised by a fundamental weakness. Over the last few months, the sale of rolled, used for roofs and facades, finishings and interior design has confirmed that recovery is underway in this area. The weakness of demand still continues to neutralise the positive effect of the increased added value obtained through a policy focused on high quality and a broad range of products, continuous customer support and supervision of installations, the furnishing of design ideas through the promotion of innovative solutions in the residential area, interior design and large public areas in general.

The sales volumes of plumbing tubes are still weak, with stabler prices.

The evolution of demand for **semi-finished goods in copper for the industrial sector,** which KME Group intends to support as a significant partner by providing its metallurgical know how, is confirming its signs of stability, though this is differentiated among the various segments. The sales volumes of the industrial rolled, whether copper or alloys, in their vast assortment of compositions, sizes and formats, are growing compared to the last months of 2014 and at stabler prices. The industrial tubes, which also cover a vast range of applications, showed more weakness in terms of volumes in the last few months, while prices have kept resilient.

As for revenue of special products, it essentially remains at the average level of 2014, despite the slowdown in business in the main emerging countries; prospects are closely linked to their recent economic developments. In certain segments, such as the ingot moulds and the copper cooling elements for foundries, the KME Group maintains a leading position worldwide, with a strong commitment toward innovation and constant technological updating of the products and services.

The negative trend reversal in the market for rods which began in the last two quarters of 2014, seems to have stopped in the last few months, as there have been consolidated signs of recovery in terms of volumes and prices.

With regard to the economic performance of the sector, the industrial and commercial measures continue to determine their positive effects on costs, but they are not sufficient to offset the decline in sales. In the first nine months of 2015, turnover net of raw materials was lower than in the same period of 2014 by 3.6% (2.6% on a like-for-like basis), while recent months have shown a trend toward increased sales confirming the signals that demand is progressively recovering.

The operating profitability as at 30 September 2015 decreased by 5.9% year on year, partly as a result of the lower contribution resulting from the optimisation of the use of raw materials because of the lower availability of scrap on the market, increasing their price, but it is up compared to the last few quarters (EBITDA compared to turnover net of raw materials increased from 6.6% in the first half of 2015 to 8.1%).

Key consolidated results of the copper sector

(milions of Euro)	*30.09.2015*	*30.09.2014*
Turnover	**1,555.0**	**1,582.0**
Turnover (net of raw materials)	**453.6470.4**	
EBITDA	**36.8**	**39.1**
EBIT	**10.0**	**10.1**
Profit (loss) before non-recurring items	**(7.4)**	**(5.4)**
Non-recurring income (expenses)	***(30,3)***	***28,5***
Effect of IFRS measurement of inventories	***(15.8)***	***(6.4)***
Consolidated result before taxes	**(56.0)**	**16,3**
Net indebtedness	**225,6**	**242,8 (31.12.2014)**
Equity	**80,4**	**131,8 (31.12.2014)**

The **Consolidated Revenue** at 30 September 2015 amounted to a total of Euro 1,555.0 million, down by 1.7% on 2014, when it was Euro 1,582.0 million. The lower volumes affected this reduction. Less the value of the raw materials, revenue declined from Euro 470.4 million to Euro 453.6 million, down 3.6% (2.6% on a like-for-like basis).

EBITDA at 30 September 2015 was Euro 36.8 million; it was lower than in 2014 when EBITDA was Euro 39.1 million (5.9%). The cost of labour and other operating costs dropped, confirming the positive effect of the efficiency and flexibility measures adopted to counter the reduction in production, thanks also to the agreements reached with the trade unions which made it possible, among other things, to forestall employment terminations by using the social measures and fine tuning the performance bonuses. As previously described, the operating profitability was affected by the decrease in margins deriving from the optimisation of the use of raw materials due to the continuing lack of scrap on the market. The operating result for the first nine months of 2015 compared to net sales dropped from 8.3% in the first nine months of 2014 to 8.1% but went up from 6.6 % in the first half of 2015.

EBIT stood at Euro 10.0 million (Euro 10.1 million in 2014).

The **result before non-recurring components** is negative by Euro 7.4 million, down by Euro 2 million compared to 2014 (negative by Euro 5.4 million), due mainly to foreign exchange differences.

The **Consolidated revenue, including taxes,** of the copper sector shows, at the end of September 2015, a loss of Euro 56.0 million (compared to a profit of Euro 16.3 million in 2014 due to the contribution of capital gains achieved with the sale of plumbing tubes business in UK and with the contributions of the German connectors activities into the Chinese joint venture). The result as at 30 September 2015 is mainly affected by non-recurring expenses of Euro 30.3 million, which are almost entirely due to costs connected to the restructuring of the operating units under way and Euro 15.8 million in negative valuation differences of the copper inventory, according to IFRS.

The **Net Financial Position** as at 30 September 2015 was a negative Euro 225.6 million, improving with respect to the value at the end of December 2014 when it was Euro 242.8 million. The lower debt derives from the further optimisation of the working capital.

The **workforce** as at 30 September 2015 numbered 4,851 units (5,136 as at the end of 2014).

Regarding the **business outlook**, the prospects of the copper sector's financial performance are very closely connected to the realization of expectations for recovery of economic activity in Europe; it is expected that the new environment will help reducing competition on markets, which contributed to the drop of the margins in the last quarters. The upcoming months will benefit from an additional reduction in the operating costs connected to the execution of the production structure reorganization in the various segments of the KME Group operations, aimed at improving competitive positioning vis-à-vis major competitors.

The **price of copper** during the 1st nine months of 2015 decreased by 17.7% in US$ in 2015 compared to the same period of the previous year (decreasing from US$ 6,943/ton to US$ 5,712/ton) and remained stable in Euros (from Euro 5,127/ton to Euro 5,130/ton) due to the appreciation of the USD. In terms of trend, the average prices of copper in the third quarter of 2015 recorded a decrease, with respect to those of the second quarter of 2015, equal to 13.3% in US$ (from US$ 6,054/ton to US$ 5,251/ton, and a reduction of 13.8% in Euro (from Euro 5,480/ton to Euro 4,724/ton).

In October, the average price of copper showed more stability compared to the previous months, reaching US$ 5,223/ton in April, corresponding to Euro 4,649/ton.

* * *

<u>Sector of financial and real estate assets</u>

This sector comprises the assets that were part of Intek SpA and of its subsidiaries in the past in addition to the investment in the sector of energy from renewable sources and of energy savings made by means of the equity investment in ErgyCapital.

Private Equity

The investment in the private equity area consists of the total equity investment in I2 Capital Partners SGR and the investment in units of the I2 Capital Partners fund (the “Fund”), 19.2% of which is owned by Intek.

Regarding the Fund, various activities have been carried out aimed at streamlining the on-going litigation of the various vehicles that are the official assignees. Certain lawsuits were thus settled and the negotiations for others are in an advanced phase.

From the start of its business to 30 September 2015, the Fund made payment requests for a total of Euro 123.2 million, in order to cover operating costs.

As at 30 September 2015 investments had been made for a total of Euro 94.2 million, including disposals. Up until now, the Fund reimbursed the subscribers for shares amounting to a total of Euro 82.1 million.

* * *

Non operating assets

No events worthy of mention took place in the sector which has nevertheless collected an amount of Euro 0.4 million subsequently to the closure of the quarter under review.

* * *

Real estates

Valorisation activities continued for the properties within the portfolio of the Group's companies. In particular, the initiatives concerning the building complex on Borgo Panigale in Bologna were intensified. This complex is owned through the equity investment in Rede Immobiliare Srl, based on the conclusion of agreements for sale of this asset.

In July 2015, Intek Group purchased the total equity investment in Immobiliare Pictea Srl, against Euro 10.0 million. This company owns the building located in Milan, Foro Buonaparte 44, where Intek Group and most of its subsidiaries have their headquarters. The building has six floors, 4 of which are used for offices and 2 for residences. The immediate financial commitment of the Group was equal to Euro 3.0 million, while for the remaining amount of Euro 7.0 million a mortgage was concluded at a variable rate set at one month Euribor plus 2.8 percentage points. A hedging contract for the interest rate risk was also concluded to this end.

* * *

Energy from renewable sources:

ErgyCapital SpA has pursued its operations achieving a production value in the first nine months of 2015 of Euro 11.9 million, down compared to the corresponding period the previous year (Euro 13.5 million). The decrease is mainly due to the remodulation of the incentive tariffs of the Photovoltaic Sector governed by the Italian “incentive spreading” Decree.

Consolidated EBITDA in the first nine months of 2015 was Euro 6.0 million (Euro 7.0 million in the corresponding period of the previous year): this confirms the good operating gross profitability which is equal to approximately 51% despite the effect of the “incentive spreading” Decree.

The net financial position is Euro 68.5 million, showing an improvement of Euro 2.8 million (Euro 71.3 million as at 31 December 2014), due to the reduction of the financial debt for the photovoltaic plants and biogas facilities and the reduction of the fair value of the interest rate hedging contracts.

For further information on the operating performance of ErgyCapital refer to the documentation made available by the Company.

Financing activities

After fully paying the debt to GE Capital - Interbanca at the end of 2014, Intek Group has no other debt exposure to third parties, except for the financial debt instruments that are outstanding.

During the quarter, as part of its liquidity management efforts Intek Group granted loans of Euro 35 million to subsidiary KME AG at arms’ length terms and conditions.

At the end of September, Intek’s liquidity stood at Euro 40.5 million, including through its subsidiaries KME Partecipazioni and Immobiliare Pictea.

KME Partecipazioni and Intek Group invested Euro 26.2 million of this liquidity in harmonised CIUs (investment funds), characterised by absolute return investment policies.

Group results

It should be noted that, following the application of the principle relating to the investment entities occurred at the end of the 2014 financial year, the values of the consolidated financial statements are aligned with those of the separate financial statements except for the effects of the fair value measurement of the investments held by the sub-holding KME Partecipazioni.

As a result of the exclusion from the consolidation of the industrial investment in KME AG, the management income statement that showed the impacts of the different valuation of stocks is no longer presented. The statements are modified by making them similar to those already used for preparing the separate financial statements as at 31 December 2014. The figures are compared with those of the same period of the previous financial year and, in order to allow a better comparison, the latter were restated by reclassifying in a single item costs and revenues related to the previously consolidated assets. Starting from the first quarter of 2015, the results are presented net of the taxes for the period.

The consolidated financial statements include now, in addition to the Parent company, the subsidiaries in furtherance of the company object for the totality KME Partecipazioni, I2 Capital Partners SGR, I2 Real Estate and, since the 1st July 2015, Immobiliare Pictea Srl.

* * *

Consolidated Income Statement

(in thousands of Euro)	*1 January - 30 September 2015*	*1 January - 30 September 2014*	*3rd quarter 2015*	*3rd quarter 2014*
Net income from investment management	**(654)**	**41,432**	**(1,267)**	**34,127**
Commissions on guarantees given	3,137	3,661	1,056	1,104
Other income	1,597	1,980	662	931
Personnel expenses	(1,694)	(1,905)	(476)	(755)
Other operating costs	(4,173)	(5,726)	(1,410)	(2,658)
Net operating costs	**(1,133)**	**(1,990)**	**(168)**	**(1,378)**
EBITDA	**(1,787)**	**39,442**	**(1,435)**	**32,749**
Amortisation and impairment losses	(437)	(264)	(138)	(150)
EBIT	**(2,224)**	**39,178**	**(1,573)**	**32,599**
Financial income	607	540	281	239
Financial expense	(4,679)	(6,427)	(1,583)	(2,934)
Net financial expenses	*(4,072)*	*(5,887)*	*(1,302)*	*(2,695)*
Profit/(loss) before taxes	**(6,296)**	**33,291**	**(2,875)**	**29,904**
Current taxes	(565)	-	(541)	(11)
Deferred taxes	25	-	122	-
Total income taxes	**(540)**	**-**	**(419)**	**(11)**
Net result from Investment Entity activities	**(6,836)**	**33,291**	**(3,294)**	**29,893**
Net result from previously consolidated assets	-	16,112	-	4,111
Profit/(loss) for the period	**(6,836)**	**49,403**	**(3,294)**	**34,004**

The negative result of the net results from investment entity activities in the third quarter of 2015 is connected to the performance of trading prices of the ErgyCapital shares and warrants and a lower revaluation of the I2 Capital Partners fund units due to distribution of a portion thereof. The sale of the equity investment in Cobra AT took place in the third quarter of 2014.

We hereby confirm the decrease of the overhead costs and that the positive effects of the indebtedness optimisation are becoming apparent.

In reference to the **equity situation**, the consolidated shareholders' equity can be summarised as follows:

Consolidated equity		
(in thousands of Euro)	*30 Sept. 2015*	*31 Dec. 2014*
Share capital	314,225	314,225
Reserves	127,733	(27,738)
Profit/ (Loss) for the period	(6,836)	155,851
Equity attributable to owners of the Parent company	**435,122**	**442,338**
Equity attributable to non-controlling interests	-	-
Total shareholders' equity	**435,122**	**442,338**

It should be noted that the 2014 profit/(loss) for the period benefited from the effects of the application of the principle related to the investment entities of Euro 146.6 million.

The Group **financial debt** at 30 September 2015 stood at Euro 49.4 million compared to Euro 30.3 million as at 31 December 2014. As at 30 September 2015 the Group had liquidity and investments in flexible, easy to liquidate instruments, of Euro 26.2 million.

Reclassified consolidated net financial debt			
(in thousands of Euro)		*30 Sept. 2015*	*31 Dec. 2014*
Current loans and borrowings		4,769	5,140
Non-current loans and borrowings		7,704	1,482
Loans and borrowings due to Group companies		21,182	20,372
(A) Financial payables	**(A)**	**33,655**	**26,994**
Cash and cash equivalents		(13,005)	(48,940)
Other financial assets		(26,248)	-
Current loan assets due from Group companies		(45,690)	(7,772)
(B) Cash and current financial assets	**(B)**	**(84,943)**	**(56,712)**
(C) Consolidated net financial position prior to securities in circulation	**(A) + (B) + (C)**	**(51,288)**	**(29,718)**
(D) Debt securities in circulation (net of interest)		**100,725**	**59,990**
(E) Consolidated net financial position	**(D) + (E)**	**49,437**	**30,272**
(F) Non-current financial assets		**(10,788)**	**(10,085)**
(G) Total net financial debt	**(F) + (G)**	**38,649**	**20,187**

(F) Definition from Consob communication DEM/6064293 dated 28.07.06 enforcing the CESR recommendations dated 10 February 2005.

The net consolidated invested capital was as follows:

Net consolidated invested capital		
(in thousands of Euro)	*30 Sept. 2015*	*31 Dec. 2014*
Net non-current assets	466,081	454,377
Net working capital	18,831	17,900
Net deferred tax	5,015	6,905
Provisions	(5,368)	(6,572)
Net invested capital	**484,559**	**472,610**
Total shareholders' equity	435,122	442,338
Net financial position	49,437	30,272
Sources of finance	**484,559**	**472,610**

The "Net Invested Capital" is a financial indicator which is not envisaged by the IFRS and should not be considered as an alternative to the indicators envisaged by the IFRS. Its components are given here below:

- *"Net non-current assets" consists of the sum of non-current assets except for deferred tax assets.*
- *"Net working capital" consists of the sum of the items "Trade receivables" net of "Trade payables" and "Other current assets/liabilities", except for the items previously considered in the definition of "Net financial debt".*
- *"Net provisions" includes the items "Employee benefits" and "Provisions for risks and charges".*

We note the increase in the net non-current assets following the investment in the building in which the Group maintains its headquarters.

Other information:

In July 2015, the special shareholders' meeting convoked to resolve upon the possible mandatory conversion of the savings shares into ordinary shares, did not approve the proposal presented by the Company’s Board of Directors which provided for a conversion ratio of 1.1 ordinary shares for each exchanged saving share, plus a unit adjustment in cash of Euro 0.20.

Treasury shares

On 7 September 2015, Intek Group initiated a program for the purchase of a maximum number of 2 million of its ordinary and/or treasury treasury shares, for the purposes and within the limits set by the authorization granted by the ordinary shareholders' meeting held on 19 June 2015. 377,632 ordinary shares were purchased in the third quarter of 2015.

As at 30 September 2015, the Company held 6,237,438 ordinary treasury shares (equal to 1.80% of this category's shares) and 11,801 savings treasury shares (equal to 0.024% of the category's share capital).

In October 2015, the Company purchased an additional 358,420 ordinary shares (or 0.10%) and therefore, as at the date of this report, the Company owns 6,595,858 ordinary shares, or 1.91% of this share class.

It should be remembered that, on 1 July 2015, in execution of the resolution of the Ordinary Shareholders’ Meeting of 19 June 2015, 1 treasury savings share was assigned, free of charge to all the holders of ordinary shares and/or savings shares of the Company, for every 111 ordinary and/or savings shares held.

Parent and ownership structures

The company is controlled by Quattroduedue Holding BV which is based in Amsterdam (Holland), Vijzelstraat 68/78, through Quattroduedue SpA, a wholly owned subsidiary of the aforementioned Quattroduedue Holding BV. On 30 September 2015, Quattroduedue SpA owned 158,067,506 ordinary Intek Group shares, or 45.749% of the ordinary capital of the Company and 1,424,032 savings shares or 2.842% of this share class.

* * *

It is noted that the company’s Board of Directors, at its meeting on 14 September 2012, decided, among other things, to make use of the exception envisaged by articles 70, paragraph 8, and 71-bis of the Issuers’ Regulation, which gives the company the right to be exempt from the obligation to publish a Prospectus on significant operations in terms of mergers, divisions, share capital increases through transfers of goods in kind, acquisitions and disposals.

<u>Transactions with related parties</u>

Transactions with related parties, including intercompany transactions, were neither atypical nor unusual, in that they were part of the Group’s day-to-day business and were all conducted on an arm’s length basis or according to standard criteria.

Intek Group has extended a loan to the parent company Quattroduedue SpA. This loan bears interest at Euribor plus a spread of 300 basis points. As at 30 September 2015, the balance on this loan was Euro 1.5 million.

As at 30 September 2015, there were also existing loans to KME AG (Euro 35.1 million), ErgyCapital (Euro 4.0 million from KME Partecipazioni), Progetto Ryan 3, formerly Culti Srl (Euro 2.3 million, of which Euro 1.4 million from Intek Group and Euro 0.9 million from KME Partecipazioni), Culti Milano Srl (Euro 1.4 million from KME Partecipazioni) and Rede Immobiliare Srl (Euro 0.9 million).

The existing amounts borrowed from non-consolidated companies refer to FEB- Ernesto Breda (Euro 19.1 million), Breda Energia (Euro 2.0 million).

With regard to consolidated companies, Intek Group is financially indebted to I2 Capital Partners SGR (Euro 1.3 million) and KME Partecipazioni (Euro 17 million) while it is owed Euro 4.7 million by I2 Real Estate.

Disputes and legal cases

There have been no new elements regarding other litigation concerning the Company and the Group.

Business outlook

Operational performance will be useful for the performance of the individual investment sectors.

Significant events after 30 September 2015

There are no significant events other than those already described in the previous pages.

Accounting statements regarding the Interim Director's Report as at 30 September 2015

The Interim Directors' Report as at 30 September 2015, not subject to audit, was prepared in observance of art. 154ter of the Consolidation Finance Act and with the requirements for measurement and recognition under International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission in accordance with the procedure set forth in article 6 of Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002, as well as with the requirements in implementation of article 9 of Legislative Decree 38/2005, if applicable.

The consolidated financial position refers to the end of the quarter in consideration and to 31 December 2014, i.e. the reporting date of the previous financial year.

The consolidated financial information is provided for the first nine months of 2015. In consideration of the fact that during the period the operations were solely of an investment entity nature, the statements have now been modified so that they are similar to those used for drafting of the separate financial statements as at 31 December 2014. The figures are compared with those of the same period of the previous financial year and, in order to allow a better comparison, the latter were restated by reclassifying in a single item costs and revenues related to the previously consolidated assets.

Starting from the first quarter of 2015, the results are presented net of the taxes for the period.

Consolidated Balance Sheet

Statement of financial position		
(in thousands of Euro)	*30 Sept.2015*	*31 Dec.2014*
Investments in equity interests and fund units	437,327	437,860
Non-current loan assets	10,788	11,760
Investment property	4,412	4,488
Property, plant and equipment	12,266	456
Goodwill	798	1,000
Intangible assets	4	4
Other non-current assets	486	484
Deferred tax assets	8,691	8,633
Total non-current assets	**474,772**	**464,685**
Current loan assets	75,622	12,131
Trade receivables	14,131	11,040
Other current receivables and assets	10,310	14,636
Cash and cash equivalents	13,005	48,940
Total current assets	**113,068**	**86,747**
Non-current assets held for sale	1,559	1,559
Total assets	**589,399**	**552,991**
Share capital	314,225	314,225
Reserves and Profit/(Loss) for the period	120,897	128,113
Equity attributable to owners of the Parent	**435,122**	**442,338**
Non-controlling interests	-	-
Total equity	**435,122**	**442,338**
Employee benefits	421	471
Deferred tax liabilities	3,676	1,728
Non-current loans and borrowings	108,429	63,147
Other non-current liabilities	938	938
Provisions for risks and charges	4,947	6,101
Total non-current liabilities	**118,411**	**72,385**
Current loans and borrowings	29,192	29,404
Trade payables	1,144	1,276
Other current liabilities	5,530	7,588
Total current liabilities	**35,866**	**38,268**
Total liabilities and equity	**589,399**	**552,991**

Consolidated Income Statement

Consolidated Income Statement				
(in thousands of Euro)	*1 January - 30 September 2015*	*1 January - 30 September 2014*	*3rd quarter 2015*	*3rd quarter 2014*
Net income from investment management	**(654)**	**41,432**	**(1,267)**	**34,127**
Commissions on guarantees given	3,137	3,661	1,056	1,104
Other income	1,597	1,980	662	931
Personnel expenses	(1,694)	(1,905)	(476)	(755)
Other operating costs	(4,173)	(5,726)	(1,410)	(2,658)
Net operating costs	**(1,133)**	**(1,990)**	**(168)**	**(1,378)**
EBITDA	**(1,787)**	**39,442**	**(1,435)**	**32,749**
Amortisation and impairment losses	(437)	(264)	(138)	(150)
EBIT	**(2,224)**	**39,178**	**(1,573)**	**32,599**
Financial income	607	540	281	239
Financial expense	(4,679)	(6,427)	(1,583)	(2,934)
Net financial expenses	*(4,072)*	*(5,887)*	*(1,302)*	*(2,695)*
Profit/(loss) before taxes	**(6,296)**	**33,291**	**(2,875)**	**29,904**
Current taxes	(565)	-	(541)	(11)
Deferred taxes	25	-	122	-
Total income taxes	**(540)**	**-**	**(419)**	**(11)**
Net result from Investment Entity activities	**(6,836)**	**33,291**	**(3,294)**	**29,893**
Net result from previously consolidated assets	-	16,112	-	4,111
Profit/(loss) for the period	**(6,836)**	**49,403**	**(3,294)**	**34,004**

Milan, 13 November 2015

The Board of Directors

Declaration of the Financial Reporting Manager in compliance with the provisions of art. 154-bis, paragraph 2 of Legislative Decree 58/1998 (Consolidated Law on Finance (TUF)

The Financial Reporting Manager, Giuseppe Mazza, hereby declares that, pursuant to art. 154-bis, paragraph 2 of the Consolidated Law on Finance, (Italian Legislative Decree no. 58/1998), the accounting information contained in this Intermediate report on operations as at 30 September 2015 corresponds to the company’s documents, books, and accounting records.

Financial Reporting Manager

(signed Giuseppe Mazza)