INTEK GROUP

Registered office: 20121 Milan - Foro Buonaparte, 44
Share capital EUR 314,225,009.80 fully paid-up
Tax Code and Milan Companies Register no. 00931330583
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PRESS RELEASE

- **INTEK GROUP'S BOARD OF DIRECTORS APPROVED THE DRAFT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**
  - We maintained our focus on the copper sector, represented by the KME Group's business, investing significant resources into operations with a higher added value and markets with a higher growth potential.
  - We continued generating value from the other assets in our portfolio: in 2016 the I2 Capital Partners Fund paid out over Euro 16 million, including more than Euro 3 million to Intek.
  - 2016 highlights:
    - as at 31 December 2016, the Investments held by the Company amounted to Euro 522.6 million (Euro 485.1 million in 2015); the holding company's equity totalled Euro 442.2 million, compared to Euro 449.2 million in 2015;
    - the holding company reported a Euro 4.4 million loss in the absence of material impacts on the fair value;
    - the Holding company's Net Reclassified Financial Debt totalled Euro 80.4 million as at 31 December 2016.
- **INTEK GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR 2016**
    - Equity of Euro 442 million and negative Result of Euro 4.4 million.
- **MANDATE TO THE CHAIR AND THE DEPUTY CHAIR TO CONVENE, SEVERALLY, THE SHAREHOLDERS' MEETING WITHIN THE LEGAL DEADLINES, AND IN ANY CASE BEFORE 19 MAY 2017.**
- **FURTHERMORE, THE INTEK GROUP'S BOARD OF DIRECTORS PERFORMED, WITH A POSITIVE OUTCOME, THE PERIODIC ASSESSMENT OF THE INDEPENDENT DIRECTORS' REQUIREMENTS.**

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Milan, 26 April 2017 **-** The Board of Directors of Intek Group SpA, a diversified investment holding company with a dynamic approach to investing, today approved the parent company's draft financial statements as at 31 December 2016, the consolidated results for 2016, the report on corporate governance and ownership structure prepared pursuant to article 123-bis of Italy's Consolidated Law on Finance (TUF, *Testo Unico sulla Finanza*), and the report on remuneration prepared pursuant to article 123-ter of the TUF.

The Annual Financial Report as at 31 December 2016 as well as the reports on corporate governance, ownership structure and remuneration will be available, together with the reports of the Independent Auditors and the Board of Statutory Auditors, within the terms as provided by laws and regulations at the registered office as well as on the website www.itkgroup.it and the authorised storage system “eMarket STORAGE” (www.emarketstorage.com).

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Most significant events occurred in 2016

Here below are the highlights for 2016.

(i) **The restructuring of the copper sector continued**.

(a) In July 2016, the banks pool facility led by Deutsche Bank was extended, as were the factoring facilities existing with Mediocredito Italiano SpA and Factofrance (formerly GE Factofrance). The above confirmed the banks support to the Group after completing the transitional period resulting from its organisational restructuring. Thus, in early 2017 the Group's lines of credit increased by Euro 30 million as Austria's Raffeisen Bank International joined the banks pool;

(b) with regard to operations carried out in France, the agreements made with the Cupori Group, a Finnish operator in the copper tube sector, were executed. These agreements concerned the production plants in Givet and Niederbruck, as well as the one in Serravalle Scrivia. The operations to be sold to the Cupori Group produce a consolidated turnover per year of approximately Euro 270 million employing 700 persons, and generated significant losses for the KME Group in previous years;

(c) in July 2016, an agreement was reached with the Italian trade union representatives regarding the flexible usage of social safety measures in a manner that is in line with the dynamic relaunching of the Italian operations. We expect that these actions will be able to structurally lower KME Group's break-even point, improving its competitiveness in the market.

(d) the resizing of the headquarters based in Florence continued, with a further reduction in personnel;

(e) as for the Fornaci di Barga production plant, we put a new furnace into operation. This is smaller than the previous one and allows to bring the production that had been temporarily transferred to Osnabrueck back to the plant, boosting efficiency in terms of both manufacturing operations and the procurement of scrap.

For further details regarding the activities of KME Group, and specifically the project to expand in China by setting up a new production plant for rolled products for connectors, please see the chapter covering the Sector activity.

(ii) **Simplification and reorganisation of the Group's corporate structure.**

Optimisation of cash flows, aimed at containing operating costs and simplification of the organisational structure, streamlining the ownership structure and eliminating redundant functions, carried out/to be carried out also through the following mergers:

(a) at the end of May 2016, the merger of the 100%-owned subsidiary KME Partecipazioni SpA into Intek was finalised, with 1 January 2016 as the effective date for accounting and tax purposes. This merger made it possible to reduce costs and recognise the equity investments held by the merged company, the most important of which are Culti Milano SpA and ErgyCapital SpA, directly under Intek Group;

(b) in December 2016, FEB – Ernesto Breda SpA (hereinafter referred to as "**FEB**") was merged into Intek Group, which as a result also acquired the interest in Breda Energia SpA in liquidazione (under liquidation);

(c) in January 2017, the Boards of Directors of Intek Group and ErgyCapital approved the guidelines for the merger of the latter into the former.

(iii) The operations of **I2 Capital Partners Fund**, of which Intek Group holds 19.15%, are focused on the progressive realisation of investments, and in 2016 allowed for investor redemptions of some Euro 16.0 million (of which Euro 3.1 million belonging to Intek

Group) connected to investments in Benten Srl, Isno 3 Srl and Safim Factor SpA. In the first quarter of 2017, the fund's end date was extended by one year to July 2018.

Finally, as for financial and real estate operations, the Company continued with its programmes aimed at accelerating the gradual sale of the assets held. In 2016, besides the amounts paid by the I2 Capital Partners fund, the Group received Euro 1.8 million from the former Fime and Isno 2 operations, as well as Euro 1.8 million plus interest arising from tax receivables. In 2017, the Group collected Euro 0.7 million in tax credits.

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INTEK Group SpA highlights

In the past, Intek Group invested with a medium- to long-term horizon, combining its entrepreneurial spirit with a solid financial structure. Its strategy aims at a flexible portfolio, with further reduced investment cycles and faster cash generations.

In line with this strategic redefinition, please note that in evaluating the Intek Group's overall performance, it is necessary to consider not only the results for the period, but also and above all the increase in the value of the individual assets over time and their potential for creating shareholder value.

This assessment is at the heart of the choices made by management in allocating financial resources, rewarding only those sectors which appear high-performing and promising while facilitating the exit from industrial and financial segments with limited potential for value creation or an excessively long payback period.

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 with third parties, sells specific assets, and manages extraordinary operations involving the subsidiaries.

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The **investment sectors** of Intek Group SpA are: the traditional **copper** sector, which includes the production and marketing of copper and copper-alloy semi-finished products by the German subsidiary KME AG; the **financial and real estate assets** sector, which includes the private equity business, mainly carried out through the closed-end I2 Capital Partners investment fund, as well as the management of receivables (tax credits, non-performing loans and receivables arising from insolvency proceedings) and real estate assets. The equity investment in ErgyCapital is included under financial and real estate assets.

The separate and consolidated financial statements as at 31 December 2016 are presented on an ongoing basis compared to the separate and consolidated financial statements as at 31 December 2015 and the interim financial statements as at 30 June 2016, applying the accounting standards required for investment entities. This requires fair value measurement for both the separate and consolidated financial statements, with equity investments held as investments recognised in profit and loss, the most significant of which are KME AG, holding company of the KME Group, which operates in the copper sector, ErgyCapital SpA and Culti Milano SpA.

The Intek Group's financial highlights as at 31 December 2016, in comparison with those as at 31 December 2015, can be summarised as shown below:

Condensed Separate Statement of Financial Position				
(in thousands of Euro)	*31 Dec. 2016*		*31 Dec. 2015*	
Copper	**454,616**	**86.99%**	**413,317**	**85.20%**
Financial and real estate assets				
Private Equity	*6,209*		*8,580*	
Non-operating assets	*7,176*		*11,058*	
Real Estate/Others	*25,341*		*23,099*	
Ergy Capital/Other services	*21,411*		*21,549*	
Total financial and real estate assets	**60,137**	**11.51%**	**64,286**	**13.25%**
Other assets/liabilities	**7,836**	**1.50%**	**7,493**	**1.54%**
Net investments	**522,589**	**100.00%**	**485,096**	**100.00%**
Outstanding SFP (equity financial instruments) and bonds (*)	*(105,379)*		*(105,164)*	
Net cash from third parties (**)	*15,981*		*39,552*	
Net financial debts due to third parties	**(89,398)**		**(65,612)**	
Cash investments in KME	*9,000*		*29,700*	
Net financial debt of the holding company due to third parties	**(80,398)**	**15.38%**	**(35,912)**	**7.40%**
Total equity	**442,191**	**84.62%**	**449,184**	**92.60%**

Notes: In the table, investments are expressed net of any financial receivable/payable transactions existing with Intek Group.

(*) including accruing interests.

(**) following the merger by incorporation of KME Partecipazioni, the item "Net cash from third parties" as at 31 December 2015 was determined including the item "Net cash of KME Participazioni", stated separately in the financial statements as at that date.

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Investments

The Net investments held by the Company amounted to Euro 522.6 million as at 31 December 2016 (Euro 485.1 million at the end of 2015), of which 87% were in the "copper" sector and the remaining in financial and real estate assets.

The increase in the value of the investments is due to the financial support granted to subsidiaries and affiliates during the period under review, in particular through the medium-term loan granted to KME AG (Euro 35 million).

The decrease in the "Private Equity" sector is connected to the distributions received from the I2 Capital Partners Fund, while the "Non-operating assets" segment decreased due to the merger of FEB as well as to the profit taking of the former Isno 2 positions and the collection of tax receivables.

"ErgyCapital/Other Services" was negatively affected by the decline in the share price of ErgyCapital (Euro 1.5 million), which was offset by new investments in Culti Milano (subscription to capital increase).

Equity

The holding company's equity amounted to Euro 442.2 million, compared to Euro 449.2 million as at 31 December 2015; the decline was attributable for Euro 4.4 million to the result for the period and for Euro 2.5 million to the accounting impact of the two above-mentioned mergers.

The book value of equity per share amounted to Euro 1.13 compared to Euro 1.16 at the end of December 2015.

The Share Capital as at 31 December 2016, unchanged compared to 31 December 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.

As at 31 December 2016, Intek Group held 5,713,572 ordinary treasury shares (equal to 1.65% of the category capital) and 11,801 own savings shares (equal to 0.024% of the category capital). During the year, the Group used 2,006,368 own ordinary shares in the stock swap related to the FEB merger.

Financing activities

Net financial debt of the holding company due to third parties (including both Intek Group and KME Partecipazioni and excluding intercompany loans) amounted to Euro 35.9 million as at 31 December 2015. In 2016, this item rose Euro 80.4 million because of the financial support provided to subsidiaries classified as investments, and specifically KME AG.

Intek Group has an outstanding Euro 35 million loan receivable due from KME AG with maturity on 30 September 2018. Based on the agreement signed at the time of the renewal of the syndicated loans, it can be repaid in advance only in the event that Tranche B of the syndicated loans granted to KME AG is reduced by at least Euro 30.0 million. The annual rate applied is 3.75%, revisable quarterly based on KME AG's borrowing cost.

As at 31 December 2016, Intek was creditor of an additional Euro 9.0 million due from KME AG, as part of a current account relation. This amount increased to Euro 10.0 million as at the date of this press release.

As at 31 December 2016, Intek reported Euro 16.0 million in net cash, including Euro 2.0 million that would soon become available and Euro 4.8 million invested in harmonised UCITSs (investment funds). These were subsequently wound down in early 2017.

As at 31 December 2016, as well as to date, the Parent Company had no debts toward third parties, except for the bond loan of Euro 101.2 million which expires in February 2020.

The **Income statement** below has been reclassified, with indication of the non-recurring income and expenses and costs of investing activities.

Reclassified Income Statement		
(in thousands of Euro)	*2016*	*2015*
Fair value changes and other gains/losses from investing activities	(115)	13,813
Costs of investing activities	(281)	(578)
Gross profit/(loss) from investments	**(396)**	**13,235**
Commissions receivable on guarantees given (a)	4,005	4,210
Net management costs (b)	(4,161)	(4,546)
Overheads (a) - (b)	*(156)*	*(336)*
Operating profit/(loss)	**(552)**	**12,899**
Net financial expense	**(3,612)**	**(5,526)**
Profit/(Loss) before gains/(losses) on investments and non-recurring items	**(4,164)**	**7,373**
Non-recurring income/(expenses)	(1,054)	(2,551)
Profit/(Loss) before taxes	**(5,218)**	**4,822**
Taxes for the period	777	(782)
Net profit/(loss) for the period	**(4,441)**	**4,040**

The Group continues curbing net overheads, which remain in line with commission revenues.

Also the net financial expense declined because of the rising interest income from loans to group companies.

Non-recurring income/(expenses) comprise, among other things, Euro 0.4 million in costs associated with the mergers (including those incurred by the merged entities up to the effective date of the merger) and Euro 0.2 million in costs related to holders of savings shares.

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The investment sectors

"Copper" sector

The Copper sector's investment relates to the production and marketing of copper and copper-alloy semi-finished products by the German subsidiary **KME AG**, and is the Intek Group's main industrial investment.

(in thousands of Euro)	*31 Dec. 2016*	*31 Dec. 2015*
KME AG Investment	411,546	409,988
KME Beteiligungsgesellsch.mbH Investment	1,300	1,000
Financial receivables from KME AG	35,000	-
Other	6,770	2,329
Total "Copper"	**454,616**	**413,317**

The fair value as at 31 December 2016 was estimated at Euro 411.5 million, against Euro 410.0 million as at 31 December 2015.

The difficult macroeconomic scenario of the last few years has led the operating units of the sector to take action, through targeted strategic choices, so as to improve the Group's competitive positioning. Our push to strengthen operational efficiency and organisational flexibility and to rationalise the business portfolio has been following these lines, with the objective of focusing our resources more towards a series of activities with a higher added value and markets with a higher growth potential.

Consolidated Revenue in 2016 amounted to a total of Euro 1,703.0 million, down 13.8% (-3.3% on a like-for-like basis[1]) compared to 2015 (Euro 1,974.8 million). Revenue, net of the value of raw materials, declined from Euro 584.1 million to Euro 516.8 million, down 11.5% (-3.9% on a like-for-like basis).

EBITDA was Euro 62.5 million in 2016, up 10.7% (6.6% on a like-for-like basis) on 2015 figures (Euro 56.4 million). The cost of labour and other operating costs declined, confirming the positive impact of the measures adopted by the Group to increase efficiency and flexibility.

EBIT stood at Euro 29.9 million (Euro 20.4 million in 2015).

Profit before non-recurring items was Euro 3.5 million (loss of Euro 5.1 million in 2015).

Result net of taxes before measurement of inventories as required by IFRS was Euro 10.2 million (a loss of Euro 46.7 million in 2015).

At the end of December 2016, the **Consolidated net result** of the copper sector was negative for Euro 40.4 million (compared to negative Euro 72.7 million in 2015).

The result for 2016 is adversely affected by **Non-recurring expenses** of Euro 12.8 million, which are mostly due to the costs incurred as part of the restructuring programme of the operating units.

The **Net Financial Position** as at 31 December 2016 was negative for Euro 277.3 million, compared to Euro 231,7 million at the end of December 2015, mainly driven to the effects of derivative financial instruments.

In 2016, **Investments** of the copper segment's production units totalled Euro 14.7 million (Euro 16 million in 2015).

The number of **Employees** at 31 December 2016 was 3,787 (4,713 at the end of 2015). The deconsolidation of French operations in late March 2016 reduced the headcount by 697.

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[1] *The reference to the like-for-like basis refers to the total exclusion from the 2016 and 2015 data of the figures relating to assets which in March 2016 were transferred to the new French joint venture with the Cupori Group.*

As for the **Outlook**, the ongoing restructuring and streamlining of manufacturing operations, launched in recent months, will generate additional benefits by reducing operating costs. As the recovery in Europe continues consolidating, the KME Group will be able to make the most of its efforts to boost competitiveness in order to further improve its performance.

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"Financial and real estate assets" sector

The Intek Group continues creating value from these assets and investing in operations in the special situations sector, where it has developed significant experience in bankruptcy proceedings, especially compositions with creditors.

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Private Equity

The investment in the private equity area is represented by the Company's equity investment in I2 Capital Partners SGR SpA, the relations involving payables to and receivables from said company, and the share of the I2 Capital Partners fund held directly by Intek Group.

(in thousands of Euro)	*31 Dec. 2016*	*31 Dec. 2015*
I2 Capital Partners fund	4,993	7,345
I2 Capital Partners SGR Investment	2,501	2,501
Financial payables to I2 Capital Partners SGR	(1,301)	(1,310)
Other	16	44
Total Private Equity	**6,209**	**8,580**

The I2 Capital Partners Fund (hereinafter referred to as the "**Fund**"), of which Intek holds 19.15%, began operating in 2007, collecting subscriptions for Euro 200 million, the maximum amount allowed by its Regulation.

The Fund continues to create value from its own investments that, at the end of 2015 and in the first quarter of 2016, allowed for partial redemptions totalling Euro 16 million.

In July 2012, the Fund completed its investment period. Since then, the Fund has been focusing on creating value from the equity investments and assets in its portfolio.

On 31 March 2017, the Fund's Advisory Committee and the Board of I2 Capital Partners SGR decided to extend the Fund's end date from July 2017 to 31 July 2018, in order to improve the prospects for liquidating a number of investments.

As at 31 December 2016, the Fund held assets it is currently liquidating, such as the interest in Nuovi Investimenti - whose disposal must be authorised by the Bank of Italy - and a number of tax receivables and other higher-risk investments, such as the investment in Isno 3, which has sued a foreign credit institution claiming significant damages. The Fund reported a Euro 3.8 million profit for 2016 (Euro 8.9 million profit in 2015), which was mainly due to the Euro 7.6 million in dividends received from Isno 3 and Benten on the one hand, and to the Euro 5.5 million impairment loss on the investment in Isno 3 (aligning it with the company's equity), and Euro 2 million in receivables due from Nuova GS (deposit withheld by the lending banks) on the other. Furthermore, in February 2016 the Fund collected Euro 5 million following the final distribution from the Safim Factor proceedings. These events allowed the Fund to carry out partial redemptions totalling Euro 16.0 million, of which Euro 3.1 million to Intek Group.

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ErgyCapital SpA

In 2016, the ErgyCapital Group recorded revenue of Euro 14.1 million, down from Euro 15.1 million in the previous year.

Consolidated EBITDA, amounting to Euro 7.0 million, decreased compared to the previous year (Euro 7.3 million). The decline was largely attributable to the suboptimal performance of the Photovoltaic Sector, hampered by adverse weather during the year. This was partly offset by the measures to curb operating costs and the continued strength of the Biogas and Geothermal sectors.

Net financial debt fell from Euro 66.7 million as at 31 December 2015 to Euro 57.7 million at the end of 2016, improving by over Euro 9 million. This was the result of the deconsolidation of Euro 4.2 million in debts of the subsidiary Società Agricola San Vito Biogas S.r.l., sold in May 2016, and of the Euro 6.0 million net decline in financial payables concerning photovoltaic and biogas plants as well as other minor loans, partly offset by the Euro 1.6 million decrease in cash and cash equivalents.

The Company reported a Euro 1.4 million loss (Euro 2.7 million loss in 2015) after recognising Euro 7.1 million in operating costs (Euro 7.7 million in the prior year), Euro 5.0 million in depreciation and amortisation, provisions, and impairment losses (Euro 4.9 million in 2015), Euro 3.3 million in financial expense (Euro 4.0 million in 2015), and Euro 0.1 million in tax expense (Euro 1.2 million in the previous year).

As previously mentioned, in May 2016 the Company sold its 51% stake in Società Agricola San Vito Biogas S.r.l., which owns a biogas plant of approximately 1-MWe located in San Vito al Tagliamento (province of Pordenone). The sale generated a Euro 1.5 million cash flow, reduced the net financial position by nearly Euro 4.0 million, and resulted in an approximately Euro 0.5 million gain, which was recognised in the Group's consolidated financial statements.

In May 2016 the Company also entered into a binding agreement with Green Utility SpA to merge the respective groups and businesses conditional on the positive outcome of the relevant due diligences. The due diligence did not confirm the value of the assets as defined in the agreement, requiring an increase in ErgyCapital's ownership interest: after additional negotiations, the parties decided to cancel the merger.

The Intek Group holds 49.04% of the share capital of ErgyCapital and, following the dissolution of the shareholders' agreement in existence up to 21 January 2015, it assumed *de facto* control of the company.

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Culti Milano SpA

Culti Milano SpA was established at the end of 2014 by KME Partecipazioni and its 100%-owned subsidiary Progetto Ryan 3 Srl in liquidazione (under liquidation). The company is currently 89.13%-owned by Intek Group and 10.87%-owned by Progetto Ryan 3. It operates in the luxury market, producing and selling high-end room fragrances.

In April 2015 the company leased the business from its parent company Progetto Ryan 3 (formerly Culti Srl). The new company hired the personnel, pursuant to art. 2112 of the Italian Civil Code, and purchased the inventory with payment based on the periodic withdrawals of inventory that took place.

In December 2016, Culti Milano was converted from an Srl (a limited liability company) into an SpA (a public limited company) and the share capital was increased from Euro 10 thousand to Euro 2 million.

Meanwhile, the firm completed the acquisition of the historical “Culti” brand, terminated the business lease agreement with Progetto Ryan 3, and entered into a business acquisition agreement, with the Culti brand as the main asset.

With respect to expenses, the management has already achieved important results, significantly reducing production costs by improving procurement and inventory management; it has renegotiated the agreements with key suppliers and exercised more control over inventory turnover.

By streamlining production operations, the company has developed a simpler format that makes a greater impact on customers, as well as optimised manufacturing, storage and marketing costs.

The management also overhauled both the in-house and external sales network, generating significant savings in terms of efficiency and increasing market penetration. This was made possible by replacing external agents with in-house staff, steadily reducing the commissions paid to the former.

Finally, investing in e-commerce and digital communication to drive business growth was a crucial decision.

Besides the acquisition of the Culti brand, during the year the company made other investments: most importantly, it opened the new Milan boutique in the Brera district, which will complement the historical outlet in Corso Venezia.

In 2016, the first full year under the new management, the Company's value of production totalled Euro 5.2 million, up sharply from Euro 4.2 million in 2015. Sales rose from Euro 3.6 million as at 31 December 2015 to Euro 4.9 million in 2016.

However, the company reported an approximately Euro 200 thousand loss for 2016 (Euro 69 thousand profit in 2015) because of the costs of the restructuring conducted in 2016.

To generate more value from its operations, Culti Milano is listing nearly 30% of its share capital on the AIM market. The process is expected to be completed in the first half of 2017.

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Intek Group Consolidated Financial Statements

Group results

It should be noted that, following the application of the principle relating to investment entities that occurred at the end of 2014, the values of the consolidated financial statements are aligned with those of the separate financial statements. And this even more after the merger of KME Partecipazioni.

The consolidated financial statements include, in addition to the Parent company, the 100%-owned instrumental subsidiaries: I2 Capital Partners SGR, I2 Real Estate and Immobiliare Pictea Srl.

With respect to the **financial position**, consolidated equity can be summarised as follows:

(in thousands of Euro)	*31 Dec. 2016*	*31 Dec. 2015*
Share capital	314,225	314,225
Reserves	132,131	127,131
Profit/(Loss) for the period	(4,378)	6,169
Equity attributable to owners of the Parent company	**441,978**	**447,525**
Non-controlling interests	-	-
Total equity	**441,978**	**447,525**

The decline in equity was the result of the loss for the year as well as the accounting impact of FEB's merger (Euro 1.0 million).

The **Consolidated net invested capital** was as follows:

Consolidated net invested capital		
(in thousands of Euro)	*31 Dec. 2016*	*31 Dec. 2015*
Net non-current assets	509,747	485,746
Net working capital	17,615	18,332
Net deferred tax	2,786	3,476
Provisions	(4,943)	(5,401)
Net invested capital	**525,205**	**502,153**
Total equity	441,978	447,525
Net financial position	83,227	54,628
Sources of finance	**525,205**	**502,153**

"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" consist 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" include the items "Employee benefits" and "Provisions for risks and charges".*

The reconciliation between the equity of the separate financial statements and the consolidated financial statements is the following:

(in thousands of Euro)	*31 Dec. 2016*
Parent company's Equity including result of the year	**442,191**
Excess cost allocation on property (net of tax effect)	4,024
Difference between the consolidated companies' equity and their carrying amounts	(4,237)
Group's consolidated Equity including result of the year	**441,978**

The Group's **financial debt** as at 31 December 2016 was equal to Euro 83.2 million compared to Euro 54.6 million as at 31 December 2015. The increase is due to non-current loans to affiliated companies, mainly KME AG.

The **Consolidated income statement** for 2016 is the following:

Consolidated Income Statement		
(in thousands of Euro)	*1 Jan - 31 Dec 2016*	*1 Jan - 31 Dec 2015*
Net income from investing activities	77	16,015
Commissions on guarantees given	4,005	3,223
Other income	2,762	2,349
Personnel costs	(1,850)	(2,193)
Amortisation, depreciation and impairment	(1,542)	(883)
Other operating costs	(5,061)	(6,258)
Operating profit/(loss)	**(1,609)**	**12,253**
Financial income	2,375	1,101
Financial expense	(5,910)	(6,265)
Net financial expense	*(3,535)*	*(5,164)*
Profit/(Loss) before taxes	**(5,144)**	**7,089**
Current taxes	1,646	930
Deferred taxes	(880)	(1,850)
Total income taxes	**766**	**(920)**
Profit/(Loss) for the period	**(4,378)**	**6,169**

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Buyback and disposals of Company shares

The Board of Directors decided to once again seek authorisation from shareholders to buy back and dispose of ordinary and/or savings shares in Intek Group SpA pursuant to articles 2357 and 2357-ter of the Italian Civil Code as well as article 132 of Italian Legislative Decree 58/1998 and the relevant implementing provisions, revoking first the authorisation granted by the meeting of 31 May 2016. Please note that, effective as of 3 July 2016, the provisions set forth in Commission Regulation (EC) no. 2273/2003 of 22 December 2003 were superseded by Regulation (EU) no. 596/2014 of 16 April 2014 on market abuse (known as "**MAR**").

The proposal is intended to give the Company an effective operating instrument for all purposes allowed under applicable laws.

The authorisation to buyback Intek Group SpA's ordinary and/or savings shares will last for 18 months and be subject to the maximum limit as provided by laws and regulations in force (currently, said limit is 20% of the share capital pursuant to article 2357 paragraph 3 of the Italian Civil Code), and in any case to the extent of available profit reported in the most recent approved financial statements (including interim financial statements) at the date of the transaction.

The authorisation to dispose of Intek Group SpA ordinary and/or savings shares is not be limited in time.

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Assessment of Independent Directors' requirements

The Board of Directors verified that the Independent Directors Giuseppe Lignana, Luca Ricciardi and Franco Spalla meet the independence requirements.

The assessment was based on the information received from the Directors in accordance with article 148 paragraph 3 of Italian Legislative Decree 58/98 and the criteria provided in article 3 paragraph 1 of the Corporate Governance Code.

The Company did not use parameters nor quantitative and/or qualitative criteria other than the above.

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Pending disputes

Concerning the disputes with holders of savings shares that arose in 2016, the court proceedings are ongoing and the ruling is still pending. In this respect, Intek Group, since it believes to have always acted in full respect of the rights and prerogatives of its own shareholders as well as of its articles of association, the law, and the regulations, firmly opposed such initiatives and took the most effective measures in order to protect its interests.

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Convening of Shareholders' Meeting

The Board of Directors gave mandate to the Chair and the Deputy Chair to convene, severally, the Shareholders' Meeting within the legal deadlines, and in any case before 19 May 2017, vesting them with the broadest powers, including the authority to set the agenda and perform any other activity required to convene said meeting.

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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.*

* * *

The press release is available on the website www.itkgroup.it, where it is possible to request information directly from the Company (phone: 02-806291; e-mail: info@itk.it) and on the "eMarket STORAGE" system operated by Spafid Connect SpA at www.emarketstorage.com.

Milan, 26 April 2017 The Board of Directors

Annexes:

1) Intek Group SpA Statement of Financial Position
2) Intek Group SpA Income Statement
3) Intek Group SpA Statement of Cash Flows
4) Consolidated Statement of Financial Position
5) Consolidated Income Statement
6) Consolidated statement of cash flows

Intek Group – Separate financial statements as at 31 December 2016

Statement of Financial Position – Assets

(in Euro)	*31/12/2016*		*31/12/2015*	
Investments in equity interests and fund units	442,922,968	*437,902,557*	439,672,240	*432,270,512*
Instrumental equity investments	24,272,033	*24,272,033*	89,922,033	*89,922,033*
Non-current financial assets	37,722,992	*37,722,992*	710,733	*710,733*
Property, plant and equipment	370,660	-	468,031	-
Investment property	32,289	-	32,289	-
Goodwill	-	-	798,453	-
Intangible assets	6,460	-	3,329	-
Other non-current assets	2,961	-	17,924	-
Deferred tax assets	4,947,983	-	6,211,419	-
Total non-current assets	**510,278,346**		**537,836,451**	
Current financial assets	34,955,813	*27,856,974*	44,098,602	*40,408,403*
Trade receivables	13,767,163	*7,020,438*	10,008,592	*2,582,045*
Other current receivables and assets	8,802,788	*1,716,433*	9,576,888	*1,562,331*
Cash and cash equivalents	9,215,712	-	7,784,944	-
Total current assets	**66,741,476**		**71,469,026**	
Non-current assets held for sale	**941,250**		**941,250**	
Total assets	**577,961,072**		**610,246,727**	

N.B. The Independent Auditors have not yet completed the audit of the above figures

Intek Group – Separate financial statements as at 31 December 2016

Statement of Financial Position – Liabilities

(in Euro)	*31/12/2016*	*of which related parties*	*31/12/2015*	*of which related parties*
Share capital	314,225,010	-	314,225,010	-
Other reserves	39,142,931	-	35,135,075	-
Treasury shares	(1,819,672)	-	(2,456,254)	-
Retained earnings/(accumulated losses)	72,187,807	-	72,187,807	-
Stock option reserve	2,051,902	-	2,051,902	-
Reverse convertible	20,844,000	-	24,000,000	-
Profit (loss) for the year	(4,440,689)	-	4,040,633	-
Total equity	**442,191,289**		**449,184,173**	
Employee benefits	324,912	-	317,961	-
Deferred tax liabilities	1,523,064	-	1,959,395	-
Non-current payables and liabilities	2,003,948	-	8,948	-
Bonds and SFP (equity financial instruments)	100,990,199	-	100,789,449	-
Other non-current liabilities	1,471,332	-	937,700	-
Provisions for risks and charges	4,532,088	-	4,964,009	-
Total non-current liabilities	**110,845,543**		**108,977,462**	
Current financial payables and liabilities	20,098,020	*11,811,652*	47,580,468	*40,939,093*
Trade payables	797,019	*122,871*	1,345,259	*373,929*
Other current liabilities	4,029,201	*2,004,339*	3,159,365	*1,086,426*
Total current liabilities	**24,924,240**		**52,085,092**	
Total liabilities and equity	**577,961,072**		**610,246,727**	

N.B. The Independent Auditors have not yet completed the audit of the above figures

Intek Group – Separate financial statements as at 31 December 2016

Statement of Profit or Loss for the period and Other Comprehensive Income

(in Euro)	*2016*	*of which related parties*	*2015*	*of which related parties*
Net income from equity interest management	(228,730)	*(185,181)*	13,486,798	*13,419,444*
Commissions on guarantees given	4,004,769	*4,004,769*	3,254,220	*3,254,220*
Other income	1,601,991	*172,526*	691,327	*141,741*
Personnel costs	(1,471,174)	*(16,068)*	(1,844,061)	*(300,456)*
Amortisation, depreciation and impairment	(861,154)	-	(269,291)	-
Other operating costs	(4,650,976)	*(1,850,773)*	(4,936,759)	*(1,712,028)*
Operating profit/(loss)	**(1,605,274)**		**10,382,234**	
Financial income	2,243,938	*2,210,951*	795,497	*760,050*
Financial expense	(5,856,500)	*(420,827)*	(6,355,550)	*(903,597)*
Net financial expense	*(3,612,562)*		*(5,560,053)*	
Profit/(Loss) before taxes	**(5,217,836)**		**4,822,181**	
Current taxes	1,771,301	-	1,042,289	-
Deferred taxes	(994,154)	-	(1,823,837)	-
Total income taxes	**777,147**		**(781,548)**	
Profit/(Loss) from continuing operations	**(4,440,689)**		**4,040,633**	
Profit /(loss) from discontinued operations	-		-	
Net profit/(loss) for the year	**(4,440,689)**		**4,040,633**	
Other comprehensive income:				
Employee defined benefit plans	(6,323)		*19,233*	
Components that will not be reclassified to profit or loss	(6,323)		19,233	
Other comprehensive income:	(6,323)		19,233	
Total comprehensive income for the year	**(4,447,012)**		**4,059,866**	

N.B. The Independent Auditors have not yet completed the audit of the above figures

Intek Group – Separate financial statements as at 31 December 2016

Statement of Cash Flows - indirect method

(in thousands of euro)		*2016*	*2015*
(A) Cash and cash equivalents at the beginning of the period		**7,785**	**736**
Profit/(Loss) before taxes		(5,218)	4,822
Amortisation and depreciation of intangible assets and property, plant and equipment		63	67
Impairment of non-current, non-financial assets		798	202
Impairment /(Reversal of impairment) of current and non-current financial assets		(388)	2,950
Changes in pension provisions, post-employment benefits and stock options		(1)	(13)
Changes in provisions for risks and charges		(460)	(245)
(Increase)/Decrease in equity investments		(1,354)	(100)
(Increase)/Decrease in other financial investments		22,245	(2,602)
Increase/(Decrease) in financial payables to related parties		(387)	19,802
(Increase)/Decrease in financial receivables from related parties		(15,227)	(32,652)
Dividends received		-	(16,425)
(Increase)/Decrease in current receivables		(1,749)	133
Increase/(Decrease) in current payables		(27)	(1,146)
Taxes paid during the year		-	962
(B) Total Cash flows from/(used in) operating activities		**(1,705)**	**(24,245)**
(Increase) in non-current intangible assets and property, plant and equipment		(44)	(154)
Decrease in non-current intangible assets and property, plant and equipment		75	-
(Increase)/decrease in instrumental equity investments		-	(10,022)
Increase/Decrease in other non-current assets/liabilities		(93)	-
(C) Cash flows from/(used in) investing activities		**(62)**	**(10,176)**
(Purchase)/Sale of treasury shares		-	(835)
Bond issue and early redemption		-	39,796
Increase/(Decrease) in current and non-current financial payables		209	2,509
(Increase)/Decrease in current and non-current financial receivables		671	-
(D) Cash flows from/(used in) financing activities		**880**	**41,470**
(E) Change in cash and cash equivalents	**(B) + (C) (D)**	**(887)**	**7,049**
(F) Cash contributed by merged companies		**2,318**	**-**
(G) Cash and cash equivalents at the end of the period	**(E) + (F)**	**9,216**	**7,785**

N.B. The Independent Auditors have not yet completed the audit of the above figures

Intek Group – Consolidated financial statements as at 31 December 2016

Statement of Financial Position – Assets

(in thousands of euro)	*Ref. Note*	*31/12/2016*	*of which related parties*	*31/12/2015*	*of which related parties*
Investments in equity interests and fund units	*4.1*	445,404	*440,384*	455,275	
Non-current financial assets	*4.2*	48,782	*48,732*	13,345	*11,245*
Property, plant and equipment	*4.3*	11,519		11,987	
Investment property	*4.4*	3,566		3,852	
Goodwill	*4.5*	-		798	
Intangible assets	*4.6*	6		3	
Other non-current assets	*4.7*	470		486	
Deferred tax assets	*4.22*	5,866		7,040	
Total non-current assets		**515,613**		**492,786**	
Current financial assets	*4.8*	27,621	*20,522*	67,517	*39,564*
Trade receivables	*4.9*	14,448	*7,407*	10,959	*2,838*
Other current receivables and assets	*4.10*	10,599	*1,628*	11,442	*1,562*
Cash and cash equivalents	*4.11*	10,444		10,947	
Total current assets		**63,112**		**100,865**	
Non-current assets held for sale	*4.12*	1,784		1,784	
Total assets		**580,509**		**595,435**	

N.B. The Independent Auditors have not yet completed the audit of the above figures

Intek Group – Consolidated financial statements as at 31 December 2016

Statement of Financial Position – Liabilities

(in thousands of euro)	*Ref. Note*	*31/12/2016*	*of which related parties*	*31/12/2015*	*of which related parties*
Share capital		314,225		314,225	
Other reserves		41,073		37,186	
Treasury shares		(1,820)		(2,456)	
Retained earnings/(accumulated losses)		72,261		68,539	
Reverse convertible		20,844		24,000	
Other comprehensive income reserve		(227)		(138)	
Profit (loss) for the year		(4,378)		6,169	
Equity attributable to owners of the Parent	***4.13***	**441,978**		**447,525**	
Non-controlling interests		-		-	
Total equity	***4.13***	**441,978**		**447,525**	
Employee benefits	*4.14*	411		437	
Deferred tax liabilities	*4.22*	3,080		3,564	
Non-current payables and liabilities	*4.15*	9,064		7,630	
Bonds	*4.16*	100,990		100,789	
Other non-current liabilities	*4.17*	2,321		1,788	
Provisions for risks and charges	*4.18*	4,532		4,964	
Total non-current liabilities		**120,398**		**119,172**	
Current financial payables and liabilities	*4.19*	12,915	*3,823*	24,295	*16,816*
Trade payables	*4.20*	1,027	*131*	1,271	*120*
Other current liabilities	*4.21*	4,191	*1,988*	3,172	*786*
Total current liabilities		**18,133**		**28,738**	
Total liabilities and equity		**580,509**		**595,435**	

N.B. The Independent Auditors have not yet completed the audit of the above figures

Intek Group – Consolidated financial statements as at 31 December 2016

Statement of Profit or Loss for the period and Other Comprehensive Income

(in thousands of euro)	*Ref. Note*	*2016*	*of which related parties*	*2015*	*of which related parties*
Net income from equity interest management	*5.1*	77		16,015	
Commissions on guarantees given	*5.2*	4,005	*3,029*	3,223	*3,223*
Other income	*5.3*	2,762	*69*	2,349	*144*
Personnel costs	*5.4*	(1,850)	*(19)*	(2,193)	*(19)*
Amortisation, depreciation and impairment	*5.5*	(1,542)		(883)	
Other operating costs	*5.6*	(5,061)	*(936)*	(6,258)	*(1,222)*
Operating profit/(loss)		**(1,609)**		**12,253**	
Financial income		2,375	*2,336*	1,101	*1,004*
Financial expense		(5,910)	*(141)*	(6,265)	*(544)*
Net financial expense	*5.7*	*(3,535)*		*(5,164)*	
Profit/(Loss) before taxes		**(5,144)**		**7,089**	
Current taxes	*5.8*	1,646		930	
Deferred taxes	*5.8*	(880)		(1,850)	
Total income taxes		**766**		**(920)**	
Net profit/(loss) for the period		**(4,378)**		**6,169**	
Other comprehensive income:					
Employee defined benefit plans		(9)		*19*	
Components that will not be reclassified to profit or loss		(9)		19	
Net change in cash flow hedge reserve		(109)		(183)	
Taxes on other comprehensive income		26		45	
Items that can be reclassified to profit or loss		(83)		(138)	
Other comprehensive income, net of tax effect:		(92)		(119)	
Total comprehensive income for the year		**(4,470)**		**6,050**	
Profit/(loss) for the period attributable to:					
- non-controlling interests		-		-	
- owners of the Parent		(4,378)		6,169	
Profit/(Loss) for the period		(4,378)		6,169	
Total comprehensive income attributable to:					
- non-controlling interests		-		-	
- owners of the Parent		(4,470)		6,050	
Total comprehensive income/(loss) for the period		(4,470)		6,050	

N.B. The Independent Auditors have not yet completed the audit of the above figures

Intek Group – Consolidated financial statements as at 31 December 2016

Statement of Cash Flows - indirect method

(in thousands of euro)		*2016*	*2015*
(A) Cash and cash equivalents at the beginning of the period		**10,947**	**48,940**
Profit/(Loss) before taxes		(5,144)	7,089
Amortisation and depreciation of intangible assets and property, plant and equipment		435	263
Impairment losses on current assets		-	170
Impairment/(Reversal of impairment) on non-current assets other than financial assets		1,107	620
Impairment/(Reversal of impairment) of investments and financial assets		192	(16,003)
Changes in pension provisions, post-employment benefits and stock options		(35)	4
Changes in provisions for risks and charges		(460)	(249)
(Increase)/Decrease in equity investments		(1,727)	(1,211)
(Increase)/Decrease in financial investments and financial assets		21,357	(26,108)
Increase/(Decrease) in current and non-current financial payables to related parties		(14,813)	(3,557)
(Increase)/Decrease in current and non-current financial receivables from related parties		(1,430)	(34,323)
(Increase)/Decrease in current receivables		(1,649)	3,939
Increase/(Decrease) in current payables		568	(3,099)
Taxes paid during the year		-	(1,307)
(B) Total Cash flows from/(used in) operating activities		**(1,599)**	**(73,772)**
(Increase) in non-current intangible assets and property, plant and equipment		(68)	(204)
Decrease in non-current intangible assets and property, plant and equipment		75	3
Investments in instrumental equity interests net of acquired cash		(46)	(9,968)
Increase/Decrease in other non-current assets/liabilities		-	848
(C) Cash flows from/(used in) investing activities		**(39)**	**(9,321)**
(Purchase)/Sale of treasury shares and similar instruments		-	(835)
Increase/(Decrease) in current and non-current financial payables		(493)	45,983
(Increase)/Decrease in current and non-current financial receivables		672	(48)
(D) Cash flows from/(used in) financing activities		**179**	**45,100**
(E) Change in cash and cash equivalents	**(B) + (C) (D)**	**(1,459)**	**(37,993)**
(F) Cash contributed by change in scope of consolidation		**956**	**-**
(G) Cash and cash equivalents at the end of the period	**(A) + (E)**	**10,444**	**10,947**

N.B. The Independent Auditors have not yet completed the audit of the above figures