

PRESS RELEASE

CONSOB HAS AUTHORIZED TO PUBLISH THE RIGHTS OFFERING PROSPECTUS AND TO THE LISTING OF THE KME COMMON AND SAVINGS SHARES ON THE ONLINE STOCK MARKET ORGANIZED AND OPERATED BY BORSA ITALIANA S.P.A.

THE BOARD OF DIRECTORS APPROVES THE FINAL TERMS FOR THE RIGHTS OFFERING AND SHARE CAPITAL INCREASE, SUBJECT TO THE ISSUANCE OF THE AUTHORIZATIONS REQUIRED PURSUANT TO CURRENT LAWS

- **CONSOB has authorized today to publish the Rights Offering Prospectus and to the listing of the KME common and savings shares on the Online Stock Market organized and operated by Borsa Italiana S.p.A.**
- **The Board of Directors approved the final terms for the rights offering and share capital increase authorized by the Extraordinary Shareholders' Meeting of KME Group S.p.A. on December 2, 2009.**
- **The subscription price per share was set at 0.30 euros for the newly issued common shares and 0.50 euros for the newly issued savings shares, with a subscription ratio of 5 newly issued common shares for every 11 common shares held and 5 newly issued savings shares for every 11 savings shares held.**
- **This transaction will result in the issuance of up to 186,262,650 new shares, including up to 169,619,800 KME common shares and up to 16,642,850 KME savings shares, both classes of shares without par value and with regular ranking for dividends, for total proceeds of up to 59,207,365.00 euros.**
- **Rights exercise period: from June 21, 2010 to July 9, 2010.**
- **Rights stock exchange trading period: from June 21, 2010 to July 2, 2010.**

Florence, June 16, 2010 – CONSOB has authorized today to publish the Prospectus concerning the offering to shareholders and the listing on the Online Stock Market organized and operated by Borsa Italiana S.p.A. up to a maximum 169,619,800 KME common shares and up to a maximum 16,642,850 KME saving shares.

The Board of Directors of KME Group S.p.A. (“**KME**”), meeting today, set the terms for the implementation of the capital increase approved by the Extraordinary Shareholders' Meeting on December 2, 2009.

This transaction consists of a contributory, divisible share capital increase placed with shareholders through a rights offering, in accordance with Article 2441, Section 1, of the Italian Civil Code, for total proceeds of up to 59,207,365.00 euros, carried out through the issuance of up to 169,619.800 common shares and up to 16,642,850 savings shares, both classes of shares without par value and with regular ranking for dividends, as part of the capital increase approved by the Extraordinary Shareholders' Meeting on December 2, 2009 (the “**Rights Offering**”).

The subscription price per share was set at 0.30 euros for the newly issued common shares and 0.50 euros for the newly issued savings shares, with a subscription ratio of 5 newly issued common shares for every 11 common shares held and 5 newly issued savings shares for every 11 savings shares held.



The Board of Directors set the issue price of the new common and savings shares taking into account the average market price at which the KME shares traded in recent months and market practice for similar transactions.

The new common and savings shares issued in connection with the Rights Offering will have regular ranking for dividends and the same characteristics as the other shares outstanding when the new shares are issued, and will carry the coupon in effect on that date.

The rights, which are subject to expiration, must be exercised during the offering period going from June 21, 2010 to July 9, 2010, both dates included, through authorized intermediaries who are members of the centralized clearing system operated by Monte Titoli S.p.A., by executing the special forms prepared for this purpose by the abovementioned authorized intermediaries.

The rights will be traded on the Online Stock Market organized and operated by Borsa Italiana S.p.A. from June 21, 2010 to July 2, 2010, both dates included.

Pursuant to Article 2441, Section 3, of the Italian Civil Code, any rights that are not exercised by July 9, 2010 will be offered on the open market, within one month from the end of the offering period, during five trading sessions.

The “2009-2011 KME Group S.p.A. Common Shares Warrants” strike price will be adjusted to reflect the impact of the rights offering and capital increase, as required by their Regulations.

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The Prospectus will be published pursuant to law and will be available upon request at KME’s head office, at 2 Via dei Barucci, in Florence, and at the offices of Borsa Italiana S.p.A., at 6 Piazza degli Affari, in Milan. It will also be posted on the Company website (www.kme.com).

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