

Press Release

Profitability continued to improve in the second quarter of 2006

The Company's management team will hold information meetings with representatives of the financial community today and in the coming days.

Ahead of these meetings and based on information reviewed by the Board of Directors, the Company confirms that the operating data for the months following the end of the first quarter show that the Company's performance continues to improve.

Demand for copper and copper-alloy semifinished goods held at a satisfactory level and benefited from the successful implementation of marketing programs. Net of the impact of raw materials, revenues for the first five months of 2006 totaled 350 million euros, or 8% more than in the same period last year.

Profitability also improved. If the trend that is currently shaping economic activity in Europe continues during the second half of the year, this year's goal (as set in the Industrial Plan) of raising the ratio of EBITDA to revenues (net of the impact of raw materials) to more than 14% (compared with 12.2% in 2005) is achievable.

The information package that will be presented at the abovementioned meetings is attached.

Florence, July 4, 2006

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This press release is available at the Company website, www.kmegroup.it, where additional information may also be obtained.

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