

KME Group S.p.A.
Share capital: €19,738,841.95 fully paid-in
Registered Office in Florence
Registration No. in the Company Register of the
Court of Florence and Tax I.D. No: 00931330583
NOTICE OF SHAREHOLDERS' MEETING

The shareholders of KME Group S.p.A. are called to a Meeting that will be held in Florence, at 2 Via dei Barucci, at 11:00 AM

- on June 20, 2007 on the first calling, or
- on June 21, 2007 on the second calling;

to vote on the following

AGENDA

Ordinary Session:

1. Amendments to the “KME Group S.p.A. Stock Option Plan” available to Directors with executive responsibilities and managers; related and required resolutions;

Extraordinary Session:

1. As required by Article 2443 of the Italian Civil Code, delegation to the Board of Directors of the power to increase the share capital earmarked for the implementation of the Stock Option Plan by up to €2,754,714.97 through the issuance of 8,031,239 KME Group S.p.A. common shares, which will be offered for subscription for consideration to managers of the Company and its subsidiaries, suspending the preemptive rights of other shareholders, as allowed by Article 2441, Section VIII, of the Italian Civil Code and Article 134 of Legislative Decree No. 58/1998; consequently, required amendment to and scope limitation of the powers granted to the Board of Directors pursuant to the abovementioned Article 2443 of the Italian Civil Code by the Shareholders' Meeting of May 19, 2006, authorizing the Board to increase the share capital for implementation of the portion of the Stock Option Plan reserved for Directors with executive responsibilities of the Company and its subsidiaries; related and required resolutions, also with regard to the abovementioned delegations of powers awarded by the Shareholders' Meeting on May 19, 2006, both of which were carried out by the Board of Directors on July 31, 2006; amending Article 4 (Share Capital) and Article 7 (Delegation of Powers to the Directors) of the Bylaws, and granting of the necessary powers;
2. Reverse split of the share comprising the share capital on the basis on 1 new common share or 1 new savings shares for every 3 shares of the same class held, after cancellation, if necessary, of the minimum number of common shares, savings shares and “2006/2009 KME Group S.p.A. Common Share Warrants” and options awarded to Directors with executive responsibilities and/or managers pursuant to the Stock Option Plan reserved for each of them that may be necessary to carry out as required the abovementioned reverse stock split; related and required resolutions, amending Article 4 (Share Capital), Article 7 (Delegation of Powers to the Directors), Article 8 (Earnings) and Article 28 (Liquidation of the Company) of the Bylaws, and of Article 1 (2006/2009 KME Group S.p.A. Common Share Warrants) and Article 2 (Warrant Exercise Method) of the

Regulations governing the “2006/2009 KME Group S.p.A. Common Share Warrants,” and granting of the necessary powers;

3. Amendment to the following Articles of the Bylaws, required in part by newly enacted provisions of Italian corporate law: Article 10 (Convening Shareholders’ Meetings); Article 11 (Attendance and Representation at Shareholders’ Meetings); Article 14 (Management of the Company); Article 16 (Corporate Governance Positions); Article 17 (Composition of the Board of Directors and Term of Office of Directors), the title of which is being changed to “Election and Composition of the Board of Directors, Term of Office of Its Members;” Article 22 (Board of Statutory Auditors) and Article 24 (Auditing of the Accounting Records); related and required resolutions and granting of the necessary powers.

Pursuant to law and in accordance with the provisions of Article 11 of the Bylaws, in order to attend the Meeting, shareholders must file at the Company’s registered office, at 2 Via dei Barucci, Florence, at least two days prior to the date of the Meeting a certification issued by an intermediary that attests to their ownership of their shares. Applicable provisions of the proxy collection laws notwithstanding, shareholders may appoint a proxy (who need not be a shareholder) to represent them at the Meeting by means of a simple power of attorney affixed at the bottom of the abovementioned certification.

The Reports of the Board of Directors on all of the items on the Agenda, the corresponding motions and all other reports documents pertaining to all of the items on the Agenda that are required pursuant to law will be on file at the Company’s registered office, at 2 Via dei Barucci, Florence, and at the offices of Borsa Italiana S.p.A. within the statutory deadline. Shareholders may request copies of these documents. The documents will also be available on the Company website: www.kmegroup.it.

Votes may also be cast by mail. Ballots and voting instructions will be available at the Company’s registered office, 2 Via dei Barucci, Florence, at least 15 days before the date of the Meeting’s first calling. Ballots must be mailed to the following address: KME Group S.p.A., Ufficio Affari Societari, Via dei Barucci 2, (50127) Florence. Ballots must be received at least 48 hours prior to the Meeting’s first calling, together with a copy of the certification required under current regulations governing attendance at Shareholders’ Meetings.

Florence, May 10, 2007

KME Group S.p.A.
Salvatore Orlando

Chairman of the Board of Directors

***The Notice of the Shareholders’ Meeting was published in Part II of Issue No. 57.
of May 17, 2007 of the Official Gazette of the Italian Republic.***