



## PRESS RELEASE

The Shareholders' Meeting convened on June 21, 2007 approved resolutions agreeing to:

- Amend the "KME Group S.p.A. Stock Option Plan" to allow the proportional reapportionment of the stock options originally awarded to the Chief Executive Officer and a line manager who have since resigned. The reapportioned options will be exercisable in two equal halves starting on September 1, 2008 and September 1, 2009, respectively.
- Carry out a reverse split of the common shares and the savings shares on the basis of one new common or savings share for every group of three old shares of the same class. This transaction required that amendments be made to the provisions that govern the savings shares, in order to maintain their privileges and characteristics unchanged, and to those applicable to the "2006/2009 KME Group S.p.A. Common Share Warrants" to make the necessary adjustments to the exercise method.  
The concerned operation will allow a better management of the shares, also with reference to the stock exchange activities; it also will allow to make more intelligible their single value, avoiding, in the same time, to perceive them as "*penny shares*"
- Carry out a series of amendments to 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), Article 22 (Board of Statutory Auditors) and Article 24 (Auditing of the Accounting Records) of the Bylaws, which are required mainly to make the Bylaws consistent with the new requirements of the Italian Civil Code and the Uniform Financial Code.

The reverse stock split will be carried out in the very near future, working in conjunction with Borsa Italiana S.p.A., and relevant communications will be provided.

Florence, June 21, 2007

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This press release is available at the Company website, [www.kmegroup.it](http://www.kmegroup.it), where additional information may also be obtained.