



PRESS RELEASE

KME GROUP OUTLINES ITS PROJECT IN THE FIELD OF RENEWABLE ENERGY SOURCES

Florence, June 21, 2007 – The Board of Directors of KME Group S.p.A., further to its earlier announcement of March 29, 2007, defined the guidelines for a project that will involve investing in companies that operate in the field of renewable energy sources, with the goal of seizing the opportunities that will be provided by the strong growth that this industry is expected to experience in the coming years.

The project calls for the establishment of a new company, called **KME Green Energy S.p.A.** This company, which will focus specifically on initiatives in this area, will be provided with sufficient financial resources to pursue acquisitions and investments in the energy industry.

KME Green Energy S.p.A. intends to grow to a size large enough to support its expansion at the European level in the area of renewable energy sources. It will pursue this goal by investing in three areas: 1) facilities for the production of energy from renewable sources; 2) products, services and technologies related to the renewable energy industry; and 3) financial investments, such as venture capital funding, minority equity positions and mutual fund shares in the renewable energy industry.

During the initial phase of the project, KME Group S.p.A. and its subsidiaries will make available the locations where the companies that KME Green Energy S.p.A. intends to acquire will build their energy production facilities. This approach will enable the companies of the KME Group to use the energy produced by these facilities to meet the consumption needs of their manufacturing plants.

In order to acquire the technical and engineering resources needed to become operational, **KME Green Energy S.p.A.** is currently in negotiations to purchase Aledia S.p.A., a company specialized in designing, installing and maintaining facilities for the production of electric power from renewable sources and in providing energy conservation solutions. Founded at the beginning of 2006 by Vincenzo Cannatelli, the

former Chief Executive Officer of KME Group S.p.A., the company currently has 100 employees and is expected to generate revenues of about 30 million euros in 2007. The company is currently involved in the installation of facilities with a combined output of 30 MW.

In accordance with the terms of the projects, **KME Green Energy S.p.A.** will draw from its available reserves a total of 2 million euros to distribute its shares to the shareholders of KME Group S.p.A., thus achieving a shareholder base sufficiently broad to enable it to file an application to list its shares on a regulated market. Obviously, these transactions will require the prior approval of the Company's governance bodies and of the relevant regulatory authorities.

Upon the shares of KME Green Energy S.p.A. being accepted for listing, the company will carry out a 50-million-euro capital increase, which will provide it with sufficient financial resources to complete the project's first development phase. Intek S.p.A., the parent company of KME Group S.p.A. and the largest shareholder of **KME Green Energy S.p.A.** subsequent to the share distribution, and Aledia S.p.A. have indicated that they are willing to guarantee the full subscription of the capital increase, allocating to this project the necessary resources.

During a second phase, compatibly with conditions in the financial markets, the project will be presented to institutional investors who may have an interest in participating in a larger, 200-million-euro capitalization transaction.

The company will have a top notch management team and contacts with potential candidates are at an advanced stage. The Board of Directors of **KME Green Energy S.p.A.** will include: Vincenzo Cannatelli (Chairman), Chicco Testa, Vincenzo Manes, Michele Candotti and Diva Moriani.

The Board of Directors

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