



PRESS RELEASE

CLOSING OF THE ACQUISITION OF THE CHINESE FIRM DD HEAVY MACHINERY CO. LTD

Florence, June 8th 2007 – KME Group informs that the purchase of 70% of Chinese firm DD Heavy Machinery Co. Ltd has been completed, with the increase of the share capital of its two associates from 30% to 70%. This acquisition was previously mentioned in a press release dating December 19, 2006.

The operation has a total value of € 6,2 million, estimated 2007 sales of approx. € 15 million and an EBITDA of approx. 20% on sales.

Target of the purchase is to consolidate the Groups position in the Chinese market in the area of copper and copper alloy special products. Vincenzo Manes, Vice Chairman of KME Group, expresses its satisfaction after the closing saying: "this operations brings us nearer to the Business Plan targets enforcing our position in the emerging markets, especially, in those products with high technological value"

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