



PRESS RELEASE

APPROVAL OF MOTION TO DISTRIBUTE KME GREEN ENERGY SHARES

Florence, July 3, 2007 – The Board of Directors, further to its earlier announcement of June 21, 2007 about a project in the area of renewable energy sources, agreed to call an Ordinary Shareholders' Meeting, which is being convened for August 3 and 6, 2007 on the first and second calling, respectively, at the Company's headquarters, in Florence, to vote on a motion to distribute about 2 million euros in available reserves. The distribution will be carried out through the allocation of **KME Green Energy s.r.l.** common shares (following the transformation of **KME Green Energy s.r.l.** into a corporation). This motion, if approved, will be implemented after the application to list the common shares of **KME Green Energy** is approved and the required permits are granted.

Concurrently with the distribution of its common shares, **KME Green Energy** will carry out a rights offering that will result in a 50-million-euro capital increase and will provide it with the resources it needs to support the first phase of the project's development. At the same time, by broadening its shareholder base, **KME Green Energy** will meet the requirements for listing its shares.

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.