



## PRESS RELEASE

### **The Shareholders' Meeting Approves the Motion to Distribute Reserves through the Allocation of KME Green Energy S.p.A. Shares**

#### **Three New Directors Are Elected**

#### **The Board of Directors Appoints Two General Managers**

**Florence, August 3, 2007** – The Shareholders' Meeting approved a motion to distribute to the Company's shareholders available balance sheet reserves in an amount that may not exceed 1,948,445.10 euros. The distribution will be carried out by spinning off the Company's entire investment in the KME Green Energy S.r.L. subsidiary (subsequent to KME Green Energy having been transformed into a corporation) and allocating to shareholders 278,349,300 KME Green Energy common shares with no par value.

The allocation will be carried out on the basis of one KME Green Energy share for each KME Group S.p.A. common or savings share held.

The KME Green Energy shares will be allocated to the parties entitled to receive them on the first stock market trading day following the date of issue of the official document accepting the abovementioned shares for trading on a regulated market or on a different date agreed upon with the relevant regulatory authorities.

Please note that, as an exception to the provisions of the Regulations governing the 2006-2009 KME Group Common Share Warrants (the "Warrants"), the Board of Directors agreed to allow the Warrant holders to exercise the right to request subscription of new KME Group S.p.A. shares reserved for them during the period between the date when the Shareholders' Meeting approved the abovementioned distribution and the last day of the month following the publication by KME Green Energy of the press release required by Article 114 of the Uniform Financial Code concerning the filing with the Consob of a memorandum setting forth the application required by Articles 94 and 113 of the Uniform Financial Code for the publication of an investment solicitation and stock market listing Prospectus.

Consequently, in order to participate in the distribution of KME Green Energy shares, Warrant holders must exercise their conversion rights by the last day of the month following the publication of the abovementioned press release. In any case, information about the exercise of their conversion rights will be provided to the Warrant holders by means of a special notice published in *MF/Milano Finanza*.

KME Green Energy was established to implement a project that will involve investing in companies that operate in the fields of renewable energy sources and energy conservation.

Under this project, following the distribution of its common shares, KME Green Energy will carry out a capital increase of about 50 million euros, combined with a free distribution of KME Green Energy S.p.A. warrants on the basis of 3 warrants for each new common share held. The warrants will be exercisable on the basis of 1 KME

Green Energy common share for each warrant held. The purpose of this transaction is to provide KME Green Energy with the resources it needs to support the first phase of the project's development, while broadening its shareholder base sufficiently to meet the requirements for listing its shares.

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The Shareholders' Meeting of August 3, 2007 also voted to increase from 9 to 12 the number of Directors who sit on its Board. Accordingly, it elected to the Board of Directors Messrs. Domenico Cova, Gian Carlo Losi and Italo Romano. The curricula vitae of these Directors are available at the Company website: [www.kmegroup.it](http://www.kmegroup.it).

The term of office of the new Directors, which will coincide with the term of office of the existing Directors, will expire upon the approval of the financial statements for the year ended December 31, 2008.

The three abovementioned Directors were nominated for election to the Board by INTEK S.p.A., which controls 53.82% of the Company's common share capital.

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Subsequently, the Board of Directors appointed to the post of General Manager the Directors Domenico Cova and Italo Romano. The former will be responsible for the Group's industrial and commercial operations, while the latter will oversee the Group's Accounting and Finance Department and other staff functions.

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This press release and the documents concerning KME Green Energy S.p.A. are available at the Company website [www.kmegroup.it](http://www.kmegroup.it), where additional information may also be obtained.

The Board of Directors