



Press release

Motion to Reduce Share Capital for the Purpose of Creating an Available Reserve

**That Reserve could be used to carry out stock buyback plans
or other operations, that will be duly subject to
the approval by the relevant Corporate entities.**

The Board of Directors of KME Group S.p.A. agreed to convene an Extraordinary Shareholders' Meeting for March 13/14, 2008, to which it will submit a motion to reduce the Company's share capital by 74.164.741 euros, for the purpose of creating an available reserve of equal amount within the Company's shareholders' equity.

The total amount of Company's shareholders' equity and the number of issued shares will not change as a result of the proposed transaction.

The purpose of creating an available reserve is to improve the structure of the Company's shareholders' equity, which currently does not include significant retained earnings or other available reserves, and optimize its efficiency in term of operational potential. In the future, the abovementioned available reserve could be used, if required, to carry out stock buyback plans or other operations, the timing and method of which will subject to approval by the shareholders.

The proposed transaction does not alter the benefits that the savings shares convey to their holders pursuant to the Bylaws and has no impact on the holders of the 2006/2009 KME Group Warrants.

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This press release is available at the Company website, www.kme.com, where additional information may also be obtained. (Telephone No. +39-055-4411454; e-mail investor.relations@kme.com)

KME Group S.p.A.

Florence, January 31, 2008