



PRESS RELEASE

Ordinary Shareholders' Meeting of KME Group S.p.A. authorizes the purchase of treasury shares

The Ordinary Shareholders' Meeting of KME Group S.p.A., approved today the motion to authorize the Board of Directors' to purchase common and saving shares of the Company in accordance with Articles 2357 and 2357-*ter* of the Italian Civil Code.

The abovementioned motion is aimed at allowing the Company to purchase common and savings treasury shares for the following purposes:

- (i) as an investment or to stabilize the trading activity, prices and liquidity of these securities;
- (ii) to establish a portfolio of treasury shares that can be used in connection with transactions executed as part of the business operations or projects that are consistent with the strategic objectives pursued by KME Group;
- (iii) use the treasury shares thus purchased to carry out stock option plans reserved for Directors and/or executives of the Company and/or its subsidiaries; and
- (iv) subsequently retire the treasury shares in connection with capital reduction transactions, with the terms and methods that the Shareholders' Meeting may approve pursuant to Article 2445 of the Italian Civil Code.

The abovementioned share purchase authorization is released for the maximum number of shares that may be acquired without causing the total number of shares held to exceed 10% of the Company's share capital and will last until March 16, 2010. Currently, KME Group S.p.A. holds only 21,666 treasury savings shares, equal to 0.008% of the total number of shares.

Share purchases shall be carried out in accordance with the provisions of Article 132 of Legislative Decree No. 58/1998 and Article 144-*bis* of the Securities Issuers Regulations (Consob Resolution No. 11971/1999), which allow the following methods:

- (i) through a public tender or exchange offer;
- (ii) through purchases on regulated markets, in accordance with the operating procedures set forth in regulations governing the establishment and operations of such markets;
- (iii) through purchases and sales of listed derivatives that require the physical delivery of the underlying shares in accordance with the terms set forth by Borsa Italiana S.p.A.;
- (iv) through the award to the shareholders of put options exercisable for a period equal to the length of the abovementioned authorization by the Shareholders' Meeting.

Purchases shall be made at prices that may not be more than 15% below or 15% above the official price recorded for each class of shares that is being bought on the stock market trading day that proceeds each buy transaction. If shares are bought through a tender or exchange offer, the reference price shall be the official price on the stock market trading day before the corresponding public announcement.

Sales of the treasury shares may be carried out without time or price restrictions, in accordance with the criteria and conditions that the Board of Directors may determine, taking into account implementation requirements, the price levels of the shares and the Company's best interest.

Purchases of treasury shares shall be carried out within the limits of distributable earnings and available reserves, as required by Article 2357, Section 1, of the Italian Civil Code. The Company's interim financial statements at June 30, 2008 show that the available reserves total 75 million euros.

According to Article 2, para IV of relevant Regulations, 2006-2009 KME Group S.p.A. shares warrant exercise is allowed starting from September 17, 2008.

This press release is available at the Company website, www.kme.com, where additional information may also be obtained (telephone: +39-055.4411454; e.mail: investor.relations@kme.com).

Florence, September 16, 2008

KME Group S.p.A.