



PRESS RELEASE

**Program for the Purchase and Disposal of Treasury Shares**

KME Group S.p.A. (hereinafter also referred to as "KME" or the "Company") announces that, pursuant to the resolution approved by the Shareholders' Meeting of September 16, 2008, it has begun to implement a program for the purchase of treasury shares.

The program is being implemented to purchase the maximum number of common and/or savings shares that, counting the shares held from time to time by the Company and its subsidiaries, does not cause the total number of common and savings shares held to exceed the ceiling of 10% of the Company's share capital.

The authorization to purchase treasury shares is valid for a period of up to 18 months from the date the abovementioned Shareholders' Meeting (i.e., until March 16, 2010).

As allowed under Article 132 of Legislative Decree No. 58/1998 and Article 144-*bis* of the Security Issuers' Regulations (Consob Resolution No. 11971/1999), treasury shares will be acquired through purchases on the regulated market operated by Borsa Italiana S.p.A., in accordance with the operating procedures set forth in regulations governing the establishment and operations of such markets, which do not allow the direct coupling of offers to buy and offers to sell.

In accordance with the provisions of Article 5, Section 2, of (CE) Regulation No. 2273/2003, the maximum number of shares that may be purchased in one day shall not be greater than 25% of the stock market daily trading volume of the KME Group S.p.A. common and/or savings shares. Pursuant to Article 5, Section 3, of the abovementioned Regulation, this ceiling may be exceeded when market liquidity is extremely low. However, the maximum number of shares that may be purchased in one day shall never be greater than 50% of the daily trading volume.

The price per share paid to purchase treasury shares shall not be more than 15% below or 15% above the closing price recorded for each class of shares that are being bought on the stock market trading day that precedes each buy transaction. In all cases, purchases shall be in accordance with the requirements of Article 5, Section 1, of (CE) Regulation No. 2273/2003.

Actual transactions will be executed through Euromobiliare SIM S.p.A., in accordance with the provisions of the purchase program.

The main purpose of the program is to enable the Company to (i) acquire a portfolio of treasury shares that can be used in connection with transactions executed as part of the Company's regular business operations or projects that are consistent with the strategies that KME intends to pursue and which may result in the need for an exchange of shares, including using the abovementioned shares in connection with the issuance of convertible bonds and/or bonds with warrants attached; and (ii) use the treasury shares it purchased to implement stock option plans reserved for Directors and/or executives of the Company and/or its direct or indirect subsidiaries.

As of the date of this press release, KME Group S.p.A. held 21,666 treasury savings shares, equal to 0.11% of the shares of the same class, and 0.008% of the total number of shares.

The shareholders' Meeting of September 16, 2008 also authorized the disposal, at any time and without time restrictions, of all or part of the treasury shares purchased by the Company for any of the purposes in accordance with the methods allowed pursuant to law, empowering the Board to determine the contractual sales terms, methods and conditions that are deemed to be most appropriate in the Company's interest

Any transactions executed pursuant to the abovementioned program will be disclosed to the market in accordance with the terms and conditions set forth in the applicable laws.

Florence, September 22, 2008

KME Group S.p.A.

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This press release is available at the Company website, [www.kme.com](http://www.kme.com). Additional information may also be obtained by contacting the Company directly (Telephone: +39.055.4411454; e-mail: [investor.relations@kme.com](mailto:investor.relations@kme.com)).