PRESS RELEASE

THE BOARD OF DIRECTORS REVIEWED THE GROUP'S RESULTS AT MARCH 31, 2009

CONSOLIDATED REVENUES TOTAL 458.7 MILLION EUROS OVERALL AND 174.3 MILLION EUROS NET OF THE VALUE OF RAW MATERIALS (191.1 MILLION EUROS IN THE FOURTH QUARTER OF 2008 AND 232.5 MILLION EUROS AT MARCH 31, 2008)

EBITDA[*] AMOUNT TO 10.6 MILLION EUROS (11.7 MILLION EUROS IN THE FOURTH QUARTER OF 2008 AND 31.1 MILLION EUROS IN THE FIRST QUARTER OF 2008)

CONSOLIDATED LOSS BEFORE TAXES[*] OF 12.7 MILLION EUROS (PROFIT OF 7.5 MILLION EUROS IN THE FIRST QUARTER OF 2008)

NET INDEBTEDNESS TOTALS 248.6 MILLION EUROS (227.8 MILLION EUROS AT DECEMBER 31, 2008)

Florence, May 13, 2009 – The Board of Directors of KME Group SpA reviewed and approved the Report on Operations in the first quarter of 2009.

- **Consolidated revenues** totaled 458.7 million euros in the first three months of 2009 (835.8 million euros in 2008).
  Restated net of the value of raw materials, consolidated revenues amount to 174.3 million euros, down 8.8% compared with the fourth quarter of 2008 (191.1 million euros) and 25% compared with the first quarter of 2008 (232.5 million euros).

- At 10.6 million euros, **EBITDA**[(1)] for the first three months of 2009 were roughly in line with the 11.7 million euros earned in the fourth quarter of 2008, but lower than the amount reported at March 31, 2008 (31.1 million euros), when the Group's performance benefited from a vastly more favorable market environment, not yet been affected by the macroeconomic upheaval that followed later in the year.

- The **loss before taxes**[(1)] amounted to 12.7 million euros in the first quarter of 2009, as against a profit of 7.5 million euros in the same period last year.

- On the balance sheet side, **consolidated net indebtedness** totaled 248.6 million euros at March 31, 2009 (227.6 million euros at the end of December 2008), holding at a level lower than the working capital amount, as evidence of the Group's balanced financial position and lack of structural indebtedness.

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(1) An explanation of the reclassifications of the data listed above is provided on page 2 of this press release and in the section of the annexed Quarterly Report entitled "Operating Performance of the Group."

- As for **expectations of the Group's future performance,** the most recent indicators of economic activity provide no evidence of a significant improvement in market conditions over the near term. The uncertain outlook and the concern that the recessionary phase could be longer than anticipated make reliable forecasts difficult to formulate at this point.
  Against this background, the Group is continuing to deploy with determination a number of contingent measures designed to counter the effect of lower volumes and price pressure. In addition, the Group made further progress in carrying out the structural programs that it has been pursuing for some time to achieve a more efficient manufacturing system, a more focused organization and an optimum use of invested capital, without neglecting the goal of diversifying its operations, as demonstrated by recent transactions in the scrap metal marketing business.
  The actions taken succeeded in reducing the impact of weak market demand, preserving an adequate cash flow and creating the conditions necessary for a return to the path of rising profitability when economic conditions become more favorable.

(*) Consolidated Financial Highlights for the First Quarter of 2009

(in millions of euros)	1st quarter 2009	4th quarter 2008	1st quarter 2008
Revenues	835.8	579.5	458.7
Revenues (net of raw materials)	174.3	191.1	232.5
EBITDA	10.6	11.7	31.1
EBIT	(4.5)		17.2
Profit (Loss) before taxes	(12.7)		7.5
Net indebtedness	248.6 (at 3/31/09)		227.6 (at 12/31/08)
Shareholders' equity	451.4 (at 3/31/09)		458.4 (at 12/31/08)

The income statement data provided above (stated on a comparable basis in both years) provide a fair presentation of the results from operations.
The table below shows the consolidated income statement data computed valuing the structural inventory of raw materials at current prices, as required by the IFRS accounting principles, instead of valuing it at cost by the LIFO method. The structural inventory is the inventory that has not been set aside to fill customer orders and, consequently, constitutes a strategic reserve, essentially stable over time, maintained to ensure the continuity of the manufacturing operations.
In the current environment, with declining average prices, this type of valuation produced a positive differential of 5.8 million euros, compared with a positive differential of 63.6 million euros, against the background of rising prices, at March 31, 2008 (at the end of 2008, the differential was negative by more than 73 million euros). Clearly, during periods of extremely volatile raw material prices, the use of the IFRS accounting principles introduces in the information provided in interim reports an external economic component the extreme variability of which creates the risk of providing a totally distorted presentation of the results from operations.

(in millions of euros)	1st quarter 2009	1st quarter 2008
Profit (Loss) before taxes with inventory not IFRS valued	(12.7)	7.5
Impact of IFRS valuation of inventory	5.8	63.6
Profit (Loss) before taxes with inventory IFRS valued	(6.9)	71.1

Note: This press release contains reclassifications of income statement data (applied consistently for 2008 and 2009) and uses some alternative performance indicators that are not provided in the IFRS accounting principles. The meaning and content of these reclassifications and performance indicators is discussed in the annexed Quarterly Report.

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Marco Miniati, the Company's Corporate Accounting Documents Officer, acting in accordance with the requirements of Article 154 *bis*, Section 2, of the Uniform Financial Code (Legislative Decree No. 58/1998), declares that the accounting information contained in this press release on the results from operations at March 31, 2009 is consistent with the data in the supporting documents and in the Company's other documents and accounting records.

The Board of Directors

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This press release is available at the Company website, www.kmegroup.it. Additional information may also be obtained directly from the Company (telephone number +39 055.4411454; e-mail investor.relations@kme.com).