

A step forward in the metals scrap business

PRESS RELEASE

- KME Group S.p.A. acquires a 30% interest in SIGIMET S.p.A., active in the buying and selling of metals;
- this transaction, that follows the similar operation with METALBUYER S.p.A., which was communicated last February, is valued at 1.8 million euros and belongs to the project of diversifying the Group's business with commercial activities upstream from the traditional industrial activity;
- the transaction will close only if it is approved by the antitrust authorities.

Florence, May 5, 2009. KME Group S.p.A signed today a preliminary agreement to acquire a 30% equity interest in SIGIMET S.p.A., a company based in the province of Alessandria; this follows the similar agreement with METALBUYER S.p.A. signed on the 26th of last February.

The total value of the transaction, amounting to about 1.8 million euros will be paid to the seller upon the transfer of the abovementioned equity interest. However, the sale will close only if it is approved by the relevant antitrust authorities. A call option is provided valid for three years, that can be exercised to buy an additional 21% interest in the company in accordance with predetermined terms and conditions.

The value of the acquired equity investment was determined with the consulting support of PriceWaterhouseCoopers S.p.A.

SIGIMET S.p.A. is a scrap and new metals trading company active in the European and Extra-European markets, and is a Group's supplier for a minor share. The company reports an annual turnover of about 150 million euros.

Both agreements belong to a strategy, KME Group is going to pursue starting from its own experience and presence in the scrap market, in order to enter the business activity of scrap recovery and recycling of ferrous and non-ferrous metals. It represents an investment aimed at diversifying beyond the traditional industrial activity of manufacturing copper semi-finished products and copper alloy.

KME Group S.p.A.



A new holding, KME Recycle S.p.A., has been created to this purpose; it will sustain the activity and development of the partner companies and will hold the related shares. The basic scheme means the acquisition of 30% of partners' companies with an option valid for 3 years, for an additional 21% stock share with predetermined terms and conditions.

KME Group, together with entrepreneurs who will join the project, believe that the company model most suitable to face the increasing requirements and volumes of the recycling market is where partners combine their strengths and produce the necessary synergy to develop business activity and profitability.

Both METALBUYER S.p.A. and SIGIMET S.p.A. have expressed a highly positive opinion on KME Group's project, declaring to be proud of participating as partners, even maintaining the independence of their own commercial activities in order to expand the customers' and suppliers' portfolio and boost the international activity as well.

KME Group S.p.A.

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