



PRESS RELEASE

**NOTICE TO HOLDERS OF COMMON SHARES
AND
TO HOLDERS OF SAVINGS SHARES
STOCK SPLIT**

The holders of common shares and the holders of savings shares are hereby informed that on February 8, 2010, in implementation of the resolutions adopted by the Extraordinary Shareholders' Meeting of December 2, 2009 (entered into the Florence Company Register on December 4, 2009), the common shares and the savings shares of which the share capital of KME Group S.p.A. is comprised will be split as follows:

- The 235.500.859 common shares will be split through the allocation of 3 common shares (ISIN Code No. IT0004552359, regular ranking for dividends, coupon No. 1) for every 2 common shares held (ISIN Code No. IT0004247273, regular ranking for dividends, coupon No. 4);
- The 19,072,110 savings shares will be split through the allocation of 3 savings shares (ISIN Code No. IT0004552375 for the registered savings shares, regular ranking for dividends, coupon No. 1, and ISIN Code No. IT0004552367 for the bearer savings shares, regular ranking for dividends, coupon No. 1) for every 2 savings shares held (ISIN Code No. IT0004247331 for the registered savings shares, regular ranking for dividends, coupon No. 4 and ISIN Code No. IT0004247307 for the bearer savings shares, regular ranking for dividends, coupon No. 4).

Consequently, as of February 8, 2010, the share capital of KME Group S.p.A. will amount to 250.021.765,45 euros, represented by a total of 381.859.452 common shares, comprised of 353.251.287 common shares and 28,608,165 savings shares, with the shares of both classes having no par value.

To facilitate the transactions related to the stock split, EQUITA - Società di Intermediazione Mobiliare S.p.A. has agreed to handle orders to buy or sell the abovementioned securities in the quantities necessary to achieve the abovementioned stock split ratio. Transactions will be executed on the following terms: price equal to the official stock price on the last Stock Exchange trading day before the start of the stock split period, with no transaction fees being owed by the shareholders.

Stock split transactions may be executed exclusively through Monte Titoli S.p.A. by all authorized intermediaries in accordance with the instructions provided by their customers.

Holders of common share and savings shares that have not yet been dematerialized are hereby reminded that stock split transactions may be executed only after they have surrendered their share certificates to an authorized intermediary for entry, in dematerialized form, into the central clearing system operated by Monte Titoli S.p.A.

NOTICE TO THE HOLDERS OF THE “2006/2011 KME GROUP S.P.A. COMMON SHARE WARRANTS”

Notice is hereby given that, effective February 8, 2010, as a result of the splitting of the common shares of KME Group S.p.A. on February 8, 2010, the exercise *ratio* of the warrants and the subscription price of the new shares will change as follows:

- 1 common share, at a price of 0.70 euros per share, for every 2 warrants held.

It shall be understood that the old terms of 1 new common share, at a price of 1.05 euros per share, for every 3 warrants held will continue to apply to any warrants exercised up to February 5, 2010. Obviously, the shares thus issued will also be split before delivery, in accordance with the terms explained above.

DOCUMENTS

Copies of the Company **Bylaws**, updated with the new amendments required to reflect changes in the preferential equity rights of the savings shares and the exercise of the “2006/2011 KME Group S.p.A. Common Share Warrants” are on file at the Company’s Florence headquarters and at the offices of Borsa Italiana S.p.A. starting from February 8, 2010. The Bylaws may also be viewed on a separate page of the Company website (www.kme.com).

Copies of the **Regulations of the “2006/2011 KME Group S.p.A. Common Share Warrants,”** updated to reflect the changes in exercise terms, are also on file at the Company’s Florence headquarters and at the offices of Borsa Italiana S.p.A. starting from February 8, 2010. The Bylaws may also be viewed on a separate page of the Company website (www.kme.com).

Florence, February 3, 2010