

PRESS RELEASE

PARTIAL IMPLEMENTATION OF THE “2010 - 2015 STOCK OPTION PLAN”

Florence, October 7, 2010 - The Board of Directors KME Group S.p.A. proceeded with a partial implementation of the Stock Option Plan approved by the Shareholders' Meeting of December 2, 2009, convened in ordinary session, within the framework of the Group's reorganization project carried out in recent months through the partial demerger of iNTEK S.p.A. for the benefit of KME Group S.p.A., which enabled the Group to refocus its operations concentrating at KME Group S.p.A. its industrial and service activities as a holding which leads three separate business areas: copper, renewable energies and services, each of them supplied by an own incentive program.

The new Stock Option Plan replaces an earlier plan launched in 2006, which was cancelled as a result of and concurrently with the Group's adoption of a new corporate and organizational structure.

Acting upon a proposal by the Compensation Committee, with the favourable vote of the Independent Directors, with the approval of the Board of Statutory Auditors, and with the abstain from voting of the Beneficiaries Directors, the Board of Directors selected the Beneficiaries of the Incentive Plan and determined the number of options awarded to each Beneficiary, for a total amount of 25,500,000 options (the maximum number authorized by the Shareholders' Meeting is of 31,000,000 options).

More specifically, were awarded to:

Mr. Vincenzo Manes - Vice Chairman,	n.	14,500,000 options
Mrs. Diva Moriani - Vice Chairman,	n.	9,000,000 options
Mr. Gian Carlo Losi - Director,	n.	2,000,000 options

The Board will reserve the right to award the residual options in the future.

These options convey to the Beneficiaries the right to acquire through subscription or purchase from the Company a corresponding number of KME Group S.p.A. common shares at a price of 0.295 euros per share, as follows:

- 1/3 starting on October 10, 2011
- 1/3 starting on October 8, 2012
- 1/3 starting on October 8, 2013

The final exercise date is December 31, 2015.

As an alternative to the process described above, the Board of Directors, acting pursuant to the powers approved by the Shareholders' Meeting, granted the Beneficiaries the right to exercise their options starting on December 8, 2010. In keeping with the Plan's

incentive goals, if a Beneficiary opts for the early exercise alternative, the shares acquired through subscription and/or purchased will be subject to a lockup period of 24 months.

In accordance with the resolutions approved by the Shareholders' Meeting, the option exercise price was set at an amount equal to the arithmetic average of the official closing prices of the KME Group S.p.A. common shares on the Online Stock Exchange organized and operated by Borsa Italiana during the period between the award date and the corresponding day of the previous calendar month.

Moreover, in partial implementation of the mandate it received from the abovementioned Shareholders' Meeting of December 2, 2009, convened in extraordinary session pursuant to Article 2443 of the Italian Civil Code, the Board of Directors agreed to proceed with a contributory, divisible share capital increase, carried out through the issuance of up to 25,500,000 KME Group S.p.A. common shares, regular ranking for dividends, at a subscription price of 0.295 euros per share, for a total amount of 7,522,500.00 euros, with exclusion of the preemptive right of other shareholders, as allowed under Article 2441, Section 4, second sentence, of the Italian Civil Code.

As required by the abovementioned statute, KPMG S.p.A., the Company's legally authorized Independent Auditors, issued a special report to the effect that the issue price of the new shares is consistent with their market value.

Please note that, if the share capital increase reserved for the Beneficiaries of the "2010-2015 KME Group S.p.A. Stock Option Plan," as described above, is fully subscribed, the abovementioned share capital increase will cause a dilution of the interests held in the Company's equity capital of up to 4.9 % for the total share capital and 5.3% for the common share capital.

For additional information, please consult the Update to the Information Memorandum, prepared in accordance with Article 84 *bis* of Consob Regulation No. 11971/1999, which will be available on October 8, 2010 at the Company's head office and will be communicated to the public by filing it with Borsa Italiana and publishing it on the Company website: www.kme.com.

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This press release is available on 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).

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The Board of Directors