

KME Group S.p.A.

Registered Office: 2 Via dei Barucci, Florence

Share capital: €297,013,585.26 fully paid-in

Registration No. in the Company Register of the Court of Florence

and Tax I.D. No.: 00931330583

Website: www.kme.com

NOTICE OF ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

The holders of KME Group S.p.A. common shares are called to an Ordinary and Extraordinary Shareholders' Meeting that will be held at the registered office of KME Group S.p.A. in Florence, at 2 Via dei Barucci, at 11:00 AM on:

- April 27, 2011, on the first calling;
- April 28, 2011, on the second calling;

to vote on the following

Agenda

Ordinary Session

1. Financial statements for the year ended December 31, 2010; report of the Board of Directors on the Company's financial position and results from operations; report of the Board of Statutory Auditors; report of the Independent Auditors; motion to allocate the net result; presentation of the consolidated financial statements of the KME Group; related and required resolutions;
2. Election of a Director pursuant to Article 2386 of the Italian Civil Code; related and required resolutions;
3. Authorization to purchase and dispose of common and savings treasury shares, in accordance with the combined provisions of Article 2357 and Article 2357 *ter* of the Italian Civil Code, and Article 132 of Legislative Decree No. 58/1998 and applicable implementative provisions; related and required resolutions, including resolutions concerning the cancellation of an earlier, similar authorization and the granting of powers.

Extraordinary Session

1. Amendments to the following articles of the Bylaws: Article 4 (Share Capital); Article 5 (Classes of Shares), Article 11 (Attendance and Representation at Shareholders' Meetings), Article 13 (Minutes of Shareholders' Meetings), Article 14 (Management of the Company), Article 17 (Election and Composition of the Board of Directors and Term of Office of its Members), Article 22 (Board of Statutory Auditors), Article 25 (Fiscal Year); related and required resolutions, including resolution concerning the title of Article 5 and Article 10 and the granting of powers.

Attendance at the Shareholders' Meeting

Each common share conveys the right to cast one vote at Ordinary and Extraordinary Shareholders' Meetings. Detailed information about the amount and composition of the Company's share capital is available on the Company website (www.kme.com), in a section of the Corporate Governance page reserved for this Shareholders' Meeting.

Pursuant to law and to Article 11 of the Bylaws, the eligibility to attend and vote at the Shareholders' Meeting must be certified by means of a communication issued by an intermediary qualified to maintain books of accounts pursuant to law, based on the

information in its corresponding accounting records at the close of business on the day falling seven stock market trading days before the date of the Shareholders' Meeting's first calling, i.e., April 14, 2011 (record date). Debit or credit entries posted to the accounting records after this deadline are irrelevant for purpose of determining the eligibility to exercise the right to vote at the Shareholders' Meeting.

The Company must receive the intermediary's communication by the end of the day falling three stock market trading days before the date of the Shareholders' Meeting's first calling, i.e., April 20, 2011. Nevertheless, shareholders will be eligible to attend and vote at the Shareholders' Meeting even if the intermediary's communication is delivered to the Company after the abovementioned deadline, provided it is delivered before a Shareholders' Meeting convened with a single notice is called to order.

Any party eligible to attend the Shareholders' Meeting may choose to be represented at the Meeting by means of a written proxy, granted pursuant to current laws. To that effect, shareholders have the option of using the proxy form (Form 1) for the items on the Meeting's Agenda available on the Company website (www.kme.com), in a section of the Corporate Governance page reserved for this Shareholders' Meeting, or at the Company's Registered Office, Segreteria Societaria, Florence (50127), Via dei Barucci, n. 2. The proxy may be transmitted to the Company by registered letter mailed to KME Group S.p.A., Segreteria Societaria, Florence (50127), Via dei Barucci, n. 2, or in another manner that provides assurance of receipt by the Company, such as faxing it to fax No. 055.4411681, or with an electronic communication sent to the certified e-mail address kmegspa@legalmail.it.

The Company designated as the Shareholders' Representative, pursuant to Article 135-*undecies* of Legislative Decree No. 58/1998 (Uniform Financial Code), Società per Amministrazioni Fiduciarie "SPAFID" S.p.A., whom shareholders may appoint as their proxy agent by means of a written proxy for the items on the Meeting's Agenda, provided that the proxy is delivered to the abovementioned Shareholders' Representative by courier, registered letter with return receipt or regular mail, at the address established for this purpose at 10 Foro Buonaparte, Milan (20121), not later than end of the day falling two stock market trading days before the date of the Shareholders' Meeting's first calling, i.e., April 21, 2011. The proxy is effective only with respect to motions for which voting instructions are provided. The proxy form (Form 2) is available on the Company website (www.kme.com), in a section of the Corporate Governance page reserved for this Shareholders' Meeting, or at the Company's Registered Office, Segreteria Societaria, Florence (50127), Via dei Barucci, n. 2. The proxy and the voting instructions may be revoked within the abovementioned deadline.

Right to Submit Questions Before the Shareholders' Meeting

Pursuant to law, shareholders may submit questions about items on the Agenda prior to the Shareholders' Meeting. Questions, accompanied by documents suitable to verify the questioner's shareholder status, must be sent by registered letter to Segreteria Societaria, Firenze (50127), Via dei Barucci, n. 2, or sent to fax No. 055.4411681, or with an electronic communication sent to the certified e-mail address kmegspa@legalmail.it. Questions received prior to the Shareholders' Meeting will be answered at the Shareholders' Meeting at the latest. The Company reserves the right to provide a single answer to questions with the same content.

Right to Amend the Agenda of the Shareholders' Meeting

Pursuant to law, shareholders who, individually or jointly, represent at least one-fortieth of the Company's share capital may request in writing, within 10 calendar days from the publication of this Notice, i.e., by April 4, 2011, that the Meeting's Agenda be amended, listing on their application the additional items that they are suggesting. The request to amend, accompanied by documents suitable to prove the ownership of the abovementioned percentage interest in share capital, must be submitted in writing at the Company's registered office, Segreteria Societaria, Firenze (50127), Via dei Barucci, n. 2, by means of a registered letter, which must reach the Company by the abovementioned deadline. By the same deadline and in the same manner, shareholders must also submit a report on the items submitted for discussion.

Amendments are not allowed for items on the Agenda with regard to which, pursuant to law, the Shareholders' Meeting is required to vote upon a motion submitted by the Board of Directors or based on a draft or report prepared by the Board of Directors, other than those referred to in Article 125-ter, Section 1, of the Uniform Financial Code. More detailed information about the right to amend the Agenda of the Shareholders' Meeting is available on the Company website (www.kme.com), in a section of the Corporate Governance page reserved for this Shareholders' Meeting.

Election of Directors

To elect the Director needed to fill a vacancy on the Board of Directors in office, in accordance with Article 2386 of the Italian Civil Code, the Ordinary Shareholders' Meeting will vote with the majorities required pursuant to law (without using the slate-voting system). Therefore, shareholders are urged to nominate candidates for election to the post of Director. Additional information is provided in the Report of the Board of Directors on Item 2 on the Agenda.

Documents

The Reports, the corresponding motions and all other documents pertaining to all of the items on the Meeting's Agenda will be available at the Company's Registered Office, Segreteria Societaria, Firenze (50127), Via dei Barucci, n. 2, will be published on the Company website (www.kme.com), in a section of the Corporate Governance page reserved for this Shareholders' Meeting, and will be available through Borsa Italiana S.p.A.

The Reports, the corresponding motions and all other documents pertaining to all of the items on the Meeting's Agenda will be filed within the following deadlines:

- at least 30 days before the date of the Shareholders' Meeting's first calling for the Reports of the Board of Directors on Items 1 and 2 on the Agenda of the Shareholders' Meeting convened in ordinary session;
- at least 21 days before the date of the Shareholders' Meeting's first calling for the Reports of the Board of Directors on Item 3 on the Agenda of the Shareholders' Meeting convened in ordinary session, together with the other documents required by Article 154 *ter* of the Uniform Financial Code, and on Item 1 on the Agenda of the Shareholders' Meeting convened in extraordinary session;
- at least 15 days before the date of the Shareholders' Meeting's first calling for the document required by Article 77, Section 2 *bis*, of CONSOB Regulation No. 11971/98 for Item 1 on the Agenda of the Shareholders' Meeting convened

in ordinary session, keeping in mind that this document will be on file only at the Company's registered office.

Shareholders may request copies of these documents.

Voting by Mail

Votes may also be cast by mail. Ballots and voting instructions will be available at the Company's registered office, Segreteria Societaria, Firenze (50127), Via dei Barucci, n. 2, and on the Company website (www.kme.com), in a section of the Corporate Governance page reserved for this Shareholders' Meeting. The original of the ballot, together with a copy of the communication required under current regulations governing attendance at Shareholders' Meetings, must reach the Company by the day before the Shareholders' Meeting's first calling, delivered by means of a registered letter mailed to Segreteria Societaria, Firenze (50127), Via dei Barucci, n. 2. Ballots received after the abovementioned deadline and unsigned ballots will not be counted for Meeting quorum and voting purposes.

Votes cast by mail may be voided by means of a written communication delivered to Segreteria Societaria, Firenze (50127), Via dei Barucci, n. 2, no later than the day before the Shareholders' Meeting's first calling or by a statement made at the Shareholders' Meeting by the interested party.

No electronic voting method is being provided.

Florence, March 24, 2011

Board of Directors

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Pursuant to Article 125 *bis* of the Uniform Financial Code, this Notice of Shareholders' Meeting is being published on the Company website (www.kme.com) on March 24, 2011, and, pursuant to Article 10 of the Bylaws, on the newspaper *MF - Milano Finanza* on March 25, 2011.

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