



KME Group S.p.A.

Press release pursuant to Article 114 of Legislative Decree No. 58 of February 24, 1998, as amended, (the “Uniform Financial Code”) and Article 66 of the Regulations adopted by the Consob with Resolution No. 11971 of May 14, 1999, as amended, (the “Issuers’ Regulations”).

THE CONSOB APPROVES THAT OFFER MEMORANDUM FOR THE VOLUNTARY PUBLIC EXCHANGE OFFER FOR ALL KME COMMON SHARES LAUNCHED BY KME GROUP S.P.A. IN CONCERT WITH QUATTRODUEUE HOLDING B.V., ITS CONTROLLING SHAREHOLDER.

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Florence, June 28, 2012

With regard to the voluntary exchange offer for all KME common shares (the “**Offer**”) launched on May 9, 2012 by KME Group S.p.A. (the “**Offeror**” or the “**Issuer**” or, also, “**KME**”) in concert with Quattrodueue Holding B.V. (“**422BV**”), its controlling shareholder, KME announces that, on June 27, 2012, the Consob, acting pursuant to Article 102, Section 4, of the Uniform Financial Code, issued Resolution No. 18258 approving the offer memorandum submitted for publication (the “**Offer Memorandum**”).

The Offer Memorandum will be made available to the public, by delivering it to the intermediaries, pursuant to Article 38, Section 2, of the Issuers’ Regulations, starting on June 30, 2012. This delivery will be announced by means of a notice published in the newspaper *Italia Oggi* on June 30, 2012.

The Offer Memorandum will be available upon request at the Issuer’s registered office, at 2 Via dei Barucci, in Florence, and at the offices of EQUITA S.I.M. S.p.A., the intermediary responsible for coordinating the collection of the tendered shares, located at 9 Via Turati, in Milan.

The Offer Memorandum will also be available on the Issuer’s website, at the address www.kme.com, on the page “*Investor relations, Offerta Pubblica di Scambio/Fusione KME-Intek.*”

The Offer Memorandum contains, directly and through inclusion by reference, the information required by Regulation No. 809/2004/EC and meets the disclosure requirements regarding the offer and the listing of the participatory debt financial instruments called “*2012-2017 KME Group S.p.A. Participatory Debt Financial Instruments*” pursuant to Article 34-ter, Section 1, Letter j), and Article 57, Section 1, Letter c), of the Issuers’ Regulations.

The main features of the Offer, described in detail in the Offer Memorandum, are reviewed below.

Shares Subject of the Offer

The Offer is for 254,864,115 common shares of the Issuer, without par value, equal to 56.972% of KME's common share capital, corresponding to all of the KME shares outstanding on the date of Offer Memorandum, less the 184,880,835 KME common shares, equal to 41.328% of the common share capital, indirectly held by 422 BV (including 29.665% held through 433 and 11.668% held through Intek S.p.A.), and the 7,602,700 common treasury shares held by KME (equal to 1.700% of the common share capital).

Therefore, the Offer is for up to 254,864,115 common shares.

Consideration per Share Offered

The Offer's consideration consists of up to 254,864,115 participatory debt financial instruments, par value of 0.42 euros each, floated as a single issue, as approved by the KME Shareholders' Meeting on May 9, 2012, called "*2012-2017 KME Group S.p.A. Participatory Debt Financial Instruments*," (hereinafter also referred to as the "**PFI**s"), issued pursuant to the combined provisions of Article 2346, Section 6, and Article 2351, Section 5, of the Italian Civil Code, which, on the Offer's Exchange Date (as defined below), shall be listed for trading on the Online Bond and Government Securities Market (the "**BGSM**") organized and operated by Borsa Italiana S.p.A.

The Offeror shall award to each party accepting the Offer 1 PFI, par value 0.42 euros, for each KME common share tendered in response to the Offer and purchased (the "**Consideration**").

Offer Acceptance Period and Exchange Date

As agreed with Borsa Italiana S.p.A., the Offer acceptance period shall begin on July 2, 2012 and end on July 27, 2012, both dates included, from 8:30 AM to 5:30 PM, unless extended.

The delivery of the Consideration to the parties accepting the Offer (through the award of the PFIs offered in exchange), in return for the concurrent transfer to the Offeror of the title to the KME common shares tendered in acceptance, shall take place on the fifth stock market trading day after the end of the Offer acceptance period, i.e., barring any extensions of or amendments to the Offer that may occur in accordance with applicable laws or regulations, on August 3, 2012 (the "**Exchange Date**").

Please note that up to the day following the delivery of the Consideration to the parties accepting the Offer, the Offer acceptance deadline could be extended for an additional five stock market trading days if the conditions of Article 40-*bis*, Section 1, Letter a), of the Issuers' Regulations are met (the "**Extension of the Deadline**"). Specifically, the effectiveness of the Offer is subject to the achievement of a minimum acceptance threshold equal to 30% of KME's voting share capital (hence, not counting treasury shares), corresponding to 131,923,485 KME common shares. The achievement of this minimum acceptance threshold constitutes a condition precedent for the Offer's effectiveness, which the Offeror can waive in accordance with the modalities and conditions specified in Section A.1 of the Offer Memorandum.

The Offer acceptance deadline can thus be extended for an additional period from August 6, 2012 to August 10, 2012 (both dates included).

Conditions for the Offer's Effectiveness

The Offer's effectiveness is subject to the following conditions:

- (a) the achievement of a minimum acceptance threshold equal to 30% of KME's voting share capital (hence, not counting treasury shares), corresponding to 131,923,485 KME common shares;
- (b) the circumstance that Borsa Italiana authorizes the start of trading of the PFIs on the BGSM;
- (c) the absence, within the first stock market trading day after the end of the Offer acceptance period, of (i) extraordinary events or situations at the national and/or international level producing severe changes in political, financial, economic, currency or market conditions that did not exist on the date of the Offer Memorandum and have material prejudicial effect on the Offer, the conditions of the activities and/or the financial position, income statement and/or cash flow of the Offeror and/or its subsidiaries (the "**KME Group**"), or (ii) actions, facts, circumstances, events, oppositions or situations that did not exist on the date of the Offer Memorandum and are capable of producing a negative effect with a material impact on the Offer, the conditions of the activities and/or the financial position, income statement and/or cash flow of the Offeror and/or the KME Group, as reported in the interim report on operations at March 31, 2012, and/or failure on the part of relevant institutions, entities or authorities to adopt/publish, within the first stock market trading day after the end of the Offer acceptance period, of legislative, administrative (including those concerning any obligations to carry out mandatory tender offers pursuant to Articles 106 and following of the Uniform Financial Code) or judicial measures or provisions capable of precluding, limiting or making substantially more onerous, in whole or in part and including on a provisional basis, the ability of the Offeror or the KME Group to execute the Offer.

Additional information about the conditions for the Offer's effectiveness is provided in Section A.1 of the Offer Memorandum.

Addressees of the Offer

The Offer is addressed, on equal terms and indistinctly, to all holders of KME common shares and is being promoted exclusively on the Online Securities Market organized and operated by Borsa Italiana S.p.A., which is the only market where the KME common shares are traded, excluding any other financial instrument issued by KME and, consequently, excluding the Issuer's savings shares.

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This press release is available on 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).