



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”).

**TEMPORARY RESULTS OF THE ALL-INCLUSIVE, VOLUNTARY PUBLIC EXCHANGE OFFER FOR LAUNCHED
BY KME GROUP S.P.A. FOR ITS OWN COMMON SHARES**

**WAIVER OF THE FULFILLMENT OF THE EFFECTIVENESS CONDITION OF THE ACHIEVEMENT OF A
MINIMUM OFFER ACCEPTANCE THRESHOLD**

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July 27, 2012

The Company announces that the all-inclusive, voluntary public exchange offer launched, on May 9, 2012, pursuant to and for the purposes of Article 102, Section 1, of the Uniform Financial Code and Article 37 of the Issuers’ Regulations (the “Offer”) by KME Group S.p.A. (“KME” or the “Issuer” or, also, the “Offeror”) in concert with Quattrodue Holding B.V., its controlling shareholder, for its own common shares, i.e., for 254,864,115 common shares of the Issuer without stated par value, fully paid-in, regular ranking for dividends, listed on Online Securities Market (“MTA”) organized and operated by Borsa Italiana S.p.A. (“Borsa Italiana”), equal to 56.972% of KME’s voting share capital, corresponding to all of the Issuer’s common shares outstanding on the date of publication of the Offer Memorandum (the “Offer Memorandum”), less the 184,880,835 KME common shares, equal to 41.328% of the voting share capital, indirectly held by Quattrodue Holding B.V. (including 29.660% held through Quattrotre S.p.A. 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).

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,” (the “PFIs”), issued pursuant to the combined provisions of Article 2346, Section 6, and Article 2351, Section 5, of the Italian Civil Code, which, on the date of delivery of the Offer’s consideration (August 3, 2012), shall be listed for trading on the Online Bond and Government Securities Market (the “MOT”) organized and operated by Borsa Italiana S.p.A.

The Offer was carried out from July 2, 2012 to July 27, 2012 (both dates included) and, on the Offer closing date, based on preliminary data, a total of 99,255,921 KME common shares, equal to 22.571% of the Issuer’s voting share capital and 38.945% of the KME common shares subject of the offer had been tendered, for a total consideration of 41,687,486.82 euros (computed based on the face value of the PFIs offered in exchange).

Please note that the Offer was 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 common shares of the Issuer.

Even though, based on temporary results, the minimum acceptance threshold of 30% of the Issuer’s voting share capital was not reached, KME, in view of the fact that the acceptance level achieved was nevertheless significant, is waiving the fulfillment of the Offer’s effectiveness condition described in Letter a) of Section A.1 of the Offer Memorandum.

The Offer’s effectiveness is still subject to the following conditions:

- (a) the circumstance that Borsa Italiana authorizes the start of trading of the PFIs on the MOT; and

- (b) 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 publication 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 publication 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 ((i) and (ii) jointly referred to as the “**MAC Condition**”).

The Offeror shall give notice indicating whether or not the MAC Condition has been fulfilled and of any decision to waive the fulfillment of this condition by 7:59 AM on the second stock exchange trading day after the end of the Offer acceptance period (i.e., by July 31, 2012) by means of a press release, issued pursuant to Article 114 of the Uniform Financial Code, and a notice announcing the final result of the Offer, published pursuant to Article 41, Section 6, of the Issuers’ Regulations.

If the Offer is completed, the delivery of the Offer’s 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 August 3, 2012, i.e., on the fifth stock market trading day after the end of the Offer acceptance period.

Please be advised that the final results of the Offer will be announced to the market by means of a special notice published in the newspaper *Italia Oggi* on or before August 2, 2012, pursuant to Article 41, Section 6, of the Issuers’ Regulations. This notice will also provide information about any extension of the Offer acceptance deadline pursuant to Article 40-*bis*, Section 1, Letter a), of the Issuers’ Regulations.

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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).