



PRESS RELEASE

NUOVO MERCATO –TECHSTAR Segment

PRIMA INDUSTRIE - FIDIA

THE BOARDS OF DIRECTORS APPROVE THE MERGER OF FIDIA S.p.A. INTO PRIMA INDUSTRIE S.p.A.

**THE APPROVED SHARES EXCHANGE RATIO IS
1 PRIMA INDUSTRIE SHARE FOR 2.4 FIDIA SHARES**

Turin, June 28, 2005 – Following the press release jointly issued by Prima Industrie S.p.A. and Fidia S.p.A. on June 7, 2005, we announce that the Board of Directors of the two companies separately approved today the merger of Fidia S.p.A. into Prima Industrie S.p.A. and hence made available the merger project at the Companies' headquarters.

Rationale of the transaction

The transaction is in line with the strategic objectives of both companies involved. On one hand Prima Industrie S.p.A. will be able to widen its business lines in complementary sectors, on the other hand Fidia will be able to reach a more adequate size in order to cover the global markets. In particular, the integration will allow the two companies to enter new markets more effectively and to rationalize their cost structures in countries where they already operate. Moreover, it will be possible to increase critical mass and efficiency in the sector of industrial electronics and computerised numerical controls, where both groups already operate with complementary products.

The merger will generate, furthermore, important synergies with respect to commercial, R&D, production and general and administration costs.

The capital structure of the resulting Company will be improved in terms of "gearing ratio", thus creating new opportunities for financing further growth.

Shares exchange ratio

The Board of Directors of the two companies had previously appointed Banca Intesa as financial advisor to assist them to establish the shares exchange ratio.

The financial advisor performed an estimate of the relative value of the two companies, using the Discounted Cash Flow method, applied to the cash flows resulting from the business plans 2005-2007 of the two companies as approved by the respective Boards of Directors.



After careful examination of the advisor's report, and of the analysis and conclusions therein, the Board of Directors established the shares exchange ratio as follows:

No. 1 new ordinary share of Prima Industrie S.p.A., nominal value 2.5 euro each

for

No. 2.4 ordinary shares of Fidia S.p.A., nominal value 1 euro each

In order to execute the transaction Prima Industrie S.p.A. will increase its share capital by an amount of up to 4.895.832,50 euro, corresponding to a maximum no. of 1.958.333 new ordinary shares of 2,5 euro nominal value.

The new Prima Industrie shares will have regular entitlement, such as the ordinary Prima Industrie shares outstanding at the merger effective date.

The newly issued shares are not subject to any lock-up.

No cash component is envisaged in the transaction.

We also remind that it is not envisaged any right of withdrawal for the shareholders of both companies and the transaction is not subject to any condition precedents.

Main Shareholders' expected breakdown after the merger

SHAREHOLDER	No. of SHARES	PERCENTAGE
Morfino Giuseppe	1.308.854	19,96%
Mansour Rafic Youssef *	945.488	14,42%
Helios Private Equity S.A.	415.977	6,34%
Almond International S.A.	302.468	4,61%
Cambria S.A. **	196.742	3,00%
Carbonato Gianfranco	174.500	2,66%
Peiretti Domenico	138.000	2,10%
Lemanik Sicav	100.785	1,54%
Market	2.975.519	45,37%
TOTAL	6.558.333	100%

* Indirectly through ERSTE INTERNATIONAL HOLDING S.A.

** Indirectly through LESTRI HOLDING B.V.

Effective date of the merger

Fidia accounts will be integrated into Prima Industrie's accounts, starting from January 1st of the year in which the merger will be effective, also for tax purposes. The effective date *vis-à-vis* third parties, according to art. 2504 *bis* civil code, will be established in the Merger Deed; this date could also be successive to the last filing date envisaged by art. 2504 civil code.



Directors' Report

Today the Board of Directors of both companies also approved the Directors' Report, as per art. 2501-*quinquies* civil code, which illustrates and motivates the legal and economic profile of the merger project, and in particular the shares exchange ratio.

Call of Ordinary and Extraordinary Shareholders Meeting

The Board of Directors of Prima Industrie S.p.A. called the Ordinary and Extraordinary Shareholders meeting for September 7, 8 and 9 (respectively 1st call, 2nd call and 3rd call, for the extraordinary session only), with the purpose of submitting the merger project for approval by the Company's Shareholders. The Board of Directors of Fidia S.p.A. called its Extraordinary Shareholders' Meeting for September 9 and 12, 2005 (respectively 1st and 2nd call).

Proposed changes to the by-laws

The Board of Directors will also propose to their Shareholders some changes in the merged Company by-laws. The main changes, valid from the merger effective date, are as follows:

- Change of the Company name into "PRIMA INDUSTRIE-FIDIA S.p.A.";
- Introduction of an election list system for the appointment of 5 directors out of 7, 5 directors out of 8 and 6 directors out of 9; the remaining members will be appointed by the Shareholders Meeting according to rules and majorities established by current laws.

Prima Industrie, established in 1977 and listed on the Nuovo Mercato of the Italian Stock Exchange since 1999, and on TechSTAR since March 2004, develops, manufactures and markets high-power laser systems for cutting, welding and drilling of three-dimensional (3D) and bi-dimensional (2D) parts.

Prima Industrie, established in 1977, leads a Group with over 450 employees, with manufacturing facilities in Italy (Prima Industrie S.p.A. and Prima Electronics S.p.A.); USA (Prima North America Inc.) and China (Shanghai Unity Prima Ltd. and Shenyang Prima Laser Machine Company Ltd.), and with a wide sales network in over 40 countries.

At present the Group can count on over 1,800 systems installed worldwide for over 1,000 customers in the automotive, aerospace and in a wide range of other industries.

Fidia SpA, established in Turin in 1974 and currently listed on Italian Stock Exchange TechSTAR, is among the world leading companies in the design, manufacturing and marketing of integrated systems for processing complex shapes, mainly intended for the moulds and dies sector. With 306 employees, Fidia stands out as one of the few companies in the three technological areas which allow to manage the whole milling process: numerical controls for milling systems, high speed milling systems and CAM software for complex shape milling.

At present the Group can count on over 700 milling systems installed and over 5,000 numerical controls installed for more than 2,000 customers worldwide.

For further information:

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