



PRESS RELEASE

NUOVO MERCATO –TECHSTAR Segment

PRIMA INDUSTRIE - FIDIA

PRIMA INDUSTRIE AND FIDIA ANNOUNCE THE START OF THE MERGER PROCESS

Torino, June 7, 2005 – The Boards of Directors of Prima Industrie S.p.A., a leader company in the high-technology sector of laser systems for industrial applications, and Fidia S.p.A, leader in the technology of numerical controls and integrated systems for calculating, scanning and milling complex shapes, both listed on the techStar segment of the Italian Stock Exchange, resolved today to start off the merger process of Fidia into Prima Industrie.

This transaction will give birth to the second largest Italian Group in the high-technology machine tools sector, with 2004 pro-forma sales of over 135 million euro, realized abroad for over 75%, and 2004 pro-forma EBITDA (operating result gross of depreciation and amortization) of over 8.1 million euro

The transaction, which takes the form of a merger where Fidia is incorporated into Prima Industrie, responds to the strategic targets of both companies involved. On one hand Prima Industrie S.p.A. will be able to widen its business lines in complementary sectors where it is possible to pursue external growth opportunities; on the other hand Fidia will be able to reach a more adequate size in order to cover the global market where it already operates, with clear prospects of profitability improvement. Moreover, both companies will increase their critical mass in the sector of industrial electronics and computer numerical controls, where they already operate directly or through subsidiaries (Prima Electronics S.p.A.).

Both companies are well-known for the technological excellence and the innovation content of their products, thanks to the high quality of the human resources employed and significant R&D investments, and serve top customers in the main international markets, through well-established sales and service direct organizations. The merger will generate, therefore, important synergies with respect to commercial, R&D, production and structure costs.

From a financial point of view, following the transaction the combined company will have a significantly improved gearing ratio. In fact, as at 03/31/05, Prima Industrie reported, at consolidated level, a negative net financial position of 13.3 million euro and net equity of 29.3 million euro, while Fidia, at the same date, reported a negative consolidated net financial position of almost 3.3 million euro and consolidated net equity of almost 15.3 million euro. This strong capital structure will allow the combined company to pursue new growth opportunities.

Today it is possible to envisage that, following the completion of the transaction, reorganization actions will mainly concern the integration of the electronics activities and the rationalization of the distribution and service networks on the main foreign markets.

The merger project, which will be filed within the time prescribed by the current laws complying with all compulsory documentation, envisages a shares swap in which Fidia shareholders will subscribe newly issued Prima Industrie shares according to a ratio which will be ultimately established by the Board of Directors of the two companies by the end of June 2005, also on the basis of the advice of a primary financial advisor. The companies will jointly appoint a financial advisor in the next few days and will make the compulsory announcement immediately after. Today, the Boards of Directors have established a preliminary exchange ratio range comprised between 1 Prima Industrie share for every 2 Fidia shares and 2 Prima Industrie shares for every 5 Fidia shares.

The merger project will be drafted on the basis of the balance sheet of the two companies as at 12/31/2004.

On the basis of the current available information the two main shareholders of the combined company will be Mr Giuseppe Morfino, the current Fidia controlling shareholder, with ownership between 19.4 and 22.6%, and Erste International Holding, the current Prima Industrie relative majority shareholder, with ownership between 13.3% and 12.4%; the market float of the combined company will be about 47%.

Following the two Boards decision to start off the merger process, Mr. Giuseppe Morfino (Chairman of Fidia S.p.A.), former independent director of Prima Industrie, resigned today from Prima Industrie's Board and, at the same time, Mr. Gianfranco Carbonato (C.E.O. of Prima Industrie S.p.A.), former independent director of Fidia S.p.A., resigned from Fidia's Board.

It is not envisaged a right of withdrawal for the shareholders of both companies.

The transaction is not subject to any resolutive nor suspensive conditions.

The merger project approved and the Board of Directors reports will be disclosed in subsequent press releases together with any additional information not currently available (*inter alia*, in particular, the shareholder structure and the corporate governance of the combined company).

The merger project will have to be approved by the Extraordinary Shareholders Meeting of the two companies and, in particular, Prima Industrie Shareholders Meeting will have to resolve on the share capital increase destined to the transaction.

The expected timetable for the transaction is the following:

- Board of Directors for the approval of the Merger Project: before June 30, 2005
- Extraordinary Shareholders Meeting for the approval of the merger: before September 30, 2005
- Merger Deed: before December 31, 2005



Prima Industrie, 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 provided with a very wide sales network in over 40 countries.

At the moment the Group boasts over 1,000 customers in the automotive, aerospace and in a wide range of other industries, with more than 1,800 systems installed worldwide.

Fidia SpA, based in Turin, 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, from the stage following the design to the end product. In particular, Fidia manufactures and markets numerical controls for milling systems and CAM software for complex shape milling.

Fidia SpA (Reuters FDA.Mi – Bloomberg FDA IM) is listed on the techStar sector of the Italian Stock market, with floating funds at around 33% and a capitalization totaling around 21.7 million euro.

For further information:

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