

Finmeccanica approves terms and conditions of sale of 93 million shares in French-Italian group STM (10.3% of the share capital) to Cassa Depositi e Prestiti

The Board of Directors of Finmeccanica today approved the main terms and conditions of an agreement to be signed with Cassa Depositi e Prestiti (CDP). The agreement was reviewed by CDP's board on 8 November 2004. Key features include:

- sale of an equity interest in French-Italian holding company STHolding Microelectronics NV, through which Finmeccanica and FT1C1 (French holding company owned by Areva and France Télécom) hold their respective stakes in STMicroelectronics N.V., a company listed on the Milan, New York and Paris stock exchanges. The sale concerns 93 million shares, or 10.3% of STM's share capital;
 - CDP will join the shareholders' agreement between Finmeccanica and the French partner;
 - the equity interest acquired will enable CDP both to reach the threshold necessary to maintain joint French-Italian governance of STM and to obtain the majority on the Italian side. Following this transaction, Finmeccanica will indirectly hold approximately 60 million STM shares. Of these, 20 million are related to bonds exchangeable into STM shares due 2010;
 - the agreement will call for a six-month lock-up period during which either party will be prevented from disposing of its STM shares. Subsequently, the parties will agree terms and conditions such that, *inter alia*, Finmeccanica will have priority and CDP will have first refusal rights in relation to possible future disposals;
 - the parties will define the transfer price with the assistance of their respective advisors (Banca IMI and Mediobanca for Finmeccanica and JP Morgan and Lazard for CDP);
 - it is expected that the transaction will close after the final agreement is signed and the relevant authorisations are obtained.
-