

**EUROPEAN INTERVENTION NOTICE GIVEN TO THE OFFICE OF FAIR  
TRADING PURSUANT TO SECTION 67 ENTERPRISE ACT 2002**

**ANTICIPATED ACQUISITION BY FINMECCANICA S.P.A. OF BAE  
SYSTEMS' AVIONICS AND COMMUNICATIONS BUSINESS**

- 1. Finmeccanica S.p.A. (“Finmeccanica”) announced on 27 January 2005 that it had signed a final agreement with BAE Systems plc (“BAE”) in relation to the proposed acquisition by it of BAE’s UK avionics and communications business.**
- 2. As a consequence, the Secretary of State has reasonable grounds for suspecting that it is or may be the case that—**
  - (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation within the meaning of Part 3 of the Enterprise Act 2002 (“the Act”), in that:**
    - (i) enterprises carried on by or under the control of BAE will cease to be distinct from enterprises carried on by or under the control of Finmeccanica; and**
    - (ii) the value of the turnover in the United Kingdom of BAE exceeds £70 million; and**
  - (b) a concentration with a Community dimension (within the meaning of Council Regulation (EC) No 139/2004 – “the EC Merger Regulation”), or part of such a concentration, has thereby arisen or will thereby arise.**
- 3. The Office of Fair Trading is unable to refer the relevant merger situation concerned to the Competition Commission under section 33 of the Act (whether or not it would otherwise have been under a duty to make such a reference) by virtue of article 21(3) of the EC Merger Regulation.**
- 4. The Secretary of State is considering whether to take appropriate measures to protect legitimate interests as permitted by article 21(4) of the EC Merger Regulation.**
- 5. The Secretary of State believes that it is or may be the case that the national security public interest consideration specified in section 58(1) and (2) of the Act is relevant to a consideration of the relevant merger situation concerned.**
- 6. Therefore, the Secretary of State in exercise of her powers under section 67(1) and (2) of the Act, hereby gives this European intervention notice to the Office of Fair Trading and requires it to investigate and report in accordance with article 4(2) to (5) of the Enterprise Act 2002 (Protection of Legitimate Interests) Order 2003 within the period ending on 21 March 2005.**
- 7. The Secretary of State may by notice alter the period for investigation and report specified in paragraph 6.**

**7 February 2005**

*An official of the Department of Trade and Industry*