

PRESS RELEASE

MONTE TITOLI: EXPRESS II COMPLETES ITS FIRST YEAR

**NEW FUNCTIONS UNDER DEVELOPMENT TO ENSURE
INTEGRATION WITH SYSTEMS OF OTHER COUNTRIES**

Express II, the securities clearing and settlement system, completes its first year.

Designed by Monte Titoli, the CSD and operator of the settlement services of the Borsa Italiana Group, the innovative Express II clearing & settlement system has integrated net¹ and gross settlement in a sole platform.

About 130 operators participate in the Express II clearing and settlement system.

"With Express II, which is the result of close collaboration between Authorities, markets, central counterparties and operators, we have achieved the two-fold objective of satisfying the requirements of participants in the global financial market and defining a new benchmark at the international level in the post-trading sector, as demonstrated by functions such as the dedicated reserve and self-collateralisation" stated Paolo Cittadini, General Manager of Monte Titoli. "The next step will be the implementation of new functions to ensure interaction with the securities settlement and payment systems of other Countries".

In fact, starting from April, it will be possible to send settlement instructions to foreign securities settlement systems as well. EuroMOT, the electronic market of Borsa Italiana where Euro-bonds and asset-backed securities (ABS) are traded, will be the first market to take advantage of this new opportunity, soon to be extended to OTC (over the counter) transactions as well.

"As a result of the introduction of Express II, even the Central Counterparty function, which has already aligned Italian markets to international best practices, has produced important benefits, including transaction anonymity and netting", added Renato Tarantola, CEO of CC&G - Borsa Italiana Group.

Since its launch at full speed, the new Express II net clearing & settlement service has settled over 23 million transactions, for a counter value of approximately 47,500 billion Euro.

As confirmation of the high degree of operating reliability achieved, on 27 October 2004, the Express II system registered – compared to a daily average of 87,000 transactions being settled – a record number of transactions processed (444,971), 99.9% of which were settled at the end of the daytime net clearing cycle.

In terms of market value, the amount of securities held by Monte Titoli exceeded 2,200 billion Euro at the end of December 2004 (of which 99.8% electronically) with over 44,000 types of securities.

Milan, 15 February 2005

¹ Express II has two distinct net cycles, night time and daytime, and uses different mechanisms to maximise the transactions to be settled, such as the borrowing of securities and automatic "collateralisation".

More specifically, introduction of a night time cycle of net clearing & settlement offers the advantage of completing transaction settlement in the early hours of the morning, allowing brokers to optimise on the management of their liquidity.