



BORSA ITALIANA GROUP: 2006 CONSOLIDATED FINANCIAL STATEMENTS

Revenues: 278.5 million euros (228.3 in 2005, +21.9%)

Net profit: 63.4 million euros (52.2 in 2005, +21.4%)

BORSA ITALIANA SPA: 2006 FINANCIAL STATEMENTS

Revenues: 146.2 million euros (133.3 in 2005, +9.6%)

Net profit: 49.2 million euros (43.1 in 2005, +14.1%)

Dividend proposal of 2.70 euros per share

In a meeting held today, the Board of Directors of Borsa Italiana Spa approved the draft consolidated and separate financial statements for 2006.

The 2006 consolidated financial statements closed with revenues of 278.5 million euros (228.3 million euros in 2005, +21.9%) and profits of 63.4 million euros (52.2 in 2005, +21.4%).

The financial statements of Borsa Italiana Spa closed with revenues of 146.2 million euros (133.3 million euros in 2005, +9.6%) and a net profit of 49.2 million euros (43.1 million euros in 2005, +14.1%).

The draft separate and consolidated financial statements will be submitted for the approval of the ordinary Shareholders' Meeting to be convened on 26th April 2007 and then on 27th April 2007, with the proposal for a dividend distribution of 2.70 euros per share, equal to a pay-out of 89% of Borsa Italiana S.p.A. profit.

Borsa Italiana Group

During 2006, revenues of Borsa Italiana Group amounted to 278.5 million euros with a growth of 22% compared to 2005 also thanks to the consolidation of 49% of MTS Group.

EBITDA amounted to 114.3 million euros (+18%) and EBIT at 106.6 million euros (23%) with an impact on revenues respectively of 41 and 38%; thanks to the continuous attention to the operative efficiency, these results have been reached with the lowest European trading and post trading fees.

In terms of distribution of revenues by business type, listing and cash trading amounted to 82.2 million euros, settlement & custody 64.3 million euros, services 47 million euros, while revenues from derivatives trading amounted to 20.8 million euros. Clearing amounted to 35.1 million euros and MTS 29.1 million euros.



In percentage terms, listing & cash trading represented 30% of revenues, settlement & custody 23%, services 17%, clearing 13%, MTS 10% and derivatives trading 7%.

Borsa Italiana Spa

2006 represented the fourth consecutive year of growth for the Italian equity market (MIB index + 19% in 2006, and + 82.5% since the end of 2002), as well as the year during which the historical maximum of 311 listed companies (+29 in comparison with 2005) was reached following 46 new admissions and 17 revocations for an overall capitalization of 779 billions of Euro, and equal to 52.8% of the Gross Domestic Product.

On 31st December 2006 the 311 companies listed on the Borsa Italiana markets were subdivided in the following way: 21 in the MTA International segment, 84 in the Blue Chip segment (-5), 76 in the Star segment (+5), 103 in the Standard segment (-1), 26 in the Expandi market (+8), and 1 in the *Investment Companies* segment.

The daily trading average of all the stock tools reached a new historical maximum for the Italian market with more than 252,000 contracts (+21% in comparison with 2005), and an equivalent value of 4.9 billions of Euro (+23% in comparison with 2005). In particular, the Italian equity trading market, with a daily average of 226,500 contracts, reaches a third place position in Europe after Euronext and LSE while in terms of equivalent value it ranks fourth in Europe.

Within Europe, the Italian stock exchange market distinguishes itself for the relative liquidity of its shares, as highlighted by the confirmation of the record in terms of *turnover velocity*, the indicator which signals the annual share turnover rate by comparing the equivalent value of the screen-based trading with capitalization. As a matter of fact, the Italian *turnover velocity* was equal to 157.6%, in comparison with 143.8% of Deutsche Börse, 123.9% of the Spanish Stock Exchange, and 106.4% of OMX.

Furthermore, Borsa Italiana is also the most competitive market in terms of trading and post trading fees, as it is indicated by a survey carried out by the European Community.

At European level, Borsa Italiana ranks seventh for capitalization, preceded by LSE (2,877), Euronext (2,812), Deutsche Boerse (1,242), BME (1,003), SWX (919), and OMX (851).

During last year it was possible to start the negotiations of *Investment Companies* in the MTF segment. They are a special type of joint-stock companies, whose exclusive corporate subject is the investment in majority or minority equity stakes of listed or non-listed companies. The new MTA



International segment was created, with the start of the negotiations of 21 Blue Chip securities of the EuroStoxx50, and ProMac was founded. This is a company promoting the MAC System of Organized Equity Trading, which will simplify the access to the risk capital for the small and medium enterprises.

2006 was also characterized by the excellent *performance* of ETFs, and of the *securitized derivatives*. In both cases Borsa Italiana confirms to be the first in Europe for the trading executed on its own screen-based systems.

ETF trading was more than double if we consider equivalent value (+102%), and the number of the average daily contracts (+117%); at the end of the year listed ETFs were 87 (30 at the end of 2005) for an overall stock of 7.6 billions of Euro.

The *securitized derivatives* increased by 45% if we consider equivalent value and 10% if we consider the average number of contracts. The increase of the number of tools listed, 3,690 covered warrants, and 957 certificates at the end of 2006, is also the result of the so called prospectus *passporting* within the European Union.

The Italian derivatives market achieved new records with an increase of the volumes (+22%) higher than the average achieved by the other European markets (+15%); the options and the *futures* on equities, increased on average by 26%, confirm to be the most traded tools of the IDEM with a total market share of 73%, and a growth of 20% of the underlying securities.

The Companies and the services of the Borsa Italiana Group

In 2006 Monte Titoli continued to work in order to ensure a higher degree of interoperability between systems, and to ensure more freedom to the operators in their choice of the supplier of *post-trading* services. The European Commission has expressed a particular appreciation for the functionalities developed by the company to support a '*multiple CCP*' model.

Following the further reduction of the fees for settlement operations started from 1st January 2006, the *settlement* revenues increased by 3% (from 23.3 a 24 billions of Euro), well below the growth of settlement operations (+15%); at the same time the average cost for each settlement operation in EXPRESS II decreased by 10% (from 0.466 Euro in 2005 to 0.421 Euro in 2006), with consistent savings for the customers quantifiable as about 2.6 billions of Euro.

As far as *custody* is concerned, revenues increased by 14% (from 35.4 to 40.2 millions of Euro). In comparison with the end of 2005 securities in custody increased by 6% both in number of types, and in nominal value. At the end of December 2006 participants to the management system were 2.334 (85% represented by issuers).



The revenues of the Cassa di Compensazione e Garanzia registered a growth of 10% to 35.1 millions of Euro. At the end of 2006 the participants to the *clearing* were 128, 46 of which were foreigners. The number of participants to the equity *clearing* decreased from 110 to 109, with an increase of from 35 to 38 of the foreign ones; the number of participants to the derivatives *clearing* decreased (from 87 to 82), but the number of foreign participants remained unchanged (25); the participants to the bonds *clearing* increased (from 11 to 15).

In 2006 the *non captive* revenues of Bit Systems grew by 80% until becoming 19% of the total revenues.

In the second half-year of 2006 an *insourcing* process of the ICT services to the markets managed by Borsa Italiana was started. It is estimated that this process will be completed for IDEM (Italian Derivatives Market) in the first half-year of 2007 and for the *cash trading* market within the end of 2007. The *insourcing* will allow the Borsa Italiana Group curbing the ICT management costs, and having a direct control on the level of the services offered, therefore achieving a considerable improvement in the system *governance*.

The revenues related to the activities of the *Congress & Training Center* in Piazza Affari managed by Affari Gestione e Servizi increased (+18%) thanks to the positive trend of the activities in terms of customers (+22%), days of employment (+22%), and events hosted (+32%). In 2006 the greatest increase was recorded by the *non captive* component of the revenues, reaching 38% of the company's revenues, therefore operating in tune with the strategic line development of Piazza Affari.

In 2006 the new ownership structure of the MTS Group became a reality: 60.37% of the shares of the parent company MTS S.p.A, are owned by the new reference shareholder, the control *holding* MBE, participated by Euronext and Borsa Italiana; the remaining capital stock is distributed between various financial brokers with single shares, which are not higher than 5%.

Since a long time, the Borsa Italiana Group has been diversifying its revenues relying on information services and products concerning market data; the result of this strategic choice is that currently the incidence of this *business unit* on the aggregated results is higher than that in the other stock exchanges, with the exception of the LSE.

In 2006 the revenues related to the sale of information services amounted to 40.1 millions of Euro (+11%), of which 34 millions for the DDM services; also the revenues related to innovative product lines and services addressed to institutional customers registered a consistent growth (+56%).

Milan, 29th March 2007