



BORSA ITALIANA
ITALIAN EXCHANGE

BI*t*NEWS

1999

DECEMBER

FACTS OF BORSA ITALIANA

- 4 January** The new Rules of the markets organised and managed by Borsa Italiana and of the Italian interest rate derivatives markets (MIF) come into force
- 28 January** CONSOB approves the Rules of the Nuovo Mercato organised and managed by Borsa Italiana for high growth companies
- 29 January** The Nuovo Mercato officially joins EURO.NM
- 8 February** Borsa Italiana, Banca Commerciale Italiana and Il Sole 24 ORE present the Euro Blue Chips Index (EBCI), the new pan-European index made up of 9 indexes of the 11 Euroland countries
- 17 February** Borsa Italiana and the Chicago Board Option Exchange (CBOE) sign an agreement for an educational program on derivatives products directed to the Italian market
- 11 March** Borsa Italiana, ParisBourse^{SBF} and Swiss Exchange, sign a partnership agreement included in the wider project for a pan-European Exchange
- 18 March** A Borsa Italiana's representative office opens in London with the aim to strengthen relationships with international investors and operators and to support the Italian listed companies in their international activities
- 12 April** Constitution of a Committee for the writing of a corporate governance code of conduct for listed companies
- 26 April** Borsa Italiana and Assolombarda sign a collaboration agreement to make easier the listing to the Italian stock market for companies with the proper standing requirements
- 30 April** The Italian Parliament adopts the Law no. 130/99 to regulate securitisation
- 4 May** Eight Exchanges (Amsterdam Exchanges, Bolsa de Madrid, Borsa Italiana, Brussels Exchanges, Deutsche Börse, London Stock Exchange, ParisBourse^{SBF}, Swiss Exchange) sign an agreement for the realisation of a pan-European market for blue chips
- 14 May** CONSOB adopts the regulation 11971 implementing the provisions on issuers of legislative decree 58 of 24th February 1998
- 14 June** In the Euro-GLOBEX alliance scenario, it comes into force the network linking between MIF (the Italian interest rate derivatives market) and MATIF (the French interest rate derivatives market) through which MIF members may trade the three month Euribor futures listed on MATIF
- 17 June** The Nuovo Mercato lists the first company
- 19 July** Important changes on the Italian Derivatives Market (IDEM) comes into force: new stock options on AEM, Alitalia, Finmeccanica, UniCredito Italiano and Unione Immobiliare; addition of the fourth expiry on all derivatives contracts; halving of the MIB30 options size (from 5 to 2.50 euro); new rules for market makers' activity; increased the power of the system
- 4 August** New provisions for capital gains (Legislative Decree n. 259, 21st July 1999): extension of the exemption from capital gains taxation on derivatives traded on regulated markets to all foreign investors (before, the rules was effective only for investors of countries having a convention with Italy)
- 5 August** Borsa Italiana and MTS sign a memorandum of understanding for the development of a market, retail and wholesale, for eurobonds and Asset Backed Securities (ABS)
- 1 September** New trading hours come into force:
- Share market - "liquid financial instruments" segment and Nuovo Mercato:
 - ◆ Opening auction, pre-opening phase: 08:00 - 09:15
 - ◆ Continuous trading: 09:30 - 17:30
 - IDEM - MIB30 futures, MIDEX futures, MIB30 options, individual stock options:
 - ◆ Continuous trading: 09:15 - 17:30
- 20 September** The number of the options on single shares traded on Idem rises to 26 after the admission of the ordinary shares of Acea, Alleanza Assicurazioni, Banca di Roma, Banca Monte dei Paschi di Siena and Seat Pagine Gialle as underlyings of these derivatives contracts
- 23 September** The eight Exchanges of the European Alliance agree the principles of the Market Model for the European blue chips
- 6 October** Official presentation of the corporate governance code of conduct for Borsa Italiana's listed companies
- 2 November** Privatisation of Enel with the placement of the 31.7% of the share capital. This operation is ranked as the biggest IPO of the world, with 16,550 million euro of capital raising
- 8 November** Admission to trading of options on Enel
- 12 November** Borsa Italiana signs an agreement with the Italian system of the Chambers of Commerce oriented to promote the stock market towards medium and small companies. The pilot-project starts with the Chambers of Commerce of Milan, Brescia and Vicenza
- 2 December** Presentation in London of the EuroMOT, the new electronic market for Eurobonds, foreign bonds, and Asset Backed Securities (ABS)
- 16 December** Listing on the EuroMOT of the firsts financial instruments: two eurobonds issued by Enel with Mediobanca operating as specialist
- 20 December** Anticipated revision of the MIB30 and MIDEX baskets scheduled for March 2000 and definition of the new minimum trading lots for all financial instruments traded on the Stock Exchange
- 31 December** Merging of MIF Spa, the management company of the Italian interest rate derivatives market, into Borsa Italiana
-



FIGURES OF BORSA ITALIANA

- From January to December 1999, the Italian stock market experienced a high growth trend in all its principal performance indicators:
 - ♦ 38 companies were listed on the Italian Exchange, of which 3 foreigners and 6 on the Nuovo Mercato; with these figures, the Stock Exchange reached its maximum peak of 247 companies
 - ♦ Total market capitalisation exceeded 714 billion euro reaching the 66.4% of GDP
 - ♦ Trading value of shares was over 500 billion euro, with a daily average of 2 billion euro
- The Italian Exchange provided an important contribution to risk capital financing allowing 23,162 million euro of capital increase (included the capital increase of the IPOs) of businesses and helping to channel huge flows of financial resources finalised to the admission on the Stock Exchange. The operations related to privatisation processes gathered 23,175 million euro.
- The derivatives contracts followed a smother dynamic (-5.9%) but IDEM maintained a good ranking at European level. The ratio with underlying resulted 238%.

COMPOSITION OF THE STOCK EXCHANGE LIST

	31.12.1996 (Flow)	31.12.1997 (Flow)	30.12.1998 (Flow)	30.12.1999 (Flow)
Companies:				
• Stock Exchange:				
♦ Italian	213 (+14 e -18)	209 (+14 e -18)	219 (+24 e -14)	241 (+28 e -6)
♦ Foreign	4 (-)	4 (-)	4 (+1 e -1)	6 (+3 e -1)
Nuovo Mercato	-	-	-	6 (+6)
Mercato Ristretto	31 (+1 e -3)	26 (-5)	20 (+1 e -7)	17 (+1 e -4)
• Total	248	239	243	270
Shares:				
• Stock Exchange:				
♦ Italian	303 (+15 e -24)	297 (+16 e -22)	300 (+28 e -25)	322 (+32 e -10)
♦ Foreign	4 (-)	4 (-)	4 (+1 e -1)	6 (+3 e -1)
• Nuovo Mercato	-	-	-	6 (+6)
• Mercato Ristretto	32 (+1 e -3)	27 (-5)	21 (+1 e -7)	18 (+1 e -4)
• Total	333	328	325	352
Warrants	35 (+7 e -9)	27 (+6 e -14)	30 (+11 e -8)	26 (+8 e -12)
Covered warrants	-	-	122 (+122)	1 565 (+1 659 e -216)
Closed-end funds	-	-	-	3 (+3)
Fixed income securities				
• Convertible bonds				
♦ Stock Exchange	22 (+3 e -3)	22 (+4 e -4)	27 (+11 e -6)	23 (+5 e -9)
♦ Mercato Ristretto	8 (+4)	8 (+1 e -1)	3 (-5)	1 (-2)
• Bonds				
♦ Stock Exchange	605 (+27 e -109)	535 (+114 e -184)	468 (+96 e -163)	469 (+113 e -112)
♦ Mercato Ristretto	1 (+1)	1 (-)	- (-1)	-
• Government securities	205 (+88 e -50)	190 (+94 e -109)	154 (+57 e -93)	139 (+54 e -69)

MARKET SIZE (MILIONS OF EURO)

	31.12.96 (Var. %)	31.12.97 (Var. %)	30.12.98 (Var. %)	30.12.99 (Var. %)
Nominal value outstanding				
• Stock Exchange	51 656 (+5.6%)	49 981 (-3.2%)	57 121 (+14.3%)	72 568 (+27.0%)
• Nuovo Mercato	-	-	-	48
• Mercato Ristretto	1 303 (-5.2%)	1 311 (+0.6%)	809 (-38.3%)	636 (-21.4%)
• Convertible bonds	1 795 (+6.2%)	2 011 (+12.0%)	2 111 (+5.0%)	2 185 (+3.5%)
• Bonds	36 851 (+22.1%)	46 130 (+25.2%)	52 291 (+13.4%)	66 054 (+26.3%)
• Government securities	909 465 (+39.4%)	926 449 (+1.9%)	949 887 (+2.5%)	962 434 (+1.3%)
Capitalisation				
• Stock Exchange	199 433 (+18.6%)	309 896 (+55.4%)	481 065 (+55.2%)	714 147 (+48.5%)
• Nuovo Mercato	-	-	-	6 981
• Mercato Ristretto	3 299 (-6.4%)	4 824 (+46.2%)	4 122 (-14.6%)	5 438 (+31.9%)
• Total	202 732	314 720	485 187	726 566
Capitalisation (% GDP)				
• Stock Exchange	20.6%	30.8%	46.0%	65.2%
• Nuovo Mercato	-	-	-	0.6%
• Mercato Ristretto	0.3%	0.5%	0.4%	0.5%
• Total	20.9%	31.3%	46.4%	66.4%

INVESTMENT FLOWS CHANNELLED THROUGH THE STOCK MARKET

	YEAR 1996	YEAR 1997	YEAR 1998	YEAR 1999
Capital increase (Stock Exchange)				
- number	15	20	39	30
- value (milions of euro)	1 604	3 888	8 272	21 887
Public Offer for sale and subscription (Stock Exchange)				
- number	14	15	23	24
- value (milions of euro)	6 292	20 336	12 114	25 532
Public Offer for purchase				
- number	32	21	15	24
- value (milions of euro)	738	1 014	363	55 485

TURNOVER (MILIONS OF EURO)

	1996		1997		1998		1999	
	Total	D. avg.	Total	D. avg.	Total	D. avg.	Total	D. avg.
Trading days	252		251		253		254	
Stock Exchange:								
- Italian shares	80 818	320.0	174 197	694.0	422 445	1 669.7	499 635	1 967.1
- Foreign shares	18	0.1	131	0.5	514	2.0	3 355	13.2
- Total	80 836	320.8	174 329	694.5	422 959	1 671.8	502 990	1 980.3
- Blocks	3 168	12.6	7 314	29.1	18 776	74.2	28 368	111.7
- Off Exchange	72	0.3	120	0.5	454	1.8	1 441	5.7
- Odd lots	293	1.2	1 041	4.1	1 894	7.5	-	-
- Warrants	1 509	6.0	4 886	19.5	9 502	37.6	3 097	12.2
- Covered warrants	-	-	-	-	2 392	16.5	14 207	55.9
- Closed-end funds	-	-	-	-	-	-	13	0.1
- Convertible bonds	1 352	5.4	1 541	6.1	3 180	12.6	1 036	4.1
- Pre-emptive rights	43	0.2	529	2.1	2 534	10.0	484	1.9
- Bonds	7 257	28.7	9 461	37.7	14 431	57.0	13 862	54.6
- Government securities	137 850	544.9	167 103	665.7	160 707	635.2	152 047	598.6
Nuovo Mercato								
- Shares	-	-	-	-	-	-	3 529	25.4
Mercato Ristretto								
- Shares	392	1.6	662	2.6	2 204	8.7	906	3.6
- Convertible bonds	73	0.3	123	0.5	156	0.6	49	0.2
- Bonds	5	0.1	19	0.1	0.4	0.0	-	-
MIB30 index futures:								
- No. standard contracts	2 675 236	10 574.1	4 463 042	17 781.0	5 896 316	23 305.6	5 094 312	20 056.3
- Notional value	207 063	818.4	477 725	1 903.3	977 751	3 864.6	905 841	3 566.3
MIDEX index futures:								
- No. standard contracts	-	-	-	-	30 070	152.6	5 144	20.3
- Notional value	-	-	-	-	1 818	9.2	353	1.4
MIB30 index option:								
- No. standard contracts	476 237	1 882.4	1 159 040	4 617.7	1 617 183	6 392.0	2 236 241	8 804.1
- Notional value	36 866	145.7	125 099	498.4	267 247	1 056.3	264 181	1 040.1
Stock options								
- No. standard contracts	479 249	2 188.4	2 443 819	9 736.3	1 297 438	5 128.2	1 947 931	7 669.0
- Notional value	1 396	6.4	12 913	51.4	27 070	107.0	28 140	110.8



www.borsaitalia.it



Tel. 02.72426.1 - Fax 02.72004.333
Piazza degli Affari, 6
20123 - Milano