

PRESS RELEASE

BORSA ITALIANA – 2007 Market Review

(Figures as at Thursday, 27 December)

- **IN 2007 BORSA ITALIANA LAUNCHED ITS INTEGRATION PROJECT WITH THE LONDON STOCK EXCHANGE**
- **NEW ALL-TIME RECORD IN TERMS OF LISTED COMPANIES: 344 (307 NET OF MTA INTERNATIONAL), WITH 49 NEW LISTINGS (OF WHICH 32 FOLLOWING IPOs OR INSTITUTIONAL PLACEMENTS AND 16 ON THE MTA INTERNATIONAL) AND 16 DELISTINGS. THE 49 NEW LISTINGS MATCH THE HISTORICAL RECORD REGISTERED IN 2000**
- **DOMESTIC COMPANIES' CAPITALISATION STOOD, AT YEAR END, AT €731 BILLION (EQUAL TO 47.8% OF THE GNP)**
- **TRADING IN SHARES SETS NEW ALL TIME HIGH, BOTH IN TERMS OF NUMBER OF CONTRACTS (YEARLY TOTAL 72.3 MILLION, DAILY AVERAGE TO 288 THOUSAND) AND IN TERMS OF TURNOVER (YEARLY TOTAL 1,572 BILLION EURO, DAILY AVERAGE TO €6,26 BILLION) 27% GROWTH AGAINST 2006 IN TERMS OF CONTRACTS AND 39% IN TERMS OF TURNOVER (5TH CONSECUTIVE YEAR OF GROWTH)**
- **THE ELECTRONIC STOCK MARKETS OF BORSA ITALIANA CONFIRM THEIR EUROPEAN LEADERSHIP IN TERMS OF TURNOVER VELOCITY**
- **TRADING ON ETF PLUS (5,310 CONTRACTS AND €126 MILLION, +74% AND + 84% RESPECTIVELY ON 2006), AND ON SECURITISED DERIVATIVES (DAILY TURNOVER AVERAGE TO €353 BILLION, +26% ON 2006) ALSO HIT HISTORICAL HIGHS.**
- **THE STRONG GROWTH IN TRADING VOLUMES ON ETF PLUS CONFIRMS BORSA ITALIANA'S LEADERSHIP POSITION IN EUROPE FOR CONTRACTS TRADED ON ELECTRONIC SYSTEMS, WHILE THE FIRST PLACE IN TURNOVER TRADED ON ELECTRONIC SYSTEMS IS CONFORMED FOR THE SeDEX**
- **NEW ALL TIME RECORDS WERE REGISTERED ALSO FOR TRADING IN IDEM EQUITY DERIVATIVES, WITH A DAILY AVERAGE OF 148 THOUSAND STANDARD CONTRACTS AND €6.22 BILLION OF NOTIONAL TURNOVER)**
- **ALL-TIME RECORD FOR VOLUMES TRADED IN AFTER HOURS IN TERMS OF COUNTERVALUE (€47 MILLION PER DAY)**
- **THE 32 PLACEMENTS FOR LISTING PURPOSES (THE HIGHEST SINCE 2000) RAISED €4.4 BILLION, €1.4 BILLION OF WHICH WAS COLLECTED DIRECTLY BY THE COMPANIES FOR THE FINANCING OF THEIR DEVELOPMENT NEEDS**
- **13 CAPITAL INCREASE TRANSACTIONS THROUGH SUBSCRIPTION OF SHARES RAISED €4.0 BILLION**
- **22 TAKEOVER BIDS RETURNED €5.6 BILLION TO THE MARKET**

As from 1 October, Borsa Italiana and the London Stock Exchange created the major exchange group in Europe. This transaction, of an historical importance for the Italian financial environment, merges two highly efficient and complementary models, that of the London Stock Exchange, as regards UK and international equity instruments, and the strength of Borsa Italiana, as regards derivatives, securitised derivatives and fixed income, coupled with an offer of post trading services which is the most efficient in Europe.

TRENDS IN THE STOCK EXCHANGE LIST

- 2007 closed with 344 companies listed with Borsa Italiana, new all-time high for the Italian market, up 33 compared to year-end 2006. Not taking into account the 37 admissions to trading in the MTA International segment, the number of listed companies stands at 307 (17 more than year-end 2006). More specifically, 87 of these listed companies belong to the Blue-chip segment of the equity market (MTA/MTAX), 83 to the Star segment, 96 to the Standard segment, 3 are investment companies, 37 to the MTA International segment, 35 to the Expandi Market and 3 to the MAC segment. The stock market recorded 35 new listings for the year (including the 16 admissions to trading in the MTA International segment) and 14 delistings. In the Expandi Market, 11 new companies were admitted to listing, while 2 were delisted. Three companies started trading on MAC.
- The 49 new listings for the year (3 companies in the blue-chip segment of the equity market, 10 in the Star segment, 4 in the Standard segment, 2 in the investment companies segment, 11 in the Expandi Market and 3 in the Mac segment, plus the 16 admissions to trading in MTS International) equal the record level reached in 2000, above the two previous historical records of 1905 (46) and 1986 (42). 32 of these companies went public through IPOs. The 2007 result bring to 267 the number of new companies admitted to the stock markets over the last ten years, i.e. since Borsa Italiana Spa inception.
- Of the 35 new listings on the stock market, 18 followed an initial public offering, in one case listing was the result of a merger (Banco Popolare, which is the surviving company of the merger between Banco Popolare Verona e Novara and Banca Popolare Italiana), while in the remaining 16 cases the listing took place through admission to trading on the MTA International. On the Expandi Market, 11 new listings took place through IPO. The MAC segments records 3 new listings, all of which through institutional placements.
- Of the 14 delistings on the stock market, 6 resulted from the conclusion of their initial takeover bids (Banca Fideuram, Datamat, Garboli, Marzotto, Targetti Sankey, Valentino Fashion Group); in 7 cases delisting was determined by merger (Banca Lombarda in Ubi Banca, Banca Popolare Italiana e Banco Popolare Verona e Novara in Banco Popolare, Capitalia in Unicredit, Gim in Intek, La Gaiana in Gabetti Property, SanPaolo Imi in Intesa SanPaolo); and in 1 case delisting resulted from the winding up of the company (Pagnossin). Of the 2 delistings on the Expandi Market, 1 followed a declaration of insolvency (CIT) and 1 was determined by the expiration of the conditions for the withdrawal of the suspension order (Spoleto Credito e Servizi).



- Record level of admissions for the ETF Plus, the market where ETF and ETC are traded, with 121 new listings. The number of listed instruments went up from 87 to 208 (+139.1%).
- With 7,609 new listings (the second highest on record, after the 2001 result) and 7,848 delistings, the number of covered warrants and certificates listed on the SeDex stands at 4,408.
- On the MOT, the number of listed government securities is virtually unchanged at 92, with 47 new listings and 46 delistings. Following 36 new listings and 51 delistings, the overall number of bonds listed on the electronic market stands at 288 instruments. *Eurobonds* and ABSs, thanks to 35 new listings and 15 delistings, jumped from 135 to 155.

INDEX AND PRICE TRENDS

- The Mib Index is poised to close the year down by 8.3% on year-end 2006, after 4 years of continuous growth. The Index has grown, since the end of 2002, by over 67.0%. The Index reached its peak for the year on Friday, 18 May, at 33,363, whilst the lowest level for the year was recorded on Thursday, 22 November (27,862). The highest daily growth (+2.57%) was recorded on Thursday, 19 September, whilst the lowest drop (-2.91%) was recorded on Thursday, 16 August. The Index closed with a gain in 130 trading sessions, in 2 it remained unchanged, and in 119 closed with a loss. The best monthly performance was seen in April (+4.48%), whilst the worst was in November (-5.27%).
- The continuous indices revealed a uniform trend, with the Mibtel at -8.3% and the S&P/MIB at -7.5%, while the Midex Index evidenced a decrease of 14.4%, as did the All Stars Index for quality mid-small caps (-15.9%). During the year, Midex and All Stars Indexes recorded new all time records at 47,266 (reached on 26 April) and at 19,493 (reached on 2 May) respectively.
- The Mex Index for the Expandi Market closed 2007 down by 13.1% against the end of 2006, reaching its historical peak in May, at 13,516.
- The volatility of the Mib Index rose to 12.5%, from 10.0% of 2006. August proved to be the most volatile month with 19.6%, whilst January, with 8.1%, was the least volatile.
- Out of the 375 shares listed at year end, 90 (24.0% of total) recorded a substantial positive performance yoy (over 2.5%), 24 (6.4%) remained unchanged (performance between +2.5% and -2.5%), 210 (56.0%) showed negative performances (lower than -2.5%), while the performance of 51 shares (13.6%) cannot be determined as the shares were either unlisted or suspended indefinitely at the end of 2006, or suspended indefinitely at this year end.
- The strongest performances for the year were recorded by Acotel Group (Star segment) (+341.1%), Basicnet (Standard segment) (+119.6%) and Kerself (Expandi Market) (+111.2%); the worst performances, on the other hand, were recorded by Banca Italease (*blue chip segment*) (-74.4%), Cell Therapeutics (Standard segment) (-74.3%) and Pininfarina (Standard segment) (-62.8%).
- Of the current S&P/MIB basket, 8 shares closed the year with a positive

performance (of note Saipem +37.1%, Fiat +20.9% and Aem +20.0), 4 remained unchanged and 26 closed with a negative performance (Fastweb -41.2%, Seat Pagine Gialle -40.1%, Italcementi -32.4%), while for two shares it was not possible to determine the performance since they were not listed at year end 2006.

- Of the new companies listed through IPO in 2007, 28.1% (9 out of 32) scored a positive performance against their issue price. Worth of note: Maire Tecnimont (+24.4%), Enia (+15.0%) and Tessitura Pontelambro (+10.0%).

THE STOCK MARKET

CAPITALISATION

- At year end, the aggregate capitalisation of the domestic listed companies reached €731.0 billion, corresponding to 47.8% of the Gross Domestic Product (52.8% at the end of 2006).
- Breaking down the figure, capitalisation totalled €672.7 billion for blue-chip companies (€711.9 bn at year-end 2006), €21.8 billion for companies in the Star segment (€24.0 bn), €25.2 billion for those in the Standard segment (€31.7 bn), €539.3 million for the investment companies (€496.4 million), whilst capitalisation stood at €10.7 billion (€10.3 bn) for companies in the Expandi Market, and at €98.0 million for those listed on MAC.
- Within the MTA the capitalisation ranking between the macro-sectors saw the Financial sector confirmed in first place (virtually unchanged at 46.5%), followed by the Industrial sector (29.0%) and Services (stable at 24.4%).

TRADING OF SHARES, SECURITISED DERIVATIVES, ETFs AND ETCs

- Aggregate volumes on the electronic equity trading systems, ETFs, ETCs and securitised derivatives markets, reached a total of 79.9 million contracts, for a countervalue of €1,696 billion. Average daily trading stood at 316,375 contracts (+25.4% on 2006) for a turnover of €6.8 billion (+38.7%), the highest figure on record for the market.
- Share trading was characterised by a marked growth both in terms of turnover (the daily average jumped from €4.5 billion to €6.3 billion, up +38.9%, level which represents the all-time record for the Italian market) and in terms of number of contracts traded (with the daily average up from 226,000 to 288,000, up by 27.2%). The total turnover on share trading reached 1,572 billion euro. Daily trading figures reached their peak on Tuesday, 15 May, with a trading turnover of €13.8 billion, the highest ever for a single trading session. In the course of 2007, the previous record of €8.9 billion, reached on 12 May, 2006, was broken in four occasions, in February, March and May, before hitting the new record of Tuesday 15. May was the month with the highest liquidity levels in the history of Borsa Italiana, with a daily average of €8.3 billion in trading turnover, followed by June and April 2007.
- Turning to markets and segments, the daily trading average for the blue-chip

segment stood at over 238,600 contracts (+25.8% on 2006) for a turnover of €6.0 billion (+39.2%); for the Star segment it stood at over 22,900 contracts (+25.6%) for a turnover of €99.5 million (+15.3%), for the Standard segment at 23,000 contracts (+36.5%) for a turnover of €97.7 million (+33.7%), for the MTA International at 836 contracts (+122.9%) for a turnover of €11.3 million (+159.1%), and for the Expandi Market at 2,700 contracts (+79.4%) for a turnover of €15.0 million (+66.9%)

- The average size of share contracts jumped to 21,736 from €19,915 (€25,313 for Blue-chip shares, €4,344 for Star shares, €4,247 for Standard shares, and €5,510 for shares on the Expandi Market).
- Unicredito proved to be the most traded share in terms of countervalue, recording a total of €236.2 billion (15.0% of the total), followed by Eni (€195.7 bn / 12.5%), Fiat (€178.6 bn / 11.4%) and Intesa SanPaolo (€125.4 bn / 8.0%)
- In terms of number of contracts, the most traded share was Fiat with a total of 4.5 million contracts traded (6.2% of the total), followed by Unicredito Italiano with 3.4 million contracts traded (4.7% of the total), Eni (3.1m / 4.3%), Generali (2.2 m / 3.0%) and Intesa SanPaolo (2.1 m / 3.0%).
- Strong growth was also enjoyed by ETF Plus, which, with a daily average turnover of €126.2 million (+83.8% on the 2006 average) and 5,310 contracts traded per day (+74.2%) recorded new historical heights. The busiest trading month in terms of turnover was November (daily average of €165.6 million) whilst October recorded the highest number of contracts (8.247 per day) The highest daily volumes were recorded on 27 February, in terms of number of contracts (14,120), and on 28 February, in terms of turnover (€327.7 million), with both days setting new records on the Italian market.
- Trading in covered warrants and certificates listed on the SeDex showed decisive growth in terms of turnover, which reached a new all-time high. The daily average leaped to €353.0 million (+26.5% on 2006), with over 19.762 contracts traded (+10.0%). Friday 29, June marked a new record high for trading in a single session, with a turnover of €783.5 million. With a daily average of €531.9 million, July proved to be the month with the highest liquidity levels in terms of trading turnover in the history of the SeDex
- At the end of November the Italian stock market distinguished itself in Europe thanks to the high liquidity of its shares, as proven by its leading position in terms of *turnover velocity*, the indicator which, by comparing electronic trading turnover with capitalisation, shows the annual share turnover rate. Italian turnover velocity was in fact equal to 211%, compared with 185% for Deutsche Börse, 149% for the Spanish Exchange (BME), and 145% for Oslo. With a daily average of €6.4 billion, Borsa Italiana ranked fifth in terms of trading volumes on the electronic markets in Europe, ahead of OMX (€4.1 bn), and SWX-Virt-x (€4.1 bn), but behind Euronext (€13.1 bn), the London Stock Exchange (€12.5 bn), Deutsche Börse (€9.8 bn) and BME (€6.6 bn). In terms of contracts traded, the Italian stock market stands in fourth place, behind Euronext, the London Stock Exchange and Deutsche Börse. With the SeDex, Borsa Italiana gains the first place in terms of turnover traded on electronic systems. The strong growth recorded on ETF Plus confirms the first place in Europe as regards contracts traded on electronic systems.



- After hours trading recorded 1,081,037 contracts for a countervalue of €11.1 billion, with the daily average turnover up by 19.5% when compared to 2006. In terms of countervalue, the figure represents the new all-time record. The busiest trading month was February for contracts (daily average of 6,320) and March in terms of trading turnover (€62.3 m)

IDEM

- 2007 was once again a record year for stock derivatives, characterised by a strong growth in trading activities. During the course of the year, 37 million standard contracts were traded, for a notional turnover of €1,559.9 billion. The daily average for standard contracts rose from 124,434 last year to 147,730 (+18.7% on 2006), a new record high for the Idem market. The notional turnover, with a daily average of €6.2 billion, grew by 31.7% on 2006. New record highs were registered both in terms of number of contracts traded in a single session (451.655 standard contracts on the 8 of May), and in terms of notional turnover traded (€19,951.7 million on the 13 of June). The breakdown into single instruments highlights a significant growth of the options on indexes and on individual shares.
- Futures on the S&P/MIB registered a daily average of 18,589 standard contracts (+16.9 % on 2006) and a notional turnover of €3.8 billion (+26.7%). March, characterised by the quarter end maturities, was the most liquid month of the year both in terms of standard contracts (with a daily average of 28,213), as well as in terms of notional turnover (with a daily average of €5.7 billion), and turned out to be the most liquid month ever for Idem in terms of notional turnover. Tuesday 12, June marked a new record high for trading in a single session, with a notional turnover of €15.5 billion.
- Trading in miniFutures on the S&P/MIB reached a total of 2.1 million standard contracts for a notional turnover of €84.1 billion, with a daily average of 8,218 standard contracts (+25.8%) and a notional turnover of €335.0 million (+36.4%). August was the most liquid month ever, with a daily average of €415.9 million. Thursday the 1st of March saw an all time high in terms of notional turnover traded in a single session, with €778.0 million and 19,081 contracts.
- Trading in options on indices registered a daily average of 14.559 standard contracts (+31.1% when compared with 2006) and €1.5 billion in notional turnover (+42.2%). March was the most liquid month in history, both in terms of standard contracts (daily average 17.548) as well as in terms of notional turnover (€1.77 billion). Wednesday, 28 February marked a new record high for trading in a single session, with a notional turnover of €3.93 billion.
- Trading in equity futures increased by 18.6%, rising from the €154.6 million per day in 2006 to € 183.3 in 2007 (new record high). In terms of standard contracts, figures went down from 27,685 of 2006 to 25,351 of 2007 (-8.4%). The month of May turned out to be IDEM's most liquid month ever, in terms of number of standard contracts (93,356) as well as in terms of notional turnover traded (654.1). Tuesday 8, May, marked a new record high for trading in a single session, with a notional turnover of €2,526.6 million. At year end, futures on 47 underlying



shares had been traded.

- Trading in stock options rose in terms of standard contracts, from a daily average of 63,216 in 2006 rising to 81.014 in 2007 (+28.2%), representing a new all-time high, while in terms of notional turnover there was an increase from €285.9 to €429.5 million (+50.3%). The month of March turned out to be IDEM's most liquid month ever, in terms of number of standard contracts (98,721), while November was the most liquid in terms of notional turnover traded (475.5). Stock options once again confirmed themselves as the most traded instrument on the IDEM in terms of standard contracts. At year end, options had been traded on 47 underlying shares.
- Within the European context, during 2006 the Idem stood in third place for notional turnover traded, after the Eurex and Euronext-Liffe
- Open interest grew during the course of 2007. The figure for 27 December came to 2,180,596 standard contracts, On Thursday, 14 June, a new all time high at the close of trading was recorded for open interest, with a total number of 4,816,758 standard contracts.

MOT

- Trading on the Mot saw more than 2,700,000 contracts traded for €148.5 billion, with a daily average of 10,829 contracts, and €591.5 million (up 22.9% on 2006).

CAPITAL RAISING

- In 2007, investment flows from already listed or newly listed companies amounted to €8.4 billion. The capital raising transactions for corporate financing purposes amounted to €5.4 billion, while €3.0 billion was cashed directly by the shareholders through the sale of their shares. The breakdown by type shows that capital increase transactions for already listed companies raised €4.0 billion, while placements of new shares raised €4.4 billion.
- 11 companies carried out 13 capital increase transactions against payment, for a countervalue of €4.0 billion (23 transactions totalling €5.1 billion in 2006)
- The three largest capital increase transactions in 2007 were carried out by Gemina in December (€1.3 billion through the issue of ordinary shares), by Banca Italease in December (€700 million through the issue of ordinary shares) and by Dea Capital in July (€593 million through the issue of ordinary shares). The other transactions which raised over €200 million each include those carried out by Credito Valtellinese (535 million), Banca Popolare di Sondrio (308) and a second capital increase by Banca Italease (299).
- There were 33 share placement transactions, for a countervalue of €4.4 billion. With just one exception (the capital increase through public offer launched by Acque Potabili) all the placements were carried out for listing purposes (IPO and/or institutional placements). The IPOs were (in chronological order): Omnia Network,

Biancamano, Toscana Finanza, Servizi Italia, Aicon, Conafi Prestitò, Prysmian, D'Amico Int. Shipping, Mid Industry Capital, IW Bank, Zignago Vetro, Mutuonline, Screen Service, RDB, Landi Renzo, Pramac, Enia, Cape Live, Diasorin, B&C Speakers, Aeffe, Sat, Bialelli Industrie, RCF Group, Tessitura Pontelambro, Bouty Healthcare, Raffaele Caruso, Piquadro, Damiani, Maire Tecnimont, Il Sole 24ore and Area Impianti.

- The placement through IPO and/or institutional placement of 32 companies represents the best result since year 2000 (21 IPO in 2006) thanks to the significant contribution of small and medium-cap companies. Of these, two placements were for companies of the Blue Chips segment, with a countervalue of €1.7 billion. The remaining 30 transactions were carried out by companies with a capitalisation of less than one billion euros, and raised capital for €2.7 billion (over 1 billion of which in capital increase). Small and medium-cap companies' contribution to the aggregate amount raised during this year was equal to 62%: a sharp increase compared to the 45% recorded in 2006. 10 companies elected to be listed on the STAR segment (for a countervalue of €1.4 billion), 4 on the Standard segment (590 million), and 11 on the Expandi Market (570 million). Finally, the segment dedicated to the Investment Companies registered its first two placements since its inception (Mid Industry Capital and Cape Live) for a countervalue of €131 million. The MAC - Mercato Alternativo del Capitale, launched this year, saw its first three placement transactions for a countervalue of €20 million.
- Of the €4.4 billion aggregate raised through placements, €1.4 billion was raised through the issue of new shares, and 3.0 billion through sales. The first element, directly focused on the financing of the growth of the newly listed companies, grew proportionally compared with 2006, jumping from 22% to 31% of the aggregate value. The overall result is heavily biased by some large transactions: looking at the average figure per transaction, the capital increase element went from 45% in 2006 to 54% at year end.
- The largest IPO transactions in 2007 in terms of turnover were Prysmian (€1.2 billion, entirely through the sale of shares), Enia (€414 million) and Maire Tecnimont (€311 million).
- The breakdown by type of the 32 newly listed companies indicates that 7 took place through private placements with institutional investors: 4 on the Expandi Market (Servizi Italia, Conafi Prestitò, B&C Speakers and Bouty Healthcare) and 3 on MAC (Tessitura Pontelambro, Raffaele Caruso and Area Impianti). In all other cases, the private placement was combined with a public offering.
- 2007 registered again, after the absence in 2006, some placement transaction carried out by privatised companies: Enia (414 million) and Sat (26 million); in both cases through IPOs.
- Retail purchasers account for 17% of the aggregate capital raised in the 21 IPOs (20% in 2006), while the remaining 83% was subscribed by Italian and international institutional investors.
- In 2007 investors continued to display great interest in placement transactions: the average oversubscription ratio (meaning the ratio between the number of securities applied for and those effectively allocated) among the IPOs was 4.4.

The higher levels of oversubscription were recorded by the offerings of SAT (requests were 20 times higher than the offer), Landi Renzo (9 times) and Mutaionline (8 times).

TAKEOVER BIDS

- During the course of 2007, 22 takeover bids were carried out for a value of €5.6 billion in 2006 such the takeover bids were 15 for €7.1 billion.
- The main transactions in 2007 include the *Offerta Preventiva Parziale* (partial takeover bid for an amount between 60% and 100% of capital) launched by Swisscom on Fastweb ordinary shares (€3 billion), the compulsory takeover bid launched by Foncière des Régions on Beni Stabili (€690 million), the voluntary offer launched by Red & Black Lux on Valentino Fashion Group (€636 million) and the *Offerta Preventiva Parziale* launched by Veneto Banca on Banca Popolare di Intra (€633 million). All other transactions had a total countervalue of less than €400 million.
- Following the takeover bids carried out during 2007, 5 companies were delisted: Datamat, Garboli, Marzotto, Valentino Fashion Group and Targetti Sankey.

Milan, 28 December 2007