

THE PRESIDENT OF THE REPUBLIC AND THE PRIME MINISTER OPEN BORSA ITALIANA'S BICENTENARY CELEBRATIONS

Held today, at Palazzo Mezzanotte, the opening event for the Borsa Italiana's bicentenary celebrations, into the presence of President of the Republic Giorgio Napolitano and Prime Minister Romano Prodi.

Two hundred years ago, on 15th February 1808, the first negotiations of the Milan Stock Exchange took place, which was founded a few days before (16 January 1808) with a vice-royal decree promulgated by Eugenio Napoleone.

The Stock Exchange, over its two hundred years' history, has reflected the country's economic and financial developments, recording its periods of growth and its moments of crisis, and evolving from a local to a national, and then international, exchange.

Also in Italy, as in every country, the growth of the economy cannot detach itself from the development of the financial industry generally and the stock market in particular. An advanced financial industry favours a sound and sustainable growth, restricting the barriers that come between deposits and the allocation of savings, encouraging the process of selecting entrepreneurial excellence and investments, and offering new risk management procedures.

2008 will also see the celebration of the tenth anniversary of Borsa Italiana SpA, founded in 1998 by the privatization of financial markets in Italy.

At the end of 1997 there were 235 domestic companies listed on Borsa Italiana's markets, whose capitalisation amounted to 30% of gross domestic product. Turnover on the equity markets was equal to 17% of GDP.

During these ten years a considerable effort has been made to draw Italian companies towards the stock market: 236 companies have been admitted to listing on Borsa

Italiana's markets, in 193 cases following operations preceded by stock offerings. These companies were able to raise 50 billion Euro, of which 14 flowed directly to the companies to finance their growth. Another 81 billion Euro flowed to already listed companies through capital increases.

The major contribution to the growth in the number of listed companies came from the small and medium-sized firms: as many as 163 identified the Stock Exchange as the place where they could finance their entrepreneurial projects with venture capital. On the other hand, looking at the overall size of the stock market, the role of the privatisation programme, which brought to the Stock Exchange some of the most important Italian corporations, appears to be of primary importance. At the end of 2007 there were 301 Italian companies listed (344 considering foreign and MTA International listed companies) and market capitalisation had reach 48% of GDP.

The equities turnover has continued to increase, reaching 103% of GDP in 2007. From 1998 to 2007 has been registered a total turnover of 8,180 billion euro, of which 1,575 billion euro during 2007.

Borsa Italiana created diversified market models, able to meet companies needs according to their stage of development and size. Special attention was given to the small and medium-sized firms, vital element of the Italian entrepreneurial fabric. This led to the creation, in 2001, of the STAR segment for the medium-sized companies of excellence which decide to distinguish themselves in terms of corporate governance and the adoption of best practices in their communications and dealings with the market, in 2003, the Expandi market for companies of smaller dimensions which choose a more speedy access to the stock market, with fewer organisational impacts; lastly a year ago the MAC, with the features of a non-regulated market oriented towards the smaller-sized companies.

Borsa Italiana has acquired a position of international leadership also in other markets, as regards fixed income and derivatives, exchanges traded funds (ETFs) and securitised derivatives, enabling the financial industry to benefit from a wider range of investment possibilities. The Italian derivatives market, IDEM, is the third European market in terms of turnover. Other markets have achieved absolute leadership in Europe as regards trading on electronic systems, as is the case with securitised derivatives and Exchange Traded Funds. MTS has established itself as the main wholesale fixed-income market.

Borsa Italiana also decided to integrate within a single functional group the entire business system of the stock market industry, from trading to post-trading services and centralised management of financial instruments with Monte Titoli, to the central counterparty guarantee system of the Cassa di Compensazione e Garanzia. These decisions have enhanced the efficiency of the services offered, in terms of both reliability and continuous technological innovation, ensuring one of the most competitive pricing structures at international level.

The integration of Borsa Italiana with the London Stock Exchange, which has become a reality during the year 2007 and is currently under way, represents simultaneously an arrival and a departure point and it is a new important step with which the Stock Exchange can continue contributing to the development of the Italian financial and economic system.

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