

PRESS RELEASE

Borsa Italiana modifies trading ticks starting from 31 January 2005

Starting from 31 January 2005, Borsa Italiana shall modify the trading ticks of equity instruments and stock futures listed on the IDEM.

“This change shall allow a reduction of the bid-ask spread and shall make arbitrage transactions more advantageous” Raffaele Jerusalemi, Head of the Markets at Borsa Italian points out. “It is a significant change which not only complies with international best practice but also conforms to the views conveyed by intermediaries during the December consultation process”.

Ticks represent the minimum price variations of financial instruments exchanged on the electronic trading system. For the stock market these are established in relation to the reference price of each individual instrument, while for stock futures they are based on the proposed trading price.

The change shall see the introduction of a new tick grid capable of reducing the minimum spread for financial instruments with proposed trading prices of under 10 euros, restricting the minimum spread to a more limited range than before.

For instruments priced over 10 euros the previous spread situation shall remain unchanged, which is in any rate restricted.

The change shall not only affect equity instruments of the MTA (Electronic Equity Market), the Nuovo Mercato, the Mercato Espandi and the After Hours market, but shall also encompass stock futures listed on the IDEM (the Borsa Italiana Derivatives Market).

The modified tables are provided below:

- a) shares, warrants, stocks or OICR (Organisms for Collective Investment of Savings) shares and subscription right:

Reference price (Euro)	Tick
Under or equal to 0.2500	0.0001
0.2501 – 1.0000	0.0005
1.0001 – 2.0000	0.0010
2.0001 – 5.0000	0.0025
5.0001 – 10.0000	0.0050
Over 10.0000	0.0100

- b) convertible bonds: for each reference price the tick is equal to 0.01.

c) stock futures:

Proposed price (Euro)	Tick
Under or equal to 0.2500	0.0001
0.2501 – 1.0000	0.0005
1.0001 – 2.0000	0.0010
2.0001 – 5.0000	0.0025
5.0001 – 10.0000	0.0050
Over 10.0000	0.0100

Milan, 12 January 2005