

PRESS RELEASE

Borsa Italiana defines the model price-sensitive press releases

Standardisation to foster greater clarity, thoroughness and efficiency of information provided to the market by listed companies

The Board of Directors of Borsa Italiana recently approved some amendments to the Instructions accompanying the Rules of the Markets that define the minimum content of price-sensitive press releases issued by listed companies¹ and the manner of presenting information as regards different types of significant facts.

The amendments, approved by Consob, will enter into force on 1 February 2005.

The initiative, which involved Authorities and Associations, aims at standardising the layout and contents of *price sensitive* press releases, in order to achieve greater clarity, thoroughness and efficiency of the company disclosure of information to the market.

Standard manners of presenting information have been defined in order to increase the usability and comparability of price-sensitive information over time with no further disclosure obligations than those required to the issuers by law and regulations in force.

Starting from 1 February 2005, each type of price-sensitive press release shall consist of: a title, a summary, the text and company contacts.

The **title** consists of a short objective description of the significant fact. If the press release refers to more than one fact, the title shall mention each one. If the press release is sent via the Network Information System (NIS), the title shall be included in the "subject" section of the NIS.

The **summary** summarises the key aspects of the fact, set out in the form of a table or list, in such a way as to provide a synthesis that is not misleading. It

¹The issuers and the persons that control them are required to comply with the obligations regarding information on significant facts pursuant to article 114 of the Consolidated Law on Finance using the models provided for in the Instructions. In particular, as regards the minimum content of the press releases, this refers to information that the issuers already have to provide in accordance with the disclosure provisions regarding significant facts contained in the Consolidated Law on Finance and the Consob implementing Regulations. In accordance with article 66, paragraphs 4 and 5, of Consob Regulation 11971/1999 the press release must contain all the essential information on the fact in a form permitting a complete and correct assessment of the effect it may have on the price of the financial instruments. In addition, the press release must contain references to and comparisons with the contents of preceding press releases, as well as updates on significant changes in the information contained therein.

may be omitted if the title of the press release already contains an exhaustive description of the key aspects of the fact.

The **text** provides a detailed description of the fact in accordance with a list of contents left to the discretion of the company, provided it ensures the exposition is logically consistent. Where necessary to ensure greater clarity, the text may be organised in sections with subheadings.

Company contacts consist of the names of the persons and/or units to contact for information, with the corresponding telephone numbers and e-mail addresses, and, if available, the company's website address.

Besides, the minimum content of the press releases² referred to the most common types of significant facts has been defined. These types concern:

- the approval of periodic financial reports;
- the approval of the statements of operations and half-yearly reports of listed collective investment undertakings;
- the opinion of the auditing firm;
- the disclosure of forecasts or quantitative objectives;
- the resignation and the appointment of members of the administrative and supervisory bodies or other persons in key positions;
- acquisitions/disposal transactions;
- increases in capital and/or issues of convertible bonds;
- the issue of bonds;
- transactions involving own shares;
- merger/split-up operations.

The amendments apply also to the companies belonging to the Expandi market and the Nuovo Mercato.

Milan, 15 November 2004

² See attachment

AMENDMENTS TO THE INSTRUCTIONS ACCOMPANYING THE MARKET RULES
MODEL PRICE-SENSITIVE PRESS RELEASES

TITLE IA.2 INSTRUCTIONS
OBLIGATIONS OF ISSUERS

SECTION IA.2.17

MODEL PRICE-SENSITIVE PRESS RELEASES

Article 1
(General criteria)

1. Press releases issued under Article 114 of the Consolidated Law on Finance and Articles 66 and 68 of Consob Regulation 11971/1999 (known as price-sensitive press releases) shall be drawn up in compliance with the manner of presenting information and, where they are of the types considered, the minimum content specified in the following articles.

2. It remains up to issuers to assess on a case-by-case basis the suitability of the minimum content and the manner of presenting information to satisfy the disclosure requirements concerning significant facts contained in the Consolidated Law on Finance and the Consob implementing Regulations.

3. Press releases must be supplemented by any additional information required by law, Consob³ and other authorities, as well as by the Rules and the Instructions.

Article 2
(Manner of presenting information in press releases)

Price-sensitive press releases shall consist of:

- a title;
- a summary;
- the text;
- company contacts.

The title shall provide a short objective description of the fact. If the press release refers to more than one significant fact, the title shall mention each one.

If the press release is sent via NIS, the title shall be included in the “subject” section of the NIS.

The summary shall summarise the key aspects of the fact, set out in the form of a table or list, in such a way as to provide a synthesis that is not misleading; it may be omitted if the title of the press release already contains an exhaustive description of the key aspects of the fact.

³ For a comprehensive survey of Consob’s interventions in this field, see Communication no. DME/3019271 of 26 March 2003.

The text shall provide a detailed description of the fact in accordance with a list of contents left to the discretion of the company, provided it ensures the exposition is logically consistent. Where necessary to ensure greater clarity, the text may be organised in sections with subheadings.

Company contacts shall consist of the names of the persons and/or the units to contact for information, with the corresponding telephone numbers and e-mail addresses, and, if available, the company's website address.

Article 3

(Minimum content of press releases concerning the approval of periodic financial reports)

The provisions of this article shall apply to price-sensitive press releases concerning the approval of periodic financial reports and, insofar as they are compatible, to price-sensitive press releases concerning the disclosure of preliminary data.

The summary shall summarise the main economic and financial accounting and possibly non-accounting data provided, suitably compared with the data of the corresponding previous period and, where necessary for a clearer understanding, with an indication of the percentage change.⁴ For press releases concerning the approval of the draft annual accounts, the summary shall also indicate any proposed dividend.

The summary shall show the consolidated data,⁵ and indicate in a footnote any material changes in the companies included in the consolidation area and the percentage effect of such changes.

The text of the press release, with a clear indication of whether the comment refers to company or consolidated data, must contain at least the following:

- an indication of the body that approved the data that are the subject of the press release;
- an indication of the main accounting and non-accounting economic and financial data and any other data provided of help in evaluating the company's situation, suitably commented with regard to the reasons for the material variations compared with the corresponding period of the previous financial year, including the effects of changes in the companies included in the consolidation area, in the accounting standards applied or in non-recurring income items;
- a breakdown of sales revenue or the value of production⁶ by line of business and/or geographical area, where this is necessary for a correct evaluation of the company's situation;
- an indication of any variations, if material, of the data approved from preliminary or forecast data previously released to the market, with an explanation of the reasons for

⁴ For football clubs, see also Consob Recommendation no. DEM/2080535 of 9 December 2002.

⁵ If the company is not required to prepare consolidated accounts, the company accounts must be reported, drawn up in accordance with the rules established in the Civil Code.

⁶ Issuers in the banking, financial and insurance industries must identify comparable aggregates.

such variations. In cases where the company has previously released forecast data for periods subsequent to that covered by the financial report, it must clarify whether such forecasts remain valid; if not, it is necessary to indicate the changes in the forecast data consequent on the approval of the accounting data;

- material changes in the consolidated⁷ net financial position⁸ and/or in its composition compared with the most recent figures released to the market, with a detailed description of the reasons for the changes;
- an indication, when the draft annual accounts are approved, of the proposed allocation of the profit for the year, specifying in particular the amount of any proposed dividend per share for each class of shares, the coupon detachment date, the expected dividend payment date, and the tax treatment applicable to the amounts to be distributed;
- where necessary for the public to be properly informed, a comment on the main data of the company accounts of the listed company, describing any factors that have not already been explained in the section on the consolidated accounts;
- the relevant events that have occurred since the end of the accounting period and the outlook for operations;
- an indication, in the case of the approval of interim data, of any cyclical or seasonal factors that influence the business;
- if the company has issued bonds or obtained loans with covenants linked to periodic results, an indication of any failure to comply with the parameters and of the possible consequences;

Except for issuers in the banking, financial and insurance industries, press releases concerning the approval of the draft annual accounts and half-yearly report by the competent body shall include a list of material issues of bonds made by the company and its subsidiaries maturing in the eighteen months subsequent to the end of the reference period and a list of the material issues of bonds made in the reference period, specifying for each issue the amount outstanding, the maturity and any guarantees provided by the company or its subsidiaries.

To supplement this information, the company shall attach the company and consolidated income statement, balance sheet and statement of cash flows⁹ provided for by the law in force. Where the report on operations contains complete and sufficiently detailed reclassified versions of the income statement, balance sheet and statement of cash flows,¹⁰ the company may attach them instead of the documents specified above.

To supplement the information contained in press releases on the approval of quarterly reports, the company shall attach the income statement and balance sheet if these are included in the quarterly report.

For financial indicators and/or interim economic results other than those provided for by law, the company shall:

- specify the methods of calculation if they are being used for the first time;
- keep such methods unchanged for as long as such indicators/results are used;

⁷ See footnote 3.

⁸ See footnote 4.

⁹ See footnote 4.

¹⁰ See footnote 4.

- if the methods are changed, describe the new methods and explain the reasons for the changes made.

Article 4

(Minimum content of press releases concerning the approval of the statements of operations and half-yearly reports of listed collective investment undertakings)

The text of the press release must contain at least:

- an indication of the body that approved the data;
- the total net asset value of the fund and the per unit net asset value;
- a comparison with the values of the previous period, indicating the main reasons for the change;
- the operating result and the main aggregates that contributed to it;
- the allocation of the operating result and in particular, if it is decided to make distributions of income or partial redemptions, an indication of the coupon detachment date and the expected payment date;
- the main investments and disinvestments made in the period considered, where appropriate with an indication of those made under Article 12-bis, paragraph 4, of Ministerial Decree 228/1999;
- the amount of liquid assets and an indication of the ways in which the liquidity still available is invested, with an indication of the changes that occurred in the period considered;
- the amount of loans taken out (and, if different from those of the market, the contractual conditions), with an indication of the use made of the borrowed funds and of the changes that occurred in the period considered;
- the relevant events that have occurred since the end of the reference period.

To supplement this information, the collective investment undertaking shall attach the composition of the fund's assets, a summary table showing the assets and liabilities of the fund and the income earned at the reference date if these are included in the statement of operations and half-yearly reports.

Article 5

(Minimum content of press releases concerning the opinion of the auditing firm)

This article shall govern the price-sensitive press releases to be issued following the issue by the auditing firm of a qualified opinion, an adverse opinion or a waiver of opinion on the periodic financial reports.

The text of the press release must contain at least:

- the news that the opinion has been issued by the auditing firm;
- an integral copy of the report of the auditing firm.

Article 6

(Minimum content of press releases containing forecasts or quantitative objectives)

This article shall govern the price-sensitive press releases to be issued for forecasts or quantitative objectives.

The text of the press release must contain at least:

- a specification to the effect that the forward-looking data are forecasts or strategic objectives established as part of the corporate planning process;
- a description of the main assumptions underlying the forward-looking data with special reference to growth, exchange rates, conditions in the reference market, with an indication of those that are beyond the company's control;
- any changes to earlier forward-looking data disclosed to the public by the company.

Article 7

(Minimum content of press releases concerning the resignation or appointment of members of the administrative and supervisory bodies or other persons in key positions)

This article shall govern the price-sensitive press releases concerning the resignation or appointment of members of the administrative and supervisory bodies or other persons in key positions within the company.

The text of the press release concerning a resignation must contain:

- the reasons for the resignation, if available;
- in the case of members of the administrative body, the role and characteristics of the persons resigning in terms of independence, executive powers and membership of internal committees;
- the amount of any equity interests held by the persons resigning at the time of resignation, if notified to the company;

The text of the press release concerning an appointment must contain:

- in the case of members of the administrative body, the role and characteristics of the persons appointed in terms of independence, executive powers and membership of internal committees; in the case of an appointment made by the shareholders' meeting, this information will be disclosed at the time it becomes available;
- an indication of how to obtain the CV of the person appointed, or a summary thereof;
- the amount of any equity interests held by the person appointed at the time of appointment, if notified to the company.

Article 8

(Minimum content of press releases concerning acquisitions/disposals)

This article shall govern the content of price-sensitive press releases concerning transactions involving the acquisition or disposal of assets, including those carried out through the contribution of assets with a consequent increase in capital reserved to the contribution.

The text of the press release must contain at least the following:

- a description of the procedures, terms, aims and timing of the operation, with special reference to the value of the transaction and its execution; in the case of acquisitions made with an increase in capital for the purpose of a contribution of assets, the date on which it is intended to convene the shareholders' meeting must be specified or, in the case of

powers conferred to the directors under Article 2443 of the Civil Code, the date on which it is intended to convene the administrative body;

- as regards the value of the transaction, an indication of any contracts for the assumption of debt or the disposal of receivables;
- a description of the company and/or the assets and liabilities that are the subject of the acquisition/disposal, with an indication of the main economic and financial data for at least the latest financial year of the company and/or the assets and liabilities that are the subject of the transaction;
- an indication, if material, of the manner of financing the acquisition or of the intended use of the proceeds of the disposal;
- any conditions leading to the suspension or termination of the transaction;
- any call/put option contracts concluded between the parties, if material, with an indication of the economic clauses and time limits thereof;
- any lock-up agreement covering shares issued against the contribution of assets;
- if the company has previously released forecasts or quantitative objectives, it must specify whether the transaction affects the perspective data announced to the market and indicate any changes to such data consequent on the transaction;
- if the transaction is with a related party, as defined in Consob Communication DEM/2064231 of 30.9.2002, an indication of the other party to the transaction and of any relationship with the company that is the subject of the transaction; the existence of valuations by independent experts; an indication as to whether the conditions referred to in Article 71-*bis* of Consob Regulation 11971/1999 on issuers are met for the purposes of its application; where the press release does not contain the information referred to in Annex 3B of Consob Regulation 11971/1999 on issuers, an indication of when the information document referred to in Article 71-*bis* will presumably be made available.

If some of the information requested is not yet available at the time of the press release, it must be disclosed as soon as it becomes available.

Article 9

(Minimum content of press releases concerning increases in capital and/or issues of convertible bonds aimed at raising funds)¹¹

The text of press releases concerning increases in capital and/or issues of convertible bonds aimed at raising funds must contain at least the following:

- the time limits, procedures and conditions of the operation, the competent body for decisions and the point reached in the decision-making process;
- the reasons for raising the funds and the intended use thereof, *inter alia* in relation to the operational performance of the company and its group;
- the period planned for the execution of the operation;
- an indication of whether there is an underwriting and/or placement syndicate and, if so, how and when it will intervene;

¹¹ The intention is to exclude increases in capital with the exclusion of pre-emption rights reserved to the contribution of assets.

- any formal commitments, if known, entered into by significant shareholders or third parties concerning their intention to subscribe for the newly-issued shares and/or convertible bonds, *inter alia* through the purchase of pre-emption rights, with an indication of the amount of the commitment and any conditions to which it is subject;
- an indication of whether there is any intention to apply for a rating for the bond issue, to be announced to the distribution channels or the public;
- an indication of whether covenants exist for the bond issue, specifying their main features.

If the administrative body convenes the shareholders' meeting for the conferment of the powers referred to in Articles 2443 and 2420-*ter* of the Civil Code, the press release must specify whether the administrative body intends to exercise the powers immediately, specifying, if known, the amount in respect of which powers are to be exercised.

If some of the information requested is not yet available at the time of the press release, it must be disclosed as soon as it becomes available.

Article 10

(Minimum content of press releases concerning the issue of bonds)

This article shall govern the contents of the price-sensitive press releases to be issued concerning the issue of bonds.

The text of the press release must indicate:

- the time limits, procedures and conditions of the operation;
- the reasons for raising the funds and the intended use thereof, *inter alia* in relation to the operational performance of the company and its group;
- whether there are any guarantees provided by group companies or third parties;
- the target categories of the placement of the bonds, *inter alia* in the light of Article 2412, second paragraph, of the Civil Code;
- whether the issuer intends to apply for the bonds to be listed on a regulated market, specifying the timing of such a listing;
- whether there is an underwriting and/or placement syndicate and, if so, how and when it will intervene;
- whether there is any intention to apply for a rating for the bond issue, to be announced to the distribution channels or the public;
- an indication of whether covenants exist for the bond issue, specifying their main features;
- any formal commitments, if known, entered into by third parties concerning their intention to subscribe for the newly-issued bonds, specifying the amount of the commitment and any conditions to which it is subject.

If some of the information requested is not yet available at the time of the press release, it must be disclosed as soon as it becomes available.

Article 11

(Minimum content of press releases concerning transactions involving own shares)

This article shall govern the contents of price-sensitive press releases concerning the resolutions by means of which the administrative body submits proposals to the shareholders' meeting for the purchase and/or disposal of own shares.

The text of the press release must indicate at least:

- the reasons for the request for authorisation to purchase and/or dispose of own shares;
- the maximum number of own shares that can be purchased, divided by class;
- the maximum potential outlay on purchases for the operation in question;
- the period of validity of the authorisation to be granted by the shareholders' meeting;
- the manner of making the purchase and the minimum and maximum purchase prices;
- the amount, expressed also as a percentage of the share capital, of own shares held by the company.

If some of the information requested is not yet available at the time of the press release, it must be disclosed as soon as it becomes available.

Article 12

(Minimum content of press releases concerning mergers/split-ups)

This article shall govern the contents of price-sensitive press releases concerning resolutions adopted by the administrative body in relation to a merger or split-up.

The text of the press release must contain at least:

- a description of the company that is the subject of the operation;
- the aims of the operation;
- a summary description of the procedures, terms and timing of the operation, including at least the stage it has reached (preliminary approval of the exchange ratios or approval of the merger/split-up plan), the exchange ratio, any right of withdrawal for shareholders;
- the effects, if any, on the composition of the company's shareholders;
- the specification of whether a lock-up agreement is envisaged covering the shares issued for the purpose of the merger/split-up or the shares already held by the shareholders of the absorbing company;
- any conditions leading to the suspension or termination of the transaction;
- an indication of any restructuring or reorganisation plans to be implemented upon completion of the operation;
- if the transaction is with a related party, as defined in Consob Communication DEM/2064231 of 30.9.2002, an indication of the other party to the transaction and of any relationship with the company that is the subject of the transaction; the existence of valuations by independent experts; an indication as to whether the conditions referred to in Article 71-*bis* of Consob Regulation 11971/1999 on issuers are met for the purposes of its application; where the press release does not contain the information referred to in Annex 3B of Consob Regulation 11971/1999 on issuers, an indication of when the information document referred to in Article 71-*bis* will presumably be made available.

If some of the information requested is not yet available at the time of the press release, it must be disclosed as soon as it becomes available.