

PRESS RELEASE

**LAUNCHED TODAY THE LONG STOCK OPTIONS
AND NEW MARKET MODEL ON THE IDEM**

Borsa Italiana continues the process of innovation and development of the IDEM – the Derivatives Market – with the introduction of long stock option contracts with expiries of up to 3 years, starting from October 23rd, 2006.

In addition to this, a new market model for S&P/MIB index options and stock options has been launched to further improve the liquidity of the market.

Long Stock Options

As for S&P/MIB index options, on top of the two monthly and four quarterly expiries already listed, four new six-month expiries of the June/December cycle are launched. Starting from October 23rd, 2006 the new expiries of December 2007, June 2008, December 2008 and June 2009 are added to the existing ones.

The first 7 long stock option contracts are: Assicurazioni Generali, Eni, Enel, Fiat, STMicroelectronics, Telecom Italia and Unicredito Italiano.

Although long term options are mainly aimed to the institutional investors, they represent a new opportunity of trading for private investors too, allowing to increase the opportunities of volatility trading and portfolio hedging on a longer period.

The overall turnover of stock options during 2006 was 11.6 millions of standard contracts, almost half the contracts traded on the IDEM, confirming the growing interest showed by the operators. In September 2006, stock options reached a new record level of traded contracts with a daily average of 75,333 standard contracts.

New market model

The introduction of *long stock options* is supported by a new market model, which implies a stronger presence of market-makers on both stock options and S&P/MIB index options, further increasing the liquidity of the IDEM and improving the price discovery process.

Following the changes made in July 2005, the new market model guarantees higher market maker obligations in terms of quantity and number of expiries quoted; moreover, a new market making status, called "Liquidity Provider", will be introduced to support Primary Market Maker and Market Maker.

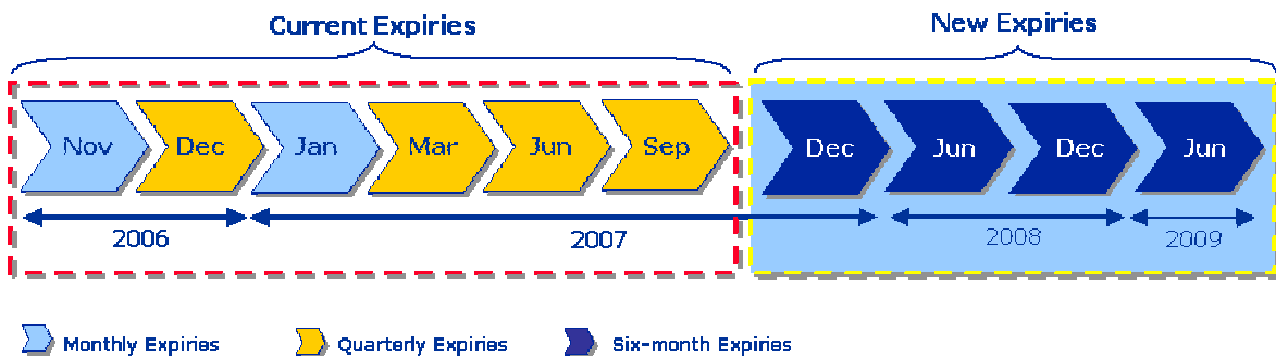
With regard to the obligations for quotation, Primary Market Makers must quote expiries up to one year on S&P/MIB index options and expiries up to 6 months on

stock options on a continuous basis, while Market Makers, which must respond to request for quote, need to quote all listed expiries up to 3 years, both on S&P/MIB index options and stock options. At the same time, the introduction of "Liquidity Providers" (who must quote the first 3 listed expiries on a continuous basis) allows other domestic and international market makers to carry out their activities on the Italian market.

The "Focus Group" – the group of the most traded contracts on IDEM - has also been extended from 10 to 15 contracts, in order to further increase the on screen liquidity available to investors. The quantities quoted by market makers are increased up to 100 contracts.

In 2006, the strong interest for the Italian derivatives market has been confirmed by the steady growth of trading activity of market participants, by new intermediaries with direct access on the IDEM and by the increased activity of market makers on the order book.

Thanks to the intense quoting activity of the 22 market making firms, on screen liquidity is now provided on all contracts listed on the IDEM.



Expiries available starting from October 23rd, 2006 on long term options listed on Assicurazioni Generali, Eni, Enel, Fiat, STMicroelectronics, Telecom Italia e Unicredito Italiano.