



Ministero dell'Economia e delle Finanze
Ufficio Stampa

PRESS RELEASE

**PLACEMENT VIA AUCTION OF THE BTP€i 2012
INDEXED TO EURO-ZONE INFLATION**

The Ministry of Economy and Finance announces the issuance via auction of the seventh tranche of the BTP€i 2012 indexed to the euro-zone HICP (ex-tobacco). The BTP€i, auctioned on 29th January 2008 and settled on 31st January 2008, has the following characteristics:

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| - starting accrual date | : 15 th March 2007; |
| - maturity date | : 15 th September 2012; |
| - real annual coupon | : 1.85%, paid on a semi-annual basis; |
| - maximum amount | : 1,500 millions of euro; |

The placement mechanism adopted will be that of a marginal auction with discretionary determination of the price and quantity issued. The allocated amount will be determined by excluding offers presented at prices deemed inconsistent with market conditions.

Besides that, the placement procedure will be conducted following the technical modalities and conventions used in the placement of nominal BTPs. The public will be able to subscribe bonds until 28th January 2008. Dealers, no later than 11:00 am on 29th January 2008, can submit to a maximum of three bids via the National Interbanking Network, each offer having a real value (not recalculated on the basis of the Indexation Coefficient) of no less than 500,000 euro. Bid prices, formulated in real terms, must vary each other by 1 euro cent. The Bank of Italy, on the basis of the Indexation Coefficient referring to the settlement date, will carry out the calculation of the countervalues relating to the subscribed amount and the accrued interest, to be paid for the bonds subscribed at auction. The settlement will take place two working days after the auction date (T+2), on 31st January 2008. For the aforementioned BTP€i, the subscribers will have to pay accrued interest for 138 days.

Dealers will be granted, as compensation for collecting requests from the public, a commission – compared with the nominal amount of bonds allocated – equal to 0.30%.

Specialists in Government Bonds are allowed to participate in the supplementary auction, set up for an amount equal to 10% of the quantity offered at auction, by submitting bids before 3:30 p.m. on 30th January 2008. Each issuance decree will set rules for the Specialists to take part in the supplementary auction.

Rome January 23, 2008