



Ministero dell'Economia e delle Finanze

PRESS RELEASE

**PLACEMENT VIA AUCTION OF BTPs€i INDEXED TO EURO-ZONE
INFLATION**

The Ministry of Economy and Finance announces, on the 27th May 2010 and with settlement 31st May 2010, the issuance of the following BTPs€i indexed to the euro-zone HICP (ex-tobacco):

- starting accrual date	: 15 th March 2006; 20 ^ tranche
- maturity date	: 15 th September 2017;
- real annual coupon	: 2.10%, paid on a semi-annual basis;
- ISIN	: IT0004085210

- starting accrual date	: 15 th September 2009; 6 ^ tranche
- maturity date	: 15 th September 2041;
- real annual coupon	: 2.55%, paid on a semi-annual basis;
- ISIN	: IT0004545890

The placement mechanism adopted will be that of a marginal auction with discretionary determination of the price and quantity issued inside an issuance range from a minimum nominal amount of 750 millions of euro to a maximum nominal amount of 1,500 millions of euro, referred to the two above mentioned bonds as a whole. 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 as indicated in the following calendar. Dealers, no later than 11:00 a.m. of the day shown below, 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 cent of euro. 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. Settlement will take place two working days after the auction date (T+2). For both the aforementioned BTPs€i, the subscribers will have to pay accrued interest for 77 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% for BTP€i 15/9/2017
- 0.40% for BTP€i. 15/9/2041

Subscription Calendar:

	BTP€i 15/9/2017	BTP€i 15/9/2041
Public subscription Until	May 26, 2010	May 26, 2010
Presentation of bids in auction (Strictly prior to 11:00 a.m. of the)	May 27, 2010	May 27, 2010
Settlement Date	May 31, 2010	May 31, 2010
Coupon Accrued Days	77	77

Specialists in Government Bond are allowed to participate in the supplementary auction, set up for an amount equal to 10% of the quantity placed for each issuance, by submitting bids before 3.30 p.m. of the day following the auction. Each issuance decree will set rules for the Specialists to take part in the supplementary auction.

Rome May 21, 2010