

AGREEMENT REACHED ON INTERNET FINANCE PORTAL

Milan, 15 March 2000 - The SANPAOLO IMI Group and Tiscali have reached an agreement to construct a wide aspect internet finance portal. This project will be effected through Tiscali's entry as a shareholder of @IMIWeb, the specialised on-line financial services company controlled by Banca d'Intermediazione Mobiliare IMI, the SANPAOLO IMI Group's investment bank.

In business terms, the agreement envisages, in the first phase, the strengthening of the IMIWebTrader (www.imiweb.it) trading on-line service through an open finance portal, ie through a greater range of products and services including third party providers. In particular, operations will be extended in those services in which the SANPAOLO IMI Group enjoys a position of excellence such as share placements and IPOs for European clients. Experience gained in Italy will be exported abroad, taking advantage of the banking partner's foreign operations and Tiscali's recent acquisitions.

In the second phase, @IMIWeb will add straight banking services to its own range of activities: the acquisition of a banking licence for @IMIWeb is therefore envisaged in the near term. Furthermore, preliminary steps will be taken for the placing and market quotation.

Tiscali will acquire an initial stake in @IMIWeb of 15%, currently the maximum permitted for a non-banking organisation.

Banca IMI, however, will grant Tiscali call options on a further stake of between 5% and 25% depending on the success of the operation. These options will be exercisable in accordance with current regulatory limits. Furthermore, a significant joint investment of management and executives from Banca IMI and @IMIWeb is envisaged.

The agreement is part of the growing convergence between financial markets and on-line communication and distribution technologies for products and services for families and businesses: in this process, both SANPAOLO IMI and Tiscali, in their respective areas, are playing a leading role and are making significant investments in new technologies and business opportunities.

Giorgio Spriano	+39 011 555 2822
Tom Lucassen	+39 011 555 2289
Elena Flor	+39 011 555 2639
Anna Monticelli	+39 011 555 2526
Damiano Accatoli	+39 011 555 3590
James Ball	+39 011 555 2546
Fax	+39 011 555 2989
e-mail	investor.relation@sanpaolo.com

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