

# SANPAOLO IMI

## Press release

- **The process of Group rationalisation and strengthening of distribution capacity continues:**
- **Public offer for all the shares of Banca Popolare dell'Adriatico, already 70.86% controlled**
- **Merger by incorporation of Banca Agricola di Cerea into Cassa di Risparmio di Padova e Rovigo**
- **Increase in the share in Cassa di Risparmio di Forlì from 21% to 29.77%**
- **Renewal of certain Group Companies' top management**

**Turin, 25 March 2003** – The Board of Directors of SANPAOLO IMI, in today's meeting, has approved a series of initiatives to confirm the process of rationalisation and strengthening of the distribution capacities of the Group, as already outlined in the Three-Year Plan.

For this, SANPAOLO IMI will proceed to a voluntary Public Offer, pursuant to artt. 102 etc of DLgs 24/2/1998 n.58, for the ordinary shares of Banca Popolare dell'Adriatico, a company quoted on the restricted market, in which it already holds indirectly, through its subsidiary Cardine Finanziaria, 70.86% of the capital. The Board of Directors of SANPAOLO IMI agreed this in today's meeting, also fixing the price and essential conditions of the transaction.

The Offer, expected to begin in the second half of May, following the payment of the 2002 dividend to current shareholders, will concern all the ordinary shares in circulation, excluding those already indirectly held by SANPAOLO IMI.

SANPAOLO IMI will make a cash consideration of €7.26 per share. Given that the settlement of the Offer will take place ex dividend (€0.24 per share) the consideration, together with the dividend recognised, incorporates a premium of 13.4% on the average Stock Exchange price in the past month, 10.5% on the three-month average, 10.3% on the six-month average and 1.2% on the annual average. The financial outlay for the Offer, in case of full acceptance, will be approximately €82 million, financed from own funds.

The initiative is part of the context of strategic direction defined in relation to the distribution model of the Group and aims to encourage, through greater integration of Banca Popolare dell'Adriatico within the Group, a further enhancement of its economic and productive potential. The transaction – in which SANPAOLO IMI was advised by J.P.Morgan – is aimed at acquiring all the shares of Banca Popolare dell'Adriatico and in any case to create the conditions for the delisting of the shares.

The effectiveness of the Offer is subject to the acceptance by a minimum number of shares to allow SANPAOLO IMI to hold 90% shares plus one share of the equity capital, while SANPAOLO IMI may also acquire a lesser amount.

In this regard, it should be made clear that, upon reaching the level of more than 90% of the capital, there will be no reconstitution of the free float but the launch of a residual offer pursuant to art.108 of

DLgs 24/2/1998 n.58 and that, on reaching the level, through the first offer, or residual offer, of 98% of the capital, the right to purchase pursuant to art.111 of the legislative decree will be exercised.

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The Board of Directors has approved the concentration of the activities of Banca Agricola di Cerea into Cassa di Risparmio di Padova e Rovigo.

The transaction, which envisages through the merger by incorporation of at the Cassa di Risparmio di Padova e Rovigo of the activities of Banca Agricola di Cerea, is aimed at realising the following objectives:

- realise cost and revenue synergies
- optimise the capital structure
- strengthen the relationship capacity in the home territory (through the integration of the companies' brands and unification of the IT systems, also with advantages in more general terms of the integration of Cardine Finanziaria into the SANPAOLO IMI Group)

The merger, subject to the required authorizations from Banca d'Italia, will take place without share issues since both the incorporating company and company to be incorporated are wholly owned by the single shareholder Cardine Finanziaria.

Currently the Banca Agricola di Cerea has 18 branches (17 in the province of Verona), 150 employees and a profit of 1.4 million euro, with net equity of 50.1 million euro; the Cassa di Risparmio di Padova e Rovigo in turn has a network of more than 240 branches (130 in the province of Padova alone ), has 3,100 employees and its financial statements show a profit of nearly 80 million euro, with net equity of 706.4 million euro.

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Following the Preliminary Agreement for the sale of the shares, the Shareholders' Agreement (due to lapse in June 2008) and the Framework Industrial Partnership Agreement signed among the Fondazione Cassa dei Risparmi di Forlì, SANPAOLO IMI and the Cassa di Risparmio di Firenze on 29 November 2000, the Fondazione has communicated its wish to exercise the First Tranche of the Sell Option, concerning 11,140,493 ordinary shares – 11.66% of the equity capital– for a total price of €90,349,398.23.

For SANPAOLO IMI, the number of shares is 8,355,370 – 8.75% of the equity capital– for a countervalue of €67,762,050.70.

Upon completion of the sale, which will occur following the payment of the 2002 dividend, scheduled for next 8 May, SANPAOLO IMI's share in Cassa dei Risparmi di Forlì will pass from 21.02% to 29.77%.

This reinforces the industrial partnership among the three banks, as evidenced by the various initiatives already in existence in retail banking, asset management, credit and credit risk management, foreign business and finance, investment banking and public works.

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The Board of Directors of SANPAOLO IMI has also decided that Pio Bussolotto will represent the Group in the Board of Directors of Cassa di Risparmio di Firenze and in the shareholders' Agreement of the Cassa.

The Board of Directors of SANPAOLO IMI has addressed the subject of the designations of the new top management of certain Group companies whose term is due to expire shortly. These are the main indications:

- **Banca Fideuram:** *Chairman Rainer Masera, Managing director Ugo Ruffolo*
- **Banca IMI:** *Chairman Luigi Maranzana, Managing director Carlo Corradini*
- **Banca OPI:** *Chairman Alfonso Iozzo, Managing director Elia Colabraro.*

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