

**PRESS RELEASE**

**INTESA SANPAOLO: PURCHASE AND USE OF THE COMPANY'S ORDINARY SHARES AUTHORISED AT THE SHAREHOLDERS' MEETING; IMPLEMENTATION OF THE PURCHASE PROGRAMME STARTS TO SERVE THE SHARE SWAP FOR ACQUISITION OF CONTROL OF CARIFIRENZE**

*Torino, Milano, 2<sup>nd</sup> October 2007* – The shareholders of Intesa Sanpaolo, at their ordinary meeting held today under the chairmanship of Giovanni Bazoli, authorised the purchase and use of the Company's ordinary shares up to a maximum number of 800 million.

This authorisation will enable the Management Board to make use of Intesa Sanpaolo ordinary shares for strategic purposes - including extraordinary finance transactions or acquisitions or any other extraordinary transactions (such as agreements with strategic partners in the framework of business development plans), excluding capital reduction transactions - to be realised, all or in part, through the sale, share swap or assignment of own shares or any other contracts which might require the availability of own shares.

This context includes the purchase of approximately 399 million Intesa Sanpaolo ordinary shares to comply with and execute commitments related to the acquisition of control of Banca CR Firenze S.p.A. ("Carifirenze"), aimed at considerably strengthening the competitive positioning in five regions of Central-Northern Italy, particularly in Tuscany, where Carifirenze branch network is concentrated.

The terms of the transaction for the acquisition of control of Carifirenze - transaction resolved upon 25<sup>th</sup> July 2007 by the Management Board and the Supervisory Board of Intesa Sanpaolo, as falls within their respective competence - were disclosed in the press release issued on 25<sup>th</sup> July 2007. The agreement stipulated with Ente Cassa di Risparmio di Firenze, Fondazione Cassa di Risparmio di Pistoia e Pescia, Fondazione Cassa di Risparmio di La Spezia and So.fi.ba.r., Società Finanziaria di Banche Romagnole S.p.A., was formalised on 26<sup>th</sup> July 2007.

The transactions on own ordinary shares must be carried out in accordance with the applicable law and regulation in force. In particular, the transactions for the purchase will be carried out in compliance with provisions set forth in articles 2357 and following of the Italian Civil Code, within the limit of distributable income and available reserves as determined in the financial statements of Banca Intesa S.p.A. as at 31<sup>st</sup> December 2006, after the distribution of "ordinary and extraordinary dividends", which currently amount to 3,382 million euro. The purchases shall be made exclusively pursuant to art. 132 of Legislative Decree 58 of 24<sup>th</sup> February 1998 and subsequent amendments and integrations (Consolidated Law on Finance) and art. 144-*bis*, par. 1, letters a) and b) of the Regulation approved with Consob Resolution 11971 of 14<sup>th</sup> May 1999 and subsequent amendments and integrations (Issuer Regulations) that is, in short, by means of a cash or exchange tender offer or purchases on regulated markets. The purchase may occur at a unit price, net of ordinary accessory purchase costs:

- (i) no lower than a minimum of 20% and no higher than a maximum of 20% with respect to the simple arithmetic average of the official market prices of ordinary shares in the three months preceding the announcement to the market, if such purchase occurs by means of a cash or exchange tender offer;
- (ii) no lower than a minimum of 10% and no higher than a maximum of 10% with respect to the reference price of the share on the trading day preceding each purchase, if the purchase occurs on regulated markets.

The purchases of own ordinary shares finalised to the share swap with Carifirenze shares must be executed exclusively on regulated markets, pursuant to art. 144-*bis*, par. 1, lett. b), of the Issuer Regulations.

The authorisation to purchase own ordinary shares is valid for a period of eighteen months from today, while the duration of the authorisation to make use of the same shares is unlimited.

The transactions making use of own ordinary shares purchased to serve the aforementioned strategic operations will occur - in whichever form - at values time by time determined, according to international best practices, in the context of the specific transactions providing for them. With particular reference to own ordinary shares necessary to finalise the share swap for the acquisition of Carifirenze, the transactions making use of these own ordinary shares will occur in favour of the Carifirenze shareholders according to the terms and conditions of the relevant agreement and share swap ratio. The sale, all or in part, of any own ordinary shares held exceeding the need of the transactions for which they have been purchased may occur by means of trading, also outside the regulated market, at a minimum price no lower than 10% with respect to the reference price of the share on the trading day preceding each transaction.

Within the limits indicated above, subsequent purchases and sales of own ordinary shares may also be made.

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The programme for the purchase of own ordinary shares to serve the share swap for the acquisition of Carifirenze will be starting as of tomorrow, 3<sup>rd</sup> October 2007.

The purchase of own shares will be carried out for approximately two months on regulated markets within the aforementioned limits and operating methods and pursuant to art. 5 of Regulation (EC) No. 2273/2003.

More precisely, Intesa Sanpaolo will daily purchase on the market, in the continuous trading phase, a fixed number of its own ordinary shares equal to the lower volume between i) the cap set forth in art. 5 of the aforementioned Regulation EC No 2273/2003 - that is 25% of the daily average overall volume of Intesa Sanpaolo ordinary shares traded in September 2007, which was 72.3 million shares - and ii) approximately 20% of the volume traded each day only in the continuous trading phase, for the number of days necessary up to the total number of 398,904,617 own shares set forth in the share swap transaction.

With respect to the purchase of own ordinary shares to serve the share swap, in order to minimise the exposure to their market price fluctuations, which could have made the actual price of the transaction differ from the expected price, on 25<sup>th</sup> July 2007 Intesa Sanpaolo following their Boards' resolutions stipulated a derivative contract, settled exclusively for the differential amount without physical delivery (cash settlement), having as underlying asset the entire number of Intesa Sanpaolo ordinary shares included in the swap transaction.

As part of this equity swap derivative contract, Banca Leonardo shall pay Intesa Sanpaolo any positive difference between the "Final Relevant Price" and the "Initial Relevant Price" of the underlying shares while they will cash in from Intesa Sanpaolo any negative difference between the Final Relevant Price and the Initial Relevant Price of the shares.

The Initial Relevant Price has been fixed at 5.57965 euro, calculated as of 26<sup>th</sup> July 2007 on the basis of the weighted average daily price of the Intesa Sanpaolo ordinary share applying each daily price to 20% of the volume of Intesa Sanpaolo ordinary shares traded in each relevant day for the number of days

necessary up to the total number of shares set forth in the transaction. Only the price and volume of transactions executed in the continuous trading phase have been taken into account, thus excluding trades during the opening and closing auctions and cross-trades. This weighted average price has been increased by a lump-sum fee of 0.4% as execution charges borne by the counterparty.

The Final Relevant Share Price will be determined - as of tomorrow, 3<sup>rd</sup> October 2007 - as the weighted average daily price of the Intesa Sanpaolo ordinary shares applying each daily price to the lower volume between i) 25% of the daily average overall volume of Intesa Sanpaolo ordinary shares traded in September 2007 and ii) 20% of the volume of the Intesa Sanpaolo ordinary shares traded in each relevant day only in the continuous trading phase, for the number of days necessary up to the total number of shares set forth in the transaction. Each daily price will be calculated as the average of prices of transactions executed in the continuous trading phase weighted by the respective number of shares traded, thus excluding trades during the opening and closing auctions and cross-trades. This weighted average price will be decreased by a lump-sum fee of 0.4% as execution charges to be borne by the counterparty.

In executing this contract, Banca Leonardo may have adopted a hedging strategy, initially by purchasing the Intesa Sanpaolo ordinary shares underlying the swap - either on or off the market - and/or through derivatives transactions of the opposite sign and subsequently doing likewise when selling. Intesa Sanpaolo will carry out its trading activities with respect to the purchase of its own shares in an autonomous and separate way, in compliance with the terms of its purchase programme as approved at the Shareholders' Meeting today.

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