

THE DEPOSITORY TRUST COMPANY

IMPORTANT

#: 23-97

DATE: January 3, 1997

TO: All Participants

FROM: DTC Dividend Division

ATTENTION: Managing Partner/Officer, Cashier, Operation Manager, Dividend Manager

SUBJECT: Foreign Currency Payment Service (FCP)
Republic of Italy
CUSIP: 465410AM0
Record Date: 1/10/97 Payable Date: 1/26/97
Participant Cut-Off Date: January 15, 1997

DTC's Foreign Currency Payment Service enables Participants to elect to receive periodic interest payments on certain foreign currency denominated debt issues either through DTC in U.S. dollars, or directly from the paying agent in the currency in which the issue is denominated, as provided by the terms of the indenture.

Participants have until the third business day after the interest record date to provide DTC with instructions requesting payment in Japanese Yen. These instructions must include the wire transfer destination and beneficiary account information. Instructions can be submitted to DTC electronically via the PTS Elective Dividend Service (EDS) function.

NOTE 1: EDS also enables Participants to view their instructions and modify or delete instructions prior to the Participant cutoff date. The functions may be accessed between 6am and 8pm EST.
Participants wishing to add the EDS function to their existing passwords or to request a new one, should contact their Participant Services Representative.

For the Italian issue listed above, the service will work as follows:

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- Upon submission of the instructions, DTC will decrease the Participant's record date position by the instructed quantity. All instructions will be summarized by DTC and submitted to the Paying Agent, no later than five business days after record date.
- The agent will reduce the U.S. dollar payment to DTC according to the total amount of all Japanese Yen requests and arrange for the wire transfer of Japanese Yen directly to the Participant-designated bank and account as specified on the submitted instructions. These wire transfers will originate from Morgan Guaranty Trust Co., London.
- The U.S. dollar portion of the payment will be paid to DTC and credited to Participant accounts on payment date per normal procedures.

NOTE 2: EDS Instructions Requesting Payment in Japanese Yen Must Be Submitted or Returned to DTC, 7 Hanover Square, Dividend Department, 22nd Floor, No Later Than 5:00pm EST on January 15, 1997, the Participant cut-off date.

NOTE:

3. DTC ADJUSTS THE PARTICIPANT'S DIVIDEND RECORD DATE POSITION FOR THE QUANTITY DESIGNATED FOR PAYMENT IN THE CURRENCY WHICH THE BOND IS DENOMINATED. THIS ACTIVITY APPEARS IN THE PARTICIPANT'S DIVIDEND/REORGANIZATION PARTICIPANT STATEMENT UNDER THE HEADING OF ADJUSTMENTS TO PREVIOUSLY ANNOUNCED CORPORATE BOND RECORD DATE POSITIONS. THE PARTICIPANT IS RESPONSIBLE TO VERIFY THAT THE QUANTITY ADJUSTED IS IN AGREEMENT WITH HIS FOREIGN CURRENCY PAYMENT INSTRUCTIONS.
4. SINCE THIS ISSUE ACCRUES INTEREST UNTIL PAYMENT DATE, DTC'S INTERIM ACCOUNTING PROCEDURES WILL APPLY. PARTICIPANTS SHOULD BE AWARE THAT RESULTING INTEREST PAYMENTS DUE ON TRANSACTIONS DELIVERED OR RECEIVED AFTER RECORD DATE WILL BE IN U.S. CURRENCY.

Any questions concerning this notice may be directed to Carol Laviscount, Supervisor at (212) 709-1233.

Frank Blue
Manager