

BASE PROSPECTUS

Dated: 23 January 2013

**MEDIOBANCA - Banca di Credito Finanziario S.p.A.**

*(incorporated with limited liability in the Republic of Italy)*

**MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.**

*(incorporated with limited liability in Luxembourg)*

**Euro 40,000,000,000**

**Euro Medium Term Note Programme**

**guaranteed in the case of Senior Notes issued by Mediobanca International (Luxembourg) S.A.**

by

**MEDIOBANCA - Banca di Credito Finanziario S.p.A.**



*Under the Euro 40,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) described in this Base Prospectus (as defined below), each of Mediobanca - Banca di Credito Finanziario S.p.A. (“**Mediobanca**”) and Mediobanca International (Luxembourg) S.A. (“**Mediobanca International**”) (each an “**Issuer**” and together the “**Issuers**”) may from time to time issue unsubordinated notes (“**Senior Notes**”) and Mediobanca may from time to time issue subordinated notes (“**Subordinated Notes**”) and, together with the Senior Notes, the “**Notes**”), subject in each case to compliance with all relevant laws, regulations and directives. The payment of all amounts due in respect of any Senior Notes issued by Mediobanca International will be unconditionally and irrevocably guaranteed by Mediobanca (in such capacity, the “**Guarantor**”) under a deed of guarantee and subject to the limitations thereof executed by the Guarantor and dated 23 January 2013 (the “**Deed of Guarantee**”). Notes issued under the Programme will have denominations of not less than Euro 1,000.*

***An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see “Risk Factors” beginning on page 33.***

*Application has been made to the Commission de Surveillance du Secteur Financier (the “**CSSF**”) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended, (the “**Luxembourg Prospectus Law**”) to approve this document as a base prospectus for each Issuer. Application has also been made for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be listed on the official list of the Luxembourg Stock Exchange (the “**Official List**”) and admitted to trading on the regulated market*

of the Luxembourg Stock Exchange. References in this Base Prospectus to a “regulated market” shall have the meaning given to them in the Markets in Financial Instruments Directive 2004/39/EC.

The Programme provides that Notes may be listed or admitted to trading (as the case may be) on such other or further stock exchange(s) or market(s) as may be agreed between the relevant Issuer, the Guarantor (where applicable) and the relevant Dealer (as defined in “Plan of Distribution”). Unlisted Notes or Notes not admitted to trading on any market may also be issued. This Base Prospectus comprises two base prospectuses (one for each Issuer, each of which referred to herein as the “Base Prospectus”) for the purposes of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”).

The CSSF may, at the request of the relevant Issuer, send to the competent authority of another European Economic Area Member State (i) a copy of this Base Prospectus; (ii) a certificate of approval pursuant to Article 18 of the Prospectus Directive attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive (an “**Attestation Certificate**”); and (iii) if so required by such competent authority, a translation of the summary set out on pages from 8 to 32 of this Base Prospectus. Under the Luxembourg Prospectus Law which implements the Prospectus Directive, prospectuses relating to money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of Part II of such law.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined below) of Notes will be set out, in the final terms (the “**Final Terms**”) which, with respect to Notes to be listed on the Official List of the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange.

For the terms and conditions of the Senior Notes to be issued under the Programme see “Terms and Conditions of the Senior Notes” below (the “**Senior Notes Conditions**”) and for the terms and conditions of the Subordinated Notes to be issued under the Programme see “Terms and Conditions of the Subordinated Notes” below (the “**Subordinated Notes Conditions**”) and, together with the Senior Notes Conditions, the “**Terms and Conditions of the Notes**” or the “**Conditions**”).

The CSSF assumes no responsibility with regards to the economic and financial soundness of any transaction under this Programme or the quality and solvency of the Issuers in line with the provisions of article 7(7) of the Luxembourg Prospectus Law.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes will be offered and sold in offshore transactions outside the United States in reliance on Regulation S under the Securities Act. The Notes will be in bearer form and as such are subject to certain U.S. tax law requirements.

*Arranger of the Programme*

**MEDIOBANCA - Banca di Credito Finanziario S.p.A.**

*Dealers*

***BANCA ALETTI & C.***

***BANCA IMI***

***BARCLAYS***

***BNP PARIBAS***

***CREDIT SUISSE***

***MEDIOBANCA - Banca di Credito Finanziario S.p.A.***

***MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.***

***SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING***

***THE ROYAL BANK OF SCOTLAND***

***UNICREDIT BANK***

## **IMPORTANT NOTICES**

*This document constitutes a Base Prospectus for each Issuer for the purposes of Article 5.4 of the Prospectus Directive.*

*Each of the Issuers and the Guarantor, where indicated in the relevant Final Terms, accepts responsibility for the information contained in this document and, to the best of the knowledge of each of the Issuers and the Guarantor (which have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*Each of the Issuers and the Guarantor, having made all reasonable enquiries confirms that (i) this Base Prospectus contains all information with respect to the Issuers, the Guarantor, the Guarantor and its subsidiaries taken as a whole (the “**Group**” or the “**Mediobanca Group**”), the Notes, and the deed of guarantee executed by the Guarantor and dated 23 January 2013 with respect to Senior Notes issued by Mediobanca International (the “**Deed of Guarantee**”) which is material in the context of the issue and offering of Notes, (ii) the statements contained in this Base Prospectus relating to the Issuers, the Guarantor and the Group are in every material respect true and accurate and not misleading, the opinions and intentions expressed in this Base Prospectus with regard to the Issuers, the Guarantor and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iii) there are no other facts in relation to the Issuers, the Guarantor, the Group, the Notes or the Deed of Guarantee the omission of which would, in the context of the issue and offering of Notes, make any statement in this Base Prospectus misleading in any material respect and (iv) all reasonable enquiries have been made by the Issuers and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements.*

*This Base Prospectus should be read and construed with any supplement hereto and with any other documents incorporated by reference herein and, in relation to any Tranche of Notes, should be read and construed together with the relevant Final Terms.*

*No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of Notes and, if given or made, such information or representation must not be relied upon as having been authorised by either of the Issuers, the Guarantor or any of the Dealers. Neither the delivery of this Base Prospectus or any Final Terms nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of either Issuer or the Guarantor since the date hereof or the date upon which this document has been most recently supplemented or that there has been no adverse change in the financial position of either Issuer or the Guarantor since the date hereof or the date upon which this document has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

*This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of either Issuer, the Guarantor or any of the Dealers to subscribe for, or purchase, any Notes.*

*The distribution of this Base Prospectus and the offering or sale of Notes in certain jurisdictions may be restricted by law. The Issuers and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available*

*thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers or the Dealers which would permit a public offering of any Notes outside Luxembourg or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly including to the public, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus, any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, the Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements.*

*This Base Prospectus has been prepared by the Issuer and the Guarantor for use in connection with the offer and sale of Notes in reliance upon Regulation S of the Securities Act outside the United States to non-U.S. persons or in transactions otherwise exempt from registration. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.*

*The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or the adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.*

*For a description of additional restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and Italy) and other jurisdictions, see “Plan of Distribution”.*

*The Dealers and PricewaterhouseCoopers, as successor auditor to Mediobanca International, have not separately verified the information contained in this Base Prospectus. None of the Dealers makes any representation express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by either of the Issuers, the Guarantor or any of the Dealers that any recipient of this Base Prospectus or any financial statements should purchase any Notes.*

*Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuers or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.*

## **STABILISATION**

*In connection with the issue of any Tranche of Notes under the Programme, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “**Stabilising Manager(s)**”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) in accordance with all applicable laws and rules.*

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*Notes may be issued on a continuous basis in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on different issue dates. The specific terms of each Tranche (which, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set forth in the relevant Final Terms, the form of which is set out in “Form of Final Terms” below.*

*The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed Euro 40,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into Euro at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Dealer Agreement, as defined under “Plan of Distribution”). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.*

*In this Base Prospectus, unless otherwise specified or the context otherwise requires: references to “\$”, “U.S.\$”, “USD” and “US Dollars” are to the lawful currency of the United States of America; references to “Euro” are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended; references to “£” are to the lawful currency of the United Kingdom; and references to “Yen” are to the lawful currency of Japan.*

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## SUMMARY OF THE PROGRAMME

*Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A – E (A.1 – E.7).*

*This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in the summary due to the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.*

*[Certain provisions of this summary appear in brackets. Such information will be completed or, where not relevant, deleted, in relation to a particular Series of Notes and the completed summary in relation to such Series of Notes shall be appended to the relevant Final Terms.]*

### Section A – Introduction and warnings

Element	Description of Element	Disclosure requirement
A.1	Warnings	<p>This summary should be read as an introduction to the Base Prospectus.</p> <p>Any decision to invest in the Notes should be based on consideration of the Base Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p>
A.2		<p>[The Issuer[s] consent[s] to the use of the Base Prospectus for subsequent resale or final placement of the Notes by all [Dealers] [and] [financial intermediaries] (general consent).]</p> <p>[The Issuer[s] consent[s] to the use of the Base Prospectus for subsequent resale or final placement of the Notes by the following [Dealers] [and] [financial intermediaries] (individual consent): <i>[insert name[s] and address[es]].</i>]</p> <p>The subsequent resale or final placement of Notes by [Dealers] [and] [financial intermediaries] can be made [as long as this Base Prospectus is valid in accordance with Article 9 of the Prospectus Directive] <i>[insert period]</i>.</p>



		<p>[Such consent is also subject to and given under the condition [ ].] [Such consent is not subject to and given under any condition.]</p> <p><b>In case of an offer being made by a [Dealer] [or] [financial intermediary], such [Dealer] [or] [financial intermediary] will provide information to investors on the terms and conditions of the offer at the time the offer is made.</b></p>
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#### Section B – Issuers and Guarantor

Element	Description of Element	Disclosure requirement
B.1	Legal and Commercial Name of the Issuers	<p><b>Mediobanca</b></p> <p>Mediobanca – Banca di Credito Finanziario S.p.A. (“<b>Mediobanca</b>”)</p> <p><b>[Mediobanca International</b></p> <p>Mediobanca International (Luxembourg) S.A. (“<b>Mediobanca International</b>”)]</p>
B.2	Domicile /Legal Form /Legislation /Country of Incorporation	<p><b>Mediobanca</b></p> <p>Mediobanca was established in Italy.</p> <p>Mediobanca is a company limited by shares under Italian law with registered office at Piazzetta E. Cuccia 1, Milan, Italy.</p> <p>Mediobanca holds a banking licence from the Bank of Italy authorising it to carry on all permitted types of banking activities in Italy.</p> <p>Mediobanca is a bank organised and existing under the laws of Italy, carrying out a wide range of banking, financial and related activities throughout Italy.</p> <p><b>[Mediobanca International</b></p> <p>Mediobanca International was established in Luxembourg.</p> <p>Mediobanca International is a <i>société anonyme</i> subject to Luxembourg law and having its place of registration in Luxembourg.</p> <p>Mediobanca International's registered office is at 4, Boulevard Joseph II, L-1840 Luxembourg, Luxembourg.]</p>
B.4b	Description of trends	<p><b>Mediobanca</b></p> <p>[Not Applicable. No substantial adverse changes have taken place in Mediobanca’s or the Group’s prospects since 30 September 2012.]</p>

		<p><b>[Mediobanca International]</b></p> <p>[Not Applicable. No substantial adverse changes have taken place in Mediobanca International's prospects since 30 June 2012.]</p>
<b>B.5</b>	<b>Description of the group of the Issuer(s)</b>	<p><b>Mediobanca</b></p> <p>Mediobanca is the parent company of the Mediobanca Group.</p> <p>The Mediobanca Group is registered as a banking group in the register instituted by the Bank of Italy.</p> <p>The Group's principal activities are currently segmented into three divisions: corporate and investment banking (CIB), which includes wholesale banking and leasing; principal investing (PI), which brings together the Group's investments in Assicurazioni Generali, RCS MediaGroup, Telco and stakes taken as part of merchant banking and private equity activity; and retail and private banking (RPB), consisting of consumer credit activities, CheBanca! (retail banking) and private banking (CMB and Banca Esperia).</p> <p><b>[Mediobanca International]</b></p> <p>Mediobanca International is part of the Mediobanca Group.</p> <p>The Mediobanca Group is registered as a banking group in the register instituted by the Bank of Italy.</p> <p>The Group's principal activities are currently segmented into three divisions: corporate and investment banking (CIB), which includes wholesale banking and leasing; principal investing (PI), which brings together the Group's investments in Assicurazioni Generali, RCS MediaGroup, Telco and stakes taken as part of merchant banking and private equity activity; and retail and private banking (RPB), consisting of consumer credit activities, CheBanca! (retail banking) and private banking (CMB and Banca Esperia).]</p>
<b>B.9</b>	<b>Profit forecast/estimate</b>	<p><b>Mediobanca</b></p> <p>[Not Applicable. No forecast or estimates of profits are contained in the Base Prospectus.]</p> <p><b>[Mediobanca International]</b></p> <p>[Not Applicable. No forecast or estimates of profits are contained in the Base Prospectus.]]</p>
<b>B.10</b>	<b>Qualifications in the audit report</b>	<p><b>Mediobanca</b></p> <p>Not Applicable. There are no qualifications in the audit report.</p>

		<b>[Mediobanca International]</b>  Not Applicable. There are no qualifications in the audit report.]
<b>B.12</b>	<b>Selected historical key information / material adverse change / significant changes</b>	<b>Mediobanca</b>  The audited consolidated balance sheet and profit and loss account of Mediobanca as at 30 June 2012 are shown below, along with comparative data for the years ended 30 June 2011 and 2010, plus a series of key financial indicators.  The audited consolidated balance sheet and profit and loss account of Mediobanca have been restated in order to provide the most accurate reflection of the Group's operations.

CONSOLIDATED BALANCE SHEET	30/6/10	30/6/11	30/6/12
<b>Assets</b>			
Treasury funds	14.976,0	8.608,0	9.330,4
AFS securities	6.825,7	7.749,9	10.552,1
Fixed financial assets (HTM & LR)	1.455,4	2.308,1	2.328,1
Loans and advances to customers	33.701,5	36.225,6	36.309,5
Equity investments	3.348,0	3.156,1	3.165,5
Tangible and intangible assets	762,6	757,8	718,1
Other assets	1.188,3	1.376,7	1.355,6
Total assets	62.257,5	60.182,2	63.759,3
<b>Liabilities and net equity</b>			
Funding	53.852,3	51.712,9	55.788,0
Other liabilities	1.387,2	1.258,9	1.177,2
Provisions	183,6	182,6	185,1
Net equity	6.433,6	6.659,2	6.528,1
Profit for the period	400,8	368,6	80,9
Total liabilities and net equity	62.257,5	60.182,2	63.759,3

CONSOLIDATED PROFIT AND LOSS ACCOUNT	12 mths to 30/6/10	12 mths to 30/6/11	12 mths to 30/6/12
	€m	€m	€m
<b>Profit-and-loss data</b>			
<b>TOTAL INCOME</b>	<b>2.017,8</b>	<b>1.982,8</b>	<b>1.989,6</b>
<b>OPERATING COSTS</b>	<b>(772,9)</b>	<b>(823,9)</b>	<b>(789,-)</b>

<b>PROFIT BEFORE TAX</b>	<b>583,3</b>	<b>554,2</b>	<b>205,9</b>
<b>NET PROFIT</b>	<b>400,8</b>	<b>368,6</b>	<b>80,9</b>

### Key consolidated financial indicators

<b>REGULATORY CAPITAL AND CAPITAL INDICATORS</b>	<b>30/6/10 (€m)</b>	<b>30/6/11 (€m)</b>	<b>30/6/12 (€m)</b>
Tier 1 capital	5,924.2	6,156.1	6,338.9
Regulatory capital	6,927.9	7,899.1	7,810.0
Core tier one capital ratio	11.09%	11.19%	11.49%
Tier one capital ratio	11.09%	11.19%	11.49%
Total capital ratio	12.97%	14.36%	14.16%

<b>CREDIT RISK INDICATORS</b>	<b>30/6/10 (€m)</b>	<b>30/6/11 (€m)</b>	<b>30/6/12 (€m)</b>
NPLs/loans	2.04%	1.21%	0.95%
Gross irregular items/loans	4.29%	3.64%	2.92%
Net NPLs/loans	0.56%	0.48%	0.50%
Net irregular items/loans	2.38%	2.12%	1.86%
Net NPLs/regulatory capital	2.72%	2.72%	3.10%

		The unaudited consolidated interim financial statements of Mediobanca as at 30 September 2012 are shown below, along with comparative data for the periods ended 30 September 2011 and the year ended 30 June 2012, plus a series of key financial indicators.
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<b>CONSOLIDATED BALANCE SHEET</b>	<b>30/9/10</b>	<b>30/9/11</b>	<b>30/9/12</b>
<b>Assets</b>			
Treasury funds	12.729,7	7.029,4	9.856,5
AFS securities	8.117,8	7.213,0	11.018,3
Fixed financial assets (HTM & LR)	1.455,8	2.407,5	2.314,1
Loans and advances to customers	34.313,9	37.411,1	34.926,1
Equity investments	3.313,1	3.210,3	3.116,3
Tangible and intangible assets	760,1	763,5	718,6
Other assets	1.299,3	1.330,7	1.249,4
Total assets	61.989,7	59.365,5	63.199,3
<b>Liabilities and net equity</b>			

Funding	53.427,2	51.118,5	55.014,4
Other liabilities	1.561,2	1.490,7	1.206,0
Provisions	183,5	181,6	186,5
Net equity	6.690,2	6.517,9	6.683,4
Profit for the period	127,6	56,8	109,0
Total liabilities and net equity	61.989,7	59.365,5	63.199,3

CONSOLIDATED PROFIT AND LOSS ACCOUNT	3 mths to 30/9/10	3 mths to 30/9/11	3 mths to 30/9/12
	€m	€m	€m
<b>Profit-and-loss data</b>			
<b>TOTAL INCOME</b>	<b>498,7</b>	<b>475,7</b>	<b>453,4</b>
<b>OPERATING COSTS</b>	<b>(188,0)</b>	<b>(196,6)</b>	<b>(173,7)</b>
<b>PROFIT BEFORE TAX</b>	<b>197,3</b>	<b>90,3</b>	<b>161,8</b>
<b>NET PROFIT</b>	<b>127,6</b>	<b>56,8</b>	<b>109,0</b>

REGULATORY CAPITAL AND CAPITAL INDICATORS	3 mths to 30/9/10 (€m)	3 mths to 30/9/11 (€m)	3 mths to 30/9/12 (€m)
Tier 1 capital	6,153.2	6,338.9	6,290.8
Regulatory capital	7,796.2	7,810.0	7,725.4
Tier 1 capital/risk-weighted assets	11.09%	11.49%	11.50%
Regulatory capital/risk-weighted assets	14.10%	14.16%	14.12%
No. of shares in issue (millions)	861.1	861.1	861.1

		<p><b>[Mediobanca International</b></p> <p>The following tables show the capitalisation (in Euro) and the cash flow statements of Mediobanca International as at 30 June 2012, 2011 and 2010.]</p>
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As at 30 June (Euro)			
	2012	2011	2010
<b>Shareholders equity</b>			
Share capital	10,000,000	10,000,000	10,000,000
Reserves	192,623,000	156,518,524	121,226,578
Retained earnings	--	--	--
Net profit	28,428,435	36,104,476	35,291,946
Total Shareholder's equity	231,051,435	202,623,000	166,518,524

<b>Medium and long-term debt<sup>1</sup></b>			
1. Amounts owed to credit institutions	1,939,348,204	1,859,196,379	1,643,810,890
2. Notes and bonds payable	1,623,748,245	1,322,756,637	1,881,649,089
Total medium and long-term debt	3,563,096,449	3,181,953,016	3,525,459,979
<b>Total capitalisation</b>	<b>3,794,147,884</b>	<b>3,384,576,016</b>	<b>3,691,978,503</b>

CASH FLOW FROM OPERATING ACTIVITIES	Year ended 30 June		
	2012	2011	2010
	<i>(Euro thousands)</i>		
Operating activities	45,857	282,155	-410,437
Cash generated/(absorbed) by financial assets	596,869	686,195	5,296,033
Cash (generated)/absorbed by financial liabilities	-649,281	-968,351	-4,885,595
Net cash flow (outflow) from operating activities	-6,555	-1	1
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
Net cash flow (outflow) from investment activities	-4,194	-	-
<b>FUNDING ACTIVITIES</b>			
Net cash flow (outflow) from funding activities	10,750	-	-
<b>NET CASH FLOW (OUTFLOW) DURING YEAR/PERIOD</b>	<b>1</b>	<b>-1</b>	<b>1</b>

		<p><b>Mediobanca</b></p> <p>Since 30 June 2012 with respect to Mediobanca there have been no material adverse changes either to the financial position or prospects of either Mediobanca or the Group headed up by it.</p> <p>There have been no significant changes to financial or commercial position of Mediobanca or the other companies forming part of the Group since the most recent financial information available was disclosed in the consolidated interim financial statements as at 30 September 2012.</p> <p><b>[Mediobanca International</b></p> <p>Since 30 June 2012 with respect to Mediobanca International there have been no material adverse changes either to the financial position or prospects of either Mediobanca or the Group headed up by it.</p> <p>There have been no significant changes to financial or commercial position of Mediobanca International since the most recent financial information available was disclosed in the consolidated financial statements as at 30 June 2012.]</p>
<b>B.13</b>	<b>Recent</b>	<b>Mediobanca</b>

<sup>1</sup> Medium and Long-term debt consists of amounts owed to credit institutions and notes and bonds payable for which the original maturity, at the date of issuance, was 18-months or longer.

	<b>events</b>	<p>[Neither Mediobanca nor any company in the Group have carried out transactions that have materially affected or that might be reasonably expected to materially affect, the Issuer's ability to meet its obligations towards third parties.]</p> <p><b>[Mediobanca International]</b></p> <p>[Mediobanca International has not carried out transactions that have materially affected or that might be reasonably expected to materially affect, the Issuer's ability to meet its obligations towards third parties.]</p>
<b>B.14</b>	<b>Issuer dependent upon other entities within the group</b>	<p><b>Mediobanca</b></p> <p>Mediobanca is the parent company of the Mediobanca Group.</p> <p><b>[Mediobanca International]</b></p> <p>Mediobanca International is part of the Mediobanca Group and controlled by Mediobanca.]</p>
<b>B.15</b>	<b>Principal activities</b>	<p><b>Mediobanca</b></p> <p>As stated in Article 3 of its Articles of Association, Mediobanca's purpose is to raise funds and provide credit in any of the forms permitted especially medium- and long-term credit to corporates.</p> <p>Within the limits laid down by current regulations, Mediobanca may execute all banking, financial and intermediation-related operations and services, and carry out any transaction deemed to be instrumental to or otherwise connected with the achievement of Mediobanca's purpose.</p> <p><b>[Mediobanca International]</b></p> <p>Mediobanca International may carry out, either within or outside the Grand Duchy of Luxembourg, any banking or financial operations authorised by the law relating to the financial sector.</p> <p>Mediobanca International's principal activity consists of raising funds on international markets, by issues of bonds chiefly under a short and medium term notes programme guaranteed by Mediobanca. Mediobanca International is also engaged in corporate lending operations.]</p>
<b>B.16</b>	<b>Control of Issuer</b>	<p><b>Mediobanca</b></p> <p>No individual or entity controls Mediobanca within the meaning of Article 93 of the Italian Legislative Decree 58/98.</p> <p><b>[Mediobanca International]</b></p>

		Mediobanca International is 99% owned by Mediobanca.]
<b>B.17</b>	<b>Credit ratings</b>	<p><b>Mediobanca</b></p> <p>As at 18 October 2012 Standard &amp; Poor’s Ratings Service, a Division of the McGraw Hill Companies Inc. (“<b>S&amp;P</b>”) rated Mediobanca A-2 (short-term debt), BBB+ (long-term debt) and negative (outlook).</p> <p>S&amp;P is a credit rating agency which is established in the European Community and has been registered in accordance with Regulation 1060/2009/EC (as amended by Regulation 513/2011/EC) (the “<b>CRA Regulation</b>”). As such S&amp;P is included in the latest list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation – see <a href="http://www.esma.europa.eu/page/List-registered-and-certified-CRAs">www.esma.europa.eu/page/List-registered-and-certified-CRAs</a>.</p> <p><b>[Mediobanca International</b></p> <p>[Mediobanca International is not rated.]</p> <p><b>The Notes</b></p> <p>The Notes are [unrated] [rated by [S&amp;P] [Moody’s entity] [●]].</p> <p>[[S&amp;P entity][Moody’s entity] is established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies.] [The rating of the Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the “<b>CRA Regulation</b>”).] [[●] [is]/[are] established in the European Union and [has]/[have each] applied for registration under Regulation (EC) No 1060/2009, although the result of such application has not yet been determined.] [[●] [is]/[are] not established in the European Union and [has]/[have] not applied for registration under Regulation (EC) No 1060/2009.]</p>
<b>B.18</b>	<b>Guarantee</b>	<p>Under the Deed of Guarantee, and in accordance with its terms and subject to the limitations thereof, Mediobanca (the “<b>Guarantor</b>”) unconditionally and irrevocably guarantees payment of all amounts due in respect of Senior Notes issued by Mediobanca International.</p> <p>The payment obligations of the Guarantor under the Deed of Guarantee constitute – in accordance with the terms and subject to the limitations thereof – direct, unconditional, unsubordinated and unsecured obligations of the Guarantor which will rank at all times at least <i>pari passu</i> without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for certain mandatory exceptions of applicable law. See also Condition 2(b) (<i>Status of Guarantee</i>) of the Senior Notes Conditions. In particular, pursuant to the Deed of Guarantee, to the extent under the applicable law in force at the relevant time, a cap to the</p>



		maximum amount to be guaranteed is required, the Guarantor shall only be liable up to an amount which is the aggregate of 110 per cent. of the aggregate principal amount of any Tranche of the Notes (in each case as specified in the applicable Final Terms) and 110 per cent. of the interest on such Notes accrued but not paid as at any date on which the Guarantor's liability falls to be determined. In addition, pursuant to the Deed of Guarantee, the Guarantor has also undertaken to issue an additional guarantee in an amount equal to any liability exceeding the maximum amount mentioned above in relation to any Tranche.
<b>B.19</b>	<b>Information on the Guarantor</b>	[Information with respect to Mediobanca is included in this section B above.]

### Section C – Securities

<b>Element</b>	<b>Description of Element</b>	<b>Disclosure requirement</b>
<b>C.1</b>	<b>Type and class of securities being offered</b>	<p>The Notes are [Fixed Rate Notes] [Floating Rate Notes] [Zero Coupon Notes].</p> <p>[The Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank at all times at least pari passu without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the relevant Issuer, save for certain mandatory exceptions of applicable law.]</p> <p>[The Subordinated Notes constitute direct, unsecured and subordinated obligations of Mediobanca.]</p> <p>The Notes have ISIN [ ] [and Common Code [ ]].</p>
<b>C.2</b>	<b>Currency</b>	Subject to compliance with all relevant laws, regulations and directives, the Notes are issued in [ ].
<b>C.5</b>	<b>Restrictions on free transferability</b>	There are restrictions on sales of the Notes into, amongst other jurisdictions, the United States, the European Economic Area (including the United Kingdom and Italy) and Japan.
<b>C.8</b>	<b>Description of rights and ranking</b>	<p>The Notes have terms and conditions relating to, among other matters:</p> <p><b>Status</b></p> <p>[The Notes are issued by Mediobanca on a [subordinated] [unsubordinated] basis.] [The Notes are issued by Mediobanca International on an unsubordinated basis.]</p> <p><i>[Insert if the Notes are Senior Notes:</i></p>

The Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank at all times at least pari passu without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the relevant Issuer, save for certain mandatory exceptions of applicable law. See Condition 2(b) (*Status of Notes*) of the Senior Notes Conditions.]

***[Insert if the Notes are Subordinated Notes:***

Subordinated Notes (Upper Tier II Subordinated Notes, Lower Tier II Subordinated Notes and Tier III Subordinated Notes, as the case may be) constitute direct, unsecured and subordinated obligations of Mediobanca, all as described in Condition 2 (*Status and Special Provisions*) of the Subordinated Notes Conditions and the relevant Final Terms.

In the event of a winding up, dissolution, liquidation or bankruptcy (including, inter alia, Liquidazione Coatta Amministrativa) of Mediobanca, the payment obligations of Mediobanca under each Series of Subordinated Notes, and the relative Coupons as the case may be, will rank in right of payment (A) after unsubordinated creditors (including depositors and any holder of Senior Notes and their respective Coupons) of Mediobanca but (B) at least pari passu with all other subordinated obligations of Mediobanca which do not rank or are not expressed by their terms to rank junior or senior to such Series of Subordinated Notes and (C) in priority to the claims of shareholders of Mediobanca. Lower Tier II Subordinated Notes and Tier III Subordinated Notes rank pari passu amongst themselves and rank senior to Upper Tier II Subordinated Notes, all as described in Condition 2 (*Status and Special Provisions*) of the Subordinated Notes Conditions.]

***[Insert if the Notes are Senior Notes:***

**Events of Default of the Senior Notes**

The Senior Notes are subject to the following Events of Default:

- (a) default is made for a period of five Business Days or more in the payment of any principal on any of the Senior Notes or for a period of fifteen Business Days or more in the payment of any interest due in respect of the Senior Notes or any of them;
- (b) the Issuer or the Guarantor (where applicable) fails duly to perform any other obligation under or in respect of the Senior Notes, the Deed of Guarantee or the Issue and Paying Agency Agreement and such failure continues for more than 30 days after the service by a holder of a Senior Note of notice on the Issuer requiring the same to be remedied;

- (c) the Issuer or the Guarantor (where applicable) suspends its payments generally;
- (d) certain events relating to the bankruptcy, insolvency, winding-up, dissolution, or administration of the Issuer or the Guarantor (where applicable) occur;
- (e) a cross default in respect of indebtedness for borrowed money of the relevant Issuer or the Guarantor (where applicable) occurs;
- (f) in respect of Senior Notes issued by Mediobanca International, Mediobanca International ceases to be controlled by Mediobanca (except in the case of a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation or similar transaction by which Mediobanca assumes the payment obligations of Mediobanca International under the Senior Notes);
- (g) it is or will become unlawful for the Issuer or the Guarantor (where applicable) to perform or comply with any one or more of its obligations under any of the Senior Notes or the Deed of Guarantee (where applicable); and
- (h) certain events in relation to the Deed of Guarantee occur.]

***[Insert if the Notes are Subordinated Notes:***

**Events of Default of the Subordinated Notes**

The Subordinated Notes are subject to the following Events of Default:

- (i) Default in payment of principal or interest: default is made for a period of five Business Days or more in the payment of any principal due on any of the Subordinated Notes or for a period of fifteen Business Days or more in the payment of any interest due on any of the Subordinated Notes; or
- (ii) Winding-up: Mediobanca is wound up or dissolved, except for the purposes of, and pursuant to, or in connection with, a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation, deconsolidation or disposal of assets.]Payments in respect of Global Notes.

All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie

		<p>evidence that such payment has been made in respect of the Notes.</p> <p><b>Payments in respect of Notes in definitive form</b></p> <p>Payments of principal and interest in respect of the Notes in definitive form shall be made against presentation and surrender of the relevant Notes at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with a bank in the principal financial centre of that currency; provided that in the case of Euro, the transfer may be to a Euro account.</p> <p><b>Further issues and consolidation</b></p> <p>The Issuer may from time to time without the consent of the holders of Notes or Coupons create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Price, the Issue Date and/or the first payment of interest) and so that the same shall be consolidated and form a single series with such Notes. In addition, Notes of one series may be consolidated with Notes of another Series.</p> <p><b>Substitution</b></p> <p>Subject to the fulfilment of certain conditions, the Issuer and, in case of Notes issued by Mediobanca International, the Guarantor may at any time (subject to certain conditions as provided in the Terms and Conditions) without the consent of the holders of Notes or Coupons, substitute Mediobanca in place of Mediobanca International or Mediobanca International in place of Mediobanca.</p>
<p><b>C.9</b></p>	<p><b>Interest/ Redemption</b></p>	<p>See item C.8 above for information on certain of the rights attaching to the Notes.</p> <p><b>Interest and Interest Periods</b></p> <p>The Notes [are zero coupon Notes] [bear interest at a fixed rate from the Interest Commencement Date] [bear interest at a floating rate from the Issue Interest Commencement Date] [bear interest at a [fixed rate][floating rate] from the Interest Commencement Date to the Interest Rate Switch Date and shall thereafter bear interest at a [fixed rate][floating rate]] [at the applicable Interest Rate, such interest being payable in arrear on each specified Interest Payment Date] [to the Maturity Date].</p> <p><i>Interest Rate</i></p> <p><b><i>[Insert in the case of Fixed Rate Notes:</i></b></p> <p>The Interest Rate for the Notes [from the Interest Commencement Date] [Interest Rate Switch Date] to the [Interest Rate Switch Date][Maturity Date]</p>

is [●] per cent. per annum] [from the Interest Rate Switch Date to the Maturity Date is [●] per cent. per annum]. The yield in respect of the Notes is [●]. Yield is calculated in accordance with the ICMA Method or any other method indicated in the relevant Final Terms. [The ICMA Method determines the effective interest rate for the securities taking into account accrued interest on a daily basis.]

***[Insert in the case of Floating Rate Notes:***

***[Insert in the case of “Screen Rate Determination”:*** The Interest Rate for each Interest Period [from the Interest Commencement Date] [Interest Rate Switch Date] to the [Interest Rate Switch Date][Maturity Date] shall be determined by reference to [●- week[s]] [●- month] [3-month] [6-month] [12-month] [GBP-][EUR-][USD-][CHF-] [●-] [EURIBOR] [LIBOR] [LIBID] [LIMEAN] [BOT] appearing on [●]] [from the Interest Rate Switch Date to the Maturity Date shall be determined by reference to [●- month] [3-month] [6-month] [12-month] [GBP-][EUR-][USD-][CHF-] [●-] [EURIBOR] [LIBOR] [LIBID] [LIMEAN] [*relevant yield of Government securities*] [*relevant swap rate*] appearing on [●]] (the “**Reference Rate**”) and will be determined as [the sum of a Margin of [●] and the Reference Rate so determined] [(i) the sum of a Margin of [●] and the Reference Rate so determined (ii) multiplied by a Multiplier of [●]] [the sum of (i) a Margin of [●] and (ii) the Reference Rate so determined multiplied by a Multiplier of [●]]. If no such rate appears on the applicable page at the relevant time on the Interest Determination Date, the rate shall be determined by the Calculation Agent using certain fallback methods. In respect of any short or long Interest Period as specified in the applicable Final Terms, the Calculation Agent will determine the Interest Rate using Linear Interpolation. For the avoidance of doubt the Interest Rate may be a sum of or combination of more than one Reference Rate (plus any applicable Margin) if so specified in the relevant Final Terms.

***[Insert in the case of “ISDA Determination”:*** The Interest Rate for each Interest Period [from the Interest Commencement Date] [Interest Rate Switch Date] to the [Interest Rate Switch Date][Maturity Date]] [from the Interest Rate Switch Date to the Maturity Date] shall be the [the sum of a Margin of [●] and the ISDA Rate] [(i) the sum of a Margin of [●] and the ISDA Rate (ii) multiplied by a Multiplier of [●]] [the sum of (i) a Margin of [●] and (ii) the ISDA Rate multiplied by a Multiplier of [●]] where “**ISDA Rate**” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option (as defined in the ISDA Definitions) is [GBP-][EUR-][USD-][CHF-] [●-] [EURIBOR-] [LIBOR-] [LIBID-] [LIMEAN-] [*relevant yield of Government securities*] [*relevant swap*

rate] [●-] [Reuters] [Bloomberg] [BBA] [●];

- (b) the Designated Maturity (as defined in the ISDA Definitions) is to [●- week[s]] [●- month] [3-month] [6-month] [12-month]; and
- (c) the relevant Reset Date (as defined in the ISDA Definitions) is [the first day of that Interest Period] [●].

In respect of any short or long Interest Period as specified in the applicable Final Terms, the Calculation Agent will determine the Interest Rate using Linear Interpolation. For the avoidance of doubt the Interest Rate may be a sum of or combination of more than one Reference Rate (plus any applicable Margin) if so specified in the relevant Final Terms.

“**Linear Interpolation**” means the straight-line interpolation by reference to two rates based on the Reference Rate or the ISDA Rate, as the case may be, one of which will be determined as if the Specified Duration were the period of time for which rates are available next shorter than the length of the affected Interest Period and the other of which will be determined as if the Specified Duration or the Designated Maturity, as the case may be, were the period of time for which rates are available next longer than the length of such Interest Period.]

***[Insert if Multiplier is applicable:***

*Multiplier*

The Interest Rate [from the Issue Date to the Interest Rate Switch Date] [from the [Issue Date] [Interest Rate Switch Date] to the Maturity Date] will also be subject to a Multiplier of [ ].]

***[Insert if Reference Rate Multiplier is applicable:***

*Reference Rate Multiplier*

The Interest Rate [from the Issue Date to the Interest Rate Switch Date] [from the [Issue Date] [Interest Rate Switch Date] to the Maturity Date] will [also] be subject to a Reference Rate Multiplier of [ ].]

***[Insert in the case of Zero Coupon Notes:***

The Notes will not bear interest.

***[Insert if Maximum Interest Rate and/or Minimum Interest Rate is applicable:***

*[Maximum Interest Rate] [and] [Minimum Interest Rate]*

The Interest Rate [from the Interest Commencement Date to the [Interest Rate

Switch Date][Maturity Date] will also be subject to a [[Maximum]][Minimum] Interest Rate of [●] [and] a [[Maximum]][Minimum] Interest Rate of [●] [and] [from the Interest Rate Switch Date to the Maturity Date will [also] be subject to a [[Maximum]][Minimum] Interest Rate of [●] [and] a [[Maximum]][Minimum] Interest Rate of [●].]

*Day Count Fraction*

The applicable Day Count Fraction for the calculation of the amount of interest due within an Interest Period will be [1/1] [Actual/Actual] [Actual/Actual (ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)].

*Interest Periods*

The Interest Periods are the periods commencing on (and including) the Interest Commencement Date to (but excluding) the first Interest Accrual Date and each period commencing on (and including) an Interest Accrual Date to (but excluding) the next following Interest Accrual Date.

*Issue Date and Interest Payment Dates*

The Issue Date is [●]. The Interest Payment Dates will be [●].

*[Interest Determination Date]*

[The Interest Determination Date with respect to an Interest Period will be [the first day of each Interest Period] [the second day on which TARGET2 is open prior to the first day of each Interest Period] [the day falling two Banking Days prior to the first day of each Interest Period] [●].]

*Interest Accrual Dates*

The Interest Accrual Dates will be [●].

***[Insert if “Interest Rate Switch” is applicable:***

*Interest Rate Switch Date*

The Interest Rate Switch Date for each Series of Notes will be [●].]

**Redemption**

*Maturity*

Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer by payment of the Final Redemption Amount on the Maturity Date which is [●].

***[Insert if “Redemption by Instalments” is applicable:]***

*[Redemption by Instalments]*

Unless previously redeemed, purchased and cancelled, each Note will be partially redeemed on each Instalment Date at the Instalment Amount, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes.

The Instalment Amount per Note corresponding to the applicable Instalment Date is set out below:

[●]

*Early Redemption*

The Notes may be redeemed early if[:]

[(a)] *Tax Redemption:* certain taxation events occur;

(b) *[Events of Default:]* an Event of Default occurs (as described in section C.8 above).

In such circumstances, the Issuer shall pay the Early Redemption Amount together with interest accrued to the date fixed for [redemption] [or payment] in respect of each Note.

***[Insert if “Call Option” is applicable:]***

*Call Option*

The Issuer may, on giving [●] Business Days prior notice, redeem [all or some] of the Notes on the Optional Redemption Date[s] and the Issuer shall pay the Optional Redemption Amount (Call) together with interest accrued to the date fixed for redemption in respect of each Note.

***[Insert if “Put Option” is applicable:]***

*Put Option*

The Issuer shall, on receiving [●] [Business Days] [Calendar Days] prior notice from the holder of a Note, redeem such Note on the Optional Redemption Date[s] at its Optional Redemption Amount (Put) together with interest accrued to the date fixed for redemption in respect of such Note.

*Optional Redemption Amount*

The Optional Redemption Amount due in respect of each Note pursuant to the exercise of the [Call Option] [Put Option] shall be [[●] per Calculation



		<p>Amount per Note][the Optional Redemption Amount per Note corresponding to the applicable Optional Redemption Date on which the [Call Option] [Put Option] is exercised is as set out below:</p> <p>[[●]]</p> <p>[The Maximum Redemption Amount is [●] per Calculation Amount per Note].</p> <p>[The Minimum Redemption Amount is [●] per Calculation Amount per Note].</p> <p><b><i>[Insert if “Redemption for taxation reasons” is applicable:</i></b></p> <p><i>[Tax Redemption</i></p> <p>The Notes may be redeemed early if certain taxation events occur with respect to the Notes, the Issuer or the Guarantor (where applicable).].]</p> <p><b><i>[Insert if “Total Repurchase Option / Partial Repurchase Option” is applicable:</i></b></p> <p><b>Purchases</b></p> <p>The Issuer, the Guarantor and any of the Guarantor's subsidiaries may at any time purchase [all (but not part of) of the Notes] [on one or more occasions, any portion of the Notes] in the open market or otherwise at any price provided that all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith.</p> <p>Such option to purchase all of the Notes can only be exercised by the Issuer on [●].</p> <p>Upon exercise of such option, the holder(s) shall be obliged to sell to the Issuer (or any other entity indicated by the Issuer) all the Notes of the Series in relation to which such option is exercised.]</p> <p><b>Meetings</b></p> <p>The Notes contains provisions for convening meetings of Noteholders to consider matters affecting their interests generally with respect to the Notes. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p>
C.10	Derivative component of securities	<p>[Not applicable. The Notes do not have a derivative component in the interest payment.]</p> <p><b><i>[Insert if early redemption at the option of the Issuer and/or early redemption at the option of the holders of the Notes is applicable:</i></b> The Note are characterised by a pure bond component and an implied derivative</p>

		<p>component relating to the early redemption option [which is represented by [●].]</p> <p><b><i>[Insert if Maximum Interest Rate and/or Minimum Interest Rate is applicable:</i></b> The Notes are characterised by a pure bond component and an implied derivative component [which is represented by [a put option on the minimum rate sold by the Issuer to the investors] [●] [and/or] [a call option on the maximum rate sold by the investor to the Issuer] [●].]</p> <p>See item C.9 above for information on interest and redemption.</p>
<b>C.11</b>	<b>Trading of securities</b>	<p>Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made for Notes issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets as may be agreed between the relevant Issuer, the Guarantor (where applicable) and the relevant Dealer in relation to the relevant Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
<b>C.21</b>	<b>Markets where Securities will be traded</b>	<p>Any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC). See item C.11 above.</p>

#### Section D – Risks

<b>Element</b>	<b>Description of Element</b>	<b>Disclosure requirement</b>
<b>D.2</b>	<b>Key risks specific to the Issuer</b>	<p>There are certain factors that may affect each Issuer's ability to fulfil its obligations under Notes issued under the Programme. These include the following risk factors related to the Mediobanca Group, its operations and its industry:</p> <ul style="list-style-type: none"> <li>(i) The Issuer's financial results may be affected by events which are difficult to anticipate.</li> <li>(ii) The Issuer's financial results may be affected by the Eurozone sovereign debt crisis.</li> <li>(iii) The Issuer is exposed to Eurozone sovereign debt.</li> </ul>

		<ul style="list-style-type: none"> <li>(iv) The Issuer's financial results are affected by changes in interest rates.</li> <li>(v) The Issuer's financial results may be affected by market declines and volatility.</li> <li>(vi) The Issuer is subject to credit and market risk. Current market conditions are unprecedented.</li> <li>(vii) Sustained market weakness and volatility may adversely affect the Issuer's investment banking and financial advisory revenues and subject the Issuer to risks of losses from clients and other counterparties.</li> <li>(viii) Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and leading to material losses.</li> <li>(ix) Market volatility and difficult access to debt capital markets can adversely affect the Issuer's liquidity.</li> <li>(x) Intense competition, especially in the Italian market, where the Issuer has the largest concentration of its business, could materially adversely effect the Issuer's revenues and profitability.</li> <li>(xi) The Issuer's risk management policies, procedures and methods may nevertheless leave the Issuer exposed to unidentified or unanticipated risks, which could lead to material losses.</li> <li>(xii) The Issuer is subject to operational risk.</li> <li>(xiii) The Issuer is subject to systemic risks in connection with the economic/financial crisis.</li> <li>(xiv) The presence of OTC derivatives in the Group's portfolio could adversely affect the Issuer's business.</li> <li>(xv) Potential rating downgrade.</li> <li>(xvi) Changes in the Italian and European regulatory framework could adversely affect the Issuer's business.</li> <li>(xvii) Increased Capital Requirements.</li> <li>(xviii) Provisions of the Crisis Management Directive once finalised and implemented.</li> <li>(xiv) Issuer's potential implementation of capital strengthening initiatives in connection with the European Bank Authority Capital Requirements.</li> </ul>
<b>D.3</b>	<b>Key risks specific to</b>	In addition, there are certain factors which are material for the purpose of assessing the risks related to Notes issued under the Programme. The Notes may

	<b>the securities</b>	<p>not be suitable for all investors. A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. These include the following:</p> <ul style="list-style-type: none"> <li>(i) The Notes may not be a suitable investment for all investors.</li> <li>(ii) Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State of the European Economic Area is required to provide to the tax authorities of another Member State of the European Economic Area details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person in favour of, an individual resident in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%.</li> <li>(iii) The Issuer, the Guarantor and other financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30% on all, or a portion of, payments made after 31 December 2016 in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued after 31 December 2012 or are materially modified from that date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued, pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code or similar law implementing an intergovernmental approach to FATCA.</li> </ul> <p><i>Risk related to the structure of a particular Issue of Notes</i></p> <ul style="list-style-type: none"> <li>(i) An optional redemption feature of Notes is likely to limit their market value.</li> <li>(ii) In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction, the Issuer may redeem all outstanding Notes in accordance with the Conditions, unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise.</li> <li>(iii) Notes with variable interest rates can be volatile investments.</li> <li>(iv) Fixed/Floating Rate Notes may bear interest at a rate that may convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate and any conversion, depending on market interest rates, may adversely affect the value of the Fixed/Floating Rate Notes.</li> <li>(v) If specified in the Final Terms, to the extent that the Issuer is required by law to withhold or deduct any present or future taxes of any kind</li> </ul>
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		<p>imposed or levied by or on behalf of the Republic of Italy or the Grand Duchy of Luxembourg, as appropriate, the Issuer will not be under an obligation to pay any additional amounts to Noteholders.</p> <p>(vi) If specified in the Final Terms that a Multiplier or Reference Rate Multiplier applies in respect of the determination of the Interest Rate, any fluctuation of the underlying floating rate will be amplified by such multiplier. This may adversely affect the return on the Notes.</p> <p>(vii) Potential investors should also consider that where the underlying interest rate does not rise above the level of the Minimum Interest Rate, comparable investments in notes which pay interest based on a fixed rate which is higher than the Minimum Interest Rate are likely to be more attractive to potential investors than an investment in the Notes. Under those conditions, investors in the Notes might find it difficult to sell their Notes on the secondary market (if any) or might only be able to realise the Notes at a price which may be substantially lower than the nominal amount. To the extent a Maximum Interest Rate applies, investors should be aware that the Interest Rate is capped at such Maximum Interest Rate level. Consequently, investors may not participate in any increase of market interest rates, which may also negatively affect the market value of the Notes.</p> <p>(vii) If Mediobanca is declared insolvent and a winding up is initiated, it will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors) in full before it can make any payments on the Subordinated Notes. If this occurs, Mediobanca may not have enough assets remaining after these payments to pay amounts due under the Subordinated Notes. In addition, the payment obligations of Mediobanca under Upper Tier II Subordinated Notes rank behind Lower Tier II Subordinated Notes and Tier III Subordinated Notes.</p> <p><i>Risk Factors related to the Notes generally:</i></p> <p>(i) If it is specified in the Final Terms that English law is applicable to the Notes, the Notes are governed by, and shall be construed in accordance with, English law. If it is specified in the Final Terms that Italian law is applicable to the Notes, the Notes are governed by, and shall be construed in accordance with, Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English law and/or Italian law or administrative practice after the date of this Base Prospectus.</p> <p>(ii) Unless otherwise provided in the Final Terms, “Euroclear Bank S.A./N.V. (“<b>Euroclear</b>”) and/or Clearstream Banking, société anonyme, Luxembourg (“<b>Clearstream, Luxembourg</b>”) will maintain records of</p>
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		<p>the beneficial interests in the Global Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.</p> <p>(iii) The Issuers and the Guarantor may, without the consent of Noteholders, correct (i) any manifest error in the Terms and Conditions of the Notes and/or in the Final Terms; (ii) any error of a formal, minor or technical nature in the Terms and Conditions of the Notes and/or in the Final Terms or (iii) any inconsistency in the Terms and Conditions of the Notes and/or in the Final Terms between the Terms and Conditions of the Notes and/or the Final Terms and any other documents prepared in connection with the issue and/or offer of a Series of Notes (provided such correction is not materially prejudicial to the holders of the relevant Series of Notes).</p> <p>(iv) Potential conflicts of interest may exist between Dealers, which may underwrite the Notes issued under the Programme and receive in consideration underwriting commissions and selling concessions, or Mediobanca, which may act as market maker or specialist or perform other similar roles in connection with the notes, on the one hand, and investors in the Notes on the other.</p> <p>(v) The Notes may be issued and withheld by the Issuer for the progressive sale on the market in accordance with investors' demand. In this context an investor who acquires the Notes does not know at the moment of purchase how much of the issued Notes effectively are publicly traded, with the consequence that the amount in circulation could be meagre and may not guarantee successively adequate liquidity in the Notes.</p> <p>(vi) In the event the Issuer decides to issue further Notes having the same terms and conditions as an already existing Series of Notes (or in all respects except for the Issue Price, the Issue Date and/or the first payment of interest) and so that the further Notes shall be consolidated and form a single series with the original Notes, the greater nominal amount in circulation could lead to greater liquidity in the secondary market with a consequent negative impact on the price of the relevant Series of the Notes.</p> <p><i>Risk Factors relating to the market generally:</i></p> <p>(i) Notes may have no established trading market when issued, and one may never develop. The Issuer has not any obligation to purchase the Notes from the Noteholders. However, should the Issuer decide to purchase the Notes, the secondary market pricing that the Issuer may provide on the Notes may reflect the unwinding cost of the hedging portfolio (if any).</p> <p>(ii) The Issuer will pay principal and interest on the Notes in the Relevant</p>
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		<p>Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than the Relevant Currency.</p> <p>(iii) Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.</p> <p>(iv) One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.</p> <p>(v) The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers.</p> <p>(vi) Implicit fees (e.g. placement fees, direction fees, structuring fees) may be a component of the Issue/Offer Price of Notes, but such fees will not be taken into account for the purposes of determining the price of the relevant Notes in the secondary market.</p> <p>(vii) If Notes are distributed by means of a public offer, under certain circumstances indicated in the Final Terms, the Issuer and/or other entities specified in the Final Terms may have the right to withdraw the offer, which in such circumstances will be deemed to be null and void according to the terms indicated in the Final Terms.</p> <p>(viii) It is not possible to predict the price at which Notes will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, list or admit Notes to trading on a stock exchange or market. The Issuer, or any of its Affiliates may, but is not obliged to, at any time purchase Notes at any price in the open market or by tender or private agreement.</p> <p>(ix) In respect of Notes which are (in accordance with the applicable Final Terms) to be listed on a stock exchange, market or quotation system, the Issuer shall use all reasonable endeavours to maintain such listing, provided that if it becomes impracticable or unduly burdensome or unduly onerous to maintain such listing, then the Issuer may apply to de-list the relevant Notes, although in this case it will use all reasonable endeavours to obtain and maintain (as soon as reasonably practicable after the relevant de-listing) an alternative equivalent admission to listing, trading and/or quotation by a stock exchange, market or quotation system within or outside the European Union, as it may decide.</p>
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**Section E – Offer**

<b>Element</b>	<b>Description of Element</b>	<b>Disclosure requirement</b>
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds</b>	The net proceeds of the issue of each Tranche of Notes will be used for the general corporate purposes of the relevant Issuer.
<b>E.3</b>	<b>Terms and conditions of the offer</b>	The offer to invest in the Notes is made from [●] to [●]. [The maximum and minimum amount of application is [●] and [●], respectively.] Payments by investors in respect of the purchase of the Notes shall be made by [●]. The results of the offer will be published in [●] on [●]. The Global Notes will be delivered to the relevant clearing system no later than on the Issue Date.
<b>E.4</b>	<b>Material interests in the offer</b>	[Not applicable. There are no material interests with respect to the issue and/or offer of Notes (including any conflicting interests).] [The following constitute material interests with respect to the issue and/or offer of Notes: [●].]
<b>E.7</b>	<b>Estimated expenses</b>	[Not Applicable - No expenses will be specifically charged to purchasers of Notes by the Issuer.][A [●] fee of [●] shall be payable by purchasers of Notes to [●].] [●]



## RISK FACTORS

*The Issuers and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under Notes and (in relation to Senior Notes only) the Guarantee issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuers and the Guarantor are not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuers and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers and the Guarantor to pay interest, principal or other amounts on or in connection with any Notes or, in relation to Senior Notes only, the Guarantee may occur for other reasons which may not be considered significant risks by the Issuers and the Guarantor based on information currently available to them or which they may not currently be able to anticipate.*

*[The purchase of Notes involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in this Base Prospectus and as supplemented from time to time.*

*No person has been authorised to give any information or make any representation not contained in or not consistent with the Base Prospectus and/or the Final Terms, or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer.*

*By investing in the Notes each investor represents that:*

- (a) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or the Dealers as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer or the Dealers shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.*
- (b) Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.*
- (c) Status of Parties. Neither the Issuer nor the Dealers is acting as a fiduciary for or adviser to it in respect of the investment in the Notes.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, prior to making any investment decision.*

*Prospective investors should also read the risk factors relating to Mediobanca set out in the English translation of the Mediobanca Registration Document (as defined below) which is incorporated by reference to this Base Prospectus as indicated in “Documents Incorporated by Reference” below.*

*Words and expressions defined in “Form of Final Terms”, “Terms and Conditions of the Senior Notes”, “Terms and Conditions of the Subordinated Notes”, or elsewhere in this Base Prospectus have the same meaning in this section. Prospective investors should read the entire Base Prospectus. In this section, “Issuer” refers to Mediobanca and/or to Mediobanca International as appropriate.*

## **1) Risks relating to the Issuers, the Guarantor and the Mediobanca Group**

**Factors that may affect the Issuers' and the Guarantor's ability to fulfil their obligations under Notes issued under the Programme.**

**Prospective investors should also read the risk factors relating to Mediobanca set out in the English translation of the Mediobanca Registration Document (as defined below) which is incorporated by reference to this Base Prospectus as indicated in “Documents Incorporated by Reference” below.**

***The Issuer's financial results may be affected by events which are difficult to anticipate***

The Issuer's earning and business are affected by general economic conditions, the performance of financial markets, interest rate levels, currency exchange rates, changes in laws and regulation, changes in the policies of central banks, particularly the Bank of Italy and the European Central Bank, and competitive factors, in each case on a regional, national and international level. Each of these factors can change the level of demand for the Issuer's products and services, the credit quality of borrowers and counterparties, the interest rate margin of the Issuer between lending and borrowing costs and the value of the Issuer's investment and trading portfolios.

***Risks arising from the Eurozone sovereign debt crisis***

The continued deterioration of the merit of credit of various countries, including, among others, Greece, Ireland and Portugal, together with the potential for contagion to spread to other countries in Europe, mainly Spain and Italy, has exacerbated the severity of the global financial crisis. Such developments have posed a significant risk to the stability and status quo of the European Monetary Union.

Rising market tensions might affect negatively the funding costs and economic outlook of some euro member countries, as has been the case of the three bailed out countries. This, together with the risk that some countries might leave the euro area, would have a material and negative impact on the Group and/or on the Group's clients, with negative implications for the Group's business, results and the financial position.

Lingering market tensions might affect negatively the global economy and hamper the recovery of the euro area. Moreover, the tightening fiscal policy by some countries might weigh on households'

disposable income and on corporate profits with negative implications for the Group's business, results and the financial position. This trend will likely continue in the coming quarters.

Any further deterioration of the Italian economy would have a material adverse effect on the Group's business, in light of the Group's significant exposure to the Italian economy. In addition, if any of the countries in which the Group operates entered recession again, the Group's results of operations, business and financial condition would be materially and adversely affected.

The European Central Bank's unconventional policy (including a security market programme and provision of liquidity via "Longer Term Refinancing Operations" (LTRO) with full allotment) has contributed to ease tensions, limiting the refinancing risk for the banking system and leading to a tightening of credit spreads. The possibility that the European Central Bank could halt or reconsider the current set up of unconventional measures would impact negatively the value of sovereign debt instruments. This would have a materially negative impact on the Group's business, results and financial position.

Despite the several initiatives of supranational organisations to deal with the heightened sovereign debt crisis in the euro area, global markets remain characterised by high uncertainty and volatility. If the current concerns over sovereign and bank solvency continue, there is a danger that inter-bank funding may become generally unavailable or available only at elevated interest rates, which might have an impact on the Group's access to, and cost of, funding. Should the Group be unable to continue to source a sustainable funding profile which can absorb these sudden shocks, the Group's ability to fund its financial obligations at a competitive cost, or at all, could be adversely affected.

#### ***Risks in connection with the exposure of the Group to Eurozone sovereign debt***

In carrying out its activities, the Group holds substantial volumes of public-sector bonds, including bonds issued by European countries. The Group's total exposure in this respect as at 30 June 2012 is set out in the tables A.1.2.a and A.1.2.b of Part E of the audited consolidated annual financial statements of Mediobanca as at and for the year ended 30 June 2012 incorporated by reference into this Base Prospectus. This could give rise to operational disruptions to the Group's business.

Furthermore, Mediobanca is affected by disruptions and volatility in the global financial markets. In particular, Mediobanca's credit ratings are potentially exposed to the risk of reductions in the sovereign credit rating of Italy. On the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have a potential knock-on effect on the credit rating of Italian issuers such as Mediobanca and make it more likely that the credit rating of Notes issued under the Programme are downgraded.

Thus, any negative developments in the Group's sovereign exposure could adversely affect its results of operations, business and financial condition.

#### ***The Issuer's financial results are affected by changes in interest rates***

Fluctuations in interest rates in Italy and in the other markets in which the Mediobanca Group operates influence the Mediobanca Group's performance. The results of each Issuer's banking operations are affected by its management of interest rate sensitivity. Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest income. A mismatch of interest-

earning assets and interest-bearing liabilities in any given period, which tends to accompany changes in interest rates, may have a material effect on the Issuer's financial condition or results of operations.

***The Issuer's financial results may be affected by market declines and volatility***

The results of the Issuer are affected by general economic, financial and other business conditions. During recessionary periods, there may be less demand for loan products and a greater number of the Issuer's customers may default on their loans or other obligations. Interest rate rises may also impact the demand for mortgages and other loan products. The risk arising from the impact of the economy and business climate on the credit quality of the Issuer's borrowers and counterparties, including sovereign states, can affect the overall credit quality and the recoverability of loans and amounts due from counterparties.

The Issuer is therefore exposed by its very nature to potential changes in the value of financial instruments, including securities issued by sovereign states, due to fluctuations in interest rates, exchange rates and currencies, stock market and commodities prices and credit spreads, and/or other risks.

***The Issuer is subject to credit and market risk. Current market conditions are unprecedented***

The credit and capital markets have been experiencing extreme volatility and disruption in recent months. To the extent that any of the instruments and strategies the Issuer uses to hedge or otherwise manage its exposure to credit or capital markets risk are not effective, the Issuer may not be able to mitigate effectively the Issuer's risk exposures in particular market environments or against particular types of risk. The Issuer's trading revenues and interest rate risk are dependent upon its ability to identify properly, and mark to market, changes in the value of financial instruments caused by changes in market prices or interest rates. The Issuer's financial results also depend upon how effectively the Issuer determines and assesses the cost of credit and manages its credit risk and market risk concentration. In addition, due to market fluctuations, weak economic conditions and/or a decline in stock and bond prices, trading volumes or liquidity, the Issuer's financial results may also be affected by a downturn in the revenues deriving from its margin interests, principal transactions, investment banking and securities trading fees and brokerage activities.

***Sustained market weakness and volatility may adversely affect the Issuer's investment banking and financial advisory revenues and subject the Issuer to risks of losses from clients and other counterparties***

The Issuer's investment banking revenues, in the form of financial advisory and debt and equity underwriting fees, are directly related to the number and size of the transactions in which the Issuer participates and may be impacted by continued or further credit market dislocations or sustained market downturns. Sustained market downturns or continued or further credit market dislocations and liquidity issues would also likely lead to a decline in the volume of capital market transactions that the Issuer executes for its clients and, therefore, to a decline in the revenues that it receives from commissions and spreads earned from the trades the Issuer executes for its clients. Further, to the extent that potential acquirers are unable to obtain adequate credit and financing on favourable terms, they may be unable or unwilling to consider or complete acquisition transactions, and as a result the Issuer's merger and acquisition advisory practice would suffer.

In addition, declines in the market value of securities can result in the failure of buyers and sellers of securities to fulfil their settlement obligations, and in the failure of the Issuer's clients to fulfil their credit obligations. During market downturns, the Issuer's counterparties in securities transactions may be less likely to complete transactions. Also, the Issuer often permit its clients to purchase securities on margin or, in other words, to borrow a portion of the purchase price from the Issuer and collateralize the loan with a set percentage of the securities. During steep declines in securities prices, the value of the collateral securing margin purchases may drop below the amount of the purchasers indebtedness. If the clients are unable to provide additional collateral for these loans, the Issuer may lose money on these margin transactions. In addition, particularly during market downturns, the Issuer may face additional expenses defending or pursuing claims or litigation related to counterparty or client defaults.

***Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and leading to material losses***

In some of the Issuer's businesses, protracted adverse market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the Issuer cannot close out deteriorating positions in a timely way. This may especially be the case for assets of the Issuer for which there are not very liquid markets to begin with. Assets that are not traded on stock exchanges or other public trading markets, such as derivatives contracts between banks, may have values that the Issuer calculates using models other than publicly quoted prices. Monitoring the deterioration of prices of assets like these is difficult and failure to do so effectively could lead to losses that the Issuer did not anticipate or that were higher than those anticipated. This in turn could adversely affect the Issuer's results of operations and financial condition.

***Market volatility and difficult access to debt capital markets can adversely affect the Issuer's liquidity***

In the event that the extreme volatility and disruption experienced by international and domestic markets in recent months continue in the future, the Issuer's liquidity can be adversely affected. The Issuer's funding activity relies, for more than 20 per cent, on retail deposits with the Group company CheBanca!, on medium and long-term debt capital market issues offered to institutional investors and to the public. The placement to retail investors is made through public offerings (carried out by means of single banking networks – including that of Banco Posta – with exclusivity or through syndicated joined banking groups) and sold directly on the *Mercato Telematico delle Obbligazioni* managed by Borsa Italiana S.p.A. (MOT). Demand from institutional investors is met through public offerings on the Eurobond market and private placements of instruments tailored on the basis of the specific needs of the subscriber.

The volatility of the debt capital markets in Italy and abroad may impair the Issuer's ability to raise funding through fixed-income instruments and may affect its liquidity in the long term. In addition, the wider credit spreads that the markets are experiencing can affect the Issuer's aggregate cost of funding and have an impact on its financial results.

***Intense competition, especially in the Italian market, where the Issuer has the largest concentration of its business, could materially adversely affect the Issuer's revenues and profitability***

Competition is intense in all of the Mediobanca Group's primary business areas in Italy and the other countries in which the Issuer conducts its business. The Mediobanca Group derives most of its total

banking income from its banking activities in Italy, a mature market where competitive pressures have been increasing quickly. If the Mediobanca Group is unable to continue to respond to the competitive environment in Italy with attractive product and service offerings that are profitable for the Mediobanca Group, it may lose market share in important areas of its business or incur losses on some or all of its activities. In addition, downturns in the Italian economy could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for which to compete.

***The Issuer's risk management policies, procedures and methods may nevertheless leave the Issuer exposed to unidentified or unanticipated risks, which could lead to material losses***

The Issuer has devoted significant resources to developing policies, procedures and assessment methods to manage market, credit, liquidity and operating risk and intends to continue to do so in the future. Nonetheless, the Issuer's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risks, including risks that the Issuer fails to identify or anticipate. If existing or potential customers believe that the Issuer's risk management policies and procedures are inadequate, the Issuer's reputation as well as its revenues and profits may be negatively affected.

***The Issuer is subject to operational risk***

The Issuer, like all financial institutions, is exposed to many types of operational risk, including the risk of fraud by employees and outsiders, unauthorised transactions by employees or operational errors, including errors resulting from faulty computer or telecommunication systems. The Issuer's systems and processes are designed to ensure that the operational risks associated with the Issuer's activities are appropriately monitored. Any failure or weakness in these systems, however, could adversely affect the Issuer's financial performance and business activities.

***Systemic risks in connection with the economic/financial crisis***

It should be noted that the earnings capacity and stability of the financial system in which the Issuer operates may be impacted by the general economic situation and the trends on financial markets, and, in particular, by the solidity and growth prospects of the economies of the country or countries in which the Issuer operates, including its/their credit standing.

Such factors, particularly during periods of economic and financial crisis, could lead the Issuer to incur losses, increases in the cost of financing, reductions in the value of assets held, with a potentially negative impact on the Issuer's liquidity and the solidity of its capital.

***Risks connected to the presence of OTC derivatives in the Group's portfolio***

The investors should note that the portfolio of the Group contains so-called "over the counter" (OTC) derivatives. The fair value of these OTC derivatives depends upon the both the valuation and the perceived credit risk of the instrument insured or guaranteed or against which protection has been bought and the credit quality of the protection provider. Market counterparties have been adversely affected by their exposure to residential mortgage linked products, and their perceived creditworthiness has deteriorated significantly since 2007. Although the Group seeks to limit and manage direct exposure to market counterparties, indirect exposure may exist through other financial arrangements and counterparties. If the financial condition of market counterparties or their perceived

creditworthiness deteriorates further, the Group may record further credit valuation adjustments on the underlying instruments insured by such parties.

Any primary or indirect exposure to the financial condition or creditworthiness of these counterparties could have a material adverse impact on the results of operations, financial condition and prospects of the Group.

### ***Risks connected to a potential rating downgrade***

Mediobanca is rated by Standard & Poor's Ratings Service, a Division of the McGraw Hill Companies Inc. ("**S&P**"), which is established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit rating agencies, (as amended) (the "**CRA Regulation**") as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority pursuant to the CRA Regulation. A downgrade of Mediobanca's rating (for whatever reason) might result in higher funding and refinancing costs for Mediobanca in the capital markets. In addition, a downgrade of Mediobanca's rating may limit Mediobanca's opportunities to extend mortgage loans and may have a particularly adverse effect on Mediobanca's image as a participant in the capital markets, as well as in the eyes of its clients. These factors may have an adverse effect on Mediobanca's financial condition and/or the results of its operations.

### ***Changes in the Italian and European regulatory framework could adversely affect the Issuer's business***

The Issuer is subject to extensive regulation and supervision by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* (the Italian securities market regulator or "**CONSOB**") in relation to Mediobanca, the European Central Bank and the European System of Central Banks in relation to both Issuers and the CSSF in Luxembourg in relation to Mediobanca International. The banking laws to which the Issuer is subject govern the activities in which banks and foundations may engage and are designed to maintain the safety and soundness of banks, and limit their exposure to risk. In addition, the Issuer must comply with financial services laws that govern its marketing and selling practices. The regulatory framework governing the international financial markets is currently being amended in response to the credit crisis, and new legislation and regulations are being introduced in Italy and could significantly alter the Issuer's capital requirements.

The supervisory authorities mentioned above govern various aspects of the Issuer, which may include, among other things, liquidity levels and capital adequacy, the prevention and combating of money laundering, privacy protection, ensuring transparency and fairness in customer relations and registration and reporting obligations. In order to operate in compliance with these regulations, Mediobanca has in place specific procedures and internal policies. Despite the existence of these procedures and policies, there can be no assurance that violations of regulations will not occur, which could adversely affect the Group's results of operations, business and financial condition. The above risks are compounded by the fact that, as at the date of this Base Prospectus, certain laws and regulations have only been recently approved and the relevant implementation procedures are still in the process of being developed.

Between the end of 2010 and the beginning of 2011 the Bank of Italy issued a series of measures which amended the Bank of Italy Circular No. 263 of 27 December 2006 (*Nuove Disposizioni di Vigilanza Prudenziale delle Banche*) as amended and supplemented (the "**Bank of Italy Regulations**") in order

to adopt the provisions of EU Directive 2009/27/EC, 2009/83/EC and 2009/111/EC (together, "**CRD II**"), which amended EU Directives 2006/48/EC ("**CRD**") and 2006/49/EC and has changed, *inter alia*, the criteria for assessing capital eligible to be included in Tier I Capital and may require the Issuer to replace, over a staged grandfathering period, existing capital instruments that do not fall within these revised eligibility criteria.

EU Directive 2010/76/EU ("**CRD III**") was issued on 24 November 2010 amending further the CRD as regards capital requirements for the trading book and for re-securitisations and the supervisory review of remuneration policies. This Directive introduces a number of changes in response to the recent and current market conditions, such as:

- an increase in the capital requirements for financial institutions in respect of trading books to ensure that a bank's assessment of the risks connected with its trading book better reflects the potential losses from adverse market movements in stressed conditions;
- a limit on investments in re-securitisations and imposition of higher capital requirements for re-securitisations to make sure that banks take proper account of the risks of investing in such complex financial products; and
- a restriction on the remuneration payable to individuals fulfilling roles with a potential impact on a bank's risk profile.

In December 2010, January 2011 and July 2011, the Basel Committee on Banking Supervision issued documents containing a capital and liquidity reform package ( the "**Basel III proposal**"). The main proposals are summarised as follows:

- revision of the regulatory capital definition and its components, setting higher minimum levels for Common Equity Tier I capital adequacy ratios and introducing requirements for non-Core Tier I and Tier II capital instruments to have a mechanism that requires them to be written off or converted into ordinary shares at the point of a bank's non-viability;
- non-recognition or phasing-out of recognition of certain existing capital instruments as Common Equity Tier I Capital, Additional Tier I Capital or Tier II Capital starting from 1 January 2013;
- introduction of a capital conservation buffer designed to ensure that banks build up capital buffers outside periods of stress which can be drawn down as losses are incurred and a countercyclical buffer, and measures aimed at ensuring that systemically important financial institutions have loss-absorbing capacities which go beyond the minimum Basel III standards, in order to ensure that banking sector capital requirements take into account the macro-financial environment in which banks operate;
- enhancement of risk coverage of the capital requirements framework, especially regarding derivatives and other off balance sheet items (counterparty credit risk), the exposures to central counterparties (CCPs) and the values of the risk parameters under stress conditions (market, credit and counterparty credit risk);
- introduction of a leverage ratio requirement as a supplementary measure to the risk-based capital requirements;



- promotion of stronger provisioning practices mainly by moving towards a forward looking (Expected Loss) provisioning approach; and
- introduction of global common liquidity measurement standards for the banking sector, which will subject banks to minimum quantitative requirements for liquidity and increased risk weightings for "illiquid" assets.

The Basel III framework adopts a gradual approach, with the requirements to be implemented over the period from 1 January 2013 to 31 December 2019 (some of the new requirements which are still in the course of being defined will have to be adopted by individual member states). In the European Union, Basel III will be reflected by an amended Capital Requirements Directive (known as the "**CRD IV**") and the implementation of an EU regulation (the "**Capital Requirements Regulation**") directly in each member state (known as the "**CRR**") from 1 January 2013. Drafts of the CRD IV and the CRR have been released by the European Commission and were expected to be published in final form in the middle of 2012 although, as of the date of this Base Prospectus, such publication has not taken place yet. The rules are expected to enter into force by 1 January 2013 though subject to a series of transitional arrangements with phasing in of the rules occurring over a period of time. The impact of these regulations could, therefore, have an adverse effect on the Group's results of operations, business and financial condition.

Significant uncertainty remains around the implementation of some of these initiatives. If certain of these measures were implemented as currently proposed or announced, in particular the changes proposed or announced by the Basel Committee, they would be expected to have a significant impact on the capital and asset and liability management of the Mediobanca Group.

Such changes in the regulatory framework and how such regulations are applied may have a material effect on the Mediobanca Group's business and operations. As the new framework of banking laws and regulations affecting Mediobanca Group is currently being implemented, the manner in which those laws and related regulations will be applied to the operations of financial institutions is still evolving. No assurance can be given that laws and regulations will be adopted, enforced or interpreted in a manner that will not have an adverse effect on the business, financial condition, cash flows and results of operations of the Mediobanca Group.

Prospective investors in the Notes should consult their own advisors as to the consequences for them of the application of the above regulations as implemented in each Member State.

### ***Increased Capital Requirements***

Under the CRD IV and Basel III framework, the minimum capital requirement for common equity tier 1 ("**CET1**") (which does not include hybrid capital) will be phased in gradually from the current 2 per cent. of risk-weighted assets to up to 9.5 per cent. in 2019. The 9.5 per cent. requirement will include a "capital conservation buffer requirement" of 2.5 per cent. and a "countercyclical buffer requirement" of 0-2.5 per cent. in addition to a minimum base requirement of 4.5 per cent. The countercyclical buffer requirement will apply in periods of excess lending growth in the economy and can vary for each jurisdiction. For each systemically important bank ("**SIB**") there will be additional buffer requirements on top of the 9.5 per cent.

***The Group may be subject to the provisions of the Crisis Management Directive, once finalised and implemented, in the future***

On 6 June 2012, the European Commission published a legislative proposal for a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the “**Crisis Management Directive**” or “**CMD**”). The stated aim of the draft CMD is to provide authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers’ exposure to losses. The powers provided to authorities in the draft CMD are divided into three categories: (i) preparatory steps and plans to minimise the risks of potential problems (preparation and prevention); (ii) in the event of incipient problems, powers to arrest a bank’s deteriorating situation at an early stage so as to avoid insolvency (early intervention); and (iii) if insolvency of an institution presents a concern as regards the general public interest, a clear means to reorganise or wind down the bank in an orderly fashion while preserving its critical functions and limiting to the maximum extent any exposure of taxpayers to losses in insolvency (resolution).

The draft CMD currently contains four resolution tools and powers: (i) sale of business – which enables resolution authorities to proceed with the sale of the institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply; (ii) bridge institution - which enables resolution authorities to transfer of all or part of the business of an institution to a “bridge bank” (a publically controlled entity); (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to an asset management vehicle to allow them to be managed and worked out over time; and (iv) bail in - which gives resolution authorities the power to write down the claims of unsecured creditors of a failing institution and to convert unsecured debt claims to equity (subject to certain parameters as to which liabilities would be eligible for the bail in tool).

The draft CMD contemplates that it will be implemented in Member States by 31 December 2014 except for the bail in tool which is to be implemented by 1 January 2018.

The powers currently set out in the draft CMD would impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. However, the proposed directive is not in final form and changes may be made to it in the course of the legislative procedure. As such, it is too early to anticipate the full impact of the draft directive but there can be no assurance that, once it is agreed upon and implemented, Noteholders will not be adversely affected by actions taken under it. In addition, there can be no assurance that, once the draft CMD is agreed upon and implemented, its application will not have a significant impact on the Group’s results of operations, business, assets, cash flows and financial condition, as well as on funding activities carried out by the Group and the products and services offered by the Group.

***Risks related to the Issuer’s potential implementation of capital strengthening initiatives in connection with the European Bank Authority (the “EBA”) Capital Requirements***

The current Supervisory Regulations and the Basel III Rules include a set of rules for improving quality and quantity of capital as well as new rules for controlling the leverage and the pro cyclical intermediation. The implementing reforms are aimed to empower the capacity of the banking system to absorb shocks resulting from financial and economic tensions, regardless of their cause, reducing the risk of contagion of the financial sector by the real economy. In general, the evaluation of an appropriate bank capitalization could have direct impacts, among other things, on the rating and the cost of funding, and the necessity of any extraordinary transactions with consequent effects on economic and financial situation of each relevant financial institution and on its shareholders.

## 2) Risks relating to the Notes

**Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme.**

*The Notes may not be a suitable investment for all investors*

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) proceed with investment only after fully appreciating the risks inherent in the nature of the Notes;
- (ii) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (iii) evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;
- (v) consider all of the risks of an investment in the Notes, including Notes with payments thereunder payable in one or more currencies, or where the currency for payments thereunder is different from the potential investor's currency;
- (vi) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; and
- (vii) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### *EU Savings Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State of the European Economic Area is required to provide to the tax authorities of another Member State of the European Economic Area details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person in favour of, a beneficial owner that is an individual resident in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States of the European Economic Area, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such person in favour of, a beneficial owner that is an individual resident in a Member State of the European Economic Area. In addition, the Member States of the European Economic Area have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State of the European Economic Area to, or collected by such person in favour of, an individual resident in one of those territories.

### *U.S. Foreign Account Tax Compliance Withholding*

The Issuer, the Guarantor and other financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30% on all, or a portion of, payments made after 31 December 2016 in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are not yet outstanding as of the date (the "**Grandfathering Date**") that is six months after the date on which final U.S. Treasury regulations define the term "foreign passthru payment" or are materially modified from that date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code ("**FATCA**") or similar law implementing an intergovernmental approach to FATCA.

This withholding tax may be triggered if (i) the Issuer is a foreign financial institution ("**FFI**") (as defined in FATCA) that enters into and complies with an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information on its account holders (making the Issuer a "Participating FFI"), (ii) the Issuer has a positive "passthru payment percentage" (as determined under FATCA), and (iii)(a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of such Participating FFI, or (b) any FFI that is an investor, or through which payment on such Notes is made, is not a Participating FFI.

The application of FATCA to interest, principal or other amounts paid with respect to the Notes is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may, if FATCA is implemented as

currently proposed by the IRS, receive less interest or principal than expected. Holders of Notes should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on proposed regulations and official guidance that is subject to change. The application of FATCA to Notes may be addressed in the relevant Final Terms or a supplement to the Base Prospectus, as applicable.

### ***Risks related to the structure of a particular Issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. This section contains risk factors which are material to the Notes being offered and/or admitted to trading.

#### *Notes subject to optional redemption by the Issuer*

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes.

At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in the light of other investments available at that time.

#### *Redemption for tax reasons*

Unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise, in the event that the Issuer (i) would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Luxembourg or Italy (as appropriate) or any political subdivision thereof or any authority therein or thereof having power to tax or (ii) would become subject to more than a *de minimis* additional amount of taxes due to limitation to the deductibility of payments under any Notes (provided that, with respect to Mediobanca, any additional amount of national income taxes arising from a limitation of the deductibility of interest payments exceeding the 4% percentage set forth, as at the date of this Base Prospectus, in Article 96, paragraph 5-bis of the Italian Presidential Decree No. 917 of 22 December 1986 (“**Decree No. 917**”), would be considered as exceeding the aforesaid *de minimis* additional amount), the Issuer may redeem all outstanding Notes in accordance with the Conditions. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

#### *Regulatory Call*

If Regulatory Call is specified in the applicable Final Terms, the Subordinated Notes may be redeemed at the option of Mediobanca (subject to the prior approval of the Bank of Italy), in whole or in part, at any time (if the Subordinated Note is not a Floating Rate Note) or on any Interest Payment Date (if the Subordinated Note is a Floating Rate Note), if a proportion equal or more than the Minimum

Disqualification Amount of the relevant Subordinated Notes ceases to qualify as “Lower Tier II Capital”, “Upper Tier II Capital” or “Tier III Capital”, as applicable, on a consolidated or non consolidated basis, as a result of changes after the date of issue of the relevant Subordinated Notes in the standards and guidelines of the Bank of Italy or in the applicable legal or regulatory provisions (including legal or regulatory provisions adopted by the European Union).

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

To the extent that Multiplier or Reference Rate Multiplier applies in respect of the determination of the Interest Rate for the Floating Rate Notes, investors should be aware that any fluctuation of the underlying floating rate will be amplified by such multiplier. Where the Multiplier is less than 1, this may adversely affect the return on the Floating Rate Notes.

#### *Maximum/Minimum Interest Rate*

Potential investors should also consider that where the underlying interest rate does not rise above the level of the Minimum Interest Rate, comparable investments in notes which pay interest based on a fixed rate which is higher than the Minimum Interest Rate are likely to be more attractive to potential investors than an investment in the Notes. Under those conditions, investors in the Notes might find it difficult to sell their Notes on the secondary market (if any) or might only be able to realise the Notes at a price which may be substantially lower than the nominal amount.

To the extent a Maximum Interest Rate applies, investors should be aware that the Interest Rate is capped at such Maximum Interest Rate level. Consequently, investors may not participate in any increase of market interest rates, which may also negatively affect the market value of the Notes.

#### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### *Subordinated Notes*

If Mediobanca is declared insolvent and a winding up is initiated, it will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors) in full before it can make any payments on the Subordinated Notes. If this occurs, Mediobanca may not have enough assets remaining after these payments to pay amounts due under the Subordinated Notes. In

addition, the payment obligations of Mediobanca under Upper Tier II Subordinated Notes rank behind Lower Tier II Subordinated Notes and Tier III Subordinated Notes.

The payment obligations arising under Subordinated Notes are subject to additional limitations. Firstly, the claims of the holders of Upper Tier II Subordinated Notes in relation to payments of principal and interest will be reduced to the extent necessary to enable Mediobanca to maintain its capital at certain minimum levels required by the Bank of Italy. Secondly, Mediobanca may defer interest payments on such Subordinated Notes in certain circumstances where annual or interim dividends are not declared. In the case of Tier III Subordinated Notes, payment of interest and principal is subject to suspension where such payments would otherwise reduce Mediobanca's assets below certain minimum levels required by the Bank of Italy.

Any reduction or deferral of payments of principal and interest is likely to have an adverse effect on the market price of Subordinated Notes. In addition, as a result of the payment reduction and deferral provisions described above, the market price of Subordinated Notes may be more volatile than the market prices of debt securities which are not subject to such provisions and may be more sensitive generally to adverse changes in the financial condition of Mediobanca and the Mediobanca Group.

For a full description of the provisions relating to Subordinated Notes, see Condition 2 (*Status and Special Provisions*) of the Subordinated Notes Conditions.

In addition the Subordinated Notes expose investors to higher risks compared with certain other investments such as government bonds. Investors should therefore be aware that a comparison between the yield offered by the Subordinated Notes and those offered by other securities may not be meaningful or appropriate.

#### *Regulatory classification of the Notes*

The intention of Mediobanca is for Subordinated Notes to qualify on issue as “Lower Tier II capital”, “Upper Tier II capital” or “Tier III capital”, as applicable. Current regulatory practice by the Bank of Italy (acting as lead regulator) does not require (or customarily provide) a confirmation prior to the issuance of Subordinated Notes that the Subordinated Notes will be treated as such.

Although it is Mediobanca's expectation that the Subordinated Notes qualify as “Lower Tier II capital”, “Upper Tier II capital” or “Tier III capital”, as applicable, there can be no representation that this is or will remain the case during the life of the Subordinated Notes or that the Subordinated Notes will be grandfathered under the implementation of future EU capital requirement regulations. If the Subordinated Notes are not grandfathered, or for any other reason cease to qualify as “Lower Tier II capital”, “Upper Tier II capital” or “Tier III capital”, as applicable, Mediobanca will have the right to redeem the Subordinated Notes in accordance with Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Subordinated Notes Conditions. Any redemption of Subordinated Notes issued by Mediobanca is subject to the prior approval of the Bank of Italy.

There can be no assurance that holders of such Subordinated Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the relevant Subordinated Notes, as the case may be.

#### *Non-Viability Requirement for Subordinated Notes*

The Basel Committee's press release dated 13 January 2011 entitled "Minimum requirements to ensure loss absorbency at the point of non-viability" (the "**January 2011 Press Release**") included an additional Basel III requirement (the "**Non-Viability Requirement**") as follows:

"The terms and conditions of all non-common Tier I and Tier II instruments issued by an internationally active bank must have a provision that requires such instruments, at the option of the relevant authority, to either be written off or converted into common equity upon the occurrence of the trigger event unless:

- (a) the governing jurisdiction of the bank has in place laws that (i) require such Tier I and Tier II instruments to be written off upon such event, or (ii) otherwise require such instruments to fully absorb losses before tax payers are exposed to loss;
- (b) a peer group review confirms that the jurisdiction conforms with clause (a); and
- (c) it is disclosed by the relevant regulator and by the issuing bank, in issuance documents going forward, that such instruments are subject to loss under clause (a) in this paragraph.

The trigger event is the earlier of: (1) a decision that a write-off, without which the firm would become non-viable, is necessary, as determined by the relevant authority; and (2) the decision to make a public sector injection of capital, or equivalent support, without which the firm would have become non-viable, as determined by the relevant authority."

The January 2011 Press Release states that instruments issued after 1 January 2013 must meet these requirements in order to be recognised as Tier I or Tier II instruments for regulatory capital purposes. The recognition of instruments issued before 1 January 2013 which do not meet these requirements will be phased out from 1 January 2013.

The January 2011 Press Release is not binding in the European Union, and the non-Viability Requirements will need to be implemented in the European Union. There has not yet been an official proposal for the implementation of the Non-Viability Requirement in the European Union, although a draft of a new EU directive (called the "**Crisis Management Directive**", or the "**CMD**") containing rules in relation to bank resolution and recovery was released on 6 June 2012.

The CMD, although currently in draft form, includes provisions relating to, inter alia, "bail-in" (write-down or conversion into equity) of subordinated debt, certain types of senior debt and certain other liabilities at the point of a bank's non-viability. The draft CMD proposes that, with application from 1 January 2015, national authorities in each Member State will be given the power to write down or convert Additional Tier 1 and Tier 2 instruments at the point of the Issuer's non-viability. It is expected that each Member State will be required to implement CMD into its national law. However, it is possible that all or some of the CMD provisions will eventually be implemented by way of a directly-applicable regulation, similar to the CRR.

There can be no assurance that existing legislation or new legislation will be amended or introduced in Italy to reflect the January 2011 Press Release or that any existing legislation or new legislation applying in Italy will be confirmed in due course by a peer group review (as referred to in paragraph (b) of the Non-Viability Requirement above) to conform with paragraph (a) above such that Subordinated Notes would be subject to being written down or fully loss absorbing on the basis set out in paragraph (a) above. In such circumstances, however, the Subordinated Notes Conditions may still



need to provide for such Non-Viability Requirement in order to qualify as regulatory capital under the CRR. As at the date of this Base Prospectus, there has been no official notification that a peer group review of the kind referred to in paragraph (b) above has been undertaken in respect of any laws of any EU member state.

**Investors should be aware, however, that Subordinated Notes may nevertheless be subject to a write-down or conversion into common shares at the point of non-viability should the Bank of Italy or other authority or authorities having oversight of Mediobanca at the relevant time (the “Relevant Authority”) be given the power to do so. The Subordinated Notes Conditions issued under the Programme include provisions setting out that the obligations of Mediobanca under Subordinated Notes are subject to the powers of the Relevant Authority pursuant to applicable law and/or regulation in force from time to time.**

In addition, there can be no assurance that, prior to implementation of the CRD IV and the CRR and the other Basel III reforms in Italy, the Basel Committee will not amend its package of reforms described above. Furthermore, the European Commission may implement the package of reforms, including the terms which capital instruments are required to have, in a manner that is different from that which is currently envisaged or, if permitted, Italy may impose more onerous requirements on Italian financial institutions. Until fully implemented, the Issuer cannot predict the precise effects of the changes that result from any proposed reforms on its own financial performance and/or on the pricing of the Subordinated Notes.

Any failure by Mediobanca to maintain any increased regulatory capital requirements or to comply with any other requirements introduced by regulators could result in intervention by regulators or the imposition of sanctions, which may have a material adverse effect on Mediobanca’s profitability and results and may also have other effects on Mediobanca’s financial performance and on the pricing of the Subordinated Notes, both with or without the intervention by regulators or the imposition of sanctions. Prospective investors in Subordinated Notes should consult their own advisers as to the consequences of the proposed CRD IV and CRR.

#### *Variation of the terms and conditions of Subordinated Notes*

In relation to any series of Subordinated Notes, the Issuer may upon the occurrence of a Regulatory Event or a Tax Event modify the terms and conditions of such Subordinated Notes without any requirement for the consent or approval of the Noteholders to the extent that such modification is reasonably necessary to ensure that no Regulatory Event or Tax Event would exist after such modification, provided that the relevant conditions set forth in Condition 9 (d) (*Modification following a Regulatory Event or Tax Event*) of the Subordinated Notes Conditions are satisfied. For details, see Condition 9(d) (*Modification following a Regulatory Event or Tax Event*) of the Subordinated Notes Conditions.

#### *No gross up on withholding tax*

To the extent that the Issuer is required by law to withhold or deduct any present or future taxes of any kind imposed or levied by or on behalf of the Republic of Italy or the Grand Duchy of Luxembourg (as appropriate), the Issuer may not be under an obligation to pay any additional amounts to Noteholders.

#### *Risks related to Notes generally*

Set out below is a brief description of certain risks relating to the Notes generally:

#### *Change of law*

Unless otherwise provided in the Final Terms, the Terms and Conditions of the Notes are based on English law in effect as at the date of this Base Prospectus, provided that with respect to the Subordinated Notes Conditions, Conditions 2 (*Status and Special Provisions*), 4(b)(ii) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), 4(k) (*Regulatory provisions relating to the Notes*) and 9 (*Events of Default*), are governed by, and shall be construed in accordance with, Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English law and/or Italian law, or administrative practice after the date of this Base Prospectus.

#### *Procedures of clearing systems*

Unless otherwise provided in the relevant Final Terms, Notes issued under the Programme may be represented by one or more Global Notes and such Global Notes will be deposited with a common depository or (where applicable) common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system provided in the Final Terms will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depository or common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system to appoint appropriate proxies.

#### *Modification*

The Issuing and Paying Agency Agreement contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Issuer and the Guarantor may, without the consent of Noteholders, correct (i) any manifest error in the Terms and Conditions of the Notes and/or in the Final Terms, (ii) any error of a formal, minor or technical nature in the Terms and Conditions of the Notes and/or in the Final Terms or (iii) any inconsistency in the Terms and Conditions of the Notes and/or in the Final Terms between the Terms and Conditions of the Notes and/or the Final Terms and any other documents prepared in connection with the issue and/or offer of a Series of Notes (provided such correction is not materially prejudicial to the holders of the relevant Series of Notes). Any such

correction shall be binding on the holders of the relevant Notes and the Issuer and the Guarantor (if applicable) shall cause such correction to be notified to the holders of the Notes as soon as practicable thereafter pursuant to Condition 12 (*Notices*) of the Terms and Conditions of the Notes.

#### *Conflict of Interest*

Investors should note that Notes issued under the Program may be underwritten by Dealers who receive in consideration underwriting commissions and selling concessions. The relevant Issuer may also offer and sell Notes directly to investors without the involvement of any Dealer. In addition, Mediobanca may act as market maker or specialist or perform other similar roles in connection with the Notes: potential conflicts of interest may exist between Mediobanca acting in such capacity on the one hand, and investors in the Notes on the other.

#### *Impossibility to know the amount of the Notes in circulation on the date of issue*

The Notes may be issued and withheld by the Issuer for the progressive sale on the market in accordance with investors' demand. In this context an investor who acquires the Notes does not know at the moment of purchase how much of the issued Notes effectively are publicly traded, with the consequence that the amount in circulation could be meagre and may not guarantee successively adequate liquidity in the Notes.

#### *Issue of subsequent tranche*

In the event the Issuer decides to issue further Notes having the same terms and conditions as an already existing Series of Notes (or in all respects except for the Issue Price, the Issue Date and/or the first payment of interest) and so that the further Notes shall be consolidated and form a single series with the original Notes, the greater nominal amount in circulation could lead to a greater offer of the relevant Notes in the secondary market with a consequent negative impact on the price of the relevant Series of the Notes.

#### ***Risks related to the market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk that may be relevant in connection with an investment in Notes:

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

The Issuer has no obligation to purchase the Notes from the Noteholders. However, should the Issuer decide to purchase the Notes, the secondary market pricing that the Issuer may provide on the Notes may reflect the unwinding cost of the hedging portfolio (if any).

### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest, if any, on the Notes in the Relevant Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the “**Investor's Currency**”) other than the Relevant Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Relevant Currency or revaluation of the Investor's Currency or due to the official redenomination of the Relevant Currency, and/or Investor's Currency) and the risk that authorities with jurisdiction over Relevant Currency, and/or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Relevant Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes, and (iii) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest, principal or other amount than expected, or no interest or principal or other amount.

### *Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

### *Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Each prospective investor should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

### *Impact of implicit fees on the Issue/Offer Price*

Investors should note that implicit fees (e.g. placement fees, direction fees, structuring fees) may be a component of the Issue/Offer Price of Notes, but such fees will not be taken into account for the purposes of determining the price of the relevant Notes in the secondary market.

The Issuer will specify in the relevant Final Terms the type and amount of any implicit fees which are applicable from time to time.

Investors should also take into consideration that if Notes are sold on the secondary market immediately following the offer period relating to such Notes, the implicit fees included in the

Issue/Offer Price on initial subscription for such Notes will be deducted from the price at which such Notes may be sold in the secondary market.

#### *Certain considerations associated with public offers of Notes*

If Notes are distributed by means of a public offer, under certain circumstances indicated in the relevant Final Terms, the Issuer and/or other entities specified in the Final Terms may have the right to withdraw the offer, which in such circumstances will be deemed to be null and void according to the terms indicated in the relevant Final Terms.

In such case, investors who have already paid or delivered subscription monies for the relevant Notes will be entitled to reimbursement of such amounts, but will not receive any remuneration that may have accrued in the period between their payment or delivery of subscription monies and the reimbursement of the Notes.

#### *Possible Illiquidity of the Notes in the Secondary Market*

It is not possible to predict the price at which Notes will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, list or admit to trading Notes on a stock exchange or market. If the Notes are not listed or admitted to trading on any exchange or market, pricing information for the Notes may be more difficult to obtain and the liquidity of the Notes may be adversely affected. If the Issuer does list or admit to trading an issue of Notes, there can be no assurance that at a later date, the Notes will not be delisted or that trading on such exchange or market will not be suspended. In the event of a delisting or suspension of listing or trading on a stock exchange or market, the Issuer will use its reasonable efforts to list or admit to trading the Notes on another exchange or market.

The Issuer, or any of its Affiliates may, but is not obliged to, at any time purchase Notes at any price in the open market or by tender or private agreement. Any Notes so purchased may be held or resold or surrendered for cancellation. The Issuer or any of its Affiliates may, but is not obliged to, be a market-maker for an issue of Notes. Even if the Issuer or such other entity is a market-maker for an issue of Notes, the secondary market for such Notes may be limited.

Investors should note that if an entity is appointed as market-maker or liquidity provider with respect to the Notes in the secondary market, this may, in certain circumstances, affect the price of the Notes in the secondary market.

In addition, all or part of the Notes issued under this Programme may be subscribed upon issuance by the Issuer itself or by its Affiliate(s) for resales thereafter on the basis of investors' demand. Accordingly, investors subscribing for Notes upon their issuance should be aware that there may not be a viable secondary market for the relevant Notes immediately. Even if a market does develop subsequently, it may not be very liquid.

#### *Listing of Notes*

In respect of Notes which are (in accordance with the applicable Final Terms) to be listed on a stock exchange, market or quotation system, the Issuer shall use all reasonable endeavours to maintain such listing, provided that if it becomes impracticable or unduly burdensome or unduly onerous to maintain such listing, then the Issuer may apply to de-list the relevant Notes, although in this case it will use all reasonable endeavours to obtain and maintain (as soon as reasonably practicable after the relevant de-

listing) an alternative admission to listing, trading and/or quotation by a stock exchange, market or quotation system within or outside the European Union, as it may decide.

If such an alternative admission is not available or is, in the opinion of the Issuer, impracticable or unduly burdensome, an alternative admission will not be obtained.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and form part of, this Base Prospectus:

- the audited consolidated annual financial statements as at and for the years ended 30 June 2012, 2011 and 2010 of Mediobanca;
- the audited non-consolidated annual financial statements as at and for the years ended 30 June 2012, 2011 and 2010 of Mediobanca International;
- the unaudited consolidated financial statements as at and for the three months ended 30 September 2012, 2011 and 2010 of Mediobanca;
- the English translation of the Mediobanca Registration Document (published in the Italian language on 22 October 2012 and approved by CONSOB on 18 October 2012, report No. 12082878);
- the English translation of the press release of Mediobanca dated 27 October 2012;
- the Terms and Conditions of the Notes (pages 25 - 46) set out in the Base Prospectus dated 11 January 2007 relating to the Euro 16,000,000,000 Euro Medium Term Note Programme of Mediobanca and Mediobanca International;
- the Terms and Conditions of the Notes (pages 34 - 56) set out in the Base Prospectus dated 4 December 2007 relating to the Euro 25,000,000,000 Euro Medium Term Note Programme of Mediobanca and Mediobanca International;
- the Terms and Conditions of the Notes (pages 37 – 58) set out in the Base Prospectus dated 12 December 2008 relating to the Euro 40,000,000,000 Euro Medium Term Note Programme of Mediobanca and Mediobanca International;
- the Terms and Conditions of the Notes (pages 39 – 61) set out in the Base Prospectus dated 16 December 2009 relating to the Euro 40,000,000,000 Euro Medium Term Note Programme of Mediobanca and Mediobanca International;
- the Terms and Conditions of the Notes (pages 99 – 133) set out in the Base Prospectus dated 13 January 2011 relating to the Euro 40,000,000,000 Issuance Programme of Mediobanca and Mediobanca International; and
- the Terms and Conditions of the Notes (pages 105 – 139) set out in the Base Prospectus dated 30 November 2011 relating to the Euro 40,000,000,000 Issuance Programme of Mediobanca and Mediobanca International,

in the case of the above-mentioned financial statements, together with the accompanying notes and (where applicable) auditor's reports, save that any statement contained in this Base Prospectus or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference by way of supplement

prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such statement.

The Issuers will provide, without charge to each person to whom a copy of this Base Prospectus has been delivered, upon the request of such person, a copy of any or all the documents deemed to be incorporated by reference herein unless such documents have been modified or superseded as specified above, in which case the modified or superseded version of such document will be provided. Request for such documents should be directed to the Issuers at their offices set out at the end of this Base Prospectus. In addition, such documents will be available, without charge, at the principal office of the Paying Agent in Luxembourg and on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)), on the Mediobanca's website ([www.mediobanca.it](http://www.mediobanca.it)) and on the Mediobanca International's website ([www.mediobancaint.lu](http://www.mediobancaint.lu)).

The following table shows where some of the information required under Annex XI of Commission Regulation (EC) No. 809/2004 can be found in the above mentioned documents incorporated by reference. Any information contained in the documents incorporated by reference but not set out below is given for information purposes only.

Any documents which are incorporated by reference into the Mediobanca Registration Document and which are not listed above are not incorporated by reference into this Base Prospectus and are either not relevant for investors or are covered elsewhere in this Base Prospectus.

***Cross-reference list in respect of the Mediobanca Registration Document***

III	Risk factors	Pages 7 to 14
VII	Future trends	Page 25
VIII	Forecasts or estimates of profits	Page 26

***Cross-reference list in respect of the Mediobanca and Mediobanca International financial statements***

**Mediobanca - Consolidated annual financial statements**

<b>Commission Regulation (EC) No. 809/2004, Annex XI, Paragraph 11.1</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Balance sheet</b>	<b>Pages 66 – 67</b>	<b>Pages 62 – 63</b>	<b>Pages 62 - 63</b>
<b>Statement of income</b>	<b>Pages 68 – 69</b>	<b>Pages 64 – 65</b>	<b>Pages 64 - 65</b>
<b>Statement of changes in equity</b>	<b>Pages 70 – 71</b>	<b>Pages 66 – 67</b>	<b>Page 66 - 67</b>
<b>Cashflow statement</b>	<b>Pages 72 – 73</b>	<b>Pages 68 – 69</b>	<b>Page 68 - 69</b>
<b>Accounting policies and explanatory notes</b>	<b>Pages 74 - 235</b>	<b>Pages 71– 235</b>	<b>Pages 71 - 229</b>
<b>Auditors' reports</b>	<b>Page 63</b>	<b>Page 59</b>	<b>Page 59</b>

**Mediobanca - Consolidated three-monthly financial statements**

<b>Commission Regulation (EC) No. 809/2004, Annex XI,</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
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**Paragraph 11.5**

<b>Balance sheet</b>	<b>Pages 46 – 47</b>	<b>Pages 43 – 44</b>	<b>Pages 41 - 42</b>
<b>Statement of income</b>	<b>Page 48</b>	<b>Page 45</b>	<b>Page 43</b>
<b>Accounting policies and explanatory notes</b>	<b>Pages 27 - 44</b>	<b>Pages 28 – 41</b>	<b>Pages 27 - 39</b>

**Mediobanca International - Non-Consolidated annual financial statements****Commission Regulation (EC) No. 809/2004, Annex XI,****2012****2011****2010****Paragraph 11.1**

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<b>Balance sheet</b>	<b>Page 21</b>	<b>Page 18</b>	<b>Page 12</b>
<b>Statement of comprehensive income</b>	<b>Page 22</b>	<b>Page 19</b>	<b>Page 13</b>
<b>Cashflow statement</b>	<b>Page 25</b>	<b>Page 22</b>	<b>Page 16</b>
<b>Statement of changes in equity</b>	<b>Pages 23 – 24</b>	<b>Pages 20 – 21</b>	<b>Pages 14 – 15</b>
<b>Accounting policies and explanatory notes</b>	<b>Pages 27 – 147</b>	<b>Pages 26 – 137</b>	<b>Pages 18 – 113</b>
<b>Auditors' reports</b>	<b>Pages 18 - 19</b>	<b>Pages 15 – 16</b>	<b>Pages 9 – 10</b>

## SUPPLEMENTS AND FURTHER PROSPECTUSES

The Issuers will prepare a replacement prospectus setting out the changes in the operations and financial conditions of the Issuers at least every year after the date of this Base Prospectus and each subsequent Base Prospectus.

The Issuers have given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to the information contained in this Base Prospectus which is capable of affecting the assessment of the Notes, they shall prepare a supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer a number of copies of such supplement as a Dealer may reasonably request.

In addition, the Issuers and the Guarantor may agree with any Dealer to issue Notes in a form not contemplated in the sections of this Base Prospectus entitled “Form of Final Terms”. To the extent that the information relating to that Tranche of Notes constitutes a significant new factor in relation to the information contained in this Base Prospectus, a separate prospectus specific to such Tranche (a “**Drawdown Prospectus**”) will be made available and will contain such information. Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the relevant Issuer and (in the case of Senior Notes issued by Mediobanca International only) the Guarantor and the relevant Notes or (2) pursuant to Article 5.3 of the Prospectus Directive, by a registration document containing the necessary information relating to the relevant Issuer and (in the case of Senior Notes issued by Mediobanca International only) the Guarantor, a securities note containing the necessary information relating to the relevant Notes and, if necessary, a summary note. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, references in this Base Prospectus to information specified or identified in the Final Terms shall (unless the context requires otherwise) be read and construed as information specified or identified in the relevant Drawdown Prospectus.

## FORMS OF THE NOTES

### *(A) Temporary or Permanent Global Note*

Unless otherwise provided in the relevant Final Terms, each Tranche of Notes will initially be in the form of either a temporary global note (a “**Temporary Global Note**”), without Coupons, or a permanent global note (a “**Permanent Global Note**”), without Coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “**Global Note**”) which is not intended to be issued in a new global note form (a “**Classic Global Note**” or “**CGN**”), as specified in the relevant Final Terms, will be deposited on or around the Issue Date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, société anonyme, Luxembourg (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system and/or deposited directly with Monte Titoli S.p.A. and/or any other centralised custodian appointed by the Issuers (together, the “**Centralised Custodian**”) and each Global Note which is intended to be issued in new global note form (a “**New Global Note**” or “**NGN**”), as specified in the relevant Final Terms, will be deposited on or around the Issue Date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the “**ECB**”) announced that Notes in NGN form are in compliance with the “Standards for the use of EU securities settlement systems in ESCB credit operations” of the central banking system for the euro (the “**Eurosystem**”), provided that certain other criteria are fulfilled (including denomination in euro and listing on an EU regulated market or on an ECB-approved non-regulated market). At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and the debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used (and if the above-mentioned other criteria are fulfilled).

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### *Temporary Global Note exchangeable for Permanent Global Note*

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note without Coupons or Receipts (as defined herein), interests in which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without Coupons, not earlier than 40 days after the Issue Date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the prompt delivery (free

of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership, within seven days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership, *provided, however*, that in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”):

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (*Events of Default*) of the Senior Notes Conditions or Condition 8 (*Events of Default*) of the Subordinated Notes Conditions, as the case may be, occurs.

Where interests in the Permanent Global Note are to be exchanged for Definitive Notes in the circumstances described in (i) and (ii) above, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued in denominations which represent the aggregate of a minimum denomination of Euro 100,000, plus integral multiples of Euro 1,000, *provided that* such denominations are not less than Euro 100,000 nor more than Euro 199,000. For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Note. However, a Noteholder who holds an aggregate principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer

of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

*Temporary Global Note exchangeable for Definitive Notes*

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, without Coupons, interests in which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the Issue Date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, without Coupons or Receipts, interests in which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the Issue Date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Where the Temporary Global Note is to be exchanged for Definitive Notes, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Talons and Receipts (as defined herein) attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

*Permanent Global Note exchangeable for Definitive Notes*

If the relevant Final Terms specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note, without Coupons or Receipts, interests in which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (*Events of Default*) of the Senior Notes Conditions or

Condition 8 (*Events of Default*) of the Subordinated Notes Conditions, as the case may be, occurs.

Where interests in the Permanent Global Note are to be exchanged for Definitive Notes in the circumstances described in (i) and (ii) above, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued in denominations which represent the aggregate of a minimum denomination of Euro 100,000, plus integral multiples of Euro 1,000, *provided that* such denominations are not less than Euro 100,000 nor more than Euro 199,000. For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Notes. However, a Noteholder who holds an aggregate principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange. Where the Notes are listed on the Official List of the Luxembourg Stock Exchange and its rules so require, the Issuer will give notice of the exchange of the Permanent Global Note for Definitive Notes pursuant to Condition 12 (*Notices*) of the Terms and Conditions of the Notes.

#### *Terms and Conditions applicable to the Notes*

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “Terms and Conditions of the Senior Notes” and “Terms and Conditions of the Subordinated Notes” below, as the case may be and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Summary of Provisions relating to the Notes while in Global Form” below.

#### *Legend concerning United States persons*

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections referred to in such legend provide that a United States person who holds a Note, Coupon, Talon or Receipt will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon, Talon or Receipt and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

*(B) Book-entry form*

If the relevant Final Terms specifies the form of the Notes as being “Book-entry form”, then the Notes will not be represented by paper certificates and the transfer and exchange of Notes will take place exclusively through an electronic book-entry system managed by Monte Titoli S.p.A. or any other Centralised Custodian appointed by the Issuers. Accordingly, all Notes shall be deposited by their owners with an intermediary participant in the relevant Centralised Custodian. The intermediary will in turn deposit the Notes with the Centralised Custodian.

To transfer an interest in the Notes, the transferor and the transferee are required to give instructions to their respective intermediaries. If the transferee is a client of the transferor’s intermediary, the intermediary will simply transfer the Notes from the Transferor’s account to the account of the transferee. If, however, the transferee is a client of another intermediary, the transferor’s intermediary will instruct the centralised clearing system to transfer the Notes to the account of the transferee’s intermediary, which will then register the Notes on the transferee’s account.

Each intermediary maintains a custody account for each of its clients. This account sets out the financial instruments of each client and the records of all transfers, interest payments, charges or other encumbrances on such instruments. The account holder or any other eligible party may submit a request to the intermediary for the issue of a certified account statement.

In such circumstances, it will not be possible for a Noteholder to obtain physical delivery of certificates representing the Notes.

## GENERAL DESCRIPTION OF THE EURO 40,000,000,000 EURO MEDIUM TERM NOTE PROGRAMME

*The following is a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive. The following overview does not purport to be complete and is qualified by the remainder of this Document and, in relation to the terms and conditions of any particular Series (as defined below in “Terms and Conditions of the Senior Notes” and in “Terms and Conditions of the Subordinated Notes”) of Senior Notes or Subordinated Notes, the applicable Final Terms. Subject as provided in “Terms and Conditions of the Senior Notes” or in “Terms and Conditions of the Subordinated Notes”, as the case may be, any of the following (including, without limitation, the type of Notes which may be issued pursuant to the Programme) may be varied or supplemented as agreed between the Issuer, the relevant Dealer(s) and the Fiscal Agent (if applicable). Words and expressions defined in “Forms of the Notes”, “Terms and Conditions of the Senior Notes” and “Terms and Conditions of the Subordinated Notes” shall have the same meaning in this overview:*

Issuers: Mediobanca – Banca di Credito Finanziario S.p.A. and  
Mediobanca International (Luxembourg) S.A.

Mediobanca - Banca di Credito Finanziario S.p.A.: Mediobanca was established in 1946 as a medium-term credit granting institution in Italy. In 1956 Mediobanca's shares were admitted to the Italian Stock Exchange and since then its business has expanded both nationally and internationally.

Mediobanca is registered at the Companies' Registry of the Chamber of Commerce of Milan, Italy under registration number 00714490158. Mediobanca's registered office is at Piazzetta E. Cuccia 1, Milan, Italy, telephone number (+39) 0288291.

Mediobanca holds a banking licence from the Bank of Italy authorising it to carry on all permitted types of banking activities in Italy.

Mediobanca is a bank organised and existing under the laws of Italy, carrying out a wide range of banking, financial and related activities throughout Italy.

At the date hereof, Mediobanca's issued share capital totals Euro 430,564,606.00, represented by 861,129,212 registered shares of nominal value Euro 0.50.

The Board of Directors of Mediobanca is responsible for the ordinary and extraordinary management of Mediobanca.

Mediobanca International (Luxembourg) S.A.: Mediobanca International has the form of a *société anonyme* subject to Luxembourg law and has its place of registration in Luxembourg. On 15 December 2005 the Luxembourg Minister of the Treasury and the Budget, on the recommendation of the



CSSF, granted Mediobanca International a full banking licence pursuant to which its operations include raising funds in the international markets and lending, consistent with Mediobanca International's articles of association approved by the shareholders in the general meeting held on 21 December 2005.

Mediobanca International is registered at the Luxembourg trade and companies registry under registration number B 112885. Mediobanca International's registered office is at 4, Boulevard Joseph II, L-1840 Luxembourg, Luxembourg.

At the date hereof, Mediobanca International's issued and authorised share capital totals Euro 10,000,000 represented by 1,000,000 registered shares of Euro 10 par value.

The Board of Directors of Mediobanca International is responsible for setting authorisation levels, defining organisational structure, defining the system of internal control and reviewing it on a regular basis, and approving the bank's accounts and interim statements. Day-to-day management is entrusted to two managing directors.

Guarantor: Mediobanca - Banca di Credito Finanziario S.p.A. with respect to Notes issued by Mediobanca International (Luxembourg) S.A.

Description: Euro Medium Term Note Programme.

Arranger: Mediobanca Banca di Credito Finanziario S.p.A.

Dealers: Banca Aletti & C. S.p.A.; Banca IMI S.p.A.; Barclays Bank PLC; BNP PARIBAS; Credit Suisse Securities (Europe) Limited; MEDIOBANCA - Banca di Credito Finanziario S.p.A.; Mediobanca International (Luxembourg) S.A.; Société Générale; The Royal Bank of Scotland plc; and UniCredit Bank AG.

Each of the Issuers may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of a single Tranche or in respect of the whole Programme.

Fiscal Agent: BNP Paribas Securities Services, Luxembourg Branch will act as Fiscal Agent in respect of the Notes except for Notes in dematerialised form which are deposited directly with Monte Titoli S.p.A. ("**Monte Titoli**").

Italian Paying Agent:	Mediobanca – Banca di Credito Finanziario S.p.A. will act as Italian Paying Agent with respect to Notes in dematerialised form deposited directly with Monte Titoli (which role will include the role of Fiscal Agent with respect to such Notes).
Size:	Up to Euro 40,000,000,000 (or the equivalent in other currencies at the date of each issue) aggregate principal amount of Notes outstanding at any one time.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency or currencies as the relevant Issuer, the Guarantor (where applicable), and the relevant Dealer so agree.
Maturities/Final Redemption:	<p>Any maturity subject to compliance with all relevant laws, regulations and directives. Unless previously redeemed, purchased and cancelled as provided in accordance with Condition 4(f) (<i>Redemption at the option of the Issuer</i>) of the Senior Notes Conditions or the Subordinated Notes Conditions, as the case may be, or 4(g) (<i>Redemption at the option of holders of Notes</i>) of the Senior Notes Conditions or Condition 4(h) (<i>Redemption at the option of holders of Notes</i>) of the Subordinated Notes Conditions, as the case may be, each Note will be redeemed at its Final Redemption Amount on the Maturity Date.</p> <p>Any Notes in respect of which the issue proceeds are received by the relevant Issuer in the United Kingdom and which have a maturity of less than one year from the date of issue must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 by the relevant Issuer.</p> <p>Under applicable laws and regulations at the date of this Base Prospectus: (i) Upper Tier II Subordinated Notes may be perpetual (<i>passività irredimibili</i>) or with a fixed Maturity Period of ten years or longer (<i>altri strumenti rimborsabili</i>); (ii) Lower Tier II Subordinated Notes shall have a minimum Maturity Period of five years; and (iii) Tier III Subordinated Notes shall have a minimum Maturity Period of two years, in</p>

each case as provided under the Bank of Italy Regulations. Where Lower Tier II Subordinated Notes or Tier III Subordinated Notes have an indefinite Maturity Period, Lower Tier II Subordinated Notes may be redeemable only after five years' prior notice to holders of Subordinated Notes subject to Bank of Italy prior authorisation and Tier III Subordinated Notes may be redeemable only after two years' prior notice to holders of Subordinated Notes subject to Bank of Italy prior authorisation, when required.

Denomination:

Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or where the Notes are denominated in a currency other than euro, the equivalent amount in such other currency).

Method of Issue:

The Notes may be issued on a syndicated or non-syndicated basis. The Notes will be issued in one or more Series (which may be issued on the same date or which may be issued in more than one Tranche on different dates). The Notes may be issued in Tranches on a continuous basis with no minimum issue size, subject to compliance with all applicable laws, regulations and directives. Further Notes may be issued as part of an existing Series.

Consolidation of Notes:

Notes of one series may be consolidated with Notes of another Series, all as described in Condition 11 (*Further Issues and Consolidation*) of the Senior Notes Conditions and of the Subordinated Notes Conditions.

Final Terms or Drawdown Prospectus:

Notes issued under the Programme may be issued either (i) pursuant to this Base Prospectus and the relevant Final Terms or (ii) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the relevant Terms and Conditions of the Notes as completed by the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus.

References in this General Description of the Euro 40,000,000,000 Euro Medium Term Note Programme to the "Final Terms" shall, where applicable, be read as references to

the Drawdown Prospectus relating to the Notes, as the case may be.

Form of Notes:

The Notes may be issued in bearer form only.

If the Notes are represented by one or more Global Notes, the relevant Final Terms will specify whether each Global Note is to be issued in New Global Note or in Classic Global Note form. Each Tranche of Notes will initially be represented by a Temporary Global Note or a Permanent Global Note which, in each case, will be deposited on or around the Issue Date: (a) in the case of Notes intended to be issued in Classic Global Note form, with a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and/or deposited directly with Monte Titoli S.p.A. and/or any other centralised custodian appointed by the Issuers (together, the “**Centralised Custodian**”) and (b) in the case of Notes intended to be issued in New Global Note form, with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. No interest will be payable in respect of a Temporary Global Note except as described under “Summary of Provisions Relating to the Notes while in Global Form”.

Interests in Temporary Global Notes will be exchangeable for interests in Permanent Global Notes or, if so stated in the relevant Final Terms for Definitive Notes after the date falling 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. If specified in the relevant Final Terms, interests in Permanent Global Notes will be exchangeable for definitive Notes as described under “Summary of Provisions Relating to the Notes while in Global Form”. Definitive Notes will, if interest-bearing, have interest Coupons attached and, if appropriate, a Talon for further Coupons and will, if the principal thereof is repayable by instalments, have payment Receipts attached.

If the Notes are issued and held in book-entry form, the Notes will not be represented by paper certificates and the transfer and exchange of Notes will take place exclusively through an electronic book-entry system managed by Monte Titoli S.p.A. or any other Centralised Custodian appointed by the Issuers. Accordingly, all Notes of the same tranche shall be deposited by their owners with an intermediary participant in the relevant Centralised Custodian. The intermediary will in turn deposit the Notes with the Centralised Custodian.

In such circumstances, it will not possible for a Noteholder to

	obtain physical delivery of certificates representing the Notes.
Issue Price of the Notes:	Issue Price will be specified in the relevant Final Terms. Notes may be issued at their principal amount or at a discount or premium to their principal amount.
Type of Notes:	The Issuer may issue Notes of any kind, including but not limited to, Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes.  Notes will be redeemed by way of cash payment.
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms. The yield in respect of Fixed Rate Notes will be specified in the relevant Final Terms and will be calculated in accordance with the ICMA Method or any other method indicated in the relevant Final Terms. The ICMA Method determines the effective interest rate for the securities taking into account accrued interest on a daily basis.
Floating Rate Notes:	Floating Rate Notes will bear interest by reference to the benchmark as may be specified in the relevant Final Terms as adjusted for any applicable margin/multiplier.
Zero Coupon Notes:	Zero Coupon Notes may be issued at their principal amount or at a discount or a premium to it and will not bear interest.
Interest Periods and Interest Rates for the Notes:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period.
Redemption Amount for the Notes:	Notes may be redeemable at par or at such other Redemption Amount as may be specified in the relevant Final Terms.
Redemption by Instalments for the Notes:	The Final Terms issued in respect of each issue of Notes which are redeemable in two or more instalments will set out the date on which, and the amounts in which, such Notes may be redeemed.
Status of the Notes:	Notes may be issued by Mediobanca on a subordinated or unsubordinated basis, as specified in the relevant Final Terms. Notes issued by Mediobanca International may only be issued on an unsubordinated basis.

(i) *Status of the Senior Notes:*

The Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank at all times at least pari passu without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the relevant Issuer, save for certain mandatory exceptions of applicable law. See Condition 2(a) (*Status of Senior Notes*) of the Senior Notes Conditions.

(ii) *Status of the Subordinated Notes:*

Subordinated Notes (Upper Tier II Subordinated Notes, Lower Tier II Subordinated Notes and Tier III Subordinated Notes, as the case may be) constitute direct, unsecured and subordinated obligations of Mediobanca, all as described in Condition 2 (*Status and Special Provisions*) of the Subordinated Notes Conditions and the relevant Final Terms.

In the event of a winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, Liquidazione Coatta Amministrativa) of Mediobanca, the payment obligations of Mediobanca under each Series of Subordinated Notes, and the relative Coupons as the case may be, will rank in right of payment (A) after unsubordinated creditors (including depositors and any holder of Senior Notes and their respective Coupons) of Mediobanca but (B) at least pari passu with all other subordinated obligations of Mediobanca which do not rank or are not expressed by their terms to rank junior or senior to such Series of Subordinated Notes and (C) in priority to the claims of shareholders of Mediobanca. Lower Tier II Subordinated Notes and Tier III Subordinated Notes rank pari passu amongst themselves and rank senior to Upper Tier II Subordinated Notes, all as described in Condition 2 (*Status and Special Provisions*) of the Subordinated Notes Conditions.

Guarantee:

Under the Deed of Guarantee, and in accordance with the terms and subject to the limitations thereof, Mediobanca unconditionally and irrevocably guarantees payment of all amounts due in respect of Senior Notes issued by Mediobanca International.

Status of the Guarantee:

The payment obligations of the Guarantor under the Deed of Guarantee constitute – in accordance with the terms and subject to the limitations thereof – direct, unconditional, unsubordinated and unsecured obligations of the Guarantor

which will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for certain mandatory exceptions of applicable law. See also Condition 2(b) (*Status of Guarantee*) of the Senior Notes Conditions. In particular, pursuant to the Deed of Guarantee to the extent under the applicable law in force at the relevant time, a cap to the maximum amount to be guaranteed is required, the Guarantor shall only be liable up to an amount which is the aggregate of 110 per cent. of the aggregate principal amount of any Tranche of the Senior Notes (in each case as specified in the applicable Final Terms) and 110 per cent. of the interest on such Senior Notes accrued but not paid as at any date on which the Guarantor's liability falls to be determined. In addition, pursuant to the Deed of Guarantee, the Guarantor has also undertaken to issue an additional guarantee in an amount equal to any liability exceeding the maximum amount mentioned above in relation to any Tranche of Senior Notes.

Loss Absorption on Upper Tier II Subordinated Notes:

To the extent that Mediobanca at any time suffers losses which, in accordance with Articles 2446 and 2447 of the Italian Civil Code or otherwise in accordance with Italian laws and regulations, would require it to reduce its paid up share capital and reserves to below its Minimum Capital, the obligations of Mediobanca in respect of interest and principal under Upper Tier II Subordinated Notes will be reduced to the extent necessary to enable Mediobanca, in accordance with the requirements of Italian legal and regulatory provisions, to maintain at least its Minimum Capital. The obligations of Mediobanca in respect of interest and principal due under Upper Tier II Subordinated Notes which are so reduced will be subject to reinstatement in certain circumstances. See Condition 2 (*Status and Special Provisions*) of the Subordinated Notes Conditions.

Loss Absorption on Lower Tier II Subordinated Notes:

Lower Tier II Subordinated Notes (including, for the avoidance of doubt, payments of principal and/or interest) may be subject to loss absorption in accordance with the powers of the Bank of Italy or of any other authority or authorities having oversight of Mediobanca at the relevant time if such relevant competent authority determines that loss absorption of the Lower Tier II Subordinated Notes is necessary pursuant to applicable law and/or regulation in force from time to time. See Condition 2 (*Status and Special Provisions*) of the Subordinated Notes Conditions.

Deferral of Interest on Upper Tier II Subordinated Notes: Mediobanca will not be required to pay interest on the Upper Tier II Subordinated Notes on an Interest Payment Date if: (A) no annual dividend has been approved, paid or set aside for payment by a shareholders' meeting of Mediobanca or paid in respect of any class of shares during the 12-month period ending on, but excluding, the fifteenth Business Day immediately preceding such Interest Payment Date; or (B) the Board of Directors of Mediobanca has announced, at the time of publication of any interim accounts published during the six-month period ending on, but excluding, the fifteenth Business Day immediately preceding such Interest Payment Date that, based on such interim accounts, no sums are available at such time in accordance with Italian law for the payment of interim dividends, in accordance with Article 2433-*bis* of the Italian Civil Code. The obligations of Mediobanca in respect of interest due under the Upper Tier II Subordinated Notes which are so deferred will be subject to reinstatement in certain circumstances. See Condition 2 (*Status and Special Provisions*) of the Subordinated Notes Conditions.

Tier III Subordinated Notes: Tier III Subordinated Notes shall be subject to the same restrictions provided in respect of similar indebtedness qualifying as Upper Tier II Subordinated Notes or Lower Tier II Subordinated Notes except that any Tier III Subordinated Notes are subject to (i) a different minimum Maturity Period as specified in the relevant Final Terms and (ii) a lock-in clause pursuant to which payments of interest or repayment of principal shall be suspended during the period in which such payments or repayments would reduce the total amount of the assets (*ammontare complessivo dei fondi patrimoniali*) of Mediobanca below the aggregate of the capital requirements (*complesso dei requisiti patrimoniali*) of Mediobanca, as provided under the Bank of Italy Regulations. Interest shall not accrue on any repayments of principal or payments of interest suspended as described above. See Condition 2 (*Status and Special Provisions*) of the Subordinated Notes Conditions.

Cross Default: The Notes will contain a cross default in respect of indebtedness for borrowed money of the relevant Issuer and, where applicable, the Guarantor, as more fully set out in Condition 8 (*Events of Default*) of the Senior Notes Conditions and of the Subordinated Notes Conditions.

Optional Redemption: The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed before their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the Noteholders, and if so the terms applicable



to such redemption and subject to all relevant legal and regulatory requirements.

If the Notes are Subordinated Notes, unless otherwise permitted by current laws, regulations, directives, and/or the Bank of Italy's requirements applicable to the issue of Subordinated Notes by Mediobanca, the Optional Redemption Date shall not be earlier than (i) in the case of Upper Tier II Subordinated Notes, ten years after the Issue Date, (ii) in the case of Lower Tier II Subordinated Notes, five years after the Issue Date and (iii) in the case of Tier III Subordinated Notes, two years after the Issue Date, subject to the Bank of Italy prior authorisation when required.

If Regulatory Call is specified in the applicable Final Terms, the Subordinated Notes may be redeemed at the option of Mediobanca (subject to the prior approval of the Bank of Italy), in whole or in part, at any time (if the Note is not a Floating Rate Note) or on any Interest Payment Date (if the Note is a Floating Rate Note), if a proportion equal or more than the Minimum Disqualification Amount of the relevant Subordinated Notes ceases to qualify as “Lower Tier II Capital”, “Upper Tier II Capital” or “Tier III Capital”, as applicable, on a consolidated or non consolidated basis, as a result of changes after the date of issue of the relevant Subordinated Notes in the standards and guidelines of the Bank of Italy or in the applicable legal or regulatory provisions (including legal or regulatory provisions adopted by the European Union).

Tax Redemption:

With respect to Notes, the relevant Final Terms will specify whether early redemption will be permitted for tax reasons as described in Condition 4(c) (*Redemption for taxation reasons*) of the Senior Notes Conditions and of the Subordinated Notes Conditions.

Taxation:

All payments in respect of Notes, Receipts and Coupons by the Issuer or (as the case may be) the Guarantor under the Deed of Guarantee will be made without withholding or deduction for, or on account of, any taxes imposed by the Grand Duchy of Luxembourg or the Republic of Italy, as the case may be, unless such withholding or deduction is required by law. In that event, the Issuer or (as the case may be) the Guarantor will (save as provided in Condition 6 (*Taxation*) of the Senior Notes Conditions and of the Subordinated Notes Conditions) pay such additional amounts as will result in the holders of Notes, Receipts or Coupons receiving such amounts as they would

have received in respect to Notes, Receipts or Coupons had no such withholding or deduction been required.

However, as more fully set out in Condition 6 (*Taxation*) of the Senior Notes Conditions and of the Subordinated Notes Conditions, unless otherwise provided in the relevant Final Terms, neither the Issuer nor (as the case may be) the Guarantor will be liable to pay any additional amounts to holders of Notes, Receipts or Coupons in relation to any payment on any Note, Receipt or Coupon with respect to any withholding or deduction for or on account of, *inter alia*, (i) substitute tax (*imposta sostitutiva*) pursuant to Legislative Decree No. 239 of 1 April 1996 (“**Decree No. 239**”); and (ii) withholding tax on Notes qualifying as atypical securities (*titoli atipici*) for Italian tax purposes, pursuant to Law Decree No. 512 of 30 September 1983 (“**Decree No. 512**”).

Rating:

The rating of the Notes, if any, to be issued under the Programme will be specified in the applicable Final Terms.

Whether or not each credit rating applied for in relation to a Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EU) No. 1060/2009 (as amended by Regulation (EU) No. 513/2011) (the “**CRA Regulation**”) will be disclosed in the applicable Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7th June, 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

Governing Law:

If it is specified in the Final Terms that English law is applicable to the Notes, the Notes and any contractual or non-contractual obligations arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law, except, with respect to the Subordinated Notes, for Conditions 2 (*Status and Special Provisions*), 4(b)(ii) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), 4(k) (*Regulatory provisions relating to the Notes*) and 8 (*Events of Default*) of the Subordinated Notes Conditions, which are governed by, and shall be construed in accordance with, Italian law. If it is specified in the Final Terms that Italian law is applicable to the

Notes, the Notes will be governed by, and shall be construed in accordance with, Italian law.

**Listing and Admission to Trading:**

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made for Notes issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets as may be agreed between the relevant Issuer, the Guarantor (where applicable) and the relevant Dealer in relation to the relevant Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The CSSF may, at the request of either Issuer, send to the competent authority of another European Economic Area Member State (i) a copy of this Base Prospectus; (ii) an Attestation Certificate in accordance with Article 18(1) of the Prospectus Directive; and (iii) if so required by such competent authority, a translation of this Summary.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set out in the relevant Final Terms which, with respect to Notes to be listed on the Official List of the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

**Selling Restrictions:**

See “Plan of Distribution”.

## TERMS AND CONDITIONS OF THE SENIOR NOTES

*The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Senior Note in final form issued under the Programme. The terms and conditions applicable to any Senior Notes in global form will differ from those terms and conditions which would apply to the Senior Notes whilst in final form to the extent described under “Summary of Provisions relating to the Notes while in Global Form” below.*

Mediobanca - Banca di Credito Finanziario S.p.A. (“**Mediobanca**”), Mediobanca International (Luxembourg) S.A. (“**Mediobanca International**”) (each, an “**Issuer**” and, together, the “**Issuers**”) have established an Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to Euro 40,000,000,000 in aggregate principal amount of senior notes which may be issued by each of the Issuers (the “**Notes**”) and subordinated notes which may be issued by Mediobanca only (the “**Subordinated Notes**”), guaranteed by Mediobanca (in its capacity as guarantor, the “**Guarantor**”) in respect of Notes issued by Mediobanca International.

The Notes are issued pursuant to an amended and restated Issue and Paying Agency Agreement dated 23 January 2013, as amended or supplemented from time to time, (the “**Issue and Paying Agency Agreement**”) between the Issuers, the Guarantor, BNP Paribas Securities Services, Luxembourg Branch, as fiscal agent and principal paying agent (the “**Fiscal Agent**”) and Mediobanca in its capacity as Italian paying agent (the “**Italian Paying Agent**” and together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the “**Paying Agents**”) and with the benefit of deeds of covenant dated 23 January 2013 (each, a “**Deed of Covenant**” and, together, the “**Deeds of Covenant**”), each of them executed by the relevant Issuer in respect of Notes issued by such Issuer. The Guarantor has, for the benefit of the holders of Notes issued by Mediobanca International from time to time, executed and delivered a deed of guarantee (the “**Deed of Guarantee**”) dated 23 January 2013 under which it has guaranteed, in accordance with the terms and subject to limitations of the Deed of Guarantee, the due and punctual payment of the amounts due by Mediobanca International under the Notes and the Deed of Covenant as and when the same shall become due and payable (the “**Guarantee of the Notes**”). The holders of the Notes (as defined below), the holders of the interest coupons (the “**Coupons**”) appertaining to interest bearing Notes and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) and the holders of the instalment receipts (the “**Receipts**”) appertaining to the payment of principal by instalments are deemed to have notice of all of the provisions of the Issue and Paying Agency Agreement applicable to them.

Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche of Notes is the subject of final terms (the “**Final Terms**”) which supplements these terms and conditions (the “**Senior Notes Conditions**” or the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Senior Notes Conditions and the Final Terms, the Final Terms shall prevail. All subsequent references in these Senior Notes Conditions to “**Notes**” are to the Notes which are the subject of the Final Terms. Copies of the Final Terms are available during normal business hours at the specified office of the Fiscal Agent, the initial Specified Office of which is set out below (the “**Specified Office**”). Certain provisions of these Senior Notes Conditions are summaries of the Issue and Paying Agency Agreement and are subject to their detailed provisions.

The Final Terms issued in respect of each issue of Notes will specify whether the Issuer is Mediobanca or Mediobanca International. In these Conditions, any reference to a statute or regulation shall be construed as a reference to such statute or regulation as the same may have been, or may from time to time be, amended or re-enacted.

Copies of the Issue and Paying Agency Agreement, the Deeds of Covenant and the Deed of Guarantee are available for inspection at the specified office of the Paying Agent.

## 1. **FORM, DENOMINATION AND TITLE**

The Notes are issued in bearer form in the Denomination(s) and in the Relevant Currency shown in the Final Terms.

Notes are issued with Coupons (and where appropriate, a Talon) attached save in the case of Notes which do not bear interest in which case references to interest (other than in relation to interest due after the date specified in the Final Terms as the Maturity Date (as designed below), Coupons and Talons in these Conditions are not applicable. Any Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Title to the Note and the Receipts, Coupons and Talons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

In these Conditions, “**holder**” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Note, Receipt, Coupon or Talon. All capitalised terms which are not defined in these Conditions will have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes. Those definitions will be endorsed on the definitive Notes.

## 2. **STATUS OF NOTES AND GUARANTEE**

### (a) *Status of the Senior Notes*

The Notes will constitute direct unconditional, unsubordinated and unsecured obligations of the Issuer and will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Issuer, save for certain mandatory exceptions of applicable law.

### (b) *Status of Guarantee*

The Guarantee of the Notes constitutes direct, unconditional, unsubordinated and unsecured obligations of the Guarantor pursuant to the terms and conditions and subject to the limitations set out in the Deed of Guarantee which will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for certain mandatory exceptions of

applicable law.

### 3. INTEREST AND OTHER CALCULATIONS

#### (a) *Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below.

“**Accrual Yield**” has the meaning given in the relevant Final Terms.

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms.

“**Business Day**” means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre.

“**Calculation Agent**” means Mediobanca - Banca di Credito Finanziario S.p.A., the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Interest Rate(s) and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms.

“**Calculation Amount**” has the meaning given to it in the relevant Final Terms.

“**CMS**” means the constant maturity swap rate specified as such in the Final Terms.

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if “**1/1**” is specified, 1;
- (b) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/Actual (ICMA)**” is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided

by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

- (ii) where the Calculation Period is longer than one Regular Period, the sum of:
  - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (d) if “**Actual/365 (Fixed)**” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (e) if “**Actual/360**” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (f) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30; and

- (g) if “**30E/360**” or “**Eurobond Basis**” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (h) if “**30E/360 (ISDA)**” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but



not the Termination Date or (ii) such number would be 31, in which case D2 will be 30.

“**EURIBOR**” means the Euro-zone interbank offered rate specified as such in the Final Terms.

“**Fixed Coupon Amount**” has the meaning given to it in the relevant Final Terms.

“**Interest Accrual Date**” means the dates specified as such in the relevant Final Terms.

“**Interest Amount**” means:

- (i) in respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified in the Final Terms as being payable on the Interest Payment Date ending the Interest Period; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms.

“**Interest Determination Date**” has the meaning given to it in the Final Terms.

“**Interest Payment Date**” means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms, as the same may be adjusted in accordance with the relevant Business Day Convention.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Accrual Date and each successive period beginning on (and including) an Interest Accrual Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Interest Rate**” means the rate of interest (expressed as a percentage per annum) payable from time to time in respect of this Note and which is either specified, or calculated in accordance with the provisions, in the relevant Final Terms.

“**Interest Rate Switch Date**” means the date specified as such in the relevant Final Terms.

“**ISDA Definitions**” means the 2006 ISDA Definitions as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the Final Terms) as published by the International Swaps and Derivatives Association, Inc., a copy of which is available on the website of the International Swaps and Derivatives Association, Inc. ([www.isda.org](http://www.isda.org)).

“**Issue Date**” has the meaning given in the relevant Final Terms.

“**Issue Price**” has the meaning given in the relevant Final Terms.

“**LIBID**” means the London interbank bid rate specified as such in the Final Terms.

“**LIBOR**” means the London interbank offered rate specified as such in the Final Terms.

“**LIMEAN**” means the London interbank mid-market rate specified as such in the Final Terms.

“**Linear Interpolation**” means the straight-line interpolation by reference to two rates based on the Reference Rate or the ISDA Rate, as the case may be, one of which will be determined as if the Specified Duration were the period of time for which rates are available next shorter than the length of the affected Interest Period and the other of which will be determined as if the Specified Duration or the Designated Maturity, as the case may be, were the period of time for which rates are available next longer than the length of such Interest Period.

“**Margin**” has the meaning given in the relevant Final Terms.

“**Multiplier**” has the meaning given in the relevant Final Terms.

“**Payment Business Day**” means:

- (i) if the currency of payment is euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation (if presentation is required) are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

“**Principal Financial Centre**” means, in relation to any currency, the principal financial centre for that currency provided, however, that:

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent.

“**Reference Banks**” means, the institutions specified as such in the relevant Final Terms or, if none, four (or, if the Relevant Financial Centre is Helsinki, five) major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate.

“**Reference Price**” has the meaning given in the relevant Final Terms.

“**Reference Rate**” has the meaning given in the relevant Final Terms.

“**Reference Rate Multiplier**” has the meaning given in the relevant Final Terms.

“**Regular Period**” means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

“**Relevant Currency**” means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

“**Relevant Financial Centre**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Reference Rate is most closely connected or, if none is so connected, London.

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified as the Relevant Screen Page in the relevant Final Terms for the purpose of providing a Reference Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Reference Rate.

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and

offered rates in respect of deposits in the relevant currency in the interbank market in the Relevant Financial Centre *provided that* if the Relevant Currency is Euro and the Benchmark is EURIBOR, the Relevant Time shall be 11.00 am Brussels time.

“**Specified Currency**” has the meaning, if any, given in the relevant Final Terms.

“**Specified Duration**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the period specified in the relevant Final Terms.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET or TARGET2) System or any successor thereto.

“**TARGET Settlement Day**” means any day on which the TARGET System is open.

(b) *Interest Rate and Accrual*

Each Note bears interest on its outstanding principal amount from the Interest Commencement Date at the Interest Rate, such interest being payable in arrear on each interest payment date (each, an “**Interest Payment Date**”).

Interest will cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Interest Rate in the manner provided in this Condition 3 (*Interest and other Calculations*) to the Relevant Date (as defined in Condition 6 (*Taxation*)).

(c) *Business Day Convention*

If any date referred to in these Conditions which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (i) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (ii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (iii) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(d) *Interest Rate on Fixed Rate Notes*

If the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Denomination. The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Interest Rate to the Calculation Amount of such Note, multiplying the product by the relevant Day Count Fraction (not adjusted in accordance with the Business Day Convention) and rounding the resulting figure in accordance with Condition 3(g) (*Rounding*). Where the Specified Denomination of a Fixed Rate Note comprises more than one Calculation Amount, the amount of interest payable in respect of such

Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(e) *Interest Rate on Floating Rate Notes*

If the Floating Rate Note Provisions are specified in the Final Terms as being applicable, the Interest Rate for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) *Screen Rate Determination*: if Screen Rate Denomination is specified in the relevant Final Terms as the manner in which the Interest Rate is to be determined, as follow:
  - (A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (B) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (C) if, in the case of (A) above, such rate does not appear on that page or, in the case of (B) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
    - (1) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
    - (2) determine the arithmetic mean of such quotations; and
    - (3) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Relevant Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Interest Rate for such Interest Period shall be

- (a) if “Multiplier” is specified in the relevant Final Terms as not being applicable, the sum of the Margin and the rate or (as the case may be) the arithmetic mean determined in accordance with the above provisions (the “**Determined Rate**”);
- (b) if “Multiplier” is specified in the relevant Final Terms as being applicable
  - (i) the sum of the Margin and the relevant Determined Rate multiplied by
  - (ii) the Multiplier;
- (c) if “Reference Rate Multiplier” is specified in the relevant Final Terms as being applicable, the sum of (i) Margin, and (ii) the relevant Determined Rate multiplied by the Reference Rate Multiplier,

*provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Interest Rate applicable to the Notes during such Interest Period will be calculated in accordance with the foregoing, save that the Determined Rate shall be the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (ii) *ISDA Determination*: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Notes for each Interest Period will be
  - (a) if “Multiplier” is specified in the relevant Final Terms as not being applicable, the sum of the Margin and the relevant ISDA Rate;
  - (b) if “Multiplier” is specified in the relevant Final Terms as being applicable
    - (i) the sum of the Margin and the relevant ISDA Rate multiplied by (ii) the Multiplier;
  - (c) if “Reference Rate Multiplier” is specified in the relevant Final Terms as being applicable, the sum of (i) Margin, and (ii) the relevant ISDA Rate multiplied by the Reference Rate Multiplier,

where “**ISDA Rate**” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (B) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
- (C) the relevant Reset Date (as defined in the ISDA Definitions) is either (1) if the relevant Floating Rate Option is based on the London inter-bank offered rate

(LIBOR) for a currency, the first day of that Interest Period or (2) in any other case, as specified in the relevant Final Terms.

(f) *Maximum/Minimum Interest Rates, Instalment Amounts and Redemption Amounts*

If any Maximum or Minimum Interest Rate, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Interest Rate, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(g) *Rounding*

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (ii) all figures will be rounded to seven significant figures (with halves being rounded up) and (iii) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes “unit” means, with respect to any currency other than Euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to Euro, means one cent.

(h) *Calculations*

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the outstanding Calculation Amount by the Day Count Fraction, save that where an Interest Amount (or a formula for its calculation) is specified in respect of such period, the amount of interest payable in respect of such Note for such period will equal such Interest Amount (or be calculated in accordance with a formula). Where the Specified Denomination of a Floating Rate Note comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding. In respect of any short or long Interest Period as specified in the applicable Final Terms, the Calculation Agent will determine the Interest Rate using Linear Interpolation.

(i) *Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts*

After the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation, it will, promptly, determine the Interest Rate and calculate the amount of interest payable (the “**Interest Amounts**”) on the principal amount of the Notes for the relevant Interest Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, the Paying Agent, the holders of the Notes, any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and, if the

Notes are listed on a stock exchange and the rules of such exchange so requires, such exchange promptly after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 8 (*Events of Default*), the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(j) *Calculation Agent and Reference Banks*

The Issuer will use its best endeavours to ensure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Conditions applicable to the Notes and for so long as any Notes are outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(k) *Late payment on Zero Coupon Notes*

If the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable and the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in



respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The calculation of the above amount shall be made (where such calculation is to be made for a period which is not a whole number of years) on the basis of such Day Count Fraction as may be specified in the relevant Final Terms for the purposes of this Condition 3(k) (*Late payment on Zero Coupon Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

(l) *Interest Rate Switch*

If Change of Interest is specified as being applicable in the relevant Final Terms, from and including the Interest Rate Switch Date, the Interest Rate applicable for the calculation of interest for each remaining Interest Period with respect to the Notes shall be the rate specified as applying from and including such Interest Rate Switch Date in the Final Terms and the initial Interest Rate applicable to the Notes shall no longer apply.

4. **REDEMPTION, PURCHASE AND OPTIONS**

(a) **Definitions**

In these Conditions, unless the context requires otherwise:

(i) *Redemption amount*

The expressions “**Early Redemption Amount**”; “**Final Redemption Amount**”, “**Instalment Amount**”, “**Optional Redemption Amount (Call)**”, and “**Optional Redemption Amount (Put)**” mean, in respect of any Note: (A) such amount as may be specified in, or determined in accordance with the relevant Final Terms; or (B) if no such amount is specified, the principal amount of such Note.

“**Redemption Amount**” means, as appropriate, the Final Redemption Amount, the Instalment Amount, the Early Redemption Amount, the Optional Redemption Amount (*Call*), the Optional Redemption Amount (*Put*), the Early Redemption Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms.

(ii) *Maturity date/period*

“**Maturity Date**” has the meaning given in the relevant Final Terms.

“**Maturity Period**” means the period from and including the Issue Date to but excluding the Maturity Date.

(b) **Maturities/Final Redemption**

Unless previously redeemed, purchased and cancelled as provided below in accordance with Condition 4(f) (*Redemption at the option of the Issuer*), Condition 4(g) (*Redemption at the option of holders of Notes*) or Condition 4(h) (*Redemption by instalments*), each Note will be redeemed at its Final Redemption Amount on the Maturity Date.

(c) **Redemption for taxation reasons**

If Redemption for taxation reasons is specified in the Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, on giving not less than 30 nor more than 60 days' notice to the holders of Notes (which notice shall be irrevocable), at their Early Redemption Amount (together with interest accrued to the date fixed for redemption), if (i) based on an opinion of a nationally recognized law firm or other tax adviser in the relevant Taxing Jurisdiction (as appropriate) experienced in such matters, there is more than an unsubstantial risk that the Issuer (or, if the Guarantee of the Notes were called, the Guarantor) (A) has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) or (B) has or will become subject to more than a *de minimis* additional amount of national income taxes (and/or, in the case of Mediobanca, regional tax on productive activities – IRAP) due to partial or entire limitation to the deductibility of any payments under the Notes (provided that, with respect to Mediobanca, any additional amount of national income taxes arising from a limitation of the deductibility of interest payments exceeding the 4% percentage set forth, as at the date of the Issuing and Paying Agency Agreement, in Article 96, paragraph 5-bis of Decree No. 917, would be considered as exceeding the aforesaid *de minimis* additional amount), in either case as a result of (1) any change in, or amendment to, the laws or regulations of Luxembourg or any political subdivision thereof or any agency or authority thereof or therein having power to tax (in the case of payments made by or on behalf of Mediobanca International) or the Republic of Italy or any political subdivision thereof or any agency or authority thereof or therein having power to tax (in the case of payments made by or on behalf of Mediobanca), or (2) any change in the application or official interpretation of such laws or regulations, or (3) any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) (for purposes of this definition, an “**Administrative Action**”), or (4) any clarification of, or change in the official position or the interpretation of such Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the generally accepted position, in each case by any legislative body, court, governmental, administrative or regulatory authority or body, irrespective of the manner in which such clarification or change is made known, which change, amendment, Administrative Action or clarification becomes effective on or after the Issue Date, and (ii) such obligations/limitations under (A) and (B) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it which (x) do not require the Issuer (or the Guarantor, as the case may be) to incur material out-of-pocket expenses and (y) would not otherwise be disadvantageous to the Issuer or the Guarantor, as determined in their discretion; *provided that* in the case under (A) above no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then be due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by a director of the Issuer (or the Guarantor, as the case may be) stating that such Issuer (or the Guarantor, as the case may be) is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of such Issuer (or the Guarantor, as the case may be) so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that there is more

than an unsubstantial risk that the Issuer (or the Guarantor, as the case may be) (A) has or will become obliged to pay such additional amounts or (B) has or will become subject to more than a *de minimis* additional amount of taxes, as indicated above, due to limitation of the deductibility of payments under the Notes as a result of such change, amendment, Administrative Action or clarification.

(d) **Purchases**

The Issuer, the Guarantor and any of the Guarantor's subsidiaries may at any time purchase Notes in the open market or otherwise at any price provided that all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith. Without prejudice to the foregoing, if so specified in the relevant Final Terms the Issuer will be entitled to exercise the option to repurchase from the holder(s), at its sole discretion, (1) all (but not part of) the Notes of the relevant Series (the “**Total Repurchase Option**”) or (2) on one or more occasions, any portion of the Notes of the relevant Series, provided that in such circumstances the amount of the Notes of the relevant Series to be purchased from each holder shall be the same proportion that the aggregate principal amount of the Notes of the relevant Series that are subject to the relevant Partial Purchase Option bears to the aggregate principal amount of all the Notes of the relevant Series then outstanding prior to the exercise of the relevant Partial Purchase Option (the “**Partial Repurchase Option**”). The Total Repurchase Option and the Partial Repurchase Option can only be exercised by the Issuer at the date(s) and the price(s) specified in the Final Terms as the Total Repurchase Option date or the Partial Repurchase Option date(s) and the Total Repurchase Option amount or Partial Repurchase Option amount(s), respectively. Upon exercise of the Total Repurchase Option or the Partial Repurchase Option, the holder(s) shall be obliged to sell to the Issuer (or any other entity indicated by the Issuer) all the Notes of the Series in relation to which the Total Repurchase Option or the Partial Repurchase Option (as the case may be) is exercised.

(e) **Early Redemption of Zero Coupon Notes, Redemption of Zero Coupon Notes for taxation reasons, Redemption of Zero Coupon Notes at the Option of the holder, Redemption of Zero Coupon Notes at the option of holders of Notes**

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (A) the Reference Price; and
- (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Final Terms for the purposes of this Condition 4(e) (*Early Redemption of Zero Coupon Notes, Redemption of Zero Coupon Notes for taxation reasons, Redemption of Zero Coupon Notes at the Option of the holder,*

*Redemption of Zero Coupon Notes at the option of holders of Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

**(f) Redemption at the option of the Issuer**

If the Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, on giving irrevocable notice to the holders of Notes within the period specified in the relevant Final Terms (such period to be not less than 30 nor more than 60 calendar days) redeem, or exercise the Issuer's option in relation to, all or, if so provided, some of the Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Optional Redemption Amount (*Call*) together with interest accrued to the date fixed for redemption, unless otherwise specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option the notice to holders of Notes shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

**(g) Redemption at the option of holders of Notes**

If the Put Option is specified as being applicable to the Notes in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Note, redeem such Note on the date or dates so provided at its Optional Redemption Amount (*Put*) together with interest accrued to the date fixed for redemption, unless otherwise specified in the relevant Final Terms.

To exercise such option or any other option of a holder of Notes which may be set out in the Final Terms, the holder must deposit such Note with any Paying Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, within the period specified in the relevant Final Terms (such period to be not less than 30 nor more than 60 days). No Note so deposited and option exercised may be withdrawn (except as provided in the Issue and Paying Agency Agreement) without the prior consent of the Issuer.

**(h) Redemption by instalments**

Unless previously redeemed, purchased and cancelled in accordance with Condition 4(f) (*Redemption at the option of the Issuer*) or 4(g) (*Redemption at the option of holders of Notes*), each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes.

**(i) Cancellation**

Notes purchased by or on behalf of the Issuer, the Guarantor or any of the Guarantor's subsidiaries (where applicable) may be surrendered for cancellation, by surrendering each such

Note together with all unmaturing Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, if so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmaturing Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor (where applicable) in respect of any such Notes shall be discharged.

## 5. PAYMENTS AND TALONS

### (a) **Payments outside the United States**

Payments of principal and interest in respect of Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and *provided that* the Receipts are presented for payment together with their relative Notes), Notes (in the case of all other payments of principal and, in the case of interest as specified in Condition 5(e)(vi)) or Coupons (in the case of interest, save as specified in Condition 5(e)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the principal financial centre of that currency; *provided that* in the case of Euro, the transfer may be to a Euro account.

### (b) **Payments in the United States**

Notwithstanding the foregoing, if any Notes are denominated in US Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

### (c) **Payments subject to law, etc.**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 6 (*Taxation*). No commission or expenses shall be charged to the holders of Notes or Couponholders in respect of such payments.

### (d) **Appointment of Agents**

The Fiscal Agent, the Paying Agent and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agent and the Calculation Agent act solely as agents of the Issuer and the Guarantor (where applicable) and do not assume any obligation or relationship of

agency or trust for or with any holder. The Issuer and the Guarantor (where applicable) reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Calculation Agent, the Registrar or any Transfer Agent and to appoint additional or other agents *provided that* the Issuer will at all times maintain (i) a Fiscal Agent, (ii) a Calculation Agent where the Conditions so require one, (iii) the Issuer and the Guarantor (where applicable) will ensure that they maintain a Paying Agent in an EU member state that will not be obliged to withhold or deduct tax, pursuant to European Council Directive 2003/48/EU, or any law or agreement implementing or complying with, or introduced in order to conform to, such Directive, (iv) Paying Agents having a specified office in at least two major European cities (including Luxembourg so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange), and (v) such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York in respect of any Notes denominated in US Dollars in the circumstances described in paragraph (b) above.

Notice of any such change or any change of any specified office will promptly be given to the holders of Notes in accordance with Condition 12 (*Notices*).

(e) **Unmatured Coupons and Receipts and unexchanged Talons**

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unmaturing Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 7 (*Prescription*)).
- (ii) If the relevant Notes so provide, upon the due date for redemption of any Note, unmaturing Coupons relating to such Notes (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

- (v) Where any Note which provides that the relative Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note.

(f) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered to or to the order of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 7 (*Prescription*)).

(g) **Non-Business Days**

If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

In this Condition 5(g) (*Non-Business Days*):

“**Additional Financial Centre**” means the city or the cities specified as such in the relevant Final Terms; and

“**Payment Business Day**” means:

- (i) if the currency of payment is euro, any day which is:
  - (a) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (b) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre specified in the Final Terms; or
- (ii) if the currency of payment is not euro, any day which is:

- (a) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
- (b) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre specified in the Final Terms.

## 6. TAXATION

### (a) Gross Up

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the Issuer or (as the case may be) the Guarantor under the Deed of Guarantee will be made without withholding or deduction for, or on the account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Grand Duchy of Luxembourg or any political subdivision thereof or any agency or authority therein or thereof having power to tax (in the case of payments made by or on behalf of Mediobanca International) or the Republic of Italy or any political subdivision thereof or any agency or authority therein or thereof having power to tax (in the case of payments made by or on behalf of Mediobanca), unless the withholding or deduction of such taxes, duties, assessments or governmental changes is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, Receipts or (as the case may be) Coupons, in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any Note, Receipt or Coupon or (as the case may be) under the Deed of Guarantee:

- (i) (A) to, or to a third party on behalf of, a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of its having some connection (otherwise than merely by holding the Note, Receipt or Coupon) with (in the case of payments of principal and interest made by or on behalf of Mediobanca International) the Grand Duchy of Luxembourg or (in the case of payments of principal and interest made by or on behalf of Mediobanca and in respect of payments by Mediobanca under the Deed of Guarantee) the Republic of Italy; or (B) with respect to any Note, Receipt or Coupon presented for payment in the Republic of Italy or the Grand Duchy of Luxembourg; or (C) for or on account of *imposta sostitutiva* pursuant to Decree No. 239, Legislative Decree No. 461 of 21 November 1997 (“**Decree No. 461**”) or related implementing regulations; or (D) in all circumstances in which the requirements and procedures of Decree No. 239 and related implementing rules have not been properly and promptly met or complied with (except where due to the actions or omissions of the Issuer, the Guarantor or their agents); or (E) to, or to a third party on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of such Note, Receipt or Coupon by making a declaration or



any other statement, including, but not limited to, a declaration of non-residence or other similar claim for exemption to the relevant taxing authority or intermediary/paying agent, but has failed to do so properly and promptly; or

- (ii) (in the case of payments of principal and interest made by or on behalf of Mediobanca and in respect of payments by Mediobanca under the Deed of Guarantee) to a holder who is a non-Italian resident or individual or legal entity which is resident in a tax haven country (as defined and listed in the Italian Ministry of Finance Decree of 23 January 2002 or in any other legislation substituting such decree) or in any country which does not allow for an adequate exchange of information with the Italian tax authorities (not included in Italian Ministerial Decree 4 September 1996 or in any other legislation substituting such decree); or
- (iii) for any Note, Receipt or Coupon presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day; or
- (iv) where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC or any law or agreement implementing or complying with, or introduced in order to conform to, such Directive; or
- (v) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another paying agent in a Member State of the European Union; or
- (vi) (in the case of payments of principal and interest made by or on behalf of Mediobanca) where withholding or deduction is required by law pursuant to Italian Presidential Decree No. 600 of 29 September 1973 (“**Decree No. 600**”); or
- (vii) with respect to any Notes qualifying as “atypical” securities (*titoli “atipici”*) for Italian tax purposes subject to the regime provided for by Decree No. 512, for and on account of any withholding or deduction required by law pursuant to such decree; or
- (viii) in any case, where in the Final Terms it is expressly specified under the section entitled “Taxation” that “Gross Up” will not apply with respect to any Note, Receipt or Coupon pursuant to this point (viii) of paragraph 6 (a) (*Taxation – Gross Up*),

without prejudice to the option of the Issuer to redeem the Notes pursuant to, and subject to the conditions of, Condition 4(c) (*Redemption for taxation reasons*).

**(b) Taxing Jurisdiction**

If the Issuer or the Guarantor (where applicable) becomes subject at any time to any taxing jurisdiction other than the Grand Duchy of Luxembourg or the Republic of Italy respectively, references in these Conditions to Luxembourg or Italy shall be construed as references to the

Grand Duchy of Luxembourg or (as the case may be) the Republic of Italy and/or such other jurisdiction.

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the holders of Notes in accordance with Condition 12 (*Notices*) that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, *provided* that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 4 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 3 (*Interest and other Calculations*) or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts which may be payable under this Condition.

## 7. **PRESCRIPTION**

Claims against the Issuer and the Guarantor (where applicable) for payment in respect of the Notes, Receipts and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

## 8. **EVENTS OF DEFAULT**

If any of the following events occurs and is continuing, the holder of a Note of any Series may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable:

- (i) *Default in payment of principal or interest:* default is made for a period of five Business Days or more in the payment of any principal on any of the Notes or for a period of fifteen Business Days or more in the payment of any interest due in respect of the Notes or any of them;
- (ii) *Failure to perform any other Obligation:* the Issuer or the Guarantor (where applicable) fails duly to perform any other obligation under or in respect of the Notes, the Deed of Guarantee or the Issue and Paying Agency Agreement and such failure continues for more than 30 days after the service by a holder of a Note of notice on the Issuer requiring the same to be remedied;
- (iii) *General suspension of payments:* the Issuer or the Guarantor (where applicable) suspends its payments generally;
- (iv) *Bankruptcy, composition or similar event:* a court in the country of domicile of the Issuer or the Guarantor (where applicable) institutes bankruptcy proceedings or composition proceedings to avert a bankruptcy or the Issuer or the Guarantor

(where applicable) applies for institution of such proceedings or any event occurs which under the laws of the Republic of Italy or Luxembourg has an analogous effect to such proceedings;

- (v) *Cross-default*: (i) any other present or future indebtedness of the Issuer or the Guarantor (where applicable) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity as a result of any payment default thereon by the Issuer or, as the case may be, the Guarantor (where applicable), or (ii) any such indebtedness is not paid when due or, as the case may be, within an applicable grace period, or (iii) the Issuer or the Guarantor (where applicable) fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of any moneys borrowed or raised *provided that* an event of default pursuant to this Condition 8 (v) shall only occur if: (A) the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one of the events mentioned in paragraphs (i), (ii) or (iii) above have occurred and is continuing exceeds €35,000,000 and (B) the Issuer or the Guarantor (where applicable) is not contesting in good faith in a competent court in a recognised jurisdiction that the relevant indebtedness or guarantee and/or indemnity is due and enforceable, as appropriate;
- (vi) *Insolvency*: either the Issuer or the Guarantor (where applicable) is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or the Guarantor (where applicable);
- (vii) *Winding-up*: an order is made or an effective resolution is passed for the winding-up or dissolution or administration of the Issuer or the Guarantor (where applicable), or the Issuer or the Guarantor (where applicable) applies or petitions for a winding-up or administration order in respect of itself or ceases or threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purposes of and pursuant to or in connection with a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation, deconsolidation or disposal or contribution in kind of assets or branches of business;
- (viii) *Ownership*: in respect of Notes issued by Mediobanca International, Mediobanca International ceases to be controlled by Mediobanca (except in the case of a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation or similar transaction by which Mediobanca assumes the payment obligations of Mediobanca International under the Notes).
- (ix) *Illegality*: it is or will become unlawful for the Issuer or the Guarantor (where applicable) to perform or comply with any one or more of its obligations under any of the Notes or the Deed of Guarantee (where applicable); or

- (x) *Guarantee*: in respect of Notes issued by Mediobanca International, the Deed of Guarantee (where applicable) ceases to be a valid and binding obligation of the Guarantor or it becomes unlawful for the Guarantor to perform its obligations under the Deed of Guarantee or the Deed of Guarantee is claimed by Mediobanca International or the Guarantor not to be in full force and effect (except in the case of a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation or similar transaction by which Mediobanca assumes the payment obligations of Mediobanca International under the Notes).

## 9. MEETINGS OF HOLDERS OF NOTES AND MODIFICATIONS

### (a) *Meetings of holders of Notes*

The Issue and Paying Agency Agreement contains provisions for convening meetings of holders of Notes to consider any matter affecting their interest, including modification by Extraordinary Resolution of the Notes (including these Conditions insofar as the same may apply to such Notes). An Extraordinary Resolution duly passed at any such meeting shall be binding on all the holders of Notes, whether present or not and on all relevant holders of Coupons, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) to reduce or cancel the principal amount or an Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in respect thereof, (iv) if a Minimum and/or a Maximum Interest Rate, Instalment Amount or Redemption Amount is shown in the Final Terms, to reduce any such Minimum and/or Maximum, (v) to change any method of calculating the Redemption Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions contained concerning the quorum required at any meeting of holders of Notes or any adjournment thereof or concerning the majority required to pass an Extraordinary Resolution, (viii) to modify the provisions which would have the effect of giving any authority, direction or sanction which under the Notes is required to be given pursuant to a meeting of holders of Notes to which the special quorum provisions apply, (ix) to take any steps which as specified in the Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (x) to amend the foregoing exceptions in any manner, will only be binding if passed at a meeting of the holders of Notes (or at any adjournment thereof) at which a special quorum (provided for in the Issue and Paying Agency Agreement) is present.

### (b) *Modification of Issue and Paying Agency Agreement*

The Issuer and the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Issue and Paying Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the holders of Notes.

(c) *Errors or inconsistencies*

The Issuer and the Guarantor may, without the prior consent of the holders of the Notes correct (i) any manifest error in the Senior Notes Conditions and/or in the Final Terms, (ii) any error of a formal, minor or technical nature in the Senior Notes Conditions and/or in the Final Terms or (iii) any inconsistency in the Senior Notes Conditions and/or in the Final Terms between the Senior Notes Conditions and/or the Final Terms and any other documents prepared in connection with the issue and/or offer of a Series of Notes (provided such correction is not materially prejudicial to the holders of the relevant Series of Notes). Any such correction shall be binding on the holders of the relevant Notes and the Issuer and the Guarantor (if applicable) shall cause such correction to be notified to the holders of the Notes as soon as practicable thereafter pursuant to Condition 12 (*Notices*).

10. **REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to holders in accordance with Condition 12 (*Notices*), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. **FURTHER ISSUES AND CONSOLIDATION**

The Issuer may from time to time without the consent of the holders of Notes or Coupons create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Price, the Issue Date and/or the first payment of interest) and so that the same shall be consolidated and form a single series with such Notes, and references in these Senior Notes Conditions to “**Notes**” shall be construed accordingly.

The Issuer may also from time to time upon not less than 30 days' prior notice to Noteholders, without the consent of the holders of Notes or Coupons of any Series, consolidate the Notes with Notes of one or more other Series (the “**Other Notes**”) issued by it, provided the Notes and the Other Notes have been redenominated into Euro (if not originally denominated in Euro), and otherwise have, in respect of all periods subsequent to such consolidation, the same terms. Notice of any such consolidation will be given to the Noteholders in accordance with Condition 12 (*Notices*). The Fiscal Agent shall act as the consolidation agent.

With effect from their consolidation, the Notes and the Other Notes will (if listed prior to such consolidation) be listed on at least one European stock exchange on which either the Notes or the Other Notes were listed immediately prior to such consolidation.

The Issuer shall in dealing with holders of such Notes following a consolidation pursuant to this Condition 11 (*Further Issues and Consolidation*) have regard to the interest of the holders and the holders of the Other Notes, taken together as a class, and shall treat them alike.

## 12. NOTICES

Notices to the holders of Notes will be valid if published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or on the website of the relevant Issuer (*www.mediobanca.it* or *www.mediobancaint.lu*) and the Guarantor (*www.mediobanca.it*). If any such publication is not practicable, notice will be validly given if published in another leading daily English language newspaper of general circulation in Europe.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice to the holders of Notes in accordance with this Condition.

## 13. SUBSTITUTION OF THE ISSUER

- (a) The Issuer and, in case of Notes issued by Mediobanca International, the Guarantor may at any time, without the consent of the holders of Notes or Coupons, substitute Mediobanca in place of Mediobanca International or Mediobanca International in place of Mediobanca (each a “**Substitute**”) upon notice by the Issuer, the Guarantor (in case of Notes issued by Mediobanca International) and the Substitute to be given in accordance with Condition 12 (*Notices*), provided that;
- (i) no payment in respect of the Notes, the Receipts or the Coupons or the Deed of Guarantee (as the case may be) is at the relevant time overdue;
  - (ii) the Substitute shall, by means of a deed poll in the form scheduled to the Programme Manual as Schedule 12 (the “**Deed Poll**”), agree to indemnify each holder of Notes and Coupons against any incremental tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon, Talon or the Deed of Covenant and which would not have been so imposed or otherwise suffered by any holder of Notes, Receipts or Coupons had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
  - (iii) in respect of Notes issued by Mediobanca International, where the Substitute is not the Guarantor, the obligations of the Substitute under the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant shall be unconditionally guaranteed by the Guarantor by means of the Deed Poll, in accordance with the terms thereof;

- (iv) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and, where applicable, of the Guarantor have been taken, fulfilled and done and are in full force and effect;
  - (v) the Substitute shall have become party to the Issue and Paying Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
  - (vi) legal opinions shall have been delivered to the Fiscal Agent and Dealers from lawyers of recognised standing in each jurisdiction referred to in (ii) above, in Italy and in England as to the fulfilment of the requirements of this Condition 13 (*Substitution of the Issuer*) and the other matters specified in the Deed Poll and that the Notes, Receipts, Coupons and Talons are legal, valid and binding obligations of the Substitute;
  - (vii) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the Substitute, the Notes will continue to be listed on such stock exchange;
  - (viii) if applicable, the Substitute has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes.
- (b) Upon the execution of the Deed Poll and the delivery of the legal opinions, the Substitute shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes and the Issue and Paying Agency Agreement with the same effect as if the Substitute had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Notes and under the Issue and Paying Agency Agreement.
- (c) After a substitution pursuant to Condition 13(a), the Substitute may, without the consent of any holder, effect a further substitution. All the provisions specified in Conditions 13(a) and 13(b) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute.
- (d) After a substitution pursuant to Condition 13(a) or 13(c) any Substitute may, without the consent of any holder, reverse the substitution, *mutatis mutandis*.
- (e) The Deed Poll and all documents relating to the substitution shall be delivered to, and kept by, the Fiscal Agent. Copies of such documents will be available free of charge at the specified office of the Paying Agent.

#### 14. LAW AND JURISDICTION

- (a) *Governing Law:* If it is specified in the Final Terms that English law is applicable to the Notes, the Notes and any contractual or non-contractual obligations arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law. If it is specified in the Final Terms that Italian law is applicable to the Notes, the Notes are governed by, and shall be construed in accordance with, Italian law.
- (b) *Jurisdiction:* If it is specified in the Final Terms that English law is applicable to the Notes, subject to Condition 14(d) (*Rights of the Noteholders to take proceedings outside England*), the courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”), arising from or connected with the Notes, whether arising out of or in connection with contractual or non-contractual obligations. If it is specified in the Final Terms that Italian law is applicable to the Notes, the Courts of Milan shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with these Notes.
- (c) *Appropriate forum:* If it is specified in the Final Terms that English law is applicable to the Notes, each of the Issuer and the Guarantor (where applicable) agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England:* If it is specified in the Final Terms that English law is applicable to the Notes, Condition 14(b) (*Jurisdiction*) is for the benefit of the Noteholders only and as a result, nothing in this Condition 14 (*Law and Jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions. If it is specified in the Final Terms that Italian law is applicable to the Notes, this Clause 14(d) (*Rights of the Noteholders to take proceedings outside England*) shall not apply.
- (e) *Service of notices/documents:* If it is specified in the Final Terms that English law is applicable, each of the Issuer and the Guarantor (where applicable) agree that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on them by being delivered to Mediobanca – London Branch 33 Grosvenor Place, London SW1X 7HY United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer and the Guarantor (where applicable), the Issuer and the Guarantor (where applicable) shall, on the written demand of any Noteholder addressed and delivered to the Issuer and to the Guarantor (where applicable) or to the specified office of the Fiscal Agent appoint a further person in England to accept service of process on their behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and the Guarantor (where applicable) and delivered to the Issuer and the Guarantor (where applicable) or to the specified office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other



manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

- (f) *Non-applicable Conditions if Italian law applies to the Notes:* If it is specified in the Final Terms that Italian law is applicable, Conditions 14(c) (*Appropriate forum*), 14(d) (*Rights of the Noteholders to take proceedings outside England*) and 14(e) (*Service of notices/documents*) shall not apply.

## TERMS AND CONDITIONS OF THE SUBORDINATED NOTES

*The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Subordinated Note in final form issued under the Programme. The terms and conditions applicable to any Subordinated Notes in global form will differ from those terms and conditions which would apply to the Subordinated Notes whilst in final form to the extent described under “Summary of Provisions relating to the Notes while in Global Form” below.*

Mediobanca - Banca di Credito Finanziario S.p.A. (“**Mediobanca**”), Mediobanca International (Luxembourg) S.A. (“**Mediobanca International**”) (each, an “**Issuer**” and, together, the “**Issuers**”) have established an Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to Euro 40,000,000,000 in aggregate principal amount of senior notes which may be issued by each of the Issuers (the “**Senior Notes**”) and subordinated notes which may be issued by Mediobanca only (the “**Notes**”), guaranteed by Mediobanca in respect of Senior Notes issued by Mediobanca International only.

The Notes are issued pursuant to an amended and restated Issue and Paying Agency Agreement dated 23 January 2013, as amended or supplemented from time to time, (the “**Issue and Paying Agency Agreement**”) between the Issuers, the Guarantor, BNP Paribas Securities Services, Luxembourg Branch, as fiscal agent and principal paying agent (the “**Fiscal Agent**”) and Mediobanca in its capacity as Italian paying agent (the “**Italian Paying Agent**” and together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the “**Paying Agents**”) and with the benefit of deeds of covenant dated 23 January 2013 (each, a “**Deed of Covenant**” and, together, the “**Deeds of Covenant**”), each of them executed by the relevant Issuer in respect of Notes issued by such Issuer.. The holders of the Notes (as defined below), the holders of the interest coupons (the “**Coupons**”) appertaining to interest bearing Notes and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) and the holders of the instalment receipts (the “**Receipts**”) appertaining to the payment of principal by instalments are deemed to have notice of all of the provisions of the Issue and Paying Agency Agreement applicable to them.

Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche of Notes is the subject of final terms (the “**Final Terms**”) which supplements these terms and conditions (the “**Subordinated Notes Conditions**” or the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Subordinated Notes Conditions and the Final Terms, the Final Terms shall prevail. All subsequent references in these Subordinated Notes Conditions to “**Notes**” are to the Notes which are the subject of the relevant Final Terms. These Subordinated Notes Conditions apply only to Notes which are issued by Mediobanca and specified as being Upper Tier II Subordinated Notes, Lower Tier II Subordinated Notes or Tier III Subordinated Notes in the relevant Final Terms. Copies of the Final Terms are available during normal business hours at the specified office of the Fiscal Agent, the initial Specified Office of which is set out below (the “**Specified Office**”). Certain provisions of these Conditions are summaries of the Issue and Paying Agency Agreement and are subject to their detailed provisions. In these Conditions, any reference to a statute or regulation shall be construed as a reference to such statute or regulation as the same may have been, or may from time to time be, amended or re-enacted.

Copies of the Issue and Paying Agency Agreement and the Deeds of Covenant are available for inspection at the specified office of the Paying Agent.

## 1. FORM, DENOMINATION AND TITLE

The Notes are issued in bearer form in the Denomination(s) and in the Relevant Currency shown in the Final Terms.

Notes are issued with Coupons (and where appropriate, a Talon) attached save in the case of Notes which do not bear interest in which case references to interest (other than in relation to interest due after the date specified in the Final Terms as the Maturity Date (as designed below), Coupons and Talons in these Conditions are not applicable. Any Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Title to the Note and the Receipts, Coupons and Talons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

In these Subordinated Notes Conditions, “**holder**” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Note, Receipt, Coupon or Talon. All capitalised terms which are not defined in these Subordinated Notes Conditions will have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes. Those definitions will be endorsed on the definitive Notes.

## 2. STATUS AND SPECIAL PROVISIONS

(a) *Definitions*: In these Conditions, the following expressions have the meanings set out below.

“**Bank of Italy**” means the Bank of Italy and/or any competent authority which at a future date carries out the functions which the Bank of Italy performs as at the Issue Date.

“**Bank of Italy Regulations**” means the *Nuove disposizioni di vigilanza prudenziale per le banche* as in force from time to time or such successor regulations as may be in force from time to time.

“**Consolidated Banking Law**” means Italian Legislative Decree No. 385 of 1 September 1993, as amended or supplemented from time to time.

“**Liquidazione Coatta Amministrativa**” means *Liquidazione Coatta Amministrativa* as described in Articles 80 to 94 of the Consolidated Banking Law.

“**Lower Tier II Subordinated Notes**” means *passività subordinate*, as defined in Title I, Chapter 2, Section II, paragraph 5.2 of the Bank of Italy Regulations (being those Notes which are specified in the relevant Final Terms as being Lower Tier II Subordinated Notes).

“**Minimum Capital**” means the minimum amount of capital of Mediobanca, as provided for by the Bank of Italy from time to time for the purposes of obtaining or maintaining the authorisation of the Bank of Italy to carry on banking activities (*livello minimo di capitale previsto per l’autorizzazione all’attività bancaria*), as determined by the external auditors of Mediobanca and certified in writing by two directors of Mediobanca.

“**Tier III Subordinated Notes**” means *prestiti subordinati di 3° livello*, as defined in Title I, Chapter 2, Section II, paragraph 1.5 of the Bank of Italy Regulations (being those Notes which are specified in the relevant Final Terms as being Tier III Subordinated Notes).

“**Upper Tier II Subordinated Notes**” means *strumenti ibridi di patrimonializzazione* as defined in Title I, Chapter 2, Section II, paragraph 5.1 of the Bank of Italy Regulations (being those Notes which are specified in the relevant Final Terms as being Upper Tier II Subordinated Notes).

- (b) *Status of Notes*: Notes and any related Coupons constitute direct, unsecured and subordinated obligations of Mediobanca and, subject to the provisions of this Condition 2 (*Status and Special Provisions*), will at all times rank *pari passu* without any preference among themselves. In relation to each Series of Notes, all Notes of such Series will be treated equally and all amounts paid by Mediobanca in respect of principal and interest thereon will be paid pro rata on all Notes of such Series.
- (c) *Winding up, etc.*: In the event of the winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of Mediobanca, the payment obligations of Mediobanca under each Series of Notes, and the relative Coupons as the case may be, will rank in right of payment (A) after unsubordinated creditors (including depositors and any holder of Senior Notes and their respective Coupons) of Mediobanca but (B) at least *pari passu* with all other subordinated obligations of Mediobanca which do not rank or are not expressed by their terms to rank junior or senior to such Series of Notes and (C) in priority to the claims of shareholders of Mediobanca. Lower Tier II Subordinated Notes and Tier III Subordinated Notes rank *pari passu* amongst themselves and rank senior to Upper Tier II Subordinated Notes.
- (d) *Waiver*: Each holder of a Note is deemed unconditionally and irrevocably to have waived any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Note.
- (e) *Loss absorption in respect of Upper Tier II Subordinated Notes*: To the extent that Mediobanca at any time suffers losses which, in accordance with Articles 2446 and 2447 of the Italian Civil Code or otherwise in accordance with Italian laws and regulations, would require it to reduce its paid up share capital and reserves to below its Minimum Capital, the obligations of Mediobanca in respect of interest and principal under Upper Tier II Subordinated Notes will be reduced to the extent necessary to enable it, in accordance with the requirements under Italian law and regulatory provisions, to maintain at least its Minimum Capital. The obligations of Mediobanca in respect of interest and principal due under Upper Tier II Subordinated Notes which are so reduced will be reinstated whether or not the Maturity Date of the relevant obligation has occurred:

- (i) in whole, in the event of bankruptcy, dissolution, liquidation or winding-up of Mediobanca (including, *inter alia*, *Liquidazione Coatta Amministrativa*, *amministrazione straordinaria* or *liquidazione volontaria* or any other similar liquidation, bankruptcy or winding-up proceedings otherwise in accordance with any applicable Italian laws and regulations) and, with effect immediately prior to the commencement of such bankruptcy, dissolution, liquidation or winding up as if such obligations of Mediobanca had not been so reduced in accordance with this Condition 2(e) (*Loss absorption in respect of Upper Tier II Subordinated Notes*); and
- (ii) in whole or in part, from time to time, to the extent that Mediobanca, by reason of its having made profits or by reason of its obtaining new capital contributions or by reason of the occurrence of any other event would not be required to reduce its obligations in respect of interest and principal in accordance with this Condition 2(e) (*Loss absorption in respect of Upper Tier II Subordinated Notes*).

Mediobanca shall forthwith give notice of any such reduction and/or reinstatement to the Noteholders in accordance with Condition 12 (*Notices*).

- (f) *Deferral of interest on Upper Tier II Subordinated Notes*: Mediobanca will not be required to pay interest on Upper Tier II Subordinated Notes on an Interest Payment Date if (i) no annual dividend has been approved, paid or set aside for payment by its shareholders' meeting or paid in respect of any class of its shares during the 12-month period ending on, but excluding, the fifteenth Business Day immediately preceding such Interest Payment Date or (ii) the Board of Directors of Mediobanca has announced, at the time of the release of any interim accounts published during the six-month period ending on, but excluding, the fifteenth Business Day immediately preceding such Interest Payment Date that, based on such interim accounts, no sums are available at such time for the payment of interim dividends, in accordance with Article 2433-bis of the Italian Civil Code.

Any such unpaid amounts of interest will constitute arrears of interest which will bear interest at the rate applicable to the relevant Upper Tier II Subordinated Notes. Arrears of interest (together with any additional interest amount in respect of such arrears of interest) will become due and payable (i) in part *pari passu* and *pro rata* if and to the extent that Mediobanca makes payments of or in respect of amounts of interest on or in relation to any other *pari passu* claims, and (ii) in full on the earliest to occur of: (A) the Interest Payment Date falling on or after the date on which a dividend is approved or paid on any class of shares of Mediobanca; (B) the date for repayment of the Upper Tier II Subordinated Notes; or (C) the date on which the *Liquidazione Coatta Amministrativa* of Mediobanca is commenced pursuant to Article 83 of the Consolidated Banking Law or on which Mediobanca becomes subject to a liquidation order.

- (g) *Notice of interest deferral*: Mediobanca shall give not more than 25 nor less than 15 days prior notice to the Paying Agents and to the holders of Notes in accordance with Condition 12 (*Notices*):
  - (i) of any Interest Payment Date on which, pursuant to the provisions of Condition 2(f) (*Deferral of interest on Upper Tier II Subordinated Notes*) above, interest will not be paid;

- (ii) of any date upon which amounts in respect of arrears of interest shall become due and payable;
- (iii) of (1) the amount of principal and of sums which would otherwise have been payable as interest in respect of the Notes and which, having been applied to meet the losses of Mediobanca pursuant to Condition 2(e) (*Loss Absorption in respect of Upper Tier II Subordinated Notes*) and/or Condition 2(i) (*Loss Absorption in respect of Lower Tier II Subordinated Notes*), are to be reinstated as provided herein, (2) the date of such reinstatement and the date on which the relevant amount shall become due and payable in accordance with these Conditions and (3) details of the event giving rise to such reinstatement.

The information contained in any notice given in accordance with this Condition 2(g) (*Notice of interest deferral*) will be available at the specified office of the Fiscal Agent from the date of the relevant notice.

- (h) *Restrictions relating to Tier III Subordinated Notes*: Tier III Subordinated Notes shall be subject to the same restrictions provided for in respect of similar indebtedness qualifying as Upper Tier II Subordinated Notes or Lower Tier II Subordinated Notes except that Tier III Subordinated Notes shall be subject to (i) a different minimum Maturity Period as specified in the relevant Final Terms and (ii) a lock-in clause pursuant to which payments of interest and repayments of principal shall be suspended during the period (the “**Suspension Period**”) in which such payments or repayments would reduce the total amount of the assets (*ammontare complessivo dei fondi patrimoniali*) of Mediobanca below the aggregate of the capital requirements (*complesso dei requisiti patrimoniali*) of Mediobanca, as provided under the Bank of Italy Regulations and, for the avoidance of doubt, interest shall not accrue on any repayments of principal or payments of interest suspended during the Suspension Period.
- (i) *Loss absorption in respect of Lower Tier II Subordinated Notes*: Lower Tier II Subordinated Notes (including, for the avoidance of doubt, payments of principal and/or interest) may be subject to loss absorption in accordance with the powers of the Bank of Italy or of any other authority or authorities having oversight of Mediobanca at the relevant time (the relevant “**Competent Authority**”) if the relevant Competent Authority determines that loss absorption of the Lower Tier II Subordinated Notes is necessary pursuant to applicable law and/or regulation in force from time to time.

### 3. INTEREST AND OTHER CALCULATIONS

#### (a) Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below.

“**Accrual Yield**” has the meaning given in the relevant Final Terms.

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms.

**“Business Day”** means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre.

**“Calculation Agent”** means Mediobanca - Banca di Credito Finanziario S.p.A., the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Interest Rate(s) and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms.

**“Calculation Amount”** has the meaning given to it in the relevant Final Terms.

**“CMS”** means the constant maturity swap rate specified as such in the Final Terms.

**“Day Count Fraction”** means, in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **“1/1”** is specified, 1;
- (b) if **“Actual/Actual”** or **“Actual/Actual (ISDA)”** is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if **“Actual/Actual (ICMA)”** is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (C) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (D) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

- (d) if “**Actual/365 (Fixed)**” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (e) if “**Actual/360**” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (f) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30; and

- (g) if “**30E/360**” or “**Eurobond Basis**” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;



“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (h) if “**30E/360 (ISDA)**” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Termination Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

“**EURIBOR**” means the Euro-zone interbank offered rate specified as such in the Final Terms.

“**Fixed Coupon Amount**” has the meaning given to it in the relevant Final Terms.

“**Interest Accrual Date**” means the dates specified as such in the relevant Final Terms.

“**Interest Amount**” means:

- (i) in respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount

specified in the Final Terms as being payable on the Interest Payment Date ending the Interest Period; and

- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified in the relevant Final Terms.

**“Interest Determination Date”** has the meaning given to it in the Final Terms.

**“Interest Payment Date”** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms, as the same may be adjusted in accordance with the relevant Business Day Convention.

**“Interest Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Accrual Date and each successive period beginning on (and including) an Interest Accrual Date and ending on (but excluding) the next succeeding Interest Payment Date.

**“Interest Rate”** means the rate of interest (expressed as a percentage per annum) payable from time to time in respect of this Note and which is either specified, or calculated in accordance with the provisions, in the relevant Final Terms.

**“Interest Rate Switch Date”** means the date specified as such in the relevant Final Terms.

**“ISDA Definitions”** means the 2006 ISDA Definitions as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the Final Terms) as published by the International Swaps and Derivatives Association, Inc., a copy of which is available on the website of the International Swaps and Derivatives Association, Inc. ([www.isda.org](http://www.isda.org)).

**“Issue Date”** has the meaning given in the relevant Final Terms.

**“Issue Price”** has the meaning given in the relevant Final Terms.

**“LIBID”** means the London interbank bid rate specified as such in the Final Terms.

**“LIBOR”** means the London interbank offered rate specified as such in the Final Terms.

**“LIMEAN”** means the London interbank mid-market rate specified as such in the Final Terms.

**“Linear Interpolation”** means the straight-line interpolation by reference to two rates based on the Reference Rate or the ISDA Rate, as the case may be, one of which will be determined as if the Specified Duration were the period of time for which rates are available next shorter than the length of the affected Interest Period and the other of which will be determined as if the Specified Duration or the Designated Maturity, as the case may be, were the period of time for which rates are available next longer than the length of such Interest Period. **“Margin”** has the meaning given in the relevant Final Terms.

“**Multiplier**” has the meaning given in the relevant Final Terms.

“**Payment Business Day**” means:

- (i) if the currency of payment is euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation (if presentation is required) are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
  - (C) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (D) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

“**Principal Financial Centre**” means, in relation to any currency, the principal financial centre for that currency provided, however, that:

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent.

“**Reference Banks**” means, the institutions specified as such in the relevant Final Terms or, if none, four (or, if the Relevant Financial Centre is Helsinki, five) major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate.

“**Reference Price**” has the meaning given in the relevant Final Terms.

“**Reference Rate**” has the meaning given in the relevant Final Terms.

“**Reference Rate Multiplier**” has the meaning given in the relevant Final Terms.

“**Regular Period**” means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement

Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

“**Relevant Currency**” means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

“**Relevant Financial Centre**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Reference Rate is most closely connected or, if none is so connected, London.

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified as the Relevant Screen Page in the relevant Final Terms for the purpose of providing a Reference Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Reference Rate.

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in the Relevant Financial Centre *provided that* if the Relevant Currency is Euro and the Benchmark is EURIBOR, the Relevant Time shall be 11.00 am Brussels time.

“**Specified Currency**” has the meaning, if any, given in the relevant Final Terms.

“**Specified Duration**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the period specified in the relevant Final Terms.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET or TARGET2) System or any successor thereto.

“**TARGET Settlement Day**” means any day on which the TARGET System is open.

(b) *Interest Rate and Accrual*

Each Note bears interest on its outstanding principal amount from the Interest Commencement Date at the Interest Rate, such interest being payable in arrear on each interest payment date (each, an “**Interest Payment Date**”).

Interest will cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Interest Rate in the manner provided in this Condition 3 (*Interest and other Calculations*) to the Relevant Date (as defined in Condition 6 (*Taxation*)).

(c) *Business Day Convention*

If any date referred to in these Conditions which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (i) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (ii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (iii) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(d) *Interest Rate on Fixed Rate Notes*

If the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Denomination. The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Interest Rate to the Calculation Amount of such Note, multiplying the product by the relevant Day Count Fraction (not adjusted in accordance with the Business Day Convention) and rounding the resulting figure in accordance with Condition 3(g) (*Rounding*). Where the Specified Denomination of a Fixed Rate Note comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(e) *Interest Rate on Floating Rate Notes*

If the Floating Rate Note Provisions are specified in the Final Terms as being applicable, the Interest Rate for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) *Screen Rate Determination*: if Screen Rate Denomination is specified in the relevant Final Terms as the manner in which the Interest Rate is to be determined, as follow:

- (A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (B) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (C) if, in the case of (A) above, such rate does not appear on that page or, in the case of (B) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (1) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (2) determine the arithmetic mean of such quotations; and
  - (3) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Relevant Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Interest Rate for such Interest Period shall be:

- (a) if “Multiplier” is specified in the relevant Final Terms as not being applicable, the sum of the Margin and the rate or (as the case may be) the arithmetic mean determined in accordance with the above provisions (the “**Determined Rate**”);
- (b) if “Multiplier is specified in the relevant Final Terms as being applicable (i) the sum of the Margin and the relevant Determined Rate multiplied by (ii) the Multiplier;
- (c) if “Reference Rate Multiplier” is specified in the relevant Final Terms as being applicable, the sum of (i) Margin, and (ii) the relevant Determined Rate multiplied by the Reference Rate Multiplier,

*provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Interest Rate applicable to the Notes during such Interest Period will be calculated in accordance with the foregoing, save that the Determined Rate shall be the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(ii) *ISDA Determination*: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Notes for each Interest Period will be:

(a) if “Multiplier” is specified in the relevant Final Terms as not being applicable, the sum of the Margin and the relevant ISDA Rate;

(b) if “Multiplier is specified in the relevant Final Terms as being applicable (i) the sum of the Margin and the relevant ISDA Rate multiplied by (ii) the Multiplier;

(c) if “Reference Rate Multiplier” is specified in the relevant Final Terms as being applicable, the sum of (i) Margin, and (ii) the relevant ISDA Rate multiplied by the Reference Rate Multiplier,

where “**ISDA Rate**” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(B) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and

(C) the relevant Reset Date (as defined in the ISDA Definitions) is either (1) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (2) in any other case, as specified in the relevant Final Terms.

(f) *Maximum/Minimum Interest Rates, Instalment Amounts and Redemption Amounts*

If any Maximum or Minimum Interest Rate, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Interest Rate, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(g) *Rounding*

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (i) all percentages resulting from such calculations will be rounded, if necessary, to

the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (ii) all figures will be rounded to seven significant figures (with halves being rounded up) and (iii) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes “unit” means, with respect to any currency other than Euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to Euro, means one cent.

(h) *Calculations*

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the outstanding Calculation Amount by the Day Count Fraction, save that where an Interest Amount (or a formula for its calculation) is specified in respect of such period, the amount of interest payable in respect of such Note for such period will equal such Interest Amount (or be calculated in accordance with a formula). Where the Specified Denomination of a Floating Rate Note comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding. In respect of any short or long Interest Period as specified in the applicable Final Terms, the Calculation Agent will determine the Interest Rate using Linear Interpolation.

(i) *Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts*

After the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation, it will, promptly, determine the Interest Rate and calculate the amount of interest payable (the “**Interest Amounts**”) on the principal amount of the Notes for the relevant Interest Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, the Paying Agent, the holders of the Notes, any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so requires, such exchange promptly after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 8 (*Events of Default*), the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount,



Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(j) *Calculation Agent and Reference Banks*

The Issuer will use its best endeavours to ensure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Conditions applicable to the Notes and for so long as any Notes are outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(k) *Late payment on Zero Coupon Notes*

If the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable and the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The calculation of the above amount shall be made (where such calculation is to be made for a period which is not a whole number of years) on the basis of such Day Count Fraction as may be specified in the relevant Final Terms for the purposes of this Condition 3(k) (*Late payment on Zero Coupon Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

(l) *Interest Rate Switch*

If so specified in the relevant Final Terms, from and including the Interest Rate Switch Date, the Interest Rate applicable for the calculation of interest for each remaining Interest Period with respect to the Notes shall be the rate specified as applying from and including such Interest Rate

Switch Date in the Final Terms and the initial Interest Rate applicable to the Notes shall no longer apply.

#### 4. REDEMPTION, PURCHASE AND OPTIONS

##### (a) Definitions

In these Conditions, unless the context requires otherwise:

###### (i) *Redemption amount*

The expressions “**Early Redemption Amount**”; “**Final Redemption Amount**”, “**Instalment Amount**”, “**Optional Redemption Amount (Call)**”, and “**Optional Redemption Amount (Put)**” mean, in respect of any Note: (A) such amount as may be specified in, or determined in accordance with the relevant Final Terms; or (B) if no such amount is specified, the principal amount of such Note.

“**Redemption Amount**” means, as appropriate, the Final Redemption Amount, the Instalment Amount, the Early Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Redemption Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms.

###### (ii) *Maturity date/period*

“**Maturity Date**” has the meaning given in the relevant Final Terms.

“**Maturity Period**” means the period from and including the Issue Date to but excluding the Maturity Date.

##### (b) Maturities/Final Redemption

(i) Unless previously redeemed, purchased and cancelled as provided below in accordance with Condition 4(f) (*Redemption at the option of the Issuer*), Condition 4(h) (*Redemption at the option of holders of Notes*), Condition 4(i) (*Redemption by instalments*), each Note will be redeemed at its Final Redemption Amount on the Maturity Date.

(ii) Upper Tier II Subordinated Notes may be perpetual (*passività irredimibili*) or with a fixed Maturity Period of ten years or longer (*altri strumenti rimborsabili*). Lower Tier II Subordinated Notes shall have a minimum Maturity Periods of five years and Tier III Subordinated Notes shall have a minimum Maturity Period of two years, in each case as provided under the Bank of Italy Regulations.

##### (c) Redemption for taxation reasons

If Redemption for taxation reasons is specified in the Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, on giving not less than 30 nor more than 60 days' notice to the holders of Notes (which notice shall be irrevocable), at their Early Redemption Amount (together with interest accrued to the date fixed

for redemption), if (i) based on an opinion of a nationally recognized law firm or other tax adviser in the relevant Taxing Jurisdiction (as appropriate) experienced in such matters, there is more than an unsubstantial risk that the Issuer (A) has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) or (B) has or will become subject to more than a *de minimis* additional amount of national income taxes (and/or, in the case of Mediobanca, regional tax on productive activities – IRAP) due to partial or entire limitation to the deductibility of any payments under the Notes (provided that any additional amount of national income taxes arising from a limitation of the deductibility of interest payments exceeding the 4% percentage set forth, as at the date of the Issuing and Paying Agency Agreement, in Article 96, paragraph 5-bis of Decree No. 917, would be considered as exceeding the aforesaid *de minimis* additional amount), in either case as a result of (1) any change in, or amendment to, the laws or regulations of the Republic of Italy or any political subdivision thereof or any agency or authority thereof or therein having power to tax, or (2) any change in the application or official interpretation of such laws or regulations, or (3) any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) (for purposes of this definition, an “**Administrative Action**”), or (4) any clarification of, or change in the official position or the interpretation of such Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the generally accepted position, in each case by any legislative body, court, governmental, administrative or regulatory authority or body, irrespective of the manner in which such clarification or change is made known, which change, amendment, Administrative Action or clarification becomes effective on or after the Issue Date, and (ii) such obligations/limitations under (A) and (B) above cannot be avoided by the Issuer taking reasonable measures available to it which (x) do not require the Issuer to incur material out-of-pocket expenses and (y) would not otherwise be disadvantageous to the Issuer or the Guarantor, as determined in their discretion; *provided that* in the case under (A) above no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then be due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by a director of the Issuer stating that such Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of such Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that there is more than an unsubstantial risk that the Issuer (A) has or will become obliged to pay such additional amounts or (B) has or will become subject to more than a *de minimis* additional amount of taxes, as indicated above, due to limitation of the deductibility of payments under the Notes as a result of such change, amendment, Administrative Action or clarification (the “**Tax Event**”).

(d) **Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise at any price provided that all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith. Without prejudice to the foregoing, if so specified in the relevant Final Terms the Issuer will be entitled to exercise the option to

repurchase from the holder(s), at its sole discretion, (1) all (but not part of) the Notes of the relevant Series (the “**Total Repurchase Option**”) or (2) on one or more occasions, any portion of the Notes of the relevant Series, provided that in such circumstances the amount of the Notes of the relevant Series to be purchased from each holder shall be the same proportion that the aggregate principal amount of the Notes of the relevant Series that are subject to the relevant Partial Purchase Option bears to the aggregate principal amount of all the Notes of the relevant Series then outstanding prior to the exercise of the relevant Partial Purchase Option (the “**Partial Repurchase Option**”). The Total Repurchase Option and the Partial Repurchase Option can only be exercised by the Issuer at the date(s) and the price(s) specified in the Final Terms as the Total Repurchase Option date or the Partial Repurchase Option date(s) and the Total Repurchase Option amount or Partial Repurchase Option amount(s), respectively. Upon exercise of the Total Repurchase Option or the Partial Repurchase Option, the holder(s) shall be obliged to sell to the Issuer (or any other entity indicated by the Issuer) all the Notes of the Series in relation to which the Total Repurchase Option or the Partial Repurchase Option (as the case may be) is exercised.

Notes may only be purchased by Mediobanca or any of its subsidiaries subject to the prior approval of the Bank of Italy, unless the Notes to be purchased (A) do not exceed 10 per cent. of the aggregate nominal amount of the relevant Series and (B) are not to be purchased in order to be surrendered to any Paying Agent for cancellation.

(e) **Early Redemption of Zero Coupon Notes, Redemption of Zero Coupon Notes for taxation reasons, Redemption of Zero Coupon Notes at the Option of the holder, Redemption of Zero Coupon Notes at the option of holders of Notes**

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (A) the Reference Price; and
- (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Final Terms for the purposes of this Condition 4(e) (*Early Redemption of Zero Coupon Notes, Redemption of Zero Coupon Notes for taxation reasons, Redemption of Zero Coupon Notes at the Option of the holder, Redemption of Zero Coupon Notes at the option of holders of Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

(f) **Redemption at the option of the Issuer**

If the Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, on giving irrevocable notice to the holders of Notes within the period specified in the relevant Final Terms (such period to be not less than 30 nor more than 60 calendar days) redeem, or exercise the Issuer's option in relation to, all or, if so provided, some of the Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Optional Redemption Amount (*Call*) together with interest accrued to the date fixed for redemption, unless otherwise specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option the notice to holders of Notes shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

(g) **Redemption for regulatory reasons (Regulatory Call)**

If Regulatory Call is specified in the applicable Final Terms, the Notes may be redeemed at the option of Mediobanca (subject to the prior approval of the Bank of Italy), in whole or in part (as specified in the applicable Final Terms), at any time (if the Note is not a Floating Rate Note) or on any Interest Payment Date (if the Note is a Floating Rate Note), on giving not less than 15 nor more than 30 days' notice (which notice shall be irrevocable) to the Paying Agent and, in accordance with Condition 12, to the holders of the Notes, if a proportion equal to or more than the Minimum Disqualification Amount of the Subordinated Notes ceases to qualify as "Lower Tier II Capital", "Upper Tier II Capital" or "Tier III Capital", as applicable, on a consolidated or non consolidated basis, as a result of changes after the date of issue of the relevant Notes in the standards and guidelines of the Bank of Italy or in the applicable legal or regulatory provisions (including legal or regulatory provisions adopted by the European Union) (the "**Regulatory Event**").

For the purpose of this Condition, the "**Minimum Disqualification Amount**" means (i) the proportion (expressed as a percentage) of the aggregate outstanding nominal amount of the relevant Notes specified in the relevant Final Terms, or (ii) if so specified in the relevant Final Terms, any such proportion that is more than zero.

(h) **Redemption at the option of holders of Notes**

If the Put Option is specified as being applicable to the Notes in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Note, redeem such Note on the date or dates so provided at its Optional Redemption Amount (Put) together with interest accrued to the date fixed for redemption, unless otherwise specified in the relevant Final Terms.

To exercise such option or any other option of a holder of Notes which may be set out in the Final Terms, the holder must deposit such Note with any Paying Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form

obtainable from any Paying Agent, within the period specified in the relevant Final Terms (such period to be not less than 30 nor more than 60 days). No Note so deposited and option exercised may be withdrawn (except as provided in the Issue and Paying Agency Agreement) without the prior consent of the Issuer.

(i) **Redemption by instalments**

Unless previously redeemed, purchased and cancelled in accordance with Condition 4(f) (*Redemption at the option of the Issuer*) or 4(h) (*Redemption at the option of holders of Notes*), each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes.

(j) **Cancellation**

Notes purchased by or on behalf of the Issuer may be surrendered for cancellation, by surrendering each such Note together with all unmaturing Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, if so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmaturing Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor (where applicable) in respect of any such Notes shall be discharged.

(k) **Regulatory provisions relating to the Notes**

- (i) Notwithstanding the foregoing provisions of this Condition 4 (*Redemption, Purchase and Options*), where required by the then applicable Bank of Italy Regulations, the redemption and/or early redemption of Notes shall be subject to the prior approval of the Bank of Italy, such approval in respect of redemption and/or early redemption of Upper Tier II Subordinated Notes being dependent on Mediobanca maintaining its Minimum Capital as prescribed in Title I, Chapter 2 of the Bank of Italy Regulations immediately following redemption of the Upper Tier II Subordinated Notes. If such approval is not given on or prior to the redemption date, Mediobanca will re-apply to the Bank of Italy for its consent to such redemption forthwith upon its having again, by whatever means, such required Minimum Capital. Mediobanca will use its best endeavours to maintain such required minimum capital and to obtain such approval.
- (ii) Without prejudice to paragraph (i) above, where Lower Tier II Subordinated Notes or Tier III Subordinated Notes have an indefinite Maturity Period but are subject to redemption at the option of Mediobanca, such Notes may only be redeemed by the giving of notice from Mediobanca to holders of Notes as follows: (a) five years' notice, in the case of Lower Tier II Subordinated Notes; and (b) two years' notice, in the case of Tier III Subordinated Notes.

5. **PAYMENTS AND TALONS**

(a) **Payments outside the United States**

Payments of principal and interest in respect of Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and *provided that* the Receipts are presented for payment together with their relative Notes), Notes (in the case of all other payments of principal and, in the case of interest as specified in Condition 5(e)(vi)) or Coupons (in the case of interest, save as specified in Condition 5(e)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the principal financial centre of that currency; *provided that* in the case of Euro, the transfer may be to a Euro account.

(b) **Payments in the United States**

Notwithstanding the foregoing, if any Notes are denominated in US Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(c) **Payments subject to law, etc.**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 6 (*Taxation*). No commission or expenses shall be charged to the holders of Notes or Couponholders in respect of such payments.

(d) **Appointment of Agents**

The Fiscal Agent, the Paying Agent and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agent and the Calculation Agent act solely as agents of the Issuer and the Guarantor (where applicable) and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer and the Guarantor (where applicable) reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Calculation Agent, the Registrar or any Transfer Agent and to appoint additional or other agents *provided that* the Issuer will at all times maintain (i) a Fiscal Agent, (ii) a Calculation Agent where the Conditions so require one, (iii) the Issuer and the Guarantor (where applicable) will ensure that they maintain a Paying Agent in an EU member state that will not be obliged to withhold or deduct tax, pursuant to European Council Directive 2003/48/EU, or any law or agreement implementing or complying with, or introduced in order to conform to, such Directive, (iv) Paying Agents having a specified office in at least two major

European cities (including Luxembourg so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange), and (v) such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York in respect of any Notes denominated in US Dollars in the circumstances described in paragraph (b) above.

Notice of any such change or any change of any specified office will promptly be given to the holders of Notes in accordance with Condition 12 (*Notices*).

(e) **Unmatured Coupons and Receipts and unexchanged Talons**

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unmaturing Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 7 (*Prescription*)).
- (ii) If the relevant Notes so provide, upon the due date for redemption of any Note, unmaturing Coupons relating to such Notes (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Note which provides that the relative Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons and any unexchanged Talon relating to it, and where any Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest



accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note.

(f) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered to or to the order of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 7 (*Prescription*)).

(g) **Non-Business Days**

If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

In this Condition 5(g) (*Non-Business Days*):

“**Additional Financial Centre**” means the city or the cities specified as such in the relevant Final Terms; and

“**Payment Business Day**” means:

- (i) if the currency of payment is euro, any day which is:
  - (a) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (b) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre specified in the Final Terms; or
- (ii) if the currency of payment is not euro, any day which is:
  - (a) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (b) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre specified in the Final Terms.

## 6. TAXATION

(a) **Gross Up**

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the Issuer will be made without withholding or deduction for, or on the account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Italy or any political subdivision thereof or any agency or authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, Receipts or (as the case may be) Coupons, in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any Note, Receipt or Coupon:

- (i) (A) to, or to a third party on behalf of, a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of its having some connection (otherwise than merely by holding the Note, Receipt or Coupon) with the Republic of Italy; or (B) with respect to any Note, Receipt or Coupon presented for payment in the Republic of Italy; or (C) for or on account of *imposta sostitutiva* pursuant to Decree No. 239, Decree No. 461 or related implementing regulations; or (D) in all circumstances in which the requirements and procedures of Decree No. 239 and related implementing rules have not been properly and promptly met or complied with (except where due to the actions or omissions of the Issuer or their agents); or (E) to, or to a third party on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of such Note, Receipt or Coupon by making a declaration or any other statement, including, but not limited to, a declaration of non-residence or other similar claim for exemption to the relevant taxing authority or intermediary/paying agent, but has failed to do so properly and promptly; or
- (ii) to a holder who is a non-Italian resident or individual or legal entity which is resident in a tax haven country (as defined and listed in the Italian Ministry of Finance Decree of 23 January 2002 or in any other legislation substituting such decree) or in any country which does not allow for an adequate exchange of information with the Italian tax authorities (not included in Italian Ministerial Decree 4 September 1996 or in any other legislation substituting such decree); or
- (iii) for any Note, Receipt or Coupon presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day; or
- (iv) where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC or any law or agreement implementing or complying with, or introduced in order to conform to, such Directive; or
- (v) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another paying agent in a Member State of the European Union; or

- (vi) where withholding or deduction is required by law pursuant to Decree No. 600; or
- (vii) with respect to any Notes qualifying as “atypical” securities (*titoli “atipici”*) for Italian tax purposes subject to the regime provided for by Decree No. 512, for and on account of any withholding or deduction required by law pursuant to such decree; or
- (viii) in any case, where in the Final Terms it is expressly specified under the section entitled “Taxation” that “Gross Up” will not apply with respect to any Note, Receipt or Coupon pursuant to this point (viii) of paragraph 6(a) (*Taxation – Gross Up*),

without prejudice to the option of the Issuer to redeem the Notes pursuant to, and subject to the conditions of, Condition 4(c) (*Redemption for taxation reasons*).

**(b) Taxing Jurisdiction**

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the holders of Notes in accordance with Condition 12 (*Notices*) that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, *provided* that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 4 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 3 (*Interest and other Calculations*) or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts which may be payable under this Condition.

**7. PRESCRIPTION**

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

**8. EVENTS OF DEFAULT**

If any of the following events occurs and is continuing, the holder of a Note may give written notice to the Fiscal Agent at its Specified Office that such Note is immediately repayable:

- (i) *Default in payment of principal or interest*: default is made for a period of five Business Days or more in the payment of any principal due on any of the Notes

or for a period of fifteen Business Days or more in the payment of any interest due on any of the Notes; or

- (ii) *Winding-up*: Mediobanca is wound up or dissolved, except for the purposes of, and pursuant to, or in connection with, a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation, deconsolidation or disposal of assets,

whereupon (in both (i) and (ii) above of this Condition 8 (*Events of Default*)) the Early Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable and any holder of a Note may at its discretion and without further notice institute proceedings to determine the insolvency or bankruptcy of Mediobanca or prove in any winding-up or bankruptcy of Mediobanca. No remedy against Mediobanca other than as specifically provided by this Condition 8 (*Events of Default*) shall be available to holders of the Notes or Coupons for the recovery of amounts owing in respect of the Notes or Coupons.

## 9. MEETINGS OF HOLDERS OF NOTES AND MODIFICATIONS

### (a) *Meetings of holders of Notes*

The Issue and Paying Agency Agreement contains provisions for convening meetings of holders of Notes to consider any matter affecting their interest, including modification by Extraordinary Resolution of the Notes (including these Conditions insofar as the same may apply to such Notes). An Extraordinary Resolution duly passed at any such meeting shall be binding on all the holders of Notes, whether present or not and on all relevant holders of Coupons, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) to reduce or cancel the principal amount or an Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in respect thereof, (iv) if a Minimum and/or a Maximum Interest Rate, Instalment Amount or Redemption Amount is shown in the Final Terms, to reduce any such Minimum and/or Maximum, (v) to change any method of calculating the Redemption Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions contained concerning the quorum required at any meeting of holders of Notes or any adjournment thereof or concerning the majority required to pass an Extraordinary Resolution, (viii) to modify the provisions which would have the effect of giving any authority, direction or sanction which under the Notes is required to be given pursuant to a meeting of holders of Notes to which the special quorum provisions apply, (ix) to take any steps which as specified in the Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (x) to amend the foregoing exceptions in any manner, will only be binding if passed at a meeting of the holders of Notes (or at any adjournment thereof) at which a special quorum (provided for in the Issue and Paying Agency Agreement) is present.

(b) *Modification of Issue and Paying Agency Agreement*

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Issue and Paying Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the holders of Notes.

(c) *Errors or inconsistencies*

The Issuer, without the prior consent of the holders of the Notes correct (i) any manifest error in the Subordinated Notes Conditions and/or in the Final Terms, (ii) any error of a formal, minor or technical nature in the Subordinated Notes Conditions and/or in the Final Terms or (iii) any inconsistency in the Subordinated Notes Conditions and/or in the Final Terms between the Subordinated Notes Conditions and/or the Final Terms and any other documents prepared in connection with the issue and/or offer of a Series of Notes (provided such correction is not materially prejudicial to the holders of the relevant Series of Notes). Any such correction shall be binding on the holders of the relevant Notes and the Issuer shall cause such correction to be notified to the holders of the Notes as soon as practicable thereafter pursuant to Condition 12 (*Notices*).

(d) *Modification following a Regulatory Event or a Tax Event*

Where a Regulatory Event or a Tax Event has occurred and is continuing, then the Issuer may, without any requirement for the consent or approval of the Noteholders, modify the terms of the Notes to the extent that such modification is reasonably necessary to ensure that no such Regulatory Event or Tax Event would exist after such modification, provided that, following such modification:

- (i) the terms and conditions of the Notes, as so modified (the “**modified Notes**”), are no more prejudicial to Noteholders than the terms and conditions applicable to the Notes prior to such modification (the “**existing Notes**”) provided that any modification may be made in accordance with paragraphs (ii) to (iv) below and any such modification shall not constitute a breach of this paragraph (i); and
- (ii) the person having the obligations of the Issuer under the Notes continues to be the Issuer; and
- (iii) the modified Notes rank at least equal to the existing Notes and feature the same tenor, principal amount, interest rates (including applicable margins), interest payment dates and first call date as the existing Notes; and
- (iv) the modified Notes continue to be listed on a regulated market (for the purposes of the Markets in Financial Instruments Directive 2004/39/EC) of an internationally recognised stock exchange as selected by the Issuer (provided that the existing Notes were so listed prior to the occurrence of such Regulatory Event or Tax Event, as applicable),

and provided further that:

- (a) Mediobanca obtains approval of the proposed modification from the Competent Authority (if such approval is required) or gives prior written notice (if such notice is required to be given) to the Competent Authority and, following the expiry of all relevant statutory time limits, the Competent Authority is no longer entitled to object or impose changes to the proposed modification;
- (b) the modification does not give rise to a change in any published rating of the existing Notes in effect at such time (to the extent the existing Notes were rated prior to the occurrence of such Regulatory Event or Tax Event, as applicable);
- (c) the modification does not give rise to any right on the part of the Issuer to exercise any option to redeem the Notes prior to their stated maturity, without prejudice to the provisions under Condition 4(f) (*Redemption at the option of the Issuer*);
- (d) the Issuer has delivered to the Fiscal Agent a certificate, substantially in the form shown in the Issue and Paying Agency Agreement, signed by two of the Issuer's executive officers stating that conditions (i) to (iv) and (a) to (c) above have been complied with, such certificate to be made available for inspection by Noteholders; and
- (e) in the case of any proposed modifications owing to a Tax Event, the Issuer has delivered to the Fiscal Agent an opinion of independent legal advisers of recognised standing to the effect that the Tax Event can be avoided by the proposed modifications.

In connection with any modification as indicated in this Condition 9(d), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes are then listed or admitted to trading.

#### 10. **REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to holders in accordance with Condition 12 (*Notices*), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

#### 11. **FURTHER ISSUES AND CONSOLIDATION**

The Issuer may from time to time without the consent of the holders of Notes or Coupons create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Price, the Issue Date and/or the first payment of interest) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “**Notes**” shall be construed accordingly.

The Issuer may also from time to time upon not less than 30 days' prior notice to Noteholders, without the consent of the holders of Notes or Coupons of any Series, consolidate the Notes with Notes of one or more other Series (the “**Other Notes**”) issued by it, provided the Notes and the Other Notes have been redenominated into Euro (if not originally denominated in Euro), and otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Price, the Issue Date and/or the first payment of interest). Notice of any such consolidation will be given to the Noteholders in accordance with Condition 12 (*Notices*). The Fiscal Agent shall act as the consolidation agent.

With effect from their consolidation, the Notes and the Other Notes will (if listed prior to such consolidation) be listed on at least one European stock exchange on which either the Notes or the Other Notes were listed immediately prior to such consolidation.

The Issuer shall in dealing with holders of such Notes following a consolidation pursuant to this Condition 11 (*Further Issues and Consolidation*) have regard to the interest of the holders and the holders of the Other Notes, taken together as a class, and shall treat them alike.

## 12. **NOTICES**

Notices to the holders of Notes will be valid if published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or on the website of the relevant Issuer ([www.mediobanca.it](http://www.mediobanca.it) or [www.mediobancaint.lu](http://www.mediobancaint.lu)) and the Guarantor ([www.mediobanca.it](http://www.mediobanca.it)). If any such publication is not practicable, notice will be validly given if published in another leading daily English language newspaper of general circulation in Europe.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice to the holders of Notes in accordance with this Condition.

## 13. **SUBSTITUTION OF THE ISSUER**

- (a) The Issuer may at any time, without the consent of the holders of Notes or Coupons, substitute Mediobanca in place of Mediobanca International or Mediobanca International in place of Mediobanca (each a “**Substitute**”) upon notice by the Issuer and the Substitute to be given in accordance with Condition 12 (*Notices*), provided that;

- (i) no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue;
  - (ii) the Substitute shall, by means of a deed poll in the form scheduled to the Programme Manual as Schedule 12 (the “**Deed Poll**”), agree to indemnify each holder of Notes and Coupons against any incremental tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon, Talon or the Deed of Covenant and which would not have been so imposed or otherwise suffered by any holder of Notes, Receipts or Coupons had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
  - (iii) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute have been taken, fulfilled and done and are in full force and effect;
  - (iv) the Substitute shall have become party to the Issue and Paying Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
  - (v) legal opinions shall have been delivered to the Fiscal Agent and Dealers from lawyers of recognised standing in each jurisdiction referred to in (ii) above, in Italy and in England as to the fulfilment of the requirements of this Condition 13 (*Substitution of the Issuer*) and the other matters specified in the Deed Poll and that the Notes, Receipts, Coupons and Talons are legal, valid and binding obligations of the Substitute;
  - (vi) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the Substitute, the Notes will continue to be listed on such stock exchange;
  - (vii) if applicable, the Substitute has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes.
- (b) Upon the execution of the Deed Poll and the delivery of the legal opinions, the Substitute shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes and the Issue and Paying Agency Agreement with the same effect as if the Substitute had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Notes and under the Issue and Paying Agency Agreement.
- (c) After a substitution pursuant to Condition 13(a), the Substitute may, without the consent of any holder, effect a further substitution. All the provisions specified in Conditions 13(a) and 13(b) shall apply *mutatis mutandis*, and references in these



Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute.

- (d) After a substitution pursuant to Condition 13(a) or 13(c) any Substitute may, without the consent of any holder, reverse the substitution, *mutatis mutandis*.
- (e) The Deed Poll and all documents relating to the substitution shall be delivered to, and kept by, the Fiscal Agent. Copies of such documents will be available free of charge at the specified office of the Paying Agent.

#### 14. LAW AND JURISDICTION

- (a) *Governing Law:* If it is specified in the Final Terms that English law is applicable to the Notes, the Notes and any contractual or non-contractual obligations arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law, except for Conditions 2 (*Status and Special Provisions*), 4(b)(ii) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), 4(k) (*Regulatory provisions relating to the Notes*) and 8 (*Events of Default*), which are governed by, and shall be construed in accordance with, Italian law. If it is specified in the Final Terms that Italian law is applicable to the Notes, the Notes are governed by, and shall be construed in accordance with, Italian law.
- (b) *Jurisdiction:* If it is specified in the Final Terms that English law is applicable to the Notes, subject to Condition 14(d) (*Rights of the Noteholders to take proceedings outside England*), the courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”), arising from or connected with the Notes, whether arising out of or in connection with contractual or non-contractual obligations. If it is specified in the Final Terms that Italian law is applicable to the Notes, the Courts of Milan shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with these Notes.
- (c) *Appropriate forum:* If it is specified in the Final Terms that English law is applicable to the Notes, the Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England:* If it is specified in the Final Terms that English law is applicable to the Notes, Condition 14(b) (*Jurisdiction*) is for the benefit of the Noteholders only and as a result, nothing in this Condition 14 (*Law and Jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions. If it is specified in the Final Terms that Italian law is applicable to the Notes, this Clause 14(d) (*Rights of the Noteholders to take proceedings outside England*) shall not apply.
- (e) *Service of notices/documents:* If it is specified in the Final Terms that English law is applicable, the Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served

on them by being delivered to Mediobanca – London Branch 33 Grosvenor Place, London SW1X 7HY United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder addressed and delivered to the Issuer or to the specified office of the Fiscal Agent appoint a further person in England to accept service of process on their behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

- (f) *Non-applicable Conditions if Italian law applies to the Notes:* If it is specified in the Final Terms that Italian law is applicable, Conditions 14(c) (*Appropriate forum*), 14(d) (*Rights of the Noteholders to take proceedings outside England*) and 14(e) (*Service of notices/documents*) shall not apply.

## PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### *Clearing System Accountholders*

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to “**Noteholder**” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary (in the case of a CGN) or a common safekeeper (in the case of an NGN) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

### *Exchange of Temporary Global Notes*

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and (in the case of an NGN) effectuated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global to or to the order of the Fiscal Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (Luxembourg time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) Definitive Notes have not been delivered by 5.00 p.m. (Luxembourg time) on the forty-fifth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (Luxembourg time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (Luxembourg time) on such forty-fifth day (in the case of (b) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deeds of Covenant. Under the Deeds of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Where the Notes are listed on the Official List of the Luxembourg Stock Exchange and its rules so require, the Issuer will give notice of the exchange of the Permanent Global Note for Definitive Notes pursuant to Condition 12 (*Notices*) of the Senior Notes Conditions and of the Subordinated Notes Conditions, as the case may be.

#### *Exchange of Permanent Global Notes*

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and, where applicable, with Coupons, Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (Luxembourg time) on the forty-fifth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or

- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (Luxembourg time) on such forty-fifth day (in the case of (a) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deeds of Covenant). Under the relevant Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Where the Notes are listed on the Official List of the Luxembourg Stock Exchange and its rules so require, the relevant Issuer will give notice of the exchange of the Permanent Global Note for Definitive Notes pursuant to Condition 12 (*Notices*) Senior Notes Conditions and of the Subordinated Notes Conditions, as the case may be.

#### *Conditions applicable to Global Notes*

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that, in respect of a CGN, the payment is noted on a schedule thereto and, in respect of an NGN, the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

*Exercise of put option:* In order to exercise the option contained in Condition 4(g) (*Redemption at the option of holders of Notes*) of the Senior Notes Conditions and Condition 4(h) (*Redemption at the option of holders of Notes*) of the Subordinated Notes Conditions, as the case may be, the bearer of the Permanent Global Note must, within the period specified in the relevant Conditions for the deposit of the relevant Note and Put Option Notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 4(f) (*Redemption at the option of the Issuer*) of the Senior Notes Conditions of the Subordinated Notes Conditions, as the case may be, in relation to some only of the Notes, the Permanent Global Note may

be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the relevant Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, at their discretion, as either a pool factor or a reduction in principal amount).

*Notices:* Notwithstanding Condition 12 (*Notices*) of the Senior Notes Conditions and of the Subordinated Notes Conditions, as the case may be, while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depository, common depository or common safekeeper (as the case may be) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 12 (*Notices*) of the Senior Notes Conditions and of the Subordinated Notes Conditions, as the case may be, on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system; *provided, however, that*, so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and its rules so require, notices will also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

## **USE OF PROCEEDS**

The net proceeds of the issue of each Tranche of Notes will be used for the general corporate purposes of the relevant Issuer.

## **INFORMATION ON MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.P.A.**

*This section of the Base Prospectus reflects the contents of (i) certain paragraphs of the registration document published in Italian language by Mediobanca on 22 October 2012 and approved by CONSOB pursuant to CONSOB Regulation No. 11971 of 14 May 1999 (as amended) on 18 October 2012, report No. 12082878 (the “**Mediobanca Registration Document**”), of which the relevant English translation is incorporated by reference to this Base Prospectus, and (ii) the press release of Mediobanca dated 27 October 2012, of which the relevant English translation is incorporated by reference to this Base Prospectus. Other information included in the Mediobanca Registration Document not incorporated in this section of the Base Prospectus are covered elsewhere in this Base Prospectus, such as under section headed “Risk Factors” or under section headed “Financial Information of Mediobanca – Banca di Credito Finanziario S.p.A.”*

*Sections III (Risk factors), VII (Future trends) and VIII (Forecasts or estimates of profits) of the Mediobanca Registration Document are deemed to be incorporated in, and to form part of, this Base Prospectus as more fully described in the section of this Base Prospectus headed “Documents Incorporated By Reference”. In addition, all other Sections of the Mediobanca Registration Document are deemed to be incorporated in, and to form part of, this Base Prospectus for information purposes only. The Mediobanca Registration Document contains information inter alia regarding Mediobanca, its business, administration and management, and shareholders.*

### **History and development of Mediobanca**

#### *Legal status and information*

Mediobanca – Banca di Credito Finanziario S.p.A. was set up on 10 April 1946 by virtue of a notarial deed drawn up by Notary public Arturo Lovato, file no. 3041/52378. Mediobanca is a joint stock company incorporated under Italian law registered in the Milan Companies’ Register under Registration no. 00714490158 having its registered office and administrative headquarters in Piazzetta Enrico Cuccia 1, 20121 Milan, Italy, tel. no.: (0039) 02-88291. Mediobanca operates under Italian law, and the court of Milan has jurisdiction over any disputes arising against it.

#### *Important events in Mediobanca’s recent history*

Since 30 September 2012 there have been no negative changes either to the financial position or prospects of either Mediobanca or the Group headed up by it.

Neither Mediobanca nor any company in the Group have carried out transactions that have materially affected or that might be reasonably expected to materially affect, Mediobanca’s ability to meet its obligations towards third parties.

As at 18 October 2012 S&P rated Mediobanca A-2 (short-term debt), BBB+ (long-term debt) and negative (outlook) – see [www.mediobanca.it/it/investor-relations/rating.html](http://www.mediobanca.it/it/investor-relations/rating.html).

To the knowledge of Mediobanca, Standard & Poor’s Ratings Service, a Division of the McGraw Hill Companies Inc. (“**S&P**”) is a credit rating agency which is established in the European Community and has been registered in accordance with Regulation 1060/2009/EC (as amended by Regulation 513/2011/EC) (the “**CRA**”). As such S&P is included in the latest list of credit rating agencies



published by the European Securities and Markets Authority on its website in accordance with the CRA – see [www.esma.europa.eu/page/List-registered-and-certified -CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).

## Business Overview

### *Principal activities*

The Group's principal activities are currently segmented into three divisions: corporate and investment banking (CIB), which includes wholesale banking and leasing; principal investing (PI), which brings together the Group's investments in Assicurazioni Generali, RCS MediaGroup, Telco and stakes taken as part of merchant banking and private equity activity; and retail and private banking (RPB), consisting of consumer credit activities, CheBanca! (retail banking) and private banking (Compagnie Monégasque de Banque and Banca Esperia).

Mediobanca is a banking group operating in corporate and investment banking (CIB), which includes wholesale banking and leasing, principal investing (PI), which brings together the Group's long-term investments, and retail and private banking (RPB), consisting of consumer credit, retail banking and private banking. Mediobanca has a market capitalization of approx. €4.0bn.

### *Consolidated financial information as at 30/06/12\**

€m	CIB	PI	RPB	Total
	Coverage & corporate finance	Assicurazioni Generali	Credito al consumo	
	Lending & structured finance	RCS MediaGroup	Retail banking	
	Capital markets	Telco	Private banking	
Profit and loss account				
Net interest income	381.6	-8.8	707.2	1,068.8
Total income	933.3	139.0	963.5	1,989.6
Profit before tax	104.3	-67.2	167.5	205.9
Net profit	19.7	-63.5	121.2	80.9

\*Source: Mediobanca audited consolidated annual financial statement as at and for the year ended on 30 June 2012

### *Corporate and investment banking (CIB)*

Mediobanca seeks to provide its corporate clients with the advisory services and financial services they need to help them grow and develop.

The wholesale banking division comprises three different units: *Corporate finance*, *Lending and Structure Finance*, *Capital Markets*.

### *Corporate finance*

Mediobanca is the leader in Italy and has an increasingly significant role in financial advisory services at the European level through its branches in Paris, Frankfurt and Madrid. A client-based approach is

adopted, backed by in depth knowledge of the financial issues and a consolidated track record in executing deals. The operating unit is organized into different industry teams covering individual industries in order to provide greater focus.

Corporate finance involves the following activities:

- defining strategic objectives for companies and identifying extraordinary financing transactions in order to help meet them;
- extraordinary financing transactions: mergers and acquisitions, joint ventures and partnerships, disposals and spinoffs;
- liability restructuring: earnings/financial analysis of companies/groups undergoing restructuring; working out financial rebalancing scenarios; negotiating with key creditors;
- corporate restructuring: LBOs, MBOs, spinoffs and tax-/inheritance-related issues;
- company valuations, on a standalone basis and for purposes of setting exchange ratios;
- relations with authorities: assistance in handling relations with market and regulatory authorities, principally CONSOB and Borsa Italiana.

#### *Lending and structured finance*

The Financing teams serve Mediobanca's Italian and international customers, through the branch offices located in Paris, Frankfurt, London and Madrid, to offer:

- advice in evaluating possible capital structures and financing solutions available from among a vast series of debt products, including considering possible implications in terms of rating;
- structuring and executing lending transactions;
- access to the international syndicated loans market;
- facility and security agent services for corporate and structured lending transactions.

The main products of the Lending and structured finance team are:

- **corporate lending:** (bilateral loans, club deals and syndicated loans): corporate loans aimed at supporting customers' financial requirements generated by investments or related to their companies' growth; the financial solutions offered are aimed primarily at medium-/large-sized firms operating on domestic and international markets, in industrial and service-based sectors;
- **leveraged finance:** (acquisition finance, loans for LBO/MBOs): financial support to corporate counterparties and institutional investors as part of leveraged transactions to acquire stakes in listed and unlisted companies; a wide range of lending transactions are developed, arranged, structured, underwritten and executed based on complex structures, and because of their size these are often syndicated on the international market;
- **structured finance:** (project finance, infrastructure finance, real estate finance): on the back of its solid track record in various sectors, customers are provided with advisory services covering the

entire process of structuring deals to support investment and infrastructure or industrial projects, including offering strategies, selection of the most effective debt instruments, hedging strategies, financial modelling and structuring contracts; and

- **export finance:** (export credit, trade finance, untied loans, etc.): financial support provided to exporters of merchandise and services destined for counterparties located in emerging markets, including with the support of government organizations guaranteeing insurance coverage and/or subsidized interest rates (SIMEST, SACE or other European export credit agencies); such loans, which are often syndicated, are structured in conjunction with the provision of advisory services regarding negotiations with commercial counterparties and financial and/or supranational institutions.

### *Capital Markets*

Mediobanca operates on both the primary and secondary markets, trading equities and fixed-income securities, foreign exchange products and credit risk, interest rate and exchange rate derivatives. In the equity market (primary and secondary), activity is divided into the following areas:

- **equity capital markets:** it is the Italian leader and has a role of increasing importance internationally in structuring, co-ordinating and executing equity capital markets transactions, such as IPOs, rights issues, secondary offerings and ABOs, and bonds convertible into equity solutions (equity derivatives to manage investments and treasury shares): this unit structures and implements extraordinary financing transactions involving equity investments and treasury shares; using a dedicated trading platform, the team offers customers innovative, high value-added solutions, and also handles any legal, accounting, tax and regulatory issues;
- **equity finance (securities lending, equity repos, collateralized financing):** the unit offers tailored securities lending solutions, which range from simple loans to hedge short-/medium-term positions, to equity repos, to upgrades and collateralized financing;
- **equity derivatives institutional marketing:** a range of equity-linked investments are offered to banks, insurances, asset managers and family offices, from synthetic replications of simple underlying assets to sophisticated protection mechanisms and solutions for increasing the return on portfolios, funded or unfunded;
- **MB Securities:** this is Mediobanca's equity brokerage division, offering global access to equity markets and research on the Italian market (over 100 companies are covered), plus a pan-European focus on the financials sector (banks and insurances); a dedicated team also offers corporate broking services.

In relation to the debt market, the activity is divided into the following areas of operation:

- **debt capital markets:** this team originates, structures, executes and places corporate and financial bond issues, covered bonds and securitizations to meet its customers' financing needs.
- **CRAL solutions:** this area structures solutions based on interest rates, credit and alternative products; it targets corporate clients, banks and institutional investors who need to restructure their investment portfolios, increase asset liquidity and diversify their sources of funding.

- **proprietary funding:** this team is responsible for structuring, issuing and placing debt products, the revenues from which finance the Bank's own activities. Fund raising, supported by the Bank's high credit rating, takes place primarily through the issuance of securities, both plain vanilla and structured. Securities are placed with retail investors through public offers (executed using the networks of individual banks – including that of BancoPosta – either on an exclusive basis or via groups of banks in syndicates) and direct sales are made over the screen-based bond market (MOT) operated by Borsa Italiana. Demand from institutional investors is met via public offers of securities on the Euromarket and private placements of products customized to meet the subscribers' specific needs.

### *Leasing*

Mediobanca owns a 60% stake in the SelmaBipiemme Leasing S.p.A. (“**SelmaBipiemme**”) group via Compass S.p.A. (“**Compass**”), with the other 40% held by Banca Popolare di Milano S.c.a r.l.. SelmaBipiemme owns 100% of Palladio Leasing, and 80% of Teleleasing (the other 20% being owned by Telecom Italy), a company which operates primarily in operating leasing.

The SelmaBipiemme group operates via branches, agents and above all banking networks, including Banca Popolare di Milan and Banca Popolare di Vicenza. It ranks among the top 10 operators in this sector.

In the twelve months to 30 June 2012 the group disbursed approximately €0.8 billion.

As at 30 June 2012 the net value finance disbursed by the group amounted to some €4.1 billion, with a headcount numbering 185 staff employed at the head office and 12 branches.

### *Principal investing (PI)*

Mediobanca takes minority stakes in leading Italian and international companies, most of which are listed, and which are generally leaders in their respective spheres of activity, with a view to contributing, including through representation on investee companies' governing bodies, to value creation over a medium- and long-term time horizon. Mediobanca offers its investee companies, on an arm's length basis, the entire range of Group services (lending, corporate finance, capital markets, etc.). In view of the size of the investments and the role played by Mediobanca in the governance of the companies concerned, the shareholdings in Generali, RCS MediaGroup and Telco are assigned to the Principal investing division.

Company	Sector	% of share capital	Book value as at 30/6/12 €m
Assicurazioni Generali	Insurance	13.24%	2,356.20
RCS MediaGroup	Publishing/media	14.36%	109.4
Telco	Telephony	11.62%	205.9

### *Retail and Private Banking (RPB)*

Mediobanca has a footprint in this sector through its group companies. It has operations in consumer credit through Compass, in retail banking through CheBanca!, and in private banking through Banca Esperia (in Italy) and Compagnie Monégasque du Banque (in the Principality of Monaco).

### *Consumer credit - Compass*

Mediobanca has operated in the consumer credit sector since the 1960s through its subsidiary Compass. In 2008 its positioning in this segment was strengthened, including through acquisitions, with the addition of Linea, acquired on 27 June 2008 from Banca Popolare di Vicenza, Banco Popolare and other banking shareholders).

Compass is now one of the top-ranking Italian consumer credit operators with a market share of over 9%. Compass offers a wide range of products (personal loans, special purpose loans for acquisition of consumer durable goods, credit cards and salary-backed finance), using a highly diversified distribution network consisting of some 158 own branches, distributing agreements with banking partners and retailers, and BancoPosta.

As at the balance-sheet date it had approx. €9.2bn in loans outstanding, plus a total of 1,396 staff on the books.

### *Retail Banking - CheBanca! S.p.A. (formerly Micos Banca S.p.A.)*

In 2008, with the launch of CheBanca! Mediobanca commenced operations in the retail banking segment. The rationale for the CheBanca! project was to diversify the Group's sources of funding and create a value centre to leverage on the market's potential to establish a transparent and highly innovative Italian operator. Three years since its launch, CheBanca! has achieved a distinctive position on the market, with.

- high brand recognition;
- effective, innovative multi-channel distribution (internet, 42 own branches, direct banking);
- simple, transparent products;
- substantial customer base (over 500,000 customers);
- strong commercial results: €12bn in deposits, €4.3bn in mortgages disbursed, over 650,000 products sold.

The company employs a total of 927 staff.

### *Private banking*

The range of services offered to clients by the Mediobanca Group includes private banking, via Banca Esperia and Compagnie Monégasque de Banque.

- Banca Esperia was set up in July 2000 as a joint venture between the Mediobanca and Mediolanum groups with the aim of becoming the private banker of choice for high net worth clients, offering them portfolio management, advisory and financing services. Independence, operational autonomy, focus on private banking activities, and excellence and quality of service, are the hallmarks of a bank which has approximately €12 billion in assets under management at its branches in Bergamo, Bologna, Brescia, Florence, Genoa, Milan, Modena, Naples, Padua, Parma, Rome and Turin.

- Compagnie Monégasque de Banque (“CMB”) is 100%-owned by Mediobanca. CMB is market leader in the Principality of Monaco, with total deposits of approx.€6 billion. Its geographical position, indepth knowledge of markets and reputation for absolute discretion make it a player of primary importance in the private banking industry, which can provide exclusive services to its client, ranging from loans to property investments.

*Brief description of the Mediobanca’s principal activities, with an indication of the main categories of products sold and/or services provided*

As stated in Article 3 of the Company’s Articles of Association, the Company’s purpose is to raise funds and provide credit in any of the forms permitted, especially medium- and long-term credit to corporates.

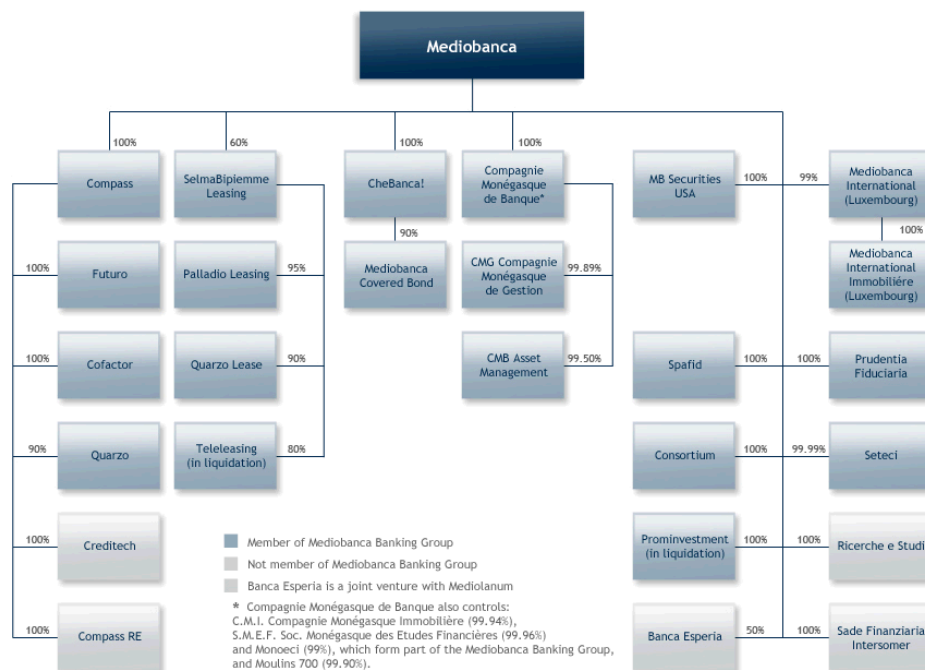
Within the limits laid down by current regulations, Mediobanca may execute all banking, financial and intermediation-related operations and services, and carry out any transaction deemed to be instrumental to or otherwise connected with the achievement of Mediobanca’s purpose.

## Organizational Structure

*Description of organizational structure of group headed up by Mediobanca*

The Mediobanca Group is registered as a banking group in the register instituted by the Bank of Italy.

The following diagram illustrates the structure of the Mediobanca Group as at the date hereof.



## Bodies Responsible for governance, management and supervision of Mediobanca

The Board of Directors appointed on 28 October 2011 for the 2012, 2013 and 2014 financial years, currently consists of twenty-two members, sixteen of whom qualify as independent under Article 148,

paragraph 3 of Italian Legislative Decree 58/98, ten of which sixteen also qualify as independent under the Code of Conduct in respect of listed companies.

At the Annual General Meeting held on 27 October 2012 Pier Silvio Berlusconi, Christian Collin, Alessandro Decio, Alberto Pecci, Bruno Ermolli and Vanessa Labérenne have been appointed as directors; their terms of office expire on the same date of the other directors.

## Board of Directors

### Composition, Board of Directors:

Name	Post held	Place and date of birth	Term of office expires	Posts held in other companies
Renato Pagliaro *	Chairman ***	Milan, 20/2/57	30/6/14	Director, Telecom Italia Director, Pirelli & C.
Dieter Rampl	Deputy Chairman	Monaco, 5/9/47	30/6/14	Chairman, UniCredit Chairman of Supervisory Board, Koenig & Bauer Member of Supervisory Board, FC Bayern Munchen Director, KKR Management LLC Chairman of Management Board, Hypo-Kulturstiftung
Marco Tronchetti Provera	Deputy Chairman	Milan, 18/1/48	30/6/14	Chairman and CEO, Pirelli & C. Chairman, Camfin Chairman, Prelios Chairman, Gruppo Partecipazioni Industriali Director, F.C. Internazionale Milano
Alberto Nagel*	CEO ***	Milan, 7/6/65	30/6/14	-
Francesco Saverio Vinci *	General Manager ***	Milan, 10/11/62	30/6/14	Director, Banca Esperia Director, Perseo
Tarak Ben Ammar	Director	Tunis, 12/6/49	30/6/14	Director, Telecom Italia Chief Executive Officer (CEO), Quinta Communications Chairman and CEO, Prima Tv Chairman, Carthago Film Chairman, Andromeda Tunisie S.A. Chairman, Promotions et Participations International S.A.
Gilberto Benetton	Director	Treviso, 19/6/41	30/6/14	Chairman, Edizione Chairman, Autogrill Director, Sintonia Director, Benetton Group Director, Pirelli & C.

Name	Post held	Place and date of birth	Term of office expires	Posts held in other companies
Pier Silvio Berlusconi	Director	Milan, 28/4/69	30/6/14	Director, Atlantia Chairman and CEO, Reti Televisive Italiane Deputy Chairman, Mediaset Director, Arnoldo Mondadori Editore Director, Mediaset Espana Comunicacion Director, Medusa Film Director, Publitalia '80
Roberto Bertazzoni	Director	Guastalla, 10/12/42	30/6/14	Chairman, Smeg Chairman and CEO, Erfin - Eridano Finanziaria
Angelo Casò *	Director	Milan, 11/8/40	30/6/14	Chairman of Board of Directors, Milano Assicurazioni Chairman, Statutory Audit Committee, Benetton Group Chairman, Statutory Audit Committee, Edizione Chairman, Statutory Audit Committee, Fidelity Chairman, Statutory Audit Committee, Bracco Chairman, Statutory Audit Committee Alchera Chairman, Statutory Audit Committee, Bracco Imaging Standing Auditor, Barclays Private Equity Standing Auditor, Italmobiliare
Maurizio Cereda *	Director ***	Milan, 7/1/64	30/6/14	Director, Ansaldo STS Director, Enervit
Christian Collin	Director	Neuilly sur Seine, 11/5/54	30/6/14	General Manager, Groupama Director, Société Tunisienne d'Assurances et de Réassurances Director, La Banque Postale Assurances Iard
Massimo Di Carlo *	Director ***	Rovereto, 25/6/63	30/6/14	
Alessandro Decio	Director	Milan, 10/1/66	30/6/14	Member of Supervisory Board, Bank Pekao
Bruno Ermolli	Director	Varese, 6/3/39	30/6/14	Chairman, Promos Chairman, Sinergica Director, Arnoldo Mondadori Editore Director, Mediaset Director, Pellegrini
Anne Marie Idrac	Director	Saint Brieuc, 27/7/51	30/6/14	Director, Total Director, Bouygues Director, Compagnie de Saint Gobain Member of Supervisory Board, Vallourec
Carlo Pesenti	Director	Milano, 30/3/63	30/6/14	General Manager Italmobiliare CEO, Italcementi Deputy Chairman, Ciments Français



Name	Post held	Place and date of birth	Term of office expires	Posts held in other companies
Vanessa Labérenne	Director	Paris 08/01/78	30/6/14	Director, RCS MediaGroup
Fabio Roversi Monaco	Director	Addis Ababa, 18/12/38	30/6/14	Director, Telecom Italia Media
Eric Strutz *	Director	Mainz, 13/12/64	30/6/14	Member of Board of Partners Group Holding
Elisabetta Magistretti	Director	Busto Arsizio, 21/7/47	30/6/14	Director, Gefran Director, Luxottica Group Director, Unicredit Audit Director, Pirelli & C.
Alberto Pecci	Director	Pistoia, 18/9/43	30/6/14	Member of Board, EL.En Chairman, E.Pecci & C. Chairman, Pecci Filate Chairman Pontoglio Chairman, Toscofin Chairman, EFIMA

\* Member of Executive Committee.

\*\*\* Member of Mediobanca senior management.

All Board members are in possession of the requisites to hold such office by law, in terms of fitness, professional qualifications and independence (in the latter case applicable only to the independent directors).

The address for all members of the Board of Directors for the duties they discharge is: Piazzetta E. Cuccia 1, Milan, Italy.

## Statutory Audit Committee

### Composition of Statutory Audit Committee:

Post	Nem	Place and date of birth	Term expires	Principal outside activities
Chairman	Freddi Natale	Rho, 6/6/52	FY 30/6/14	none
Standing Auditor	Villa Gabriele	Milan, 18/6/64	FY 30/6/14	none
Standing Auditor	Angelo Comneno Maurizia	Rome, 18/6/48	FY 30/6/14	none
Alternate auditor	Guido Croci	Milan, 4/3/59	FY 30/6/14	none
Alternate auditor	Busso Mario	Turin, 1/3/51	FY 30/6/14	none

All Statutory Audit Committee members are in possession of the requisites to hold such office by law, in terms of fitness, professional qualifications and independence; and are all registered as auditors.

The address for all members of the Statutory Audit Committee for the duties they discharge is: Piazzetta E. Cuccia 1, Milan, Italy.

## General Manager and senior management

Renato Pagliaro Chairman, Alberto Nagel Chief Executive Officer, Francesco Saverio Vinci General Manager, Maurizio Cereda and Massimo Di Carlo, Executive Directors of Mediobanca and Massimo Bertolini, Head of Company Financial Reporting.

The address for the General Manager and the senior management for the duties they discharge is: Piazzetta E. Cuccia 1, Milan, Italy.

### *Conflicts of interest among bodies responsible for governance, management and supervision*

At an annual general meeting held on 28 October 2011, the shareholders of Mediobanca authorized the directors with posts in banking enterprises to take office, as required by Article 2390 of the Italian Civil Code. Meanwhile, a ban was instituted pursuant Article 36 of Italian Decree Law 201/11, as converted into Italian Law 214/11, on representatives of banks, insurers and financial companies from holding positions in companies which operate in the same sectors. In the months of April, May and June, Ennio Doris, Vincent Bolloré, Marina Berlusconi, Fabrizio Palenzona, Pierre Lefèvre and Jonella Ligresti therefore resigned from their posts as directors of Mediobanca, and in May and June Pier Silvio Berlusconi, Vanessa Labérenne, Christian Collin, Alessandro Decio and Bruno Ermolli were co-opted in their place. Each year the Board of Directors will assess the positions of the individual directors, which may have changed as a result of changes in the activities or size of the other companies in which they hold posts. To this end, each director shall inform the Board of any changes in the positions assumed by them in the course of their term of office.

Mediobanca also adopts the procedure recommended under Article 136 of the Italian Consolidated Banking Act for approval of transactions involving individuals who perform duties of management and control in other companies where these are Directors or Statutory Auditors.

Transactions with “related parties” are described in part H of the financial statements for the twelve months ended 30 June 2012.

Save as described above, there are no further potential conflicts of interest.

## Share capital

### *Amount of share capital issued*

As at 18 October 2012, Mediobanca’s share capital, fully subscribed and paid up, totalled € 430,564,606.00, made up of 861,129,212 par value €0.50 shares.

## Main Shareholders

### *Information on ownership structure*

Individuals or entities who based on the shareholders’ register and available information as at 30 June 2012 own directly or indirectly financial instruments representing share capital with voting rights in excess of 2% of the company’s share capital, directly or indirectly, are listed below:

	Shareholder	% of share capitale
1	UniCredito group	8.71

2	Bolloré group	6.0
3	Groupama group	4.93
4	FINSOE S.p.A.	3.83
5	Mediolanum group	3.42
6	Fondaz. Cariverona	3.14
7	Italmobiliare group	2.62
8	Fondazione Ca.Ris.Bo	2.62
9	Edizione s.r.l.	2.16
10	Silvio Berlusconi	2.06

\* Since 19/7/12 the shares have been held by Finsoe S.p.A. (Unipol Gruppo Finanziario) which declares ownership of 3.87%.

Mediobanca shareholders representing approx. 42% of the Bank's share capital entered into a shareholders' agreement in 2007 (subsequently amended in October 2008 to reflect the new corporate governance model adopted) which expired on 31 December 2011. On 4 October 2011, the shareholders renewed the Shareholders' Agreement until 31 December 2013.

The Agreement, which is filed with the Milan companies' register, is a block shareholders' agreement aimed at preserving a stable shareholder base combined with representative governing bodies to ensure consistent management objectives. In order to achieve these objectives, these shareholders, divided into three groups, concur in seeing the traditional system of corporate governance which leverages on the management and provides greater clarity in the roles of the various governing bodies within the company, as fundamental to safeguarding the characteristics, function and traditional independence of Mediobanca and to ensuring that consistent management objectives are pursued.

An excerpt from the Agreement may be found on the Issuer's website at [www.mediobanca.it](http://www.mediobanca.it).

*Agreements the performance of which may result in a change of control subsequent to the date hereof*

Mediobanca is not aware of any agreements aimed at bringing about future changes regarding the ownership structure of Mediobanca.

## **Auditors of the Financial Statements**

*External auditors and auditors responsible for auditing the financial statements*

Reconta Ernst & Young S.p.A., a company with its registered offices in Via della Chiusa 2, Milan, Italy, has audited the individual and consolidated financial statements of Mediobanca as at 30 June 2010, 30 June 2011 and 30 June 2012. Reconta Ernst & Young S.p.A. is registered under No. 2 in the Special Register (*Albo Speciale*) maintained by CONSOB and set out in Article 161 of the *Testo Unico delle Disposizioni in Materia di Mercati Finanziari* and under No. 70945 in the Register of Accounting Auditors (*Registro dei Revisori Contabili*), in compliance with the provisions of Legislative Decree No. 88 of 27 January 1992, and is also a member of the *ASSIREVI - Associazione Nazionale Revisori Contabili*.

At an annual general meeting held on 27 October 2007, the shareholders of Mediobanca appointed Reconta Ernst & Young S.p.A. to audit the Bank's individual and consolidated full-year and interim financial statements, to perform other activities provided for under Article 155 of Italian Legislative Decree 58/98, and to sign off the "Unico" and "770" tax declarations, up to and including the financial year ending 30 June 2012.

At the annual general meeting held on 27 October 2012, the shareholders of Mediobanca appointed PricewaterhouseCoopers to audit the Bank's individual and consolidated full-year and interim financial statements for the 2013-2021 period.

*External supervisory bodies other than the external auditors*

There are no external supervisory bodies other than the external auditors.

*Information regarding resignations, dismissals or failures to renew the appointment of the external auditors or the auditors responsible for auditing the financial statements*

No resignations, dismissals or failures to renew the appointment of the external auditors have occurred during the period under review.

**Legal and arbitration proceedings**

As at the date hereof, none of Mediobanca and its consolidated subsidiaries is or has been involved in any governmental, legal, arbitration or administrative proceedings relating to claims or amounts of money which may have, or have had in the recent past, a material impact on the Group's financial position or profitability, and as far as Mediobanca is aware, no such litigation, arbitration or administrative proceedings has either been announced or is pending.

Events which characterized the financial year included:

- 1) A total of thirteen claims against Mediobanca, jointly with the other parties in their alleged failure to launch a full takeover bid for La Fondiaria in 2002, are still pending for damages amounting to approximately €100m. The present status of the trials in respect of these claims is as follows:
  - (i) the court of cassation has ruled against Mediobanca on three claims, which have now reverted to the court of appeals for the rulings to be prosecuted; two claims, in which the court of appeals has ruled in favour of Mediobanca, are pending at the court of cassation; for a further three claims where again the ruling has gone in favour of Mediobanca, the term for presenting appeals to the court of cassation is now pending;
  - (ii) three claims, in which the ruling went against Mediobanca, are pending before the court of appeals in Milan; one claim, in which the court of Florence ruled in favour of Mediobanca, has been appealed by the plaintiff; and
  - (iii) a new claim has been submitted to the court of Milan.
- 2) Subsequent to Burani Designer Holding being declared bankrupt, the administrators have sued Centrobanca for unlawful granting of credit in relation to the takeover bid which the Burani Family Holding S.p.A. launched for Mariella Burani Fashion Group S.p.A. in 2008. On 16 March 2012, Centrobanca sued Mediobanca and various other parties which it alleges played a role in determining the price of the takeover; the next hearing for the procedure in which Mediobanca is involved has been scheduled for 29 January 2013.
- 3) In July 2012, the Chief Executive Officer of Mediobanca, Alberto Nagel, received notice from the public prosecutor's office of Milan that he was under investigation for the alleged crime of "obstructing the public supervisory authorities in the exercise of their duties" (under Article 2638

of the Italian Civil Code) in connection with the Unipol/Fondiaria-SAI merger, followed by questioning on 1 August 2012. The Board of Directors of Mediobanca then met on 5 September 2012 to hear the Chief Executive Officer's report on these events. At the end of the meeting the following press release was issued: "At a Board meeting held today, the Directors of Mediobanca expressed their satisfaction at the state of progress of the Unipol/Fondiaria-SAI merger project and the related recapitalization. In this connection, the Board also noted the report by the Chief Executive Officer on the events relating to the inquest being conducted by the Milan public prosecutor's office. Based on the information available, the Board unanimously agreed that it could wait for the outcome of the enquiries with confidence".

A "provision for risks and liabilities" has been made in the balance sheet as at 30 June 2012 in an amount of €160.5m to cover, inter alia, risks not necessarily linked to the failure to meet obligations or repay loans which could lead to charges in the future.

### **Material Agreements**

Neither Mediobanca nor any of the companies controlled by Mediobanca has entered into or participates in agreements outside of their normal course of business which could result an obligation or entitlement for Group members that would impact significantly on the Issuer's ability to meet its obligations in respect of the holders of financial instruments issued or to be issued.

**FINANCIAL INFORMATION OF MEDIOBANCA – BANCA DI CREDITO FINANZIARIO  
S.P.A.**

The consolidated annual financial statements of Mediobanca as at and for the years ended 30 June 2012, 2011 and 2010 were prepared in accordance with IFRS as adopted by the European Union. The unaudited consolidated financial statements as at and for the three months ended 30 September 2012, 2011 and 2010 were not prepared in accordance with IAS 34, in compliance with the relevant CONSOB regulatory provisions (*i.e.* Schedule 3D of Regulation No. 11971/99 as amended from time to time).

All of the above consolidated annual and three month financial statements, prepared in each case together with the notes thereto, are incorporated by reference in this Base Prospectus. See “Documents Incorporated by Reference”.

All of the above annual consolidated financial statements have been audited by Reconta Ernst & Young S.p.A., whose reports thereon are attached to such annual financial statements.

## INFORMATION ON MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.

### General Information

Name:	Mediobanca International (Luxembourg) S.A. (“ <b>Mediobanca International</b> ”).
Date of Incorporation:	Mediobanca International was incorporated in 1990 and its registered office was transferred to Luxembourg by a resolution of the Shareholders before a notary on December 21, 2005 and the articles of incorporation were published in the <i>Memorial Recueil des Sociétés et Associations</i> number 567 on 17 March 2006. The articles of association have been amended on 5 October 2007 and have been published in the <i>Memorial Recueil des Sociétés et Associations</i> number 2995 on 24 December 2007.
Legislation:	Mediobanca International operates under Luxembourg law.
Registered Office and Telephone Number:	and 4, Boulevard Joseph II, L-1840 Luxembourg, Tel. no.: (00352) 267303-1.
Registration:	Registre de Commerce et des Sociétés Luxembourg number B 112885.
Financial Year:	Mediobanca International's financial year ends on 30th June of each year.
General Meetings:	General Meetings are held at least once a year.

### Share Information

Authorised and Issued Capital:	EUR 10,000,000 divided into 1,000,000 ordinary shares of EUR 10.00 each.
Reserves:	EUR 192,623,000 as at 30 June 2012.
Controlling Shareholders:	Mediobanca - Banca di Credito Finanziario S.p.A.
Change of control:	Mediobanca International is not aware of any agreements aimed at bringing about future changes regarding the ownership structure of Mediobanca International.

### Management

Board of Directors:	The Articles of Association provide for a Board of Directors consisting of at least three members elected by the general meeting of shareholders for a term of office not to exceed six years.
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Directors:

The Board of Directors is responsible for setting authorisation levels, defining organisational structure, defining the system of internal control and reviewing it on a regular basis, and approving the bank's accounts and interim statements. The Board of Directors consists of the following eight Directors:

<i>Director</i>	<i>Place and date of birth</i>	<i>Principal activities performed by the Directors outside Mediobanca International</i>
Massimo Di Carlo (Chairman)	Rovereto on 25 June 1963	Deputy General Manager of Mediobanca
Luca Tiziano Maccari	Milano on 14 March 1971	-
Peter Gerrard	New York on 21 October 1947	International banking executive
Stefano Pellegrino	Cassino on 22 January 1966	Head of equity investment Mediobanca Group Unit
Silvio Perazzini	Gargnano on 27 June 1943	External advisor of Mediobanca
Federico Potsios	Rome on 17 July 1963	Lending division manager in Mediobanca
Daniel Cardon de Lichtbuer	Braaschaat on 16 November 1930	International banking executive
Alex Schmitt	Luxembourg on 24 March 1953	Attorney at law, member of Luxembourg bar, partner of the law firm Bonn & Schmitt

The business address of each of the directors is 4, Boulevard Joseph II, L-1840 Luxembourg, with the exception of Alex Schmitt whose business address is 22-24 Rives de Clausen, L-2165 Luxembourg.

There are no significant conflicts of interests in relation to the update of the Programme between any of the Directors' duties to Mediobanca International and their private interests or other duties.

Managing Directors:

Day-to-day management is entrusted to two managing directors: Peter Gerrard (Board member) and Luca Tiziano Maccari (Board member).



Approved statutory auditors: PricewaterhouseCoopers Luxembourg, a *société coopérative* incorporated under the laws of Luxembourg, with its registered office at 400, Route d'Esch, L-1014 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B.65477, was designated, during the Board of Directors held on 11 September 2012, the Company's independent auditor (*réviseur d'entreprises agréé*).

PwC Luxembourg, will audit the non-consolidated financial statements of the Company as at, and for the three years ended 30 June 2013, 2014 and 2015.

PwC Luxembourg, is registered as a corporate body with the public register of company auditors drawn up by the Luxembourg Ministry of Justice and is a member of the Institute of Auditors (*l'Institut des Réviseurs d'Enterprises*) and is approved by the Commission de Surveillance du Secteur Financier ("CSSF") in the context of the law dated 18 December 2009 relating to the audit profession, as amended.

Ernst & Young S.A., cabinet de revision agréé, Luxembourg, a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, with its registered office at 7, rue Gabriel Lippmann-Parc d'Activité Syrdall 2, 5365 Munsbach, Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B.47.771, audited the non-consolidated financial statements of the Company as at, and for the three years ended 30 June 2012, 2011 and 2010.

Ernst & Young S.A., Luxembourg, is registered as a corporate body with the public register of company auditors drawn up by the Luxembourg Ministry of Justice and is a member of the Institute of Auditors (*l'Institut des Réviseurs d'Enterprises*) and is approved by the Commission de Surveillance du Secteur Financier ("CSSF") in the context of the law dated 18 December 2009 relating to the audit profession, as amended.

## **Object and General Business Policy**

Business Operations: Mediobanca International may carry out, either within or outside the Grand Duchy of Luxembourg, any banking or financial operations authorised by the law relating to the financial sector.

Mediobanca International's principal activity consists of raising funds on international markets, by issues of bonds chiefly under a short and medium term notes programme guaranteed by Mediobanca. Mediobanca International is also engaged in corporate

lending operations.

Risk Management: All interest rate, currency, credit and other risks are managed within the Mediobanca Group.

Tax Treatment: See “*Taxation - (B) Tax Regime for Mediobanca International issues - Luxembourg*”.

### Shareholders Equity and Medium and Long Term Debt

The following table shows the capitalisation in Euro of Mediobanca International as at 30 June 2012, 2011 and 2010.

	As at 30 June 2012	2011	2010
	(Euro)		
<b>Shareholders equity</b>			
Share capital	10,000,000	10,000,000	10,000,000
Reserves	192,623,000	156,518,524	121,226,578
Retained earnings	--	--	--
Net profit	28,428,435	36,104,476	35,291,946
Total Shareholder's equity	231,051,435	202,623,000	166,518,524
<b>Medium and long-term debt<sup>1</sup></b>			
1. Amounts owed to credit institutions	1,939,348,204	1,859,196,379	1,643,810,890
2. Notes and bonds payable	1,623,748,245	1,322,756,637	1,881,649,089
Total medium and long-term debt	3,563,096,449	3,181,953,016	3,525,459,979
<b>Total capitalisation</b>	<b>3,794,147,884</b>	<b>3,384,576,016</b>	<b>3,691,978,503</b>

### Cash Flow Statements

The following tables set forth cash flow statements for Mediobanca International for the years ended 30 June 2012, 2011 and 2010:

	Year ended 30 June		
	2012	2011	2010
	(Euro thousands)		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Operating activities</b>	<b>45,857</b>	<b>282,155</b>	<b>-410,437</b>
- interest received	<b>188,343</b>	<b>841,208</b>	216,816
- interest paid	<b>-125,531</b>	<b>-553,291</b>	-133,045

<sup>1</sup> Medium and Long-term debt consists of amounts owed to credit institutions and notes and bonds payable for which the original maturity, at the date of issuance, was 18-months or longer.

- net fee and commission received	10,784	-2,057	-491,500
- cash payments to employees	-479	-597	-822
- other expenses paid	-28,221	-3,109	-1,886
- other income received	961	-	-
<b>Cash generated/(absorbed) by financial assets</b>	<b>596,869</b>	<b>686,195</b>	<b>5,296,033</b>
- trading securities	-	-	-
- amounts due from customers	752,648	-676,532	-1,668,945
- amounts due from banks: on demand	-36,769	583,570	4,442,220
- amounts due from banks: other	-889,651	563,176	2,437,729
- other assets	770,641	215,981	85,029
<b>Cash (generated)/absorbed by financial liabilities</b>	<b>-649,281</b>	<b>-968,351</b>	<b>-4,885,595</b>
- amounts due to banks: on demand	231,685	35,185	-4,849,393
- amounts due to banks: other	-1,067,969	-547,300	191,728
- amounts due to clients	130,590	-71,516	-2,014,195
- debt securities in issue	61,314	-253,468	1,892,974
- other liabilities	-4,901	-131,252	-106,709
<b>Net cash flow (outflow) from operating activities</b>	<b>-6,555</b>	<b>-1</b>	<b>1</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
<b>Cash absorbed by</b>	-	-	-
- equity investment	-4,150	-	-
- acquisitions of tangible assets	-39	-	-
- acquisitions of intangible assets	-5	-	-
<b>Net cash flow (outflow) from investment activities</b>	<b>-4,194</b>	<b>-</b>	<b>-</b>
<b>FUNDING ACTIVITIES</b>			
- issues/purchases of treasury shares	-	-	-
- issues/purchases of equity instruments	-	-	-
- issues/purchases of subordinated debt	10,750	-	-
<b>Net cash flow (outflow) from funding activities</b>	<b>10,750</b>	<b>-</b>	<b>-</b>
<b>NET CASH FLOW (OUTFLOW) DURING YEAR/PERIOD</b>	<b>1</b>	<b>-1</b>	<b>1</b>

**FINANCIAL INFORMATION OF MEDIOBANCA INTERNATIONAL  
(LUXEMBOURG) S.A.**

Mediobanca International only produces non-consolidated financial statements.

The audited non-consolidated financial statements of Mediobanca International as at and for the years ended 30 June 2012, 2011 and 2010, in each case together with the notes thereto, are incorporated by reference in this Base Prospectus. See “Documents Incorporated by Reference”.

The annual non-consolidated financial statements of Mediobanca International as at and for the years ended 30 June 2012, 2011 and 2010 have been prepared in accordance with IFRS as adopted by the European Union.

All of the above annual non-consolidated financial statements of Mediobanca International have been audited by Ernst & Young S.A., cabinet de revision agréé, Luxembourg, whose reports thereon are attached to such annual financial statements.

## PLAN OF DISTRIBUTION

References in this Base Prospectus to “**Permanent Dealers**” are to the persons listed in the paragraph headed “Dealers” in the section headed “Description of the Euro 40,000,000,000 Euro Medium Term Note Programme” above and to such additional persons which are appointed from time to time as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “Dealers” are to all Permanent Dealers and all persons appointed from time to time as a dealer solely in respect of one or more Tranches.

Subject to the terms and conditions contained in an amended and restated dealer agreement dated 23 January 2013 as further amended or supplemented from time to time (the “**Dealer Agreement**”) between the Issuers, the Guarantor, the Arrangers and the Permanent Dealers, the Notes will be offered on a continuous basis by each Issuer to the Permanent Dealers. However, the relevant Issuer has reserved the right to sell Notes directly on its own behalf to Dealers which are not Permanent Dealers. The relevant Issuer may also offer and sell Notes directly to investors without the involvement of any Dealer. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the relevant Issuer through the Dealers, acting as agents of such Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

Pursuant to the terms and conditions of the Dealer Agreement, the relevant Issuer, failing whom, where applicable, the Guarantor, has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement may be terminated in relation to all the Dealers or any of them by Mediobanca and Mediobanca International, acting together or, in relation to itself and Mediobanca and Mediobanca International only, by any Dealer, at any time on giving not less than ten Business Days' notice.

### **General**

The selling restrictions described below may be modified by the agreement of the relevant Issuer, the Guarantor (where applicable) and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer and each further Dealer appointed under the Programme has agreed that it will comply with all relevant laws, regulations and directives in force in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the relevant Issuer, the Guarantor (where applicable), nor any other Dealer shall have responsibility therefor.

## European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of the Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- (i) an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and
- (ii) the “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State);
- (iii) the “**2010 Amending Directive**” means Directive 2010/73/EC.

## United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, subject to certain exemptions. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of the Notes comprising the relevant Tranche as determined, and certified to the relevant Issuer or the Fiscal Agent by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it in which case the Fiscal Agent or the relevant Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act (if available).

### **United Kingdom**

In relation to each Tranche of Notes, each Dealer subscribing for or purchasing such Notes represents to and agrees with the relevant Issuer, the Guarantor (where applicable) and each other such Dealer (if any) that:

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year from the date of issue:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

- (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
- (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the relevant Issuer;

- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor (where applicable); and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Republic of Italy**

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, save as set out below, it has not offered or sold, and will not make an offer of any Notes to the public in the Republic of Italy and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy except:

1. that each Dealer may make an offer of Notes to the public if the final terms in relation to the Notes specify that a Non-exempt Offer may be made in the Republic of Italy, including without limitation, by means of an offer of Notes to the public following the date of publication of a prospectus in relation to such Notes and provided that such prospectus has been (i) approved in another Relevant Member State and notified to CONSOB and (ii) completed by final terms expressly contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, as implemented in the Republic of Italy under Legislative Decree No. 58 of 24 February 1998, as amended (“**Decree No. 58**”) and CONSOB Regulation No. 11971 of 14 May 1999, as amended (“**Regulation No. 11971/1999**”), in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
2. to “**qualified investors**” (*investitori qualificati*), as defined under Article 34-ter, first paragraph, letter b) of Regulation No. 11971/1999, implementing Article 100, paragraph 1(a) of Decree No. 58; or



3. in other circumstances which are exempted from the rules on public offerings, as provided under Decree No. 58 or Regulation 11971/1999.

Any such offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended from time to time, Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and any other applicable laws and regulations; and
- (b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or any other Italian regulatory authority.

*Provisions relating to the secondary market*

Potential Purchasers should also note that in accordance with Article 100-bis of Decree No. 58, where no exemption from the rules on public offerings applies under paragraphs (2) and (3) above, the subsequent distribution of the Notes on the secondary market in the Republic of Italy must be made in compliance with the public offer and the prospectus requirement rules provided under Decree No. 58 and Regulation No. 11971/1999. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the intermediaries transferring the Notes being liable for any damages suffered by investors or potential investors.

**Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken and each further Dealer appointed under the Programme will be required to undertake that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## FORM OF FINAL TERMS

### **A) Form of Final Terms for Notes with a denomination less than Euro 100,000**

*The following form of Final Terms shall be used for the issue of Notes having a denomination of less than Euro 100,000 (or the equivalent amount in any other currencies in which the Notes are denominated).*

*The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

#### **Final Terms**

**[MEDIOBANCA - Banca di Credito Finanziario S.p.A./**

**MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.]**

**Issue of [currency] [aggregate principal amount] Notes due [maturity]**

**[guaranteed in the case of Notes issued by  
MEDIOBANCA INTERNATIONAL (Luxembourg) S.A. by**

**MEDIOBANCA - Banca di Credito Finanziario S.p.A.]**

**under the**

**Euro 40,000,000,000**

**Euro Medium Term Note Programme**

SERIES NO: [    ]

TRANCHE NO: [    ]

Issue Price: [    ] per cent.

**[Dealer(s)]**

The date of these Final Terms is [    ]

[The Base Prospectus referred to below (as completed by [the supplement to the Base Prospectus dated [ ] and] these Final Terms) has been prepared on the basis that, except as provided in subparagraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (as amended) (the “**Prospectus Directive**”) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 9 (*Non-exempt offer*) of Part B below, provided such person is one of the persons mentioned in Paragraph 9 (*Non-exempt offer*) of Part B below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]<sup>1</sup>

[The Base Prospectus referred to below (as completed by [the supplement to the Base Prospectus dated [ ] and] these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (as amended) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offer of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]<sup>2</sup>

[This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 23 January 2013 [and the supplement to the Base Prospectus dated [*insert date*] [*delete if not applicable*],] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (as amended). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as supplemented from time to time]. Full information on the Issuer [and the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement

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<sup>1</sup> Include where a non-exempt offer of Notes is anticipated.

<sup>2</sup> Include where an exempt offer of Notes is anticipated.

to the Base Prospectus] [is/are] available for viewing at [address] and [website] and copies may be obtained from [address]]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]*

[This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [date of original base prospectus]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (as amended) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 23 January 2013 [and the supplement to the Base Prospectus dated [ ]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] which is incorporated by reference to the Base Prospectus dated 23 January 2013. Full information on the Issuer [and the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [date of original base prospectus] and 23 January 2013 [and the supplement to the Base Prospectus dated [ ]]. The Base Prospectuses [and the supplement to the Base Prospectus] [is/are] available for viewing at the registered office[s] of the Issuer [and of the Guarantor] [at [ ]].] The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).]

[A summary of the individual issue is annexed to these Final Terms.]<sup>1</sup>

*[Include whichever of the following apply or specify as “not applicable”. Note that the numbering should remain as set out below, even if individual items are deleted.]*

*[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive]*

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]*

**PART A – GENERAL**

- 1. (i) Series Number: [ ]
- (ii) Tranche Number: [ ]

*(If fungible with an existing Series, details of that Series, including the date on which the Notes become*

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<sup>1</sup> Include only where a non-exempt offer of Notes is anticipated.

*fungible*).

2. Specified Currency or Currencies: [ ]

3. Aggregate Nominal Amount of Notes admitted to trading:

(i) Series: [Up to] [ ]

(ii) Tranche: [Up to] [ ]

[The Aggregate Nominal Amount will not exceed [ ] and will be determined at the end of the Offer Period (as defined in paragraph [11] of Part B below) and such final amount will be filed with the CSSF as competent authority and published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) pursuant to Articles 8 and 14(2) of the Prospectus Directive.]

4. Issue Price: [[ ] per Note] [[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (*in the case of fungible issues only, if applicable*)]]

5. (i) Specified Denominations: [ ] [and integral multiples of [ ] in excess thereof up to and including [ ]. No Notes in definitive form will be issued with a denomination above [ ].]

*(Notes including Notes denominated in Sterling, in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of the Financial Services and Markets Act 2000 and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).)*

(ii) Calculation Amount: [ ] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. There must be a common factor in*

*the case of two or more Specified Denominations.)*

6. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
7. Maturity Date: [Specify date or (for Floating Rate Notes) Interest Payment Date falling in relevant month and year.]

*(N.B. Unless otherwise permitted by current laws, regulations, directives and/or the Bank of Italy's requirements applicable to the issue of Subordinated Notes by the Issuer, (i) Upper Tier II Subordinated Notes must have a minimum maturity of ten years, (ii) Lower Tier II Subordinated Notes must have a minimum maturity of five years and (iii) Tier III Subordinated Notes must have a minimum maturity of two years.)*

*(If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.)*

8. Interest Basis: [[ ] per cent. Fixed Rate]
- [[specify reference rate] +/- [ ] per cent. Per annum Floating Rate]
- [Zero Coupon]
- (further particulars specified below)
9. Redemption/Payment Basis: [Redemption at par]
- [[Partly Paid]]

		[Instalment]
10.	Change of Interest:	[Applicable – Condition 3(l) ( <i>Interest Rate Switch</i> ) shall apply]  [Not Applicable – Condition 3(l) ( <i>Interest Rate Switch</i> ) shall not apply]
	Interest Rate Switch Date:	[ ] [Not Applicable]  [ <i>Insert description of change of interest rate</i> ]
11.	Put/Call Options:	[Not Applicable]  [Investor Put]  [Issuer Call]  [(further particulars specified below)]
12.	(i) Status of the Notes:	[Senior] [Subordinated]
	[(ii) [Date [Board] approval for issuance of Notes [and Guarantee] obtained:	[ ] [and [ ], respectively]]  <i>(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related guarantee of the Notes)</i>
13.	Method of distribution:	[Syndicated] [Non-syndicated]
14	[Taxation:]	[Gross Up is applicable pursuant to paragraph (viii) of Condition 6 (a) ( <i>Taxation - Gross Up</i> ) of the Terms and Conditions of the Notes]  [Gross Up is not applicable pursuant to paragraph (viii) of Condition 6 (a) ( <i>Taxation - Gross Up</i> ) of the Terms and Conditions of the Notes]
14	Governing Law:	[English law applicable] [Italian law applicable] [except for Conditions 2 ( <i>Status and Special Provisions</i> ), 4(b)(ii) ( <i>Maturities/Final Redemption</i> ), 4(g) ( <i>Redemption for regulatory reasons (Regulatory Call)</i> ), 4(k) ( <i>Regulatory provisions relating to the Notes</i> ) and 8

(Events of Default), which are governed by, and shall be construed in accordance with, Italian law.]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Rate(s): [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”]
- (N.B. This will need to be amended in the case of long or short coupons)*
- [(iii)] Interest Accrual Dates(s): [The Interest Accrual Dates are [ ] in each year up to and including the Maturity Date.] [The Interest Accrual Dates shall be the Interest Payment Dates.]
- (iv) Fixed Coupon Amount[(s)]: [ ] per Calculation Amount
- (v) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
- (vi) Business Day Convention: [Following Business Day Convention [Modified Following Business Day Convention] [Preceding Business Day Convention]
- (vii) Day Count Fraction: [1/1] [Actual/Actual] [Actual/Actual (ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining*



*sub-paragraphs of this paragraph.)*

- (i) Interest Payment Dates: [ ]
- (ii) First Interest Payment Date: [ ]
- [(iii)] Interest Accrual Dates(s): [The Interest Accrual Dates are [ ] in each year up to and including the Maturity Date.] [The Interest Accrual Dates shall be the Interest Payment Dates.]
- (iv) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention]
- (v) Additional Business Centre(s): [Not Applicable/give details]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [ ] [Name] shall be the Calculation Agent (no need to specify if the Fiscal Agent is to perform this function)
- (viii) Screen Rate Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph (viii))*
- Reference Rate: [EURIBOR] [LIBOR] [LIBID] [LIMEAN] [CMS] [specify relevant yield of Government securities] [specify relevant swap rate]
  - Specified Duration: [ ]
  - Multiplier [ ] [Not Applicable]
  - Reference Rate Multiplier [ ] [Not Applicable]
  - Interest Determination Date(s): [The Interest Determination Date in respect of each Interest Period is [the first day of each Interest Period] [the second day on which TARGET2 is open prior to the first day of each Interest Period] [the day falling two Banking Days prior to the first day of each Interest Period] [ ]] Typically second London business day

*prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second TARGET Settlement Day prior to the start of each Interest Period if EURIBOR or euro LIBOR)*

- Relevant Screen Page: *[For example, Reuters page EURIBOR01/other (give details)]*
  - Relevant Time *[For example, 11.00 a.m. [London / Brussels] time / other (give details)]*
  - Relevant Financial Centre *[For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro/other (give details))]*
- (x) ISDA Determination: *[Applicable/Not Applicable]*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph (x) (ISDA Determination))*
- Floating Rate Option: *[ ]*
  - Designated Maturity: *[ ]*
  - Reset Date: *[ ]*
- (xi) Margin(s): *[+/-][ ] per cent. per annum*
- (xii) Minimum Interest Rate: *[ ]*
- (xiii) Maximum Interest Rate: *[ ]*
- (xiv) Day Count Fraction: *[1/1] [Actual/Actual] [Actual/Actual (ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]*
- (xv) Interest calculation method for short or long Interest Periods: *[Linear Interpolation, in respect of the Interest Period beginning on (and including) [ ] and ending on (but excluding) [ ]]*  
  
*[Not Applicable – there are no short or*

long Interest Periods]

17. **Zero Coupon Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Accrual Yield: [ ] per cent. per annum.

Calculated as [*include details of method of calculation in summary form*] on the Issue Date on the basis of the Issue Price.

(ii) Reference Price: [ ]

**PROVISIONS RELATING TO REDEMPTION**

18. **Call Option**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Optional Redemption Date(s): [ ]

(ii) Optional Redemption Amount(s) [ ] per Calculation Amount (Call) and method, if any, of calculation of such amount(s):

(iii) If redeemable in part:

(a) Minimum Redemption Amount [ ] per Calculation Amount

(b) Maximum Redemption Amount: [ ] per Calculation Amount

(iv) Notice period: [ ] (*at least 5 business days prior notice*)

19. **Regulatory Call / Redemption for taxation reasons**

(i) Regulatory Call [Applicable/Not Applicable]

*(if not applicable delete sub-paragraph (ii) of this paragraph)*

*(N.B only relevant in the case of Subordinated Notes)*

(ii) Minimum Disqualification Amount [[ ] [per cent.]] [Any part of the aggregate outstanding nominal amount]

(iii) Early Redemption Amount payable [[ ] per Calculation Amount/specify

	on redemption for regulatory reasons (subject to prior approval of the Bank of Italy) as contemplated by Condition 4(g) and Condition 4(k) of the Subordinated Notes Conditions and/or the method of calculating the same (if required)	other]
	(iii) Redemption for taxation reasons	[Applicable/Not Applicable]
20.	<b>Put Option</b>	[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[ ]
	(ii) Optional Redemption Amount(s) (Put) and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount
	(iii) Notice period:	[ ]
21.	<b>Final Redemption Amount of each Note</b>	[ ] per Calculation Amount
22.	<b>Early Redemption Amount</b>	
	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default :	[ ] per Calculation Amount
		[An amount in the Specified Currency being the Nominal Amount of the Notes]
		[An amount in the Specified Currency being the higher of (i) the Nominal Amount of the Notes and (ii) the fair economic value of the Notes at the date of redemption, as determined and calculated by the Calculation Agent in its sole discretion in good faith and in a commercially reasonable manner as representing the fair economic value of the Note at the date of redemption].
		[An amount in the Specified Currency which the Calculation Agent will determine and calculate in its sole discretion in good faith and in a commercially reasonable manner as representing the fair economic value of the Note at the date of redemption,

without making any reduction to such value by reason of the financial condition of the Issuer but taking into account (without duplication) any costs and expenses incurred by the Issuer in connection with the termination of any agreement or instrument entered into by the Issuer for the purposes of hedging the risk arising from the entering into and performance of its obligations under the Notes.]

[The Early Redemption Amount Payable on Event of Default shall be Euro [ ] for each Note of Euro [ ] Specified Denomination.]

### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- |     |  |  |
|-----|--|--|
| 23. | Form of Notes:   | <p><b>Bearer Notes:</b></p> <p>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]</p> <p>[Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice.]</p> <p>[Permanent Global Note exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].</p> <p>[The Notes will be issued and held in book-entry form by [<i>Monte Titoli S.p.A/ include the name of any other custodian appointed by the Issuer</i>], as Centralised Custodian.]</p> |
| 24. | New Global Note form:  | [Yes/No]   |
| 25. | Additional Financial Centre(s) relating to Payment Business Dates: | [Not Applicable/ <i>give details</i> ]   |

[Note that this item relates to the date and place of payment and not to interest period end dates]

26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [No]  
[Yes. As the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are left. The dates on which such Talons mature are [●].]
27. Details relating to Instalment Notes: [Not Applicable]  
(amount of each instalment, date on which each payment is to be made):
- (i) Instalment Date(s): [ ]
- (ii) Instalment Amount(s): [ ] per Calculation Amount
28. **Total Repurchase Option / Partial Repurchase Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Total Repurchase Option date / Partial Repurchase Option date(s): [ ]
- (ii) Repurchase amount(s) and method(s), if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) Notice period: [ ] *(at least 5 business days prior notice)*

## RESPONSIBILITY

The information contained in these Final Terms [[ ]] has been extracted from [ ]. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.].

Signed on behalf of the Issuer:

By:.....

By: .....

Duly authorised

Duly authorised

[Signed on behalf of the Guarantor:

By:.....

By: .....

Duly authorised

Duly authorised]

## PART B – OTHER INFORMATION

### 1. ADMISSION AND ADMISSION TO TRADING

- (i) Listing: [Luxembourg/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [ ] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [ ].] [Not applicable]

*(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

### 2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].

*[Depending on the status of the credit rating agency with respect to the CRA Regulation, the wording below should be considered.]*

*[[Insert the legal name of the relevant credit rating agency entity] is established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended). As such [*insert the legal name of the relevant credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation – see [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) .]*

*[[Insert the legal name of the relevant non-EU credit rating agency entity] is not established in the European Union and it is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended). [*Insert the legal name of the relevant non-EU credit rating agency entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets*



Authority on its website in accordance with such Regulation.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”). The ratings [[have been]/[are expected to be]] endorsed by [*insert the legal name of the relevant EU-registered credit rating agency entity*] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU-registered credit rating agency entity*] is established in the European Union and registered under the CRA Regulation. As such [*insert the legal name of the relevant EU credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation – see [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”), but it [is]/[has applied to be] certified in accordance with such Regulation [and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation – see [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)]/[although notification of the corresponding certification decision has not yet been provided by the relevant competent authority and [*insert the legal name of the relevant non-EU credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

[[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although

notification of the corresponding registration decision has not yet been provided by the relevant competent authority and [*insert the legal name of the relevant credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU credit rating agency entity that applied for registration*], which is established in the European Union, disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU credit rating agency entity*][, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority and [*insert the legal name of the relevant EU credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

3. **NOTIFICATION**

[Not applicable.] / [The CSSF [has been requested to provide/has provided – *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [*names of competent authorities of host Member States*] with a certificate of approval attesting that the Base Prospectus [and the supplement thereto dated [ ]] has been drawn up in accordance with the Prospectus Directive.]

4. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

[Save for the fees payable to the managers [and as discussed in [ ]], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

5. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- [ (i) [Reasons for the offer: [Not applicable] [ ]
- [ (ii) Estimated net proceeds: [Not applicable] [ ]
- (If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)* \*
- [ (iii) Estimated total expenses: [Not applicable] [ ]
- [Include breakdown of expenses.]*
6. **[Fixed Rate Notes only] YIELD** [Not applicable]
- Indication of yield: [ ]
- Calculated as *[include details of method of calculation in summary form]* on the Issue Date using *[the ICMA Method]* [ ].
- As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price[, ] [and] the Fixed Coupon [and the Broken Amount]. It is not an indication of future yield.
7. **[Floating Rate Notes only] HISTORIC INTEREST RATES** [Not applicable]
- Details of historic *[EURIBOR/LIBOR/LIBID/LIMEAN/other]* rates can be obtained from *[Reuters]*[ ].
8. **OPERATIONAL INFORMATION**
- ISIN: [ ]
- Common Code: [ ]
- New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No][Note that the designation “Yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem, either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of

the Eurosystem eligibility criteria.]

*[Include this text if “Yes” selected in which case the Notes must be issued in NGN form]*

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Initial Paying Agents:

Names and addresses of additional Paying Agent(s) (if any): [ ]

## 9. DISTRIBUTION

(i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names and addresses and underwriting commitments]

*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)*

[(ii) [Date of [Subscription] Agreement: [Not Applicable / [ ]]

(ii[i] Stabilising Manager(s) (if any): [Not Applicable/give name])

If non-syndicated, name of Dealer: [Not Applicable/give name]

US Selling Restrictions: [Reg. S Compliance Category; TEFRA C/ TEFRA D/ TEFRA not applicable]

Non-exempt offer: [Not Applicable] [An offer of the Notes may be made by the Managers and *[specify if applicable]*]

other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported] (“**Public Offer Jurisdictions**”) during the period from [specify date] until [specify date] (“**Offer Period**”). See further Paragraph 11 (*Terms and Conditions of the Offer*) of Part B below.

10. **TERMS AND CONDITIONS OF THE OFFER** [Not Applicable]

Offer Period: [ ] to [ ]

Offer Amount: [ ] [provided that, during the Offer Period, the Issuer will be entitled [(following consultation with the relevant Dealer(s))] to increase such Offer amount up to [ ]] [provided [further] that, during the Offer Period the Issuer will be entitled [(following consultation with the relevant Dealer(s))] to extend the length of the Offer Period]. The Issuer [and the relevant Dealer(s)] shall forthwith give notice of any such [increase] [and/or] [extension] pursuant to Condition 12 (*Notices*) of the [Senior / Subordinated] Conditions and comply with any applicable laws and regulations.]

Offer Price: [Issue Price][specify]

Conditions to which the offer is subject: [Not Applicable/give details]

Description of the application process: [Not Applicable/give details]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/give details]

Details of the minimum and/or maximum amount of application: [Not Applicable/give details]

Details of the method and time limits for paying up and delivering the Notes: [Not Applicable/give details]

Manner in and date on which results of the offer are to be made public: [Not Applicable/*give details*]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/*give details*]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/*give details*]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/*give details*]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. [None/*give details*]

Consent to use of Base Prospectus [The Issuer consents to the use of the Base Prospectus by all financial intermediaries (general consent).]

[General consent for the subsequent resale or final placement of the Notes by the financial intermediary[y][ies] is given in relation to [].]

[The Issuer consents to the use of the Base Prospectus by the following financial intermediary[y][ies] (individual consent): *[insert names] and address[es]*.]

[Individual consent for the subsequent resale or final placement of the Notes by the financial intermediary[y][ies] is given in relation to [] to *[insert names] and address[es]*] and *[give details]*.]

[Such consent is also subject to and given under condition [ ]]

[The subsequent resale or final placement of the Notes by financial intermediaries can be made [as long as the Base Prospectus is valid in accordance

with article 9 of the Prospectus Directive] [ .]

## **PART C – OTHER APPLICABLE TERMS**

*[Insert other relevant information and provisions in accordance with Annex XXI of Regulation 2004/809/EC, such as (i) additional provisions, not required by the relevant securities notes, relating to the underlying country(ies) where the offer(s) to the public takes place, (ii) country(ies) where admission to trading on the regulated market(s) is being sought, (iii) country(ies) into which the relevant base prospectus has been notified, (iv) series number, (v) tranche number. Delete if not required]*



**PART D – SUMMARY OF THE SPECIFIC ISSUE**

*[Insert Summary of the specific issue]*

**B) Form of Final Terms for Notes with a denomination of at least Euro 100,000**

*The following form of Final Terms shall be used for the issue of Notes having a denomination of at least Euro 100,000 (or the equivalent amount in any other currencies in which the Notes are denominated).*

*The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**Final Terms**

**[MEDIOBANCA - Banca di Credito Finanziario S.p.A./**

**MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.]**

**Issue of [currency] [aggregate principal amount] Notes due [maturity]**

**[guaranteed in the case of Notes issued by  
MEDIOBANCA INTERNATIONAL (Luxembourg) S.A. by**

**MEDIOBANCA - Banca di Credito Finanziario S.p.A.]**

**under the**

**Euro 40,000,000,000**

**Euro Medium Term Note Programme**

SERIES NO: [    ]

TRANCHE NO: [    ]

Issue Price: [    ] per cent.

**[Dealer(s)]**

The date of these Final Terms is [    ]

The Base Prospectus referred to below (as completed by [the supplement to the Base Prospectus dated [ ] and] these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (as amended) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offer of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

[This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the [Senior / Subordinated] Conditions set forth in the Base Prospectus dated 23 January 2013 [and the supplement to the Base Prospectus dated [insert date] [delete if not applicable].] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (as amended). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as supplemented from time to time]. Full information on the Issuer [and the Guarantor] and the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement to the Base Prospectus] [is/are] available for viewing at [address] and [website] and copies may be obtained from [address]]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]*

[This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the [Senior / Subordinated] Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [date of original base prospectus]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (as amended) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 23 January 2013 [and the supplement to the Base Prospectus dated [ ]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] which is incorporated by reference to the Base Prospectus dated 23 January 2013. Full information on the Issuer [and the Guarantor] and the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [date of original base prospectus] and 23 January 2013 [and the supplement to the Base Prospectus dated [ ]]. The Base Prospectuses [and the supplement to the Base Prospectus] [is/are] available for viewing at the registered office[s] of the Issuer [and of the Guarantor] [at [ ]].] The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).]

*[Include whichever of the following apply or specify as “not applicable”. Note that the numbering should remain as set out below, even if individual items are deleted.]*

*[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive]*

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]*

**PART A – GENERAL**

- 1 (i) Series Number: [ ]
- (ii) Tranche Number: [ ]
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).*
- 2. Specified Currency or Currencies: [ ]
- 3. Aggregate Nominal Amount of Notes admitted to trading:
  - (i) Series: [ ]
  - (ii) Tranche: [ ]
- 4. Issue Price: [[ ] per Note] [[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]]
- 5. (i) Specified Denominations: [100,000] [ ] [and integral multiples of [ ] in excess thereof up to and including [ ]]. No Notes in definitive form will be issued with a denomination above [ ].]

*(Notes including Notes denominated in Sterling, in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of the Financial Services and Markets Act 2000 and which have a maturity of less than one year must have a minimum*

*redemption value of £100,000 (or its equivalent in other currencies).)*

(ii) Calculation Amount: [ ] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. There must be a common factor in the case of two or more Specified Denominations.)*

6. (i) Issue Date: [ ]

(ii) Interest Commencement Date: *[Specify/Issue Date/Not Applicable]*

7. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in relevant month and year.]*

*(N.B. Unless otherwise permitted by current laws, regulations, directives and/or the Bank of Italy's requirements applicable to the issue of Subordinated Notes by the Issuer, (i) Upper Tier II Subordinated Notes must have a minimum maturity of ten years, (ii) Lower Tier II Subordinated Notes must have a minimum maturity of five years and (iii) Tier III Subordinated Notes must have a minimum maturity of two years.)*

*(If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.)*

8. Interest Basis: [[ ] per cent. Fixed Rate]

*[[specify reference rate] +/- [ ] per cent.*

- Per annum Floating Rate]
- [Zero Coupon]
- (further particulars specified below)
9. Redemption/Payment Basis: [Redemption at par]
- [[Partly Paid]]
- [Instalment]
10. Change of Interest: [Applicable – Condition 3(l) (*Interest Rate Switch*) shall apply]
- [Not Applicable – Condition 3(l) (*Interest Rate Switch*) shall not apply]
- Interest Rate Switch Date: [ ] [Not Applicable]
- [*Insert description of change of interest rate*]
11. Put/Call Options: [Not Applicable]
- [Investor Put]
- [Issuer Call]
- [(further particulars specified below)]
12. (i) Status of the Notes: [Senior] [Subordinated]
- (ii) [Date [Board] approval for issuance of Notes [and Guarantee] obtained: [ ] [and [ ], respectively]]
- (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related guarantee of the Notes*)
13. Method of distribution: [Syndicated] [Non-syndicated]
- 14 [Taxation:] [Gross Up is applicable pursuant to paragraph (viii) of Condition 6 (a) (*Taxation - Gross Up*) of the Terms and Conditions of the Notes]
- [Gross Up is not applicable pursuant to paragraph (viii) of Condition 6 (a) (*Taxation - Gross Up*) of the Terms and Conditions of the Notes]

15. Governing Law: [English law applicable] [Italian law applicable] [except for Conditions 2 (*Status and Special Provisions*), 4(b)(ii) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), 4(k) (*Regulatory provisions relating to the Notes*) and 8 (*Events of Default*), which are governed by, and shall be construed in accordance with, Italian law]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16. **Fixed Rate Note Provisions** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Interest Rate(s): [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]

(ii) Interest Payment Date(s): [ ] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]

*(N.B. This will need to be amended in the case of long or short coupons)*

[(iii)] Interest Accrual Dates(s): [The Interest Accrual Dates are [ ] in each year up to and including the Maturity Date.] [The Interest Accrual Dates shall be the Interest Payment Dates.]

(iv) Fixed Coupon Amount[(s)]: [ ] per Calculation Amount

(v) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]

(vi) Business Day Convention: [Following Business Day Convention [Modified Following Business Day Convention] [Preceding Business Day Convention]

(vii) Day Count Fraction: [1/1] [Actual/Actual] [Actual/Actual]

(ISDA) [Actual/Actual (ICMA)  
[Actual/365 (Fixed)] [Actual/360  
[30/360] [360/360] [Bond Basis]  
[30E/360] [Eurobond Basis] [30E/360  
(ISDA)]

17. **Floating Rate Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*

- (i) Interest Payment Dates: [ ]
- (ii) First Interest Payment Date: [ ]
- [(iii)] Interest Accrual Dates(s): [The Interest Accrual Dates are [ ] in each year up to and including the Maturity Date.] [The Interest Accrual Dates shall be the Interest Payment Dates.]
- (iv) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention]
- (v) Additional Business Centre(s): [Not Applicable/give details]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [ ] [Name] shall be the Calculation Agent (no need to specify if the Fiscal Agent is to perform this function)
- (viii) Screen Rate Determination: [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph (viii))*

- Reference Rate: [EURIBOR] [LIBOR] [LIBID] [LIMEAN] [CMS] [specify relevant yield of Government securities] [specify relevant swap rate]
- Specified Duration: [ ]
- Multiplier [ ] [Not Applicable]
- Reference Rate Multiplier [ ] [Not Applicable]



- Interest Determination Date(s): [The Interest Determination Date in respect of each Interest Period is [the first day of each Interest Period] [the second day on which TARGET2 is open prior to the first day of each Interest Period] [the day falling two Banking Days prior to the first day of each Interest Period] [ ]]Typically second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second TARGET Settlement Day prior to the start of each Interest Period if EURIBOR or euro LIBOR)
  - Relevant Screen Page: [For example, Reuters page EURIBOR01/other (give details)]
  - Relevant Time [For example, 11.00 a.m. [London / Brussels] time / other (give details)]
  - Relevant Financial Centre [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro/other (give details))]
- (x) ISDA Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph (x) (ISDA Determination))*
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (xi) Margin(s): [+/-][ ] per cent. per annum
- (xii) Minimum Interest Rate: [ ]
- (xiii) Maximum Interest Rate: [ ]
- (xiv) Day Count Fraction: [1/1] [Actual/Actual] [Actual/Actual (ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360]

(ISDA)]

- (xv) Interest calculation method for short or long Interest Periods: [Linear Interpolation, in respect of the Interest Period beginning on (and including) [ ] and ending on (but excluding) [ ]]

[Not Applicable – there are no short or long Interest Periods]

18. **Zero Coupon Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Accrual Yield: [ ] per cent. per annum.

Calculated as [*include details of method of calculation in summary form*] on the Issue Date on the basis of the Issue Price.

- (ii) Reference Price: [ ]

**PROVISIONS RELATING TO REDEMPTION**

19. **Call Option**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [ ]

- (ii) Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s): [ ] per Calculation Amount

- (iii) If redeemable in part:

(c) Minimum Redemption Amount [ ] per Calculation Amount

(d) Maximum Redemption Amount: [ ] per Calculation Amount

- (iv) Notice period: [ ] (*at least 5 business days prior notice*)

20. **Regulatory Call / Redemption for taxation reasons**

- (i) Regulatory Call [Applicable/Not Applicable]

*(If not applicable, delete sub-paragraph)*

*(ii) of this paragraph)*

*(N.B. Only relevant in the case of Subordinated Notes)*

- (ii) Minimum Disqualification Amount [[ ] [per cent.]] [Any part of the aggregate outstanding nominal amount]
- (iii) Early Redemption Amount payable on redemption for regulatory reasons (subject to the prior approval of the Bank of Italy) as contemplated by Condition 4(g) and Condition 4(k) of the Subordinated Notes Conditions and/or the method of calculating the same (if required) [[ ] per Calculation Amount/specify other]
- (iii) Redemption for taxation reasons [Applicable/Not Applicable]

21. **Put Option**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) (Put) and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) Notice period: [ ]

22. **Final Redemption Amount of each Note**

[ ] per Calculation Amount

23. **Early Redemption Amount**

Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default : [ ] per Calculation Amount

[An amount in the Specified Currency being the Nominal Amount of the Notes]

[An amount in the Specified Currency being the higher of (i) the Nominal Amount of the Notes and (ii) the fair economic value of the Notes at the date of redemption, as determined and calculated by the Calculation Agent in its sole discretion in good faith and in a commercially reasonable manner as

representing the fair economic value of the Note at the date of redemption].

[An amount in the Specified Currency which the Calculation Agent will determine and calculate in its sole discretion in good faith and in a commercially reasonable manner as representing the fair economic value of the Note at the date of redemption, without making any reduction to such value by reason of the financial condition of the Issuer but taking into account (without duplication) any costs and expenses incurred by the Issuer in connection with the termination of any agreement or instrument entered into by the Issuer for the purposes of hedging the risk arising from the entering into and performance of its obligations under the Notes.]

[The Early Redemption Amount Payable on Event of Default shall be Euro [ ] for each Note of Euro [ ] Specified Denomination.]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.

Form of Notes:

### **Bearer Notes:**

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]

[Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice.]

[Permanent Global Note exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].

*[the Permanent Global Note representing the Notes shall only be exchangeable for Definitive Notes in the limited circumstances of (1) closure of the ICSDs; and (2) default of the Issuer.]*

*[The Notes will be issued and held in book-entry form by [Monte Titoli S.p.A/ include the name of any other custodian appointed by the Issuer], as Centralised Custodian.]*

25. New Global Note form: [Yes/No]
26. Additional Financial Centre(s) relating to Payment Business Dates: [Not Applicable/give details]
- [Note that this item relates to the date and place of payment and not to interest period end dates]*
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [No]
- [Yes. As the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are left. payments are left. The dates on which such Talons mature are [●].]
28. Details relating to Instalment Notes: (amount of each instalment, date on which each payment is to be made): [Not Applicable]
- (i) Instalment Date(s): [ ]
- (ii) Instalment Amount(s): [ ] per Calculation Amount
29. **Total Repurchase Option / Partial Repurchase Option** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Total Repurchase Option date / Partial Repurchase Option date(s): [ ]
- (ii) Repurchase amount(s) and method(s), if any, of calculation of such amount(s): [ ] per Calculation Amount

(iii) Notice period: [ ] (at least 5 business days prior notice)

**RESPONSIBILITY**

The information contained in these Final Terms [[ ] has been extracted from [ ]. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.].

Signed on behalf of the Issuer:

By:.....

By: .....

Duly authorised

Duly authorised

[Signed on behalf of the Guarantor:

By:.....

By: .....

Duly authorised

Duly authorised]

## PART B – OTHER INFORMATION

1. **ADMISSION AND ADMISSION TO TRADING** [Not Applicable]
- (i) Listing: [Luxembourg/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [ ] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [ ].] [Not applicable]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission to trading: [ ]
2. **RATINGS** [Not Applicable]
- Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].
- [Depending on the status of the credit rating agency with respect to the CRA Regulation, the wording below should be considered.]*
- [[Insert the legal name of the relevant credit rating agency entity] is established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended). As such [*insert the legal name of the relevant credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation – see [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).]*
- [[Insert the legal name of the relevant non-EU credit rating agency entity] is not established in the European Union and it is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended). [*Insert the legal name of the relevant**

*non-EU credit rating agency entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). The ratings [[have been]/[are expected to be]] endorsed by [*insert the legal name of the relevant EU-registered credit rating agency entity*] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU-registered credit rating agency entity*] is established in the European Union and registered under the CRA Regulation. As such [*insert the legal name of the relevant EU credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation – see [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”), but it [is]/[has applied to be] certified in accordance with such Regulation [and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation – see [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)]/[although notification of the corresponding certification decision has not yet been provided by the relevant competent authority and [*insert the legal name of the relevant non-EU credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]



[[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority and [*insert the legal name of the relevant credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU credit rating agency entity that applied for registration*], which is established in the European Union, disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU credit rating agency entity*][, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority and [*insert the legal name of the relevant EU credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

3. **NOTIFICATION**

[Not applicable] / [The CSSF [has been requested to provide/has provided – *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [*names of competent authorities of host Member States*] with a certificate of approval attesting that the Base Prospectus [and the supplement thereto dated [ ]] has been drawn up in accordance with the Prospectus Directive.]

4. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

Save for the fees payable to the managers [and as discussed in [ ]], so far as the Issuer is aware, no person involved in the issue/offer of the Notes has an interest material to the

issue/offer.

5. **TOTAL EXPENSES**

Estimated total expenses: [ ]

[*Include breakdown of expenses.*]

6. **[Fixed Rate Notes only] YIELD** [Not applicable]

Indication of yield: [ ]

Calculated as [*include details of method of calculation in summary form*] on the Issue Date using [the ICMA Method] [ ].

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. **[Floating Rate Notes only] HISTORIC INTEREST RATES** [Not applicable]

Details of historic [EURIBOR/LIBOR/LIBID/LIMEAN/*other*] rates can be obtained from [Reuters][ ].]

8. **OPERATIONAL INFORMATION**

ISIN: [ ]

Common Code: [ ]

New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No][Note that the designation “Yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem, either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

[*Include this text if “Yes” selected in which case the Notes must be issued in NGN form*]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant [Not Applicable/*give name(s) and number(s)*]

identification number(s):

Initial Paying Agents:

Names and addresses of additional [ ]  
Paying Agent(s) (if any):

9. **DISTRIBUTION** [Not Applicable]

(i) If syndicated, names of Managers: [Not Applicable/*give names*]

[(ii) [Date of [Subscription] [Not Applicable / [ ]  
Agreement:

(ii[i] Stabilising Manager(s) (if any): [Not Applicable/*give name*  
)

If non-syndicated, name [and [Not Applicable/*give name and address*]  
address] \* of Dealer:

US Selling Restrictions: [Reg. S Compliance Category; TEFRA C/ TEFRA  
D/ TEFRA not applicable]

10. **CONSENT TO THE USE OF PROSPECTUS**

Consent to use of Base Prospectus [The Issuer consents to the use of the Base  
Prospectus by all financial intermediaries (general  
consent).]

[General consent for the subsequent resale or final  
placement of the Notes by the financial  
intermediary[y][ies] is given in relation to [ ].]

[The Issuer consents to the use of the Base  
Prospectus by the following financial  
intermediary[y][ies] (individual consent): *[insert  
names] and address[es]*.]

[Individual consent for the subsequent resale or  
final placement of the Notes by the financial  
intermediary[y][ies] is given in relation to [ ] to  
*[insert names] and address[es]*] and *[give details]*.

[Such consent is also subject to and given under

condition [ ]]

[The subsequent resale or final placement of the Notes by financial intermediaries can be made [as long as the Base Prospectus is valid in accordance with article 9 of the Prospectus Directive] [ ].]

## **PART C – OTHER APPLICABLE TERMS**

*[Insert other relevant information and provisions in accordance with Annex XXI of Regulation 2004/809/EC, such as (i) additional provisions, not required by the relevant securities notes, relating to the underlying country(ies) where the offer(s) to the public takes place, (ii) country(ies) where admission to trading on the regulated market(s) is being sought, (iii) country(ies) into which the relevant base prospectus has been notified, (iv) series number, (v) tranche number. Delete if not required]*

## TAXATION

*The following is a general overview of certain Italian and Luxembourg tax consequences of the purchase, the ownership and the disposal of the Notes. It does not purport to be a comprehensive description of all the tax aspects which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors and of Notes, some of may be subject to special rules.*

*Prospective purchasers of the Notes are advised to consult in any case their own tax advisers concerning the overall tax consequences of their purchase, ownership and disposal of the Notes.*

*This overview assumes that Mediobanca and Mediobanca International are resident for tax purposes in the Republic of Italy and in Luxembourg respectively and are structured and conduct their business in the manner outlined in this Prospectus. Changes in Mediobanca and/or Mediobanca International's organisational structure, tax residence or the manner in which each of them conducts its business, as well as in case of substitution of the Issuer as more fully set out in Condition 13 of the Terms and Conditions of the Senior Notes and of the Subordinated Notes, may invalidate this overview. This overview also assumes that each transaction with respect to the Notes is at arm's length.*

*Where in this overview English terms and expressions are used to refer to Italian and Luxembourg concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian and Luxembourg concepts under Italian and Luxembourg tax laws.*

*This overview is based upon the laws and/or practice in force as at the date of this Base Prospectus, which are subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis.*

*Neither Mediobanca nor Mediobanca International will update this summary to reflect changes in law and/or practice. If any such change should occur, the information in this overview could become obsolete.*

### **(A) Italian Taxation of the Notes issued by Mediobanca**

#### **Tax on interest, premiums and other proceeds**

Decree No. 239 regulates the tax treatment of interest, premiums and other income including the difference between the redemption amount and the issue price from certain securities issued, *inter alia*, by Italian resident banks (hereinafter collectively referred to as “**Interest**”). The provisions of Decree No. 239 only apply to Notes which qualify as *obbligazioni* (bonds) or *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to Article 44 of Decree No. 917.

#### **1. Notes qualifying as bonds or similar securities.**

##### ***Italian resident investors***

Pursuant to Decree No. 239, payments of Interest accrued on Notes issued by Mediobanca will be subject to a substitute tax (*imposta sostitutiva*) at the rate of 20 per cent. in the Republic of Italy if made to beneficial owners who are:

- (1) individuals resident in the Republic of Italy for tax purposes, holding the Notes not in connection with entrepreneurial activities;
- (2) Italian resident partnerships (other than “*società in nome collettivo*”, “*società in accomandita semplice*” or similar partnerships), *de facto* partnerships not carrying out commercial activities;
- (3) professional associations;
- (4) Italian resident public and private entities, other than companies, not carrying out commercial activities; and
- (5) Italian resident entities exempt from corporate income tax,

(unless the relevant Noteholder has entrusted the management of its financial assets, including the Notes, to an authorised intermediary and has opted for the so-called *risparmio gestito* regime (the “**Asset Management Option**”), according to Article 7 of Decree No. 461.

In the event that the Noteholders described above under (1) and (4) are engaged in an entrepreneurial activity to which the Notes are connected, the substitute tax applies as a provisional tax. As a consequence, Interest on the Notes is subject to ordinary income tax and the substitute tax may be recovered as a deduction from the income tax due.

Pursuant to Decree No. 239, the 20 per cent. *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so-called “**SIMs**”), fiduciary companies, *società di gestione del risparmio*, stockbrokers and other qualified entities resident in Italy (“**Intermediaries**” and each an “**Intermediary**”) or by permanent establishments in Italy of banks or intermediaries resident outside Italy that intervene in any way in the collection of Interest or, also as transferees, in the transfers or, disposals of the Notes. Interest payments will not be subject to the 20 per cent. substitute tax if made to beneficial owners who are:

- (1) Italian resident corporations or permanent establishments in Italy of non resident corporations to which the Notes are effectively connected;
- (2) Italian resident collective investment funds, Italian SICAVs, Italian resident pension funds subject to the regime provided for by Decree 252/2005, and Italian resident real estate investment funds established pursuant to Article 37 of Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-*bis* of Italian Law No. 86 of 25 January 1994;
- (3) Italian residents holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an Italian authorised financial intermediary and have opted for the Asset Management Option.

To ensure payment of Interest in respect of the Notes without the application of substitute tax, the investors indicated here above under (1) to (3) must be the beneficial owners of payments of Interest on the Notes and timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Italian authorised financial Intermediary.

Special rules apply if the Notes are part of an investment portfolio managed on a discretionary basis by an authorised intermediary and the beneficial owners of the Notes opt for the Asset Management

Option and if the Notes are in the portfolio of Italian collective investment funds, SICAVs, pension funds and real estate investment funds.

Italian residents holding Notes not in connection with entrepreneurial activity who have opted for the Asset Management Option in connection with their investment in the Notes are subject to a 20 per cent. annual substitute tax (the “**Asset Management Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes during the holding period). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Payments of Interest in respect of the Notes made to Italian resident collective investment funds and SICAVs are subject neither to substitute tax nor to any other income tax in the hands of the investment fund or SICAV. A substitute tax of 20 per cent. applies on proceeds distributed by the fund or the SICAV or received by certain categories of unit holders upon redemption or disposal of the units.

Italian resident pension funds subject to the regime provided by Article 17 of Decree 252/2005 are subject to a 11 per cent. tax (the “**Pension Fund Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes during the holding period).

Payments of Interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Italian Legislative Decree No. 58 of 24th February, 1998, as amended and supplemented, and Article 14-*bis* of Italian Law No. 86 of 25th January, 1994, are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

Interest accrued on the Notes by beneficial owners who are Italian resident corporations and permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are subject to tax in Italy in accordance with ordinary tax rules and would be included in the taxable income for corporate income tax purposes, currently applying at a rate of 27.5 per cent. and in certain circumstances also in the net value of production for the purposes of regional tax on productive activities (IRAP), generally applying at a rate of 3.9 per cent. (which may be increased by each Italian Region by up to 0.92 per cent.; IRAP rate has also been increased to 4.65 per cent and 5.9 per cent by article 23(5) of Law Decree no. 98 of 6 July 2011 for the categories of companies indicated, respectively, under article 6 and article 7 of Legislative Decree no. 446 of 15 December 1997).

Where the Notes and the relevant coupons are not deposited with an Intermediary, the substitute tax is applied and withheld by any Italian intermediary (or permanent establishment in Italy of foreign intermediary) that intervenes in the payment of Interest to any Noteholder or by the Issuer and Noteholders who are Italian resident companies or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct the substitute tax suffered from income taxes due.

### ***Non-Italian resident investors***

Pursuant to Decree No. 239, payments of Interest accrued on Notes issued by Mediobanca will be subject to a substitute tax at the rate of 20 per cent. in the Republic of Italy if made to beneficial owners who are non-Italian resident entities or individuals without a permanent establishment in Italy to which the Notes are effectively connected, which are not eligible for the exemption from substitute



tax and/or do not timely and properly comply with the requirements set forth in Decree No. 239 and the relevant application rules in order to benefit from the exemption from substitute tax. As to non-Italian resident beneficial owners, the substitute tax may apply at lower or nil rate under double taxation treaties entered into by Italy, where applicable, and in any case subject to proper compliance with subjective and procedural requirements provided for.

The 20 per cent. (or the lower rate provided for by the relevant applicable double taxation treaty) substitute tax will be generally applied by any Italian resident qualified financial intermediaries that will intervene, in any way, in the collection of Interest on the Notes or in the transfer of the Notes.

Interest will not be subject to the 20 per cent. substitute tax if made to beneficial owners who are non-Italian resident beneficial owners of Notes not having a permanent establishment in Italy to which the Notes are effectively connected, provided that:

- such non-Italian resident beneficial owners are resident for tax purposes in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information, as indicated below; and
- all the requirements and procedures set forth in Decree No. 239 and the relevant implementing rules in order to benefit from the exemption from the substitute tax have been promptly and properly complied with.

Decree No. 239, as amended and restated, also provides for additional exemptions from the substitute tax for payments of Interest in respect of the Notes made to:

- international bodies and organisations established in accordance with international agreements ratified in Italy;
- foreign institutional investors resident or established in countries which allow for an adequate exchange of information with Italy as indicated below, even if they do not possess the "status" of taxpayer in their own country of establishment; and
- Central Banks or entities managing official State reserves.

To ensure payment of Interest in respect of the Notes without the application of the substitute tax, non-Italian resident "qualified" investors must:

- be the beneficial owners of payments of Interest on the Notes or foreign institutional investors not subject to tax;
- timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Italian authorised financial Intermediary or with a non-Italian resident entity participating in a centralised securities management system which is in contact, via computer, with the Italian Ministry of Economics, and
- promptly file with the relevant depository a self-declaration stating, *inter alia*, to be resident, for tax purposes, or established, as the case may be, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information. Such self-declaration - which is requested neither for international bodies nor for entities set up in accordance with international agreements ratified by Italy nor for foreign Central Banks or entities managing official State

reserves - must comply with the requirements set forth by Italian Ministerial Decree of 12 December 2001 and is valid until withdrawn or revoked. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

For the purposes of the above, the currently applicable “white list” of countries allowing for an adequate exchange of information with Italy is provided for by Italian Ministerial Decree 4 September 1996, as subsequently amended and supplemented. According to Budget Law 2008 (Law No. 244 of 24 December 2007), a decree still to be issued will introduce a new “white list” ordered to replace the current one.

## **2. Notes qualifying as atypical securities**

Interest payments relating to Notes issued by Mediobanca that are not deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*), but qualify as atypical securities (*titoli atipici*) for Italian tax purposes, may be subject to a withholding tax, levied at the rate of 20 per cent.. For this purpose, as indicated above, pursuant to Article 44 of Decree No. 917, securities similar to bonds are securities that (i) incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and (ii) do not grant to the relevant holders any right to directly or indirectly participate to the management of the issuer or of the business in relation to which they are issued or to control the same management.

Where the Noteholder is (i) an Italian resident individual engaged in an entrepreneurial activity to which the Notes are connected, (ii) an Italian resident company or a similar Italian resident commercial entity, (iii) a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected, (iv) an Italian resident commercial partnership or (v) an Italian resident commercial private or public institution, the above-mentioned 20 per cent. withholding tax is a provisional withholding tax. In all other cases, including when the Noteholder is a non-Italian resident, the withholding tax is a final withholding tax. Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax in case of payments to non Italian resident Noteholders, subject to proper compliance with relevant subjective and procedural requirements.

## **3. Capital gains tax**

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable business income (and, in certain circumstances, depending on the “*status*” of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian resident company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected and certain other persons, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to a substitute tax (*imposta sostitutiva*), levied at the current rate of 20 per cent.. Noteholders may generally set-off capital losses with gains of the same nature.

For the purposes of determining the taxable capital gain, any Interest on the Notes accrued and unpaid up to the time of the purchase and the sale of the Notes must be deducted from the purchase price and the sale price, respectively.

In respect of the application of such substitute tax, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss of the same nature, realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same nature, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains of the same nature realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes under the *Risparmio Amministrato* regime. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (or permanent establishments in Italy of foreign intermediaries) and (ii) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes, net of any incurred capital loss of the same nature, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *Risparmio Amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains of the same nature subsequently realised, within the same securities management relationship, in the same tax year or in the following tax years up to the fourth. Under the *Risparmio Amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains on Notes held by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the Asset Management Option will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 20 per cent. Asset Management Tax, to be paid by the managing authorised intermediary. Under the Asset Management Option, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Option, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Any capital gains on Notes held by a Noteholder who is an Italian collective investment fund or a SICAV will not be subject to taxation in the hands of the investment fund or SICAV. A substitute tax

of 20 per cent. will apply on proceeds distributed by the fund or the SICAV or received by certain categories of unit holders upon redemption or disposal of the units.

Any capital gains on Notes held by a Noteholder who is an Italian pension fund (subject to the regime provided for by Article 17 of Decree 252/2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. Pension Fund Tax.

Any capital gains realised by Italian resident real estate funds established pursuant to Article 37 of Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-*bis* of Italian Law No. 86 of 25 January 1994, on the Notes are not taxable at the level of the same real estate funds.

Capital gains realised by non-Italian-resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected from the sale or redemption of Notes traded on regulated markets in Italy or abroad are not subject to the *imposta sostitutiva*, regardless of whether the Notes are held in Italy. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the Asset Management Option or are subject to the *Risparmio Amministrato* regime according to Article 6 of Decree No. 461, may be required to produce in due time to the Italian authorised financial intermediary an appropriate self-declaration that they are not resident in Italy for tax purposes.

Capital gains realised by non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected from the sale or redemption of Notes not traded on regulated markets issued by an Italian or non-Italian resident issuer may in certain circumstances be taxable in Italy, if the Notes are held in Italy.

However, non-Italian resident beneficial owners of Notes without a permanent establishment in Italy to which the Notes are effectively connected are not subject to the *imposta sostitutiva* on capital gains realised upon sale or redemption of the Notes, provided that the effective beneficiary: (i) is resident in a country which allows for an adequate exchange of information with Italy; or (ii) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (iii) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) is an institutional investor which is resident or established in a country which allows for an adequate exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence. In such cases, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the Asset Management Option or are subject to the *Risparmio Amministrato* regime according to Article 6 of Decree No. 461, may be required to produce in due time to the Italian authorised financial intermediary an appropriate self-declaration stating that they meet the subjective requirements indicated above. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

For the purposes of the above, the currently applicable “white list” of countries allowing for an adequate exchange of information with Italy is provided for by Italian Ministerial Decree 4 September 1996, as subsequently amended and supplemented. According to Budget Law 2008 (Law No. 244 of 24 December 2007), a decree still to be issued will introduce a new “white list” ordered to replace the current one.

Moreover, in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the Asset Management Option or are subject to the *Risparmio Amministrato* regime according to Article 6 Decree No. 461, may be required to produce in due time to the Italian authorised financial intermediary appropriate documents which include, *inter alia*, a statement from the competent tax authorities of the country of residence.

Please note that for a non-Italian resident, the *Risparmio Amministrato* regime provided for by Article 6 of Decree No. 461 shall automatically apply, unless it expressly waives this regime, where the Notes are deposited in custody or administration with an Italian resident authorised financial intermediary or permanent establishment in Italy of a foreign intermediary.

## **(B) Tax regime of the Senior Notes issued by Mediobanca International**

### **1. Tax treatment of the Senior Notes issued by Mediobanca International in Luxembourg**

#### ***Luxembourg tax residency of the holders of the Senior Notes***

A holder of the Senior Notes will not become resident, or be deemed to be resident, in Luxembourg by reason only of the holding of the Senior Notes, or the execution, performance, delivery and/or enforcement of the Senior Notes (holding of the Notes includes receipt of interest and repayment of the principal).

#### ***Withholding tax***

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Senior Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however:

- (i) with respect to Luxembourg non-resident investors and certain types of recipient entities established outside Luxembourg, to the application of the Luxembourg laws of 21 June 2005 implementing the EU Savings Directive (Council Directive 2003/48/EC) and several agreements concluded with certain dependent or associated territories and providing for the possible application of a withholding tax (35% from 1 July 2011) on interest paid to certain non Luxembourg resident investors (individuals and certain types of entities established outside Luxembourg called "residual entities") by a paying agent in Luxembourg within the meaning of the above-mentioned directive (see section "EU Savings Directive" below) or agreements unless such investor provides a certificate of exemption as defined in the above-mentioned directive or such investor or entity agrees to the exchange of information;

- (ii) with respect to Luxembourg resident investors, to the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005 which has introduced a 10% final withholding tax (which is final when Luxembourg resident individuals are acting in the context of the management their private wealth) on interest payments made by Luxembourg paying agents to Luxembourg individual residents on interest accrued since July 1st, 2005 but paid after January 1st, 2006. This withholding tax also applies on accrued interest received upon sale, redemption or repurchase of the Senior Notes. The law of 17 July 2008 (amending the law of 23 December 2005) extended the possibility to benefit, under conditions, from such final 10% withholding tax for interest payments to Luxembourg resident individuals not holding the Senior Notes as business assets, that are made through a paying agent established in another EU-Member State, in a Member State of the European Economic Area or in a jurisdiction that has concluded an international agreement in relation to the EU Savings Tax Directive.
- (iii) Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 is assumed by the Luxembourg paying agent within the meaning of these laws (which may be the Luxembourg Issuer).

### ***Income taxation of the holders of the Senior Notes***

#### *Taxation of Luxembourg non-residents*

Holders of the Senior Notes who are non-residents of Luxembourg and who do not have a permanent establishment in Luxembourg to which the Senior Notes are attributable are not liable to any Luxembourg income tax, whether they receive payments of principal, payments of interest (including accrued but unpaid interest), payments received upon the redemption of the Senior Notes, or realize capital gains on the sale of any Senior Notes.

#### *Taxation of Luxembourg residents*

##### *Interest Income*

Holders of the Senior Notes who are residents of Luxembourg, or non-resident holders of the Senior Notes who have a permanent establishment or a fixed base of business in Luxembourg with which the holding of the Senior Notes is connected, must, for income tax purposes, include any interest received in their taxable income. They will not be liable to any Luxembourg income tax on repayment of principal.

For individuals resident in Luxembourg, the 10% tax withheld at source constitutes a final taxation.

##### *Capital Gains*

###### *Luxembourg resident individuals*

Luxembourg resident individuals who are holders of the Senior Notes and who are acting in the course of the management of their private wealth are not subject to taxation on capital gains upon the disposal of the Senior Notes, unless the disposal of the Senior Notes precedes the acquisition of the Senior Notes or the Senior Notes are disposed of within six months of the date of acquisition of these Senior Notes. Upon redemption of the Senior Notes, individual Luxembourg resident holders of the Senior

Notes must however include the portion of the redemption price corresponding to accrued but unpaid interest in their taxable income.

#### *Luxembourg resident companies – Luxembourg permanent establishment of foreign enterprises*

Luxembourg resident companies (sociétés de capitaux) that are holders of the Senior Notes or foreign enterprises which have a permanent establishment in Luxembourg to which the Senior Notes are attributed, must include in their taxable income the difference between the disposal price (including accrued but unpaid interest) and the book value of the Senior Notes disposed of.

#### *Luxembourg resident entities benefiting from a special tax regime*

Holders of the Senior Notes who are undertakings for collective investment governed by the law of 17 December 2010, specialized investment funds governed by the law of 13 February 2007, as amended, or family wealth management companies governed by the law of 11 May 2007, as amended, are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e. corporate income tax, municipal business tax and net wealth tax) with respect to the Senior Notes.

Companies subject to the law of 15 June 2004, as amended, on venture capital vehicles might enjoy an exemption on income and gains from the Senior Notes in accordance with, and subject to, the requirements of such law.

#### ***Net Wealth Tax***

Luxembourg net wealth tax will not be levied on a holder of a Note unless: (i) such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions; or (ii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg. In respect of individuals, the Luxembourg law of 23 December 2005 has abolished the net wealth tax with effect from 1 January 2006. ***Other Taxes***

#### ***1. Registration***

It is not compulsory that the Notes be filed, recorded or enrolled with any court, or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Notes, in accordance therewith, except that, in case of use of the Notes, either directly or by way of reference, (i) in a public deed, (ii) in a judicial proceeding in Luxembourg or (iii) before any other Luxembourg official authority (*autorité constituée*), registration may be ordered which implies the application of a fixed or an ad valorem registration duty of 0.24% calculated on the amounts mentioned in the Notes. Indeed, a 0.24% registration duty could be levied on any notarial or other public deed making a precise reference to a loan or obligation of sum of money. In practice such kind of registration is rarely ordered.

#### ***2. VAT***

There is no Luxembourg value-added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of Notes, provided that Luxembourg value-added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value-added tax purposes such

services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from Luxembourg value-added tax does not apply with respect to such services.

### ***3. Inheritance and gift tax***

No Luxembourg inheritance tax is levied on the transfer of Senior Notes upon the death of a Noteholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.

Luxembourg gift tax will be levied in the event that the gift is made pursuant to a notarial deed signed before a Luxembourg notary.

## **2. Tax treatment of the Senior Notes issued by Mediobanca International in Italy for Italian resident investors.**

### **Tax on interest, premium and other proceeds**

#### **(i) Senior Notes qualifying as bonds or similar securities**

##### ***Italian resident Noteholders***

Pursuant to Decree No. 239, a substitute tax at a rate of 20 per cent. is applied on Interest on Senior Notes qualifying as bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) within the meaning of Article 44 of Decree No. 917 issued by a non-Italian resident issuer accrued during the relevant holding period, if received by:

- (1) an Italian resident individual not engaged in an entrepreneurial activity to which the Senior Notes are connected;
- (2) Italian resident non commercial partnerships;
- (3) Italian resident non-commercial private or public institutions; or
- (4) Italian resident investors exempt from Italian corporate income taxation;

If the Noteholders described under (1) and (3) above are engaged in an entrepreneurial activity to which the Senior Notes are connected, the substitute tax applies as a provisional tax. As a consequence, the Interest is subject to the ordinary income tax and the substitute tax may be recovered as a deduction from the income tax due.

Substitute tax is generally applied by an Intermediary.

Where the Senior Notes and the relevant coupons are not deposited with an Intermediary, the substitute tax is applied and withheld by any Italian intermediary (or permanent establishment in Italy of foreign intermediary) that intervenes in the payment of Interest to any Noteholder. Where Interest on Senior Notes beneficially owned by the subjects from (1) to (4) above are not collected through the intervention of an Italian resident intermediary and as such no substitute tax is applied, the above Italian resident beneficial owners will be required to declare Interest in their yearly income tax return and subject them to final substitute tax at a rate of 20 per cent. (only limited to those Noteholders not engaged in a business activity to which the Senior Notes are effectively connected), unless option for a different regime is allowed and made. Italian resident Noteholders that are individuals not engaged in



entrepreneurial activity may elect instead to pay ordinary personal income taxes at the progressive rates applicable to them in respect of Interest on such Senior Notes: if so, the beneficial owners should be generally entitled to a tax credit for withholding taxes applied outside Italy, if any.

Where an Italian resident Noteholder who is beneficial owner of the Senior Notes is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Senior Notes are effectively connected and the Senior Notes and relevant coupons are timely deposited with an Intermediary, Interest from the Senior Notes will not be subject to the substitute tax, but must be included in the relevant Noteholder's annual income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "*status*" of the Noteholder, also to IRAP). In such cases, the beneficial owners should be generally entitled to a tax credit for withholding taxes applied outside Italy, if any.

For those categories of Noteholders not specifically mentioned in this paragraph and for Noteholders who are Italian pension funds (subject to the regime provided for by Article 17 of Decree 252/2005), Italian collective investment funds and Italian SICAVs please refer to paragraph "Italian Taxation of the Senior Notes issued by Mediobanca – Tax on interest, premium and other proceeds – . Senior Notes qualifying as bonds or similar securities - Italian resident investors" above.

#### ***Non-Italian resident Noteholders***

No Italian substitute tax is applied on payments to a non-Italian resident Noteholder not having a permanent establishment in Italy to which the Senior Notes are effectively connected of Interest relating to Senior Notes issued by a non-Italian resident issuer.

If Senior Notes issued by a non-Italian resident issuer and beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or are sold through an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or in any case an Italian resident intermediary (or permanent establishment in Italy of foreign intermediary) intervenes in the payment of Interest on such Senior Notes, to ensure payment of Interest without application of Italian taxation a non-Italian resident Noteholder may be required to produce to the Italian bank or other intermediary a self-declaration stating that he or she is not resident in Italy for tax purposes.

#### ***Capital gains tax***

Any gain obtained from the sale or redemption of the Senior Notes would be subject to the same tax regime as described under (A).3. "Capital gains tax", above.

#### **(ii) Notes qualifying as atypical securities**

Interest payments to Italian resident Noteholders relating to Senior Notes issued by a non-Italian resident issuer that are not deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*), but qualify as atypical securities (*titoli atipici*) for Italian tax purposes, may be subject to Italian withholding tax, levied at the rate of 20 per cent.. For this purpose, as indicated above, pursuant to Article 44 of Decree No. 917, securities similar to bonds are securities that (i) incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and (ii) do not grant to the relevant holders any right to directly or indirectly

participate to the management of the issuer or of the business in relation to which they are issued or to control the same management.

If the Senior Notes are issued by a non-Italian resident issuer, a 20 per cent. “entrance” withholding tax may apply in Italy if the Senior Notes are placed (“*collocate*”) in Italy and Interest payments on the Notes are collected through an Italian bank or other qualified financial intermediary. However, the 20 per cent. “entrance” withholding tax does not apply to Interest payments made:

- a) to a non-Italian resident Noteholder. If Senior Notes issued by a non-Italian resident issuer and beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or are sold through an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or in any case an Italian resident intermediary (or permanent establishment in Italy of foreign intermediary) intervenes in the payment of Interest on such Senior Notes, to ensure payment of Interest without application of Italian taxation a non-Italian resident Noteholder may be required to produce to the Italian bank or other intermediary a self-declaration stating that he or she is not resident in Italy for tax purposes; and
- b) to an Italian resident Noteholder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities to which the Senior Notes are effectively connected), (ii) a commercial partnership, or (iii) a commercial private or public institution. In particular, in such cases, Interest must be included in the relevant Noteholder’s annual income tax return, to be therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the “*status*” of the Noteholder, also to IRAP) according to the ordinary rules and the beneficial owners should be generally entitled to a tax credit for withholding taxes applied outside Italy, if any.

With respect to the other categories of Italian resident Noteholders, if Interest payments on Senior Notes issued by a non-Italian resident issuer are not collected through an Italian resident bank or other qualified financial intermediary, and as such no “entrance” withholding tax is required to be levied, such Noteholders will be required to report the payments in their yearly income tax return and subject them to a final substitute tax at rate of 20 per cent. (only limited to those Noteholders not engaged in a business activity to which the Senior Notes are effectively connected). Italian resident individual beneficial owners holding Senior Notes not in connection with a business activity may elect instead to pay ordinary personal income tax at the progressive rates applicable to them in respect of Interest payments: if so, the beneficial owners should generally benefit from tax credit for withholding taxes applied outside Italy, if any.

In case Senior Notes issued by a non-Italian resident issuer are held by an Italian resident individual engaged in a business activity and are effectively connected with same business activity, the Interest will be subject to the 20 per cent. “entrance” withholding tax on a provisional basis and will be included in the relevant income tax return. As a consequence, the Interest will be subject to the ordinary income tax and the withholding tax may be recovered as a deduction from the income tax due.

### **3. Payments made by the Guarantor under the Guarantee**

There is no authority directly regarding the Italian tax regime of payments on notes made by an Italian resident guarantor. Accordingly, there can be no assurance that the Italian tax authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian courts would not support such an alternative treatment.

With respect to payments on the Senior Notes made to Italian resident Noteholders by an Italian resident guarantor, in accordance with one interpretation of Italian tax law, any such payments may be subject to Italian withholding tax at the rate of 20 per cent. levied as a final tax or a provisional tax (“*a titolo d’imposta o a titolo di acconto*”) depending on the “*status*” of the Noteholder, pursuant to Decree No. 600. Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax in case of payments to non-Italian residents, subject to proper compliance with relevant subjective and procedural requirements. In accordance with another interpretation, any such payment made by the Italian resident guarantor should be treated, in certain circumstances, as a payment by the relevant issuer and should thus be subject to the tax regime described in the previous paragraphs of this section.

### **(C) Inheritance and gift taxes**

Pursuant to Law Decree No. 262 of 3 October 2006, as converted in law, with amendments, pursuant to Law No. 286 of 24 November 2006, transfers of Notes as a result of death or donation of Italian residents and of non-Italian residents, but in such latter case limited to Notes held within the Italian territory (which, for presumption of law, includes bonds issued by Italian resident issuers), are generally taxed in Italy as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding €1,000,000.00 for each beneficiary;
- (ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift;
- (iii) transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding €100,000.00 for each beneficiary; and
- (iv) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the beneficiary has a serious disability recognised by law, inheritance and gift taxes apply on its portion of the net asset value exceeding € 1,500,000.00.

### **(D) Transfer tax**

Following the repeal of the Italian transfer tax, as from 31 December 2007, contracts relating to the the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to a fixed registration tax at a rate of € 168.00; (ii) private deeds are subject to registration tax only if they are voluntary registered.

### **(E) Stamp Duty**

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited therewith. The stamp duty applies at the current rate of 0.15 per cent.; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held. The stamp duty can be no lower than € 34.20.

**(F) Wealth tax on Notes deposited abroad**

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at the current rate of 0.15 per cent..

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

**(G) EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person in favour of, a beneficial owner that is, an individual resident in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

### *Implementation in Italy*

Italy has implemented the Directive through Legislative Decree No. 84 of 18 April 2005 (“**Decree 84**”). Under Decree 84, subject to a number of important conditions being met, where interest is paid (including interest accrued on the Notes at the time of their disposal) to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State or in a dependent or associated territory under the relevant International agreement (currently Jersey, Guernsey, the Isle of Man, the Netherlands Antilles, the British Virgin Islands, Turks and Caicos Islands, the Cayman Islands, Montserrat, Anguilla and Aruba), Italian paying agents (including any banks, SIMs, fiduciary companies and SGRs resident for tax purposes in Italy) are required to report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the state of residence of the beneficial owner.

### *Implementation in Luxembourg*

The Savings Tax Directive was implemented in Luxembourg by the Law of 21 June 2005.

## GENERAL INFORMATION

(1) Listing and Admission to Trading

Application has been made to the CSSF to approve this Base Prospectus as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

However, Notes may be issued pursuant to the Programme which will not be listed or admitted to trading on the Luxembourg Stock Exchange or any other stock exchange or which will be listed or admitted to trading on such stock exchange as the Issuers and the relevant Dealer(s) may agree.

The CSSF may, at the request of the relevant Issuer, send to the competent authority of another European Economic Area Member State: (i) a copy of this Base Prospectus; (ii) an Attestation Certificate; and (iii) if so required by such competent authority, and in relation to Senior Notes only, a translation of the section of this Base Prospectus headed “*Summary of the Programme*”.

- (2) Each Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in Luxembourg and the Republic of Italy in connection with the establishment and update of the Programme and the issue and performance of the Notes and the guarantee relating to the Senior Notes. The update of the Programme, including the giving of the Guarantee with respect to the Senior Notes issued by Mediobanca International, was authorised by a circular resolution of the Board of Directors of Mediobanca International passed on 4 December 2012, a resolution adopted by the Executive Committee of Mediobanca passed on 20 November 2012 and the decision (*determina*) assumed by the Managing Director (*Direttore Generale*) of Mediobanca on 5 December 2012.
- (3) The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
- (4) Save as disclosed in this Base Prospectus at page 156, Mediobanca International (where Mediobanca International is the Issuer) is not and none of Mediobanca and its consolidated subsidiaries (where Mediobanca is the Issuer or the Guarantor) is or has been involved in any governmental, legal, arbitration or administrative proceedings in the 12 months preceding the date of this document relating to claims or amounts which may have, or have had in the recent past, a significant effect on each of the Issuers' financial position or profitability and, so far as Mediobanca or, as the case may be, Mediobanca International is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.
- (5) Neither Mediobanca nor Mediobanca International nor any of Mediobanca's subsidiaries has entered into any contracts in the last two years outside the ordinary course of business that have been or may reasonably be expected to be material to such Issuer's ability to meet its obligations to Noteholders.

- (6) In the case of Mediobanca (a) since 30 September 2012 (being the day on which the latest available interim financial statements have been prepared) there has been no significant change in the financial condition of Mediobanca or its subsidiaries, and (b) since 30 June 2012 (being the last day of the financial period in respect of which the most recent audited annual financial statements of Mediobanca have been prepared) there has been no material adverse change in the financial condition of Mediobanca or its subsidiaries.
- (7) In the case of Mediobanca International since 30 June 2012 (being the last day of the financial period in respect of which the most recent and available audited financial statements of Mediobanca International have been prepared) there has been no significant change, nor material adverse change, in the financial or other position or prospects of Mediobanca International.
- (8) Notes will be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and the International Securities Identification Number (ISIN) for each Series of Notes will be set out in the relevant Final Terms.
- (9) For so long as the Programme remains in effect or any Notes remain outstanding, the following documents will be available, and in the case of paragraphs (vii), (viii), (ix), (x) and (xi) below, may be obtained free of charge during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent and the Paying Agent:
- (i) the Issue and Paying Agency Agreement;
  - (ii) the Dealer Agreement;
  - (iii) the Deeds of Covenant;
  - (iv) the Deed of Guarantee;
  - (v) the Programme Manual (being a manual signed for the purposes of identification by the Issuers and the Fiscal Agent, containing suggested forms and operating procedures for the Programme, including the forms of the Notes in global and definitive form);
  - (vi) the By-laws (*Statuto*) of Mediobanca and articles of incorporation of Mediobanca International;
  - (vii) the Mediobanca Registration Document;
  - (viii) the published annual financial statements of Mediobanca International as at and for the years ended 30 June 2012, 2011 and 2010;
  - (ix) the consolidated annual financial statements of Mediobanca as at and for the years ended 30 June 2012, 2011 and 2010 and the unaudited consolidated quarterly financial statements of Mediobanca as at and for the three months ended 30 September 2012, 2011 and 2010;
  - (x) Final Terms for Notes which are listed on the Official List of the Luxembourg Stock Exchange or any other stock exchange;

- (xi) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus.
- (10) Copies of the latest annual consolidated financial statements of Mediobanca and annual financial statements of Mediobanca International, unaudited consolidated interim financial statements of Mediobanca, unaudited consolidated quarterly financial statements of Mediobanca and the latest semi-annual interim financial statements of Mediobanca International (if published), may be obtained at the specified office of the Paying Agent during normal business hours, so long as any of the Notes is outstanding.
- (11) The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.
- (12) The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of Monte Titoli S.p.A. is Piazza degli Affari 6, 20123 Milan, Italy.
- (13) With respect to Article 3 (2) of the Prospectus Directive the Issuers consent, to the extent and under the conditions, if any, indicated in the Final Terms, to the use of the Base Prospectus as long as the Base Prospectus is valid in accordance with Article 9 of the Prospectus Directive and accepts responsibility for the content of the Base Prospectus also with respect to subsequent resale or final placement of the Notes by any Dealer and/or financial intermediary which was given consent to use the prospectus.

Such consent may be given to all (general consent) or only one or more (individual consent) specified Dealers and/or financial intermediaries, as stated in the Final Terms, and for the member states in which the Base Prospectus has been passported and which will be indicated in the relevant Final Terms.

Such consent by the Issuers is subject to each Dealer and/or financial intermediary complying with the terms and conditions described in this Base Prospectus and the relevant Final Terms as well as any applicable selling restrictions. The distribution of this Base Prospectus, any supplement to this Base Prospectus, if any, and the relevant Final Terms as well as the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law.

Each Dealer and/or each financial intermediary, if any, and/or each person into whose possession this Base Prospectus, any supplement to this Base Prospectus, if any, and the relevant Final Terms come are required to inform themselves about and observe any such restrictions. The Issuers reserve the right to withdraw its consent to the use of this Base Prospectus in relation to certain Dealers and/or each financial intermediary.

**In case of an offer being made by a Dealer or a financial intermediary, such Dealer or financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.**



If the Final Terms state that the consent to use the Base Prospectus is given to all Dealers or financial intermediaries (general consent), any Dealer or financial intermediary using the Base Prospectus is required to state on its website that it uses the Base Prospectus in accordance with the consent and the conditions attached thereto.

**If the Final Terms state that the consent to use the prospectus is given to one or more specified Dealers or financial intermediaries (individual consent), any new information with respect to Dealers or financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms will be published on the website [[www.mediobanca.it](http://www.mediobanca.it)].**

## REGISTERED OFFICE

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## ARRANGER

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## DEALERS

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**Banca IMI S.p.A.**

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**BNP PARIBAS**

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**Credit Suisse Securities (Europe) Limited**

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Howald - Hesperange

L-2085 Luxembourg

**LISTING AGENT**

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