



Board of Directors' Meeting

Milan, 11 May 2007

Results approved for period ended 31 March 2007¹

- /// Net profit up 6% year-on-year, from €671m to €710m.
- /// Substantial growth in income sources linked to banking activity continued during the third quarter: net interest income up 17% to €494m, net fee and commission income up 25% to €269m; net trading income down from €190m to €88m, but recovered well from the €30m reported at end-December 2006. Equity-accounted companies also contributed positively, up 20% to €294m.
- /// Ongoing development of the Group demonstrated in this quarter too by enhanced capability to generate significantly higher average quarterly income flows from banking activity, at €285m this year, up 43% on the €200m in the three months to 31 March 2005, driven by lending, advisory and capital market activities (net interest income up 40% to €165m, net fee and commission income up 45%, to €90m).
- /// *Wholesale banking*
 - corporate lendings up €522m to €13.9bn²
 - further growth in net interest income to €145m, up 19%, and net fee and commission income to €204m, up 36%
 - net profit down 5% to €353m, due to anticipated reduction in contribution from net trading income, from €183m to €80m
- /// *Equity investment portfolio (AG and RCS)*
 - net profit up 29%, to €261m
 - NAV: €6.6bn (30/6/06: €5.5bn)
- /// *Retail financial services*
 - new loans totalling €3.5bn: consumer credit up 4%, mortgages up 21%
 - total income up 15% to €370m
 - net profit up 4% to €63m
- /// *Private banking*³
 - AUM up 17% to €12.9bn
 - net profit up 11%, to €39m

1) Percentage changes Y.o.Y.

2) Excluding loans and advances to other Group companies.

3) Includes Compagnie Monégasque de Banque, plus the Group's 48.5% pro-forma share in profits of Banca Esperia.



At a Board meeting today, with Gabriele GALATERI di GENOLA in the chair, the Directors of Mediobanca approved the Group's results for the period ended 31 March 2007, as illustrated by General manager Alberto NAGEL and Co-general manager Renato PAGLIARO.

Consolidated results

The Mediobanca Group's results for the first nine months under review reflect a net profit of €710.4m (31/3/06: €670.7m), confirming the trend shown by the first six months and beating the targets set in the Group's 2005-2008 business plan.

Total income grew by 6.5%, from €1,077.4m to €1,147.7m, including net trading income of €88.4m, higher than the figure reported at 31 December 2006, but still far below the €190.2m posted this time last year, which, however, was boosted by €40.8m in non-recurring income from disposal of the Group's holding in Ciments Français. As for the other main sources of income:

- net interest income rose by 16.5%, from €423.8m to €493.6m, on the strength of higher business volumes in corporate banking, up 23%, and retail financial services, up 18.1%;
- net fee and commission income grew by 25.1%, from €214.9m to €268.9m, as a result of healthy contributions from lending, advisory, and capital markets activities in particular;
- income from equity-accounted companies rose by 19.6%, from €245.4m to €293.6m, driven by a positive earnings performance by Assicurazioni Generali.

The 9.8% increase in operating costs, from €263.3m to €289.1m, is once again linked to the strengthening of both parent and Group companies' activities in terms of staff, with a 5.4% increase in headcount, and new branches being opened by the Compass group, with a total of fifteen new branches being added during the nine months under review.

Profit from ordinary activities rose by 5.5%, from €814.1m to €858.6m.

Among the other items, bad debt writeoffs rose by 38.9%, from €84.1m to €116.8m, in part reabsorbing the 51% increase reported at end-December. The increase was again due to higher business levels in higher-profit, higher-risk retail financial services products, in line with market trends. Gains on disposals of securities grew from €109.6m to €174.4m, and are chiefly the result of disposal of the Ferrari shareholding, which was completed during the first quarter of the current financial year.

Of the Group's different business areas, both equity investment and private banking show higher net profits, the former up 29.1%, from €202.5m to €261.4m, the latter up 11.4%, from €35.1m to €39.1m, while retail financial services and wholesale banking both posted results which were virtually stable in terms of bottom line, with net profit at the former up 4.1%, from



€60.5m to €63m, and at the latter up 2%, from €353.1m to approx. €346.1m net of the aforementioned non-recurring net trading income deriving from the Ciments Français disposal.

On the balance-sheet side, loans and advances to customers rose again during the three months under review, to €24.2bn, up from €23.1bn, and compared with €22.2bn at 31 March 2006, as did funding, from €31.5bn to €33.5bn, against €25.7bn at the same time last year, the AFS securities portfolio, up from €5.2bn to €5.6bn (€5.6bn), and treasury funds, up from €7.6bn to €8.4bn (€2.1bn). Net equity stood at €6.8bn net of the profit for the nine months, and there was a €4.2bn surplus on listed equity investments based on current stock market prices.

Divisional results

Wholesale banking: a net profit of €353.1m was recorded for the nine months, down slightly versus the €372.6m posted one year previously due to lower net trading income, which reduced from €182.5m to €79.6m. Net of this item profit from ordinary activities improved 26.9%, on healthy performances from lending, advisory and capital markets activities, which drove an 18.8% increase in net interest income, from €122.4m to €145.4m, and a 35.7% rise in net fee and commission income, from €150.3m to €204m. The 14.8% increase in costs, from €107.2m to €123.1m, reflects the staff strengthening, with 32 more employees on the books than at the same time last year, due to enhanced operations. Below the operating line there were gains of €165.9m (31/3/06: €107.1m), most of which were in connection with the Ferrari share sale which took place during the first three months of the financial year.

Equity investment portfolio: the Group's share in the profits earned by the two companies included in our equity investment portfolio rose by 26.4% during the period, from €221.6m to €280m, €254.6m of which was attributable to Assicurazioni Generali, up 25.2%, reflecting the outstanding results posted by the Trieste-based group. RCS MediaGroup's contribution grew by 38.8%, from €18.3m to €25.4m, due partly to non-recurring profits earned in the course of 2006.

Retail financial services: the Compass group's consolidated highlights for the nine months reflect growth in net profit, from €60.5m to €63m. There was a 3.3% increase on the commercial side, reflecting more modest, 7% growth in consumer credit along with the downturn in leasing activity recorded during the first six months of the year and only recovered in part in the third quarter, the reduction at nine months being 3% as opposed to 11% at 31 December 2006. On a 15.4% increase in total income, from €321m to €370.5m, and slower growth in costs of 9.2%, from €117.5m to €128.3m, despite the opening of 15 new branches (five of which were in France by Micos), profit from ordinary activities rose by 19%, from



€203.5m to €242.2m. However, the higher cost of risk, with bad debt writeoffs rising from €84.4m to €115.2m, largely attributable to consumer credit, swallowed up a considerable part of the additional margin.

Private banking: total income from private banking rose by 9% for the nine months, from €86.6m to €94.4m, due to higher net fee and commission income, up 4.9%, from €63.8m to €66.9m, partly as a result of the contribution from performance fees earned by Banca Esperia in the last three months and to trading income, up from €8.1m to €9.9m. Against a modest, 2.4% increase in costs, profit from ordinary activities rose by 18.1%, from €36.5m to €43.1m. The 11.4% increase in net profit, from €35.1m to €39.1m, reflects a lower contribution from other net income, down from €3.2m to €2.4m (including an €8m gain arising on disposal of CMB's 1% share in Ferrari partly offset by net extraordinary provisions of €6m linked to a programme of long-term commitments vis-à-vis the Principality of Monaco), and higher tax, up from €4.6m to €6.4m. Assets under discretionary and non-discretionary management grew by 4.7% during the three months, from €12.4bn to €12.9bn, €7.9bn of which was attributable to Compagnie Monégasque de Banque, up 2.1%, and €5bn to Banca Esperia (pro-rata), up 9.1%.

Turning now to parent company **Mediobanca**, in the nine months ended 31 March 2007, a net profit of €335.4m was earned, not far off the €348.9m recorded one year previously. There was a significant increase of €55.5m in net trading income during the third quarter, and healthy performances by all the other main sources of income. Net interest income rose by 11.7% year-on-year, from €128.6m to €143.7m, on the back of higher business volumes; net fee and commission income rose by 30.6%, from €152.8m to €199.5m, thus bearing out the positive trend in wholesale banking. The 13.1% increase in operating costs, from €118.3m to €133.8m, reflects both the rise in employee headcount, from 399 to 431, and the increased levels of activity. Net of trading income profit from ordinary activities rose by 27.8%, from €166.3m to €212.6m.

On the balance-sheet side, loans and advances to customers rose in the third quarter, from €17,127.7m to €17,902.9m, as did funding, from €24,480.3m to €26,347.5m, and treasury funds, from €7,017.8m to €7,607.5m. The AFS securities portfolio also grew during the period, from €4,103.2m to €4,768m.

* * *

The Board of Directors have appointed Maurizio Cereda as Deputy General Manager, with responsibility for corporate finance activity.



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The Board duly noted the resignation of Mr Carlo Buora, whose professional relationship with the Pirelli group, which had appointed him as Director, had previously come to an end. The Board wishes to place on record its thanks to Mr Buora, who was also a member of the Executive Committee and Chairman of the Bank's Internal Control Committee, for his much appreciated contribution to the Board's deliberations spanning five years.

11 May 2007

Jessica Spina
Investor Relations
Mediobanca S.p.A.
Piazzetta E. Cuccia, 1
20121 Milan
Italy
Tel. no.: (0039) 02-8829.860

Lorenza Pigozzi
Media Relations
Mediobanca S.p.A.
Piazzetta E. Cuccia, 1
20121 Milan
Italy
Tel. no.: (0039) 02-8829.627



RESTATED PROFIT AND LOSS ACCOUNT

	9 mths to 31/3/06	6 mths to 31/12/06	9 mths to 31/3/07	Y.o.Y. chg.07
	€m	€m	€m	%
Net interest income	423.8	332.0	493.6	+16.5
Net trading income	190.2	29.9	88.4	-53.5
Net fee and commission income	214.9	189.6	268.9	+25.1
Dividends on AFS securities	3.1	3.2	3.2	+3.2
Share of profits earned by equity- accounted companies	245.4	213.8	293.6	+19.6
TOTAL INCOME	1,077.4	768.5	1,147.7	+6.5
Labour costs	(141.3)	(103.1)	(153.6)	+8.7
Administrative expenses	(122.0)	(91.4)	(135.5)	+11.1
OPERATING COSTS	(263.3)	(194.5)	(289.1)	+9.8
PROFIT FROM ORDINARY ACTIVITIES	814.1	574.0	858.6	+5.5
Gain (loss) on disposal of AFS securities..	109.6	169.3	174.4	+59.1
Gain (loss) on disposal of other securities	0.5	—	—	n.m.
Bad debt writeoffs	(84.1)	(78.2)	(116.8)	+38.9
Extraordinary provisions	—	(6.0)	(6.0)	—
PROFIT BEFORE TAX	840.1	659.1	910.2	+8.3
Income tax for the period	(162.8)	(127.7)	(191.2)	+17.4
Minority interest	(6.6)	(5.4)	(8.6)	+30.3
NET PROFIT	670.7	526.0	710.4	+5.9



RESTATED BALANCE SHEET

	30/6/06	31/12/06	31/3/07
	€m	€m	€m
Assets			
Treasury funds	6,320.6	7,628.8	8,441.5
AFS securities	5,502.7	5,183.3	5,619.3
<i>of which: fixed-income</i>	<i>2,833.9</i>	<i>2,485.1</i>	<i>2,490.1</i>
<i>equities</i>	<i>2,423.0</i>	<i>2,285.9</i>	<i>2,551.4</i>
Financial assets held to maturity	626.5	629.9	626.6
Loans and advances to customers	21,388.1	23,130.3	24,177.1
Equity investments	2,354.9	2,484.7	2,638.8
Tangible and intangible assets	305.7	314.0	311.8
Other assets	510.2	448.4	480.1
<i>of which tax assets</i>	<i>321.5</i>	<i>284.4</i>	<i>296.4</i>
Total assets	<u>37,008.7</u>	<u>39,819.4</u>	<u>42,295.2</u>
Liabilities			
Funding	29,067.7	31,477.4	33,534.8
<i>of which debt securities in issue</i>	<i>21,118.0</i>	<i>23,090.3</i>	<i>25,059.5</i>
Other liabilities	915.3	1,003.0	1,067.6
<i>of which tax liabilities</i>	<i>645.6</i>	<i>697.7</i>	<i>739.4</i>
Provisions	191.3	196.7	187.7
Net equity	5,976.0	6,616.3	6,794.7
<i>of which: share capital</i>	<i>406.0</i>	<i>408.8</i>	<i>408.8</i>
<i>reserves</i>	<i>5,480.8</i>	<i>6,106.6</i>	<i>6,281.7</i>
<i>minority interest</i>	<i>89.2</i>	<i>100.9</i>	<i>104.2</i>
Profit for the period	858.4	526.0	710.4
Total liabilities	<u>37,008.7</u>	<u>39,819.4</u>	<u>42,295.2</u>



Profit-and-loss figures and balance-sheet data by division

31 MARCH 2007	Wholesale banking	Retail financial services	Private banking	Equity investment portfolio	Group
	€m	€m	€m	€m	€m
Profit-and-loss figures					
Net interest income (expense)	145.4	339.5	17.6	(6.5)	493.6
Dividends on AFS securities	3.2	—	—	—	3.2
Net trading income	79.6	0.1	9.9	—	88.4
Net fee and commission income	204.0	31.1	66.9	—	268.9
Share of profits earned by equity- accounted companies	5.6	—	—	280.0	293.6
TOTAL INCOME	437.8	370.5	94.4	273.5	1,147.7
Labour costs	(77.2)	(49.6)	(31.4)	(2.9)	(153.6)
Administrative expenses	(45.9)	(78.7)	(19.9)	(0.9)	(135.5)
OPERATING COSTS	(123.1)	(128.3)	(51.3)	(3.8)	(289.1)
PROFIT FROM ORDINARY ACTIVITIES ...	314.7	242.2	43.1	269.7	858.6
Gain (loss) on disposal of AFS securities	165.9	—	8.5	—	174.4
Gain (loss) on disposal of other securities	—	—	—	—	—
Extraordinary provisions	—	—	(6.0)	—	(6.0)
Bad debt writeoffs	(1.6)	(115.2)	(0.1)	—	(116.8)
PROFIT BEFORE TAX	479.0	127.0	45.5	269.7	910.2
Income tax for the period	(125.9)	(55.4)	(6.4)	(8.3)	(191.2)
Minority interest	—	(8.6)	—	—	(8.6)
NET PROFIT	353.1	63.0	39.1	261.4	710.4
Balance-sheet data					
AFS securities	4,768.0	—	870.2	—	5,619.3
Equity investments	192.7	—	—	2,402.7	2,638.8
Loans and advances to customers	17,909.6	9,698.1	732.6	—	24,177.1
<i>of which to Group companies</i>	<i>4,022.7</i>	—	—	—	—
No. of employees	441	1,066	269*	—	1,741
Cost/income ratio (%)	28.1	34.6	54.3	1.4	25.2



31 MARCH 2006	Wholesale banking	Retail financial services	Private banking	Equity investment portfolio	Group
	€m	€m	€m	€m	€m
Profit-and-loss figures					
Net interest income (expense)	122.4	292.2	14.7	(4.9)	423.8
Dividends on AFS securities	3.2	—	—	—	3.1
Net trading income	182.5	1.5	8.1	—	190.2
Net fee and commission income	150.3	27.3	63.8	—	214.9
Share of profits earned by equity- accounted companies	16.6	—	—	221.6	245.4
TOTAL INCOME	475.0	321.0	86.6	216.7	1,077.4
Labour costs	(65.8)	(48.5)	(32.1)	(2.4)	(141.3)
Administrative expenses	(41.4)	(69.0)	(18.0)	(1.7)	(122.0)
OPERATING COSTS	(107.2)	(117.5)	(50.1)	(4.1)	(263.3)
PROFIT FROM ORDINARY ACTIVITIES	367.8	203.5	36.5	212.6	814.1
Gain (loss) on disposal of AFS securities ...	107.1	—	2.5	—	109.6
Gain (loss) on disposal of equity investments	—	—	—	—	—
Gain (loss) on disposal of other securities	—	—	0.5	—	0.5
Bad debt writeoffs	—	(84.4)	0.2	—	(84.1)
PROFIT BEFORE TAX	474.9	119.1	39.7	212.6	840.1
Income tax for the period	(102.3)	(50.5)	(4.6)	(10.1)	(162.8)
Minority interest	—	(8.1)	—	—	(6.6)
NET PROFIT	372.6	60.5	35.1	202.5	670.7
Balance-sheet data					
AFS securities	4,344.6	—	1,237.3	—	5,562.1
Equity investments	150.2	—	—	2,223.6	2,405.3
Loans and advances to customers	16,826.1	8,384.9	532.6	—	22,172.5
<i>of which: to Group companies</i>	<i>3,461.2</i>	—	—	—	—
No. of staff	409	1,012	263*	—	1,652
Cost/income ratio (%)	22.6	36.6	57.9	1.9	24.4

* Includes 89 staff employed by the Esperia group pro-forma (31/3/06: 79), not included in the Group total.

Note to statements:

1) Divisions comprise:

- *wholesale banking*: Mediobanca S.p.A., Mediobanca International, Mediobanca Securities USA LLC and Prominvestment;
- *retail financial services*: Compass, Micos Banca, Cofactor and Creditech (consumer credit), SelmaBipiemme Leasing, Palladio Leasing and Teleleasing (leasing);
- *private banking*: Compagnie Monégasque de Banque, Spafid and Prudentia Fiduciaria, plus 48.5% of Banca Esperia pro-forma;
- *equity investment portfolio*: shareholdings owned by the Group in Assicurazioni Generali and RCS MediaGroup.

2) Sum of divisional data differs from Group total due to:

- Banca Esperia being consolidated pro-rata (48.5%) rather than equity-accounted;
- adjustments/differences arising on consolidation between different business areas, which led to shortfalls of €0.5m at 31 March 2007 and €1.9m at 31 March 2006;
- notional expenses attributable to Mediobanca in respect of stock option schemes operated by Banca Esperia amounting to €5.7m (31/3/06: €2m).



Retail financial services

Retail financial services 31 March 2007	Consumer credit	Mortgage lending	Total consumer finance	Leasing	Total RFS
	€m	€m	€m	€m	€m
Total income	281.1	30.0	311.1	59.4	370.5
Operating costs	(90.8)	(16.4)	(107.2)	(21.1)	(128.3)
PROFIT FROM ORDINARY ACTIVITIES	190.3	13.6	203.9	38.3	242.2
Provisions and bad debt writeoffs	(104.4)	(4.2)	(108.6)	(6.6)	(115.2)
Profit attributable to minorities	—	—	—	(8.6)	(8.6)
Income tax for the period	(38.7)	(4.2)	(42.9)	(12.5)	(55.4)
NET PROFIT	47.2	5.2	52.4	10.6	63.0
New loans	1,762.6	445.1	2,207.7	1,249.3	3,457.0
Loans and advances to customers	3,583.3	2,011.4	5,594.7	4,103.4	9,698.1
No. of branches	113	27	140	10	150
No. of employees	654	193	847	219	1,066

Retail financial services 31 March 2006	Consumer credit	Mortgage lending	Total consumer finance	Leasing	Total RFS
	€m	€m	€m	€m	€m
Total income	234.5	26.6	261.1	59.9	321.0
Operating costs	(82.4)	(12.8)	(95.2)	(22.3)	(117.5)
PROFIT FROM ORDINARY ACTIVITIES	152.1	13.8	165.9	37.6	203.5
Provisions and bad debt writeoffs	(74.6)	(4.0)	(78.6)	(5.8)	(84.4)
Profit attributable to minorities	—	—	—	(8.1)	(8.1)
Income tax for the period	(32.3)	(4.3)	(36.6)	(13.9)	(50.5)
NET PROFIT	45.2	5.5	50.7	9.8	60.5
New loans	1,695.6	367.0	2,062.6	1,283.0	3,345.6
Loans and advances to customers	3,103.2	1,573.6	4,676.8	3,708.1	8,384.9
No. of branches	99	21	120	10	130
No. of employees	626	172	798	214	1,012



Private banking

Private banking 31 March 2007	CMB	Banca Esperia 48.5%	Others	Total PB
	€m	€m	€m	€m
Total income	57.9	31.3	5.2	94.4
<i>of which net fee and commission income.....</i>	<i>34.0</i>	<i>28.0</i>	<i>4.9</i>	<i>66.9</i>
Operating costs	(29.7)	(17.6)	(4.0)	(51.3)
PROFIT FROM ORDINARY ACTIVITIES	28.2	13.7	1.2	43.1
Other income (expense)	2.5	(0.1)	—	2.4
Income tax for the period	—	(5.6)	(0.8)	(6.4)
NET PROFIT	30.7	8.0	0.4	39.1
Assets under management	7,913.0	5,029.0	—	12,942.0

Private banking 31 March 2006	CMB	Banca Esperia 48.5%	Others	Total PB
	€m	€m	€m	€m
Total income	56.0	26.2	4.4	86.6
<i>of which net fee and commission income</i>	<i>35.8</i>	<i>23.7</i>	<i>4.3</i>	<i>63.8</i>
Operating costs	(30.9)	(14.6)	(4.6)	(50.1)
PROFIT FROM ORDINARY ACTIVITIES	25.1	11.6	(0.2)	36.5
Other income (expense)	3.6	(0.2)	(0.2)	3.2
Income tax for the period	—	(4.3)	(0.3)	(4.6)
NET PROFIT	28.7	7.1	(0.7)	35.1
Assets under management	7,122.0	3,979.4	—	11,101.4