

TRANSLATION OF PRESS RELEASE ISSUED BY MEDIOBANCA

ON 14 MAY 2002 (as required under Consob regulation 11971/99 as amended)

At a Board Meeting held today with Mr Francesco Cingano in the chair, the Directors of Mediobanca approved the Bank's quarterly report for the three months ended 31 March 2002.

The Group's consolidated accounts for the first nine months of the financial year reflect a margin before tax of €244m (31/3/01: €178.1m) after provisions totalling €13.8m (€8.5m).

At €262.9m, profit from ordinary operations during the period under review was virtually the same as last year's €262.1m, bearing out the trend noted in our interim report for the six months ended 31 December 2001, with the marked slowdown in investment banking continuing and interest rates still low. Despite this, and notwithstanding an €8.9m decrease in dividends, our interest margin rose 10% during the quarter from €290.3m to €319m, enabling both the €25.2m reduction in fee income and the slight €2.7m increase in operating expenses to be offset.

In addition to ordinary business, there was a net gain of €465.4m on disposals of investment securities during the period, as against a net loss of €4.7m last year. Bad debt writeoffs were almost the same as twelve months previously, involving only consumer credit and factoring and to a much lesser extent our leasing activities. Net interim writedowns in our securities portfolio amounted to €419.8m (€26.9m), based on average prices in March in the case of trading securities and in the six months ended 31 March in the case of investment securities. This figure falls to €407.7m on the basis of prices at the close of business on 13 May 2002.

As at 31 March 2002 funding amounted to €17,815.4m down 3.6% compared with 31 December 2001, while at €17,124.9m loans and advances were 0.9% up on the total recorded three

months previously. Securities and equity investments were up 0.2% at € 3,117.9m after interim adjustments.

The Group's net worth rose to € 4,717.4m (31/12/01: € 4,716.7m). This does not take account of profits made in the quarter or the surplus of market over book value of listed securities which, based on holdings and share prices as at 13 May 2002, was € 3,810.1m after writedowns charged on 31 March 2002.

Mediobanca's pre-tax profit in the nine months ended 31 March 2002 was € 106.5m (31/3/01: €93.1m), after charging €60m (€62m) to the *Credit risks provision* and €26.1m to cover the substantial initial instalment on the lease for the premises the Group has acquired in Via Filodrammatici opposite the Bank's Head Office, providing total floor space of 11,452 sq.m. Gains of € 459.7m on the disposal of equity investments reflect the sale of the Bank's interests in *Montedison* and *Consortium*. At € 419.1m, net interim writedowns to our securities portfolio, computed in accordance with the usual principles, were some € 100m higher than at 31 December 2001.

Funding at the end of the quarter fell by € 632.9m from the figure recorded at 31 December 2001. Liquid assets were € 828.3m lower, taking account of forward deposit and funding transactions and changes in other assets and liabilities, whereas lendings were up by € 181.4m.

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At its meeting today the Board of Mediobanca resolved to:

- co-opt Mr Carlo Buora, Mr Mario Greco and Mr Carlo Salvatori as Directors in place of Mr Francesco Cesarini, Mr Angelo Marchiò and Mr Marco Tronchetti Provera who have recently tendered their resignations;
- elect Mr Carlo Salvatori as Joint Deputy Chairman of the Board of Directors.

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Attached hereto are the Group's condensed income statement and balance sheet contained in the quarterly report.

14 May 2002

CONSOLIDATED FINANCIAL STATEMENT

	<i>31/3/01</i>	<i>30/6/01</i>	<i>31/12/01</i>	<i>31/3/02</i>
	<u>€m</u>	<u>€m</u>	<u>€m</u>	<u>€m</u>
<i>Assets</i>				
Treasury funds employed	3,914.8	4,601.7	4,366.3	3,542.3
Loans and advances	16,479.7	16,998.1	16,974.9	17,124.9
Investment securities	3,561.3	3,333.7	3,111.6	3,117.9
Intangible assets	1.6	1.5	1.5	1.3
Net fixed assets	67.1	67.2	128.8	127.4
Other assets	1,607.6	1,648.4	1,710.2	1,850.9
Total assets	<u>25,632.1</u>	<u>26,650.6</u>	<u>26,293.3</u>	<u>25,764.7</u>
Liabilities				
Deposits and loans	18,287.9	19,170.9	18,485.2	17,815.4
Provision for liabilities and charges....	375.9	375.5	297.9	299.6
Consolidated provision for future liabilities and charges	6.5	6.8	6.7	6.6
Other liabilities	2,444.9	2,460.2	2,448.3	2,611.5
Credit risks provisions	13.4	13.4	13.4	13.4
Shareholders' equity attributable to minorities	50.4	49.0	53.1	56.8
Shareholders' equity	4,275.0	4,277.6	4,716.7	4,717.4
Profit			(1	(1
	178.1 (1)	297.2	272.0)	244.0
Total liabilities	<u>25,632.1</u>	<u>26,650.6</u>	<u>26,293.3</u>	<u>25,764.7</u>

(1) *Before tax.*

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	9 months to 31/3/01	12 months to 30/6/01	6 months to 31/12/01	9 months to 31/3/02
	€m	€m	€m	€m
Interest margin	290.3	530.1	219.8	319.0
<i>of which: dividends</i>	9.3	152.1	0.3	0.4
Commissions received and other income	165.3	219.0	100.4	140.1
General expenses and sundry operating costs .	(193.5)	(266.8)	(134.9)	(196.2)
GROSS MARGIN FROM ORDINARY OPERATIONS	262.1	482.3	185.3	262.9
Net gain (loss) on sale of investment securities	(4.7)	101.7	462.0	465.4
Net writebacks (writedowns) in securities and investments	(26.9)	(109.0)	(319.3)	(419.8)
Gain (loss) on exchange and derivative transactions	(3.8)	14.4	(20.9)	(14.1)
Bad debts written off	(32.1)	(42.7)	(19.7)	(33.2)
Net overprovision for taxation.....	—	—	—	6.8
Gain (loss) on investments stated on equity basis	—	0.2	—	—
MARGIN BEFORE TAXATION AND PROVISIONS	194.6	446.9	287.4	268.0
Transfer to provision for liabilities and charges	(5.8)	(12.5)	(7.6)	(11.2)
Accelerated depreciation and amortisation ...	(2.7)	(4.7)	(1.3)	(2.6)
(Profit) loss attributable to minority interests	(8.0)	(6.3)	(6.5)	(10.2)
PROFIT BEFORE TAX	178.1	423.4	272.0	244.0
Transfers to provisions for income taxes and asset tax	—	(126.2)	—	—
NET PROFIT	—	297.2	—	—