<u>Translation of press release issued by Mediobanca</u>

<u>pursuant to Consob resolution 11971/99 as amended</u>

At a Board meeting held today with Deputy Chairman Mr Cesare Geronzi presiding, the Directors of Mediobanca approved the Bank's interim report for the six months to 31 December 2002.

In the period under review, the Group earned a pre-tax profit from ordinary operations of € 214.7m, up 16.8% on the total recorded at 31 December 2001, due to a 21.6% increase in the interest margin, which benefited from gains on trading involving the Bank's treasury portfolio. Fee income remained at roughly the same levels as last year, despite the ongoing stagnation in investment banking. The difficult market conditions continued to impact heavily on the Group's accounts, which for the six-month period reflect a loss attributable to the parent company of € 186.1m, after charging writedowns of € 293.8m in our equity and bond portfolio to profit and loss. These include a € 34.8m loss on our holding in *Fondiaria-SAI*, which was sold after 31 December 2002. In the equivalent period last year, the Group made a profit of € 272m, after a gain of € 462m on disposal of investment securities, and interim net losses of € 319.3m on our securities portfolio. The downturn which continues to affect financial markets, and currently shows no signs of recovery, has meant that for the interim accounts too we have adopted the conservative accounting principle of writing down our equity investment portfolio on the basis of prices as at the end of the period under review, rather than on the average values recorded throughout the period as a whole. This has resulted in us booking a charge which is some € 93m higher. After such writedowns, as at 31 December 2002 the securities portfolio reflected a gain of € 2,412.6m, which falls to € 2,247.8m based on prices as at 13 March 2003. The net loss of € 50.6m on derivative transactions does not take into account gains of € 44.7m accumulated on such instruments, including € 30.3m since the beginning of the Bank's financial year, which will be booked as and when they are realized. Bad debt writeoffs as usual involved only our *consumer credit* and *factoring*, and to a much lesser extent the Group's *leasing* activities. The higher writedowns are attributable to the rigour being applied in the light of a general deterioration in risk.

At 31 December 2002, funding amounted to € 22,506.2m, up 9.7% compared with 30 June 2002, whereas loans and advances fell by 8.9% to € 15,628.4m. Securities and equity investments rose by 0.5% to € 3,369.9m, naturally after the net interim adjustments referred to. The Group's net worth rose to € 4,841.8m, as against € 4,706.7m at 30 June 2002. This does not include the loss for the six months, nor the surplus of market over book value for our securities portfolio.

Mediobanca earned a pre-tax profit from ordinary operations of € 144m, 27% higher than at 31 December 2001, entirely attributable to the interest margin, which was greatly boosted by treasury transactions. The bank's accounts for the period reflect a pre-tax loss before provisions of € 237.9m, as against a profit of € 169.4m at 31 December 2001. This is largely due to writedowns of € 298.7m in securities and investments, based on prices as at 31 December 2002 in the case of equities and listed convertible bonds, whereas last year's result was helped by € 137.5m in extraordinary items involving our securities portfolio, the difference between € 456.3m in gains on disposal and € 318.8m in writedowns.

Funding, including loans from banks and EIB funds, rose by approximately € 1.9bn during the six months, whereas loans and advances fell by € 1.8bn. As a result, liquid assets rose by 3.4bn, including forward transactions and the balance of other items.

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Attached hereto are the Group's restated balance sheet and profit and loss account as contained in the interim report. The figures therein have been sent to the Bank's Statutory Audit Committee for review, and to its external auditors, who will issue the requisite report in due course.

14 March 2003

CONSOLIDATED FINANCIAL STATEMENT

	31/12/01		30/6/02	31/12/02	
	€ m		€ m	€ m	
Assets					
Treasury funds employed	4,366.3		5,614.5	8,737.2	
Loans and advances	16,974.9		17,154.2	15,628.4	
Investment securities	3,111.6		3,351.5	3,369.9	
Intangible assets	1.5		1.9	1.7	
Net fixed assets	128.8		126.2	124.7	
Other assets	1,710.2		2,026.5	2,044.3	
Total assets	26,293.3		28,274.8	29,906.2	
Liabilities					
Deposits and loans	18,485.2		20,511.3	22,506.2	
Provision for liabilities and charges	297.9		338.6	229.8	
Consolidated provision for future liabilities and charges	6.7		5.8	5.6	
Other liabilities	2,448.3		2,390.3	2,438.8	
Credit risks provisions	13.4		13.4	13.4	
Shareholders' equity attributable to minorities	53.1		53.6	56.7	
Shareholders' equity	4,716.7		4,706.7	4,841.8	
Profit (loss)	272.0	(1)	255.1	(186.1)	(1)
Total liabilities	26,293.3		28,274.8	29,906.2	

(1) Pre-tax.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	6 months to 31/12/01		12 months to 30/6/02		6 months to 31/12/02
	€ m		€ m		€ m
INTEREST MARGIN	219.8		550.4		267.2
of which: dividends	*0.3*		*128.8*		*3.5*
Commissions received and other income	100.4		177.6		95.1
General expenses and sundry operating costs	(136.4)	(*)	(282.7)	(*)	(147.6)
GROSS MARGIN FROM ORDINARY OPERATIONS	**183.8**		**445.3**		**214.7**
Net gain (loss) on sale of investment securities	462.0		463.7		(13.4)
Writedowns in securities and investments	(319.3)		(535.9)		(293.8)
Net loss on exchange and derivative transactions (1)	(19.4)	(*)	(19.8)	(*)	(50.6)
Bad debts written off	(19.7)		(46.8)		(26.1)
Net provision for overtaxation	—		6.8		—
Loss on investments stated on equity basis	—		(5.1)		(2.4)
MARGIN BEFORE TAXATION AND PROVISIONS	**287.4**		**308.2**		**(171.6)**
Transfers to provisions for liabilities and charges	(7.6)		(13.3)		(8.4)
Accelerated depreciation and amortization	(1.3)		(3.6)		(2.1)
Loss attributable to minority interests	(6.5)		(7.0)		(4.0)
PROFIT (LOSS) BEFORE TAX ATTRIBUTABLE TO THE PARENT COMPANY	**272.0**		**284.3**		**(186.1)**
Transfers to provision for income taxes	—		(29.2)		—
NET PROFIT	—		**255.1**		—

(*) Restated.
(1) Does not include gains on derivative transactions of € 13.9m (of which € 3.3m in the period concerned), € 14.4m (€ 3.8m) and € 44.7m (€ 30.3m) respectively.