

TRANSLATION OF PRESS RELEASE ISSUED BY MEDIOBANCA

ON 18 MARCH 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 interim report for the six months ended 31 December 2001.

The Group's consolidated accounts reflect a margin before tax of € 272m (31/12/00: € 200.2m), after net gains on disposals of investment securities amounting to €462m (€27m), and net losses based on average prices in December in the case of trading securities and average prices for the half year in the case of investment securities of €319.3m, as against net gains of €28m during the equivalent period in 2000. At €185.3m, profit from ordinary operations was almost unchanged from last year (€ 184.4m), with the Group's interest margin rising by some 9% to € 219.8m (€ 201.8m) despite the particularly unfavourable economic scenario. This enabled us to offset a fall of €11.8m in fee income and an increase of €5.3m in general expenses.

As at 31 December 2001 funding amounted to €18,485.2m, down 3.6% compared with 30 June 2001, while at €16,974.9m loans and advances were in line with the total recorded six months previously. Securities and equity investments were down 6.7% at € 3,111.6m after interim adjustments.

The Group's net worth rose to € 4,716.7m (30/06/01: € 4,277.6m). This does not take account of the surplus of market over book value of listed securities which, after net interim writedowns made on 31 December 2001, was €4,358m, based on holdings and share prices as at 15 March 2002.

The Parent Company's pre-tax profit for the six months ended 31 December 2001 was € 169.4m (€ 145m), after transferring € 40m (€ 41.3m) to Credit Risks Provision and € 26.1m to cover the substantial initial instalment on the leasing contract for the premises acquired in Via

Filodrammatici. Earnings from ordinary operations were €113.5m, a fall of €19.8m. This is mainly attributable to dividends on shares being received almost exclusively in the final two months of our financial year as well as to a reduction in fee income, each of these items accounting for a fall of €7.8m. The company's net worth rose to €4,411.6m, up from €4,075.2m at 30 June 2001.

The merger of Euralux into Mediobanca was completed in December 2001, resulting in 48.9m Generali shares being transferred to Mediobanca's accounts at a book value of €230.3m. This transaction contributed to Mediobanca's market capitalization rising to almost €10bn at 31 December 2001, as against €8bn at 30 June 2001.

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Turning to investment banking, Mediobanca lead managed deals worth a total of more than €60bn during the six months under review.

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The Board of Directors has set a provisional date of 12 April 2002 for a further meeting to approve the Bank's business plan.

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Attached hereto are the Group's condensed income statement and balance sheet contained in the interim report. The figures concerned have been sent to the Bank's Statutory Audit Committee for review and to its external auditors, who will issue the required report on them in due course.

18 March 2002

CONSOLIDATED FINANCIAL STATEMENT

	31/12/00	30/6/01	31/12/01
	€m	€m	€m
Assets			
Treasury funds employed	2,715.9	4,601.7	4,366.3
Loans and advances	17,184.6	16,998.1	16,974.9
Investment securities	3,523.7	3,333.7	3,111.6
Intangible assets	1.9	1.5	1.5
Net fixed assets	68.3	67.2	128.8
Other assets	1,606.2	1,648.4	1,710.2
Total assets	25,100.6	26,650.6	26,293.3
Liabilities			
Deposits and loans	18,130.8	19,170.9	18,485.2
Provision for liabilities and charges ...	394.0	375.5	297.9
Consolidated provision for future liabilities and charges	6.2	6.8	6.7
Other liabilities	2,036.6	2,460.2	2,448.3
Credit risks provisions	13.4	13.4	13.4
Shareholders' equity attributable to minorities	47.4	49.0	53.1
Shareholders' equity	4,272.0	4,277.6	4,716.7
Profit	200.2 ⁽¹⁾	297.2	272.0 ⁽¹⁾
Total liabilities	25,100.6	26,650.6	26,293.3

⁽¹⁾Before tax.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	6 months to 31/12/00	12 months to 30/6/01	6 months to 31/12/01
	€m	€m	€m
INTEREST MARGIN	201.8	530.1	219.8
<i>of which: dividends</i>	8.1	152.1	0.3
Commissions received and other income	112.2	219.0	100.4
General expenses	(129.6)	(266.8)	(134.9)
GROSS MARGIN FROM ORDINARY OPERATIONS	184.4	482.3	185.3
Net gain (loss) on sale of investment securities	27.0	101.7	462.0
Writebacks (writedowns) in securities and investments	28.0 (A)	(109.0)	(319.3) (A)
Net gain (loss) on exchange and derivative transactions	(9.7)	14.4	(20.9)
Bad debts written off	(18.3)	(42.7)	(19.7)
Gain on investments stated on equity basis	—	0.2	—
MARGIN BEFORE TAXATION AND PROVISIONS	211.4	446.9	287.4
Provision for risks and charges	(4.6) (A)	(12.5)	(7.6) (A)
Extraordinary provisions	—	—	—
Accelerated depreciation and amortisation	(1.6) (A)	(4.7)	(1.3) (A)
(Profit) loss attributable to minority interests	(5.0)	(6.3)	(6.5)
PROFIT BEFORE TAX ATTRIBUTABLE TO THE PARENT COMPANY	200.2	423.4	272.0
Transfers to provisions for income taxes	—	(126.2)	—
NET PROFIT	—	297.2	—

(A) Interim provisions.