



Press release

Mediobanca launches a Tender Offer on Fresh 2003 Notes issued by MPS Capital Trust II and secured by Banca Monte dei Paschi di Siena S.p.A.

Milan, 12 May 2011 –Mediobanca – Banca di Credito Finanziario S.p.A. (“**Mediobanca**”) has announced today its decision to launch a tender offer (the “**Offer**”) on the entire nominal amount outstanding of the floating rate equity-linked subordinated hybrid preferred security named “*Noncumulative Floating Rate Guaranteed Convertible FRESH Preferred Securities*”(ISIN XS0180906439), amounting to approximately Euro 471 million (the “**Notes**”).

The Offer is made at a cash consideration equal to the 44% of the nominal value of each Note plus interest accrued through to the settlement date (for more details, see the notice pursuant to article 102 of the Italian Consolidated Law on Financial Intermediation, that follows this press release). Investors may, when submitting their application to participate in the Offer, request the cash consideration to be settled in the form of ordinary shares of Banca Monte dei Paschi di Siena S.p.A., in accordance with the procedures described in such *ex article 102* notice and in the tender offer prospectus (the “**Prospectus**”).

All Notes purchased upon the completion of the Offer will be sold by Mediobanca to Banca Monte dei Paschi di Siena S.p.A. at the offer price plus accrued interest.

The Offer is expected to commence, subject to prior authorisation from CONSOB, before the end of May.

The text of notice made *ex article 102* of the Italian Consolidated Law on Financial Intermediation is reported below.

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NOTICE UNDER ARTICLE 102 OF THE LEGISLATIVE DECREE 24TH FEBRUARY 1998, No. 58

Mediobanca – Banca di Credito Finanziario S.p.A. (“**Mediobanca**” or the “**Offeror**”) hereby notifies, pursuant to article 102 of the Legislative Decree 24th February 1998, No. 58 (as subsequently amended and integrated, the “**Consolidated Law on Financial Intermediation**”), its intention to launch a tender offer (the “**Offer**”) on the floating rate equity-linked subordinated hybrid preferred security named “*Noncumulative Floating Rate Guaranteed Convertible FRESH Preferred Securities*” (ISIN XS0180906439) (the “**2003 Fresh Notes**” or the “**Notes**”) issued on 30th December 2003 by MPS Capital Trust II and guaranteed by Banca Monte dei Paschi di Siena S.p.A. (“**BMPS**”).

The Offer is launched on the entire nominal amount outstanding of the 2003 Fresh Notes equal to Euro 470,595,670.68.

Offer Consideration

Holders of the 2003 Fresh Notes who validly participate in the offer (the “**Participants**”) will receive, for each Note tendered, a cash consideration equal to Euro 1.4432 equal to the 44% of the liquidation preference (nominal value) of the Note (the “**Consideration**”).

Each Participant will receive (in addition to the 30 June 2011 coupon of the 2003 Fresh Notes if such coupon date falls after the date of tender and before the settlement date), in addition to the Consideration, a cash amount equal to the interest from (and including) the last coupon payment date of the Notes to (but excluding) the settlement date of the Offer (the “**Accrued Interests**”).

Each Participant in the Offer has the option to request Mediobanca that the Consideration be settled in the form of ordinary shares of BMPS in place of cash (“**Settlement in Shares**”). In this case, the number of BMPS ordinary shares to be delivered to each Participant who has made such request, for each Note tendered in the Offer, shall be calculated on the basis of the ratio between (i) the Consideration; and (ii) the arithmetic average of the Official Prices of the BMPS ordinary shares registered on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. (the “**Stock Market**”), on each stock exchange day following the “*ex-date*” of the option rights relating to the capital increase of BMPS announced on 11 April 2011 (the “**Option Rights**”) and during the dealing period of such Option Rights on the Stock Market (the “**BMPS Shares Value**”).

The Accrued Interests and any rounding difference as a result of Settlement in Shares will be settled in cash on the settlement date.

On the basis of requests submitted by the Participants at the end of the Offer period, Mediobanca will purchase either BMPS ordinary shares on the market for delivery to the Participants or the relating Option Rights. In no event shall the BMPS ordinary shares purchased by Mediobanca equal or exceed 10% of the share capital of BMPS. If, as a result of applying the BMPS Shares Value to the Consideration, the number of BMPS ordinary shares that would need to be purchased for delivery to the Participants will equal or exceed such 10% limit, those BMPS ordinary shares constituting such excess will not be delivered to the Participants, each of whom shall instead receive from Mediobanca the counter value of any BMPS ordinary shares undelivered to it, calculated at the BMPS Shares Value. In the event that the requests from Participants for Settlement in Shares are such as to equal or exceed such 10% limit, or if it is not possible for Mediobanca to acquire all the BMPS ordinary shares so requested for such Settlement in Shares, a *pro rata* reduction shall be applied.

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Details of the method of calculation of the BMPS Shares Value and the terms and conditions for the Settlement in Shares, including the conditions for any *pro rata* reduction, are set forth in the Prospectus.

Comparison between the Consideration offered and the recent trend of the Notes

The average prices of the Fresh 2003 Notes (referring to the average over the counter prices quoted by the principal market makers during the six months period, three months period and calendar month, in each case, ending on 11 May 2011 (being the calendar day before the launch of the Offer - as reported by Bloomberg) expressed as a percentage of the nominal value of the Notes are equal to 39.95%, 42.52% and 44.22%, respectively.

The Consideration thus represents a premium of 10.13% and 3.48% compared to the average price of the Notes of the last semester and the last three months, respectively, and a discount of 0.49% compared to the average price of the last calendar month. The Consideration represents a discount of 0.90% compared to the price of the day prior to the launch of the Offer.

Reasons for the Offer

On 11th April 2011, BMPS has resolved to repurchase the entire nominal amount outstanding of the 2003 Fresh at a price equal to the 44% of their nominal value.

On the same date, Mediobanca and BMPS entered into an agreement (the “**Agreement**”) which provides for the purchase by BMPS from Mediobanca, at the above mentioned unit price plus accrued interest, the 2003 Fresh Notes that Mediobanca is able to acquire on the market in a manner that ensures the equal treatment of all investors and, accordingly, also by way of launching (in its own name and for its own account) a tender offer.

The Offer is thus launched following the stipulation on even date, in accordance with the Agreement, of a sale and purchase agreement between Mediobanca and BMPS, pursuant to which BMPS shall purchase from Mediobanca, on the terms indicated below and at a price per Note equal to 44% of its nominal value, Notes that Mediobanca shall acquire in the context of the Offer (the “**Sale and Purchase Agreement**”).

BMPS will fund the purchase of the Notes by using up to Euro 2.471 billion of the proceeds from the capital increase announced by it on 11th April 2011 (the “**Capital Increase**”). The precise amount of the Capital Increase (of up to such maximum amount) shall be determined upon completion of the Offer, and, thus, when is possible to determine the quantity of the 2003 Fresh Notes that BMPS will purchase from Mediobanca in accordance with the Sale and Purchase Agreement.

The Sale and Purchase Agreement is subject to (i) subscription for the Capital Increase amounting to at least 90%; and (ii) BMPS obtaining the authorisation of Bank of Italy to purchase the Notes.

Offer Period and Settlement Date

It is expected that the Offer Period, to be agreed with CONSOB, would start before the end of May 2011.

Holder of the 2003 Fresh wishing to participate in the Offer may do so through the depositaries with whom their Notes are held in accordance with the procedures that will be indicated into the Prospectus.

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The Consideration (in the form of cash or BMPS ordinary shares) and Accrued Interests will be paid (or delivered) to the Participants, subject to satisfaction of the conditions set forth below, as soon as at least 90% of the Capital Increase has been subscribed, as will be specified in greater details in the Prospectus. The settlement date of the Offer will therefore be fixed on the basis of the timing of the Capital Increase.

Offer conditions

The Offer is conditional upon the following events:

- 1) approval of the Capital Increase by the extraordinary meeting of the shareholders of BMPS, convened for 6th and 7th June 2011, for the first and the second call;
- 2) the pre-emption right period for the Capital Increase of BMPS commences no later than 15th July 2011;
- 3) the non-occurrence, before the calendar day preceding the settlement date, in the national and/or international context, of (a) any extraordinary events or circumstances from which arise, or could arise, significant changes in the political, financial, economic, currency or market conditions that have, or that could have material adverse effect on the Offer or (b) events or circumstances that worsen (or could, as a consequence of the Offer, result in a worsening of) the equity, financial, economic, fiscal, regulatory, corporate or legal position of the Offeror compared to that resulting from the most recent financial data available; or (c) changes in applicable regulations which would limit, or otherwise prejudice, the purchase of the Notes or the exercise of any rights as owners thereof or other rights inherent to the Notes;
- 4) satisfaction of the conditions to which Sale and Purchase Agreement is subordinated, namely, (i) subscription for the Capital Increase equal to at least 90%; and (b) BMPS obtaining the authorisation by the Bank of Italy for purchasing the 2003 Fresh Notes pursuant to Title I, Chapter 2, Section II, Paragraph 7 of Circular n. 263, in relation to which BMPS has submitted to the Bank of Italy an application for authorisation on 23rd April 2011.

The Offeror may waive, in whole or in part, any of the conditions set out above, and, in case either or both of the conditions set out in 3) and 4) is (are) not satisfied, may withdraw the Offer vis-à-vis those Holders who have not requested Settlement in Shares (whilst proceeding with and thus maintaining valid the Offer vis-à-vis those Holders who have requested Settlement in Shares), all in such manner as will be better specified in the Prospectus.

Funding and guarantee

The maximum financial commitment in connection with the payment of the Consideration is equal to Euro 207,063,000 (the “**Maximum Commitment**”). The Offeror, who shall fund such commitment utilising its own liquidity, will deposit in an account an amount equal to such Maximum Commitment, to secure its obligation to pay the Consideration.

Market in which the Offer is launched

The Prospectus to be approved by CONSOB will be only addressed to the holders of the 2003 Fresh Notes resident or domiciled in Italy.

Save as stated below, holders of the 2003 Fresh Notes resident or domiciled outside Italy may participate in the Offer pursuant to the terms and conditions set out in a separate document - the “**Exchange Offer Memorandum**”, that will be made available to them and shall contain information in line with that

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included in the Prospectus. The Exchange Offer Memorandum will not be subject to the approval of any supervisory authority.

The Offer is not made, directly or indirectly, in the United States of America, Australia, Canada, Japan or in any other jurisdiction in which such offer or solicitation is unlawful in the absence of approval by the competent authority.

Participation in the Offer by persons resident or domiciled in jurisdictions other than Italy may be subject to specific obligations and restrictions under applicable law and regulations. Holders of the Notes are solely responsible for verifying the existence and application of such regulations and should consult their own counsels and advisers and comply with all applicable rules and regulations before participating in the Offer.

Website

All press releases in relation to the Offer and the Prospectus will be published on the website of the Offeror at www.mediobanca.it.

Advisors of the Offer

The Offeror is assisted by Riolo Calderaro Crisostomo & Associates Law Firm, acting as counsel as to Italian law.

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