



MEDIOBANCA
Banca di Credito Finanziario S.p.A.

June 2006 results

- /// June 2005 results restated in accordance with IAS
- /// 05/08 CAGR restated according to 2005 IAS figures
- /// Main difference between June 05 IAS and June 05 used for 06/08 BP is adoption of IAS by Assicurazioni Generali and RCS Media Group (equity-accounted)

Key facts and achievements

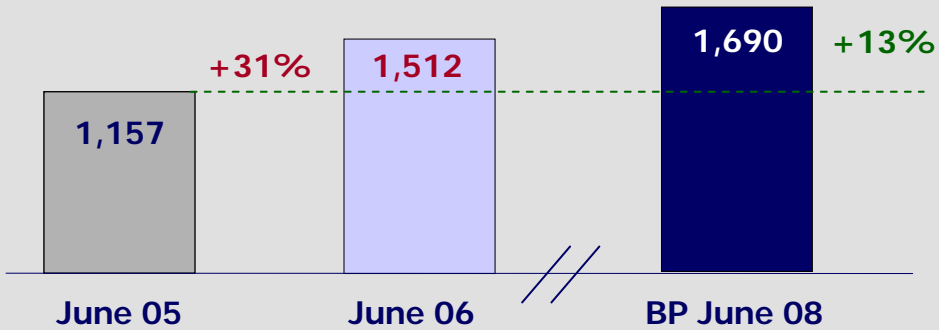
- /// Mediobanca 06-08 business plan approved in September 2005
- /// Key initiatives set up, in accordance with business plan guidelines
- /// 2006 results above expectations and close to 2008 targets, in part due to favourable market conditions
- /// Strong top line and GOP performance by all businesses, with efficiency increased and asset quality maintained
 - /// RWA up 21%
 - /// revenues up 31% to € 1.5 bn
 - /// cost/income ratio down 5pp to 26%
 - /// net profit up 36% to € 858 m



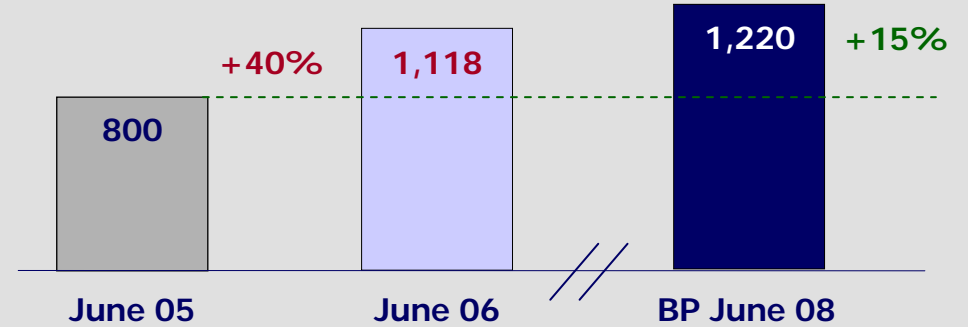
Mediobanca group: 2006 highlights and 2008 targets

June 2006 results

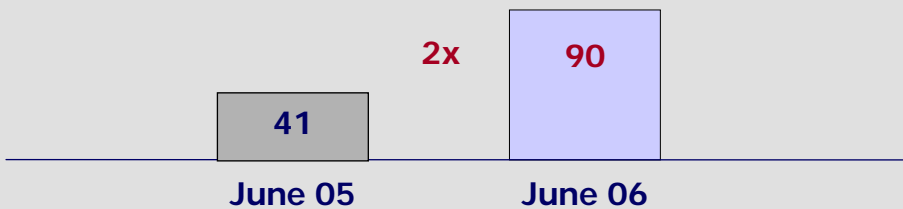
Revenues (€m)



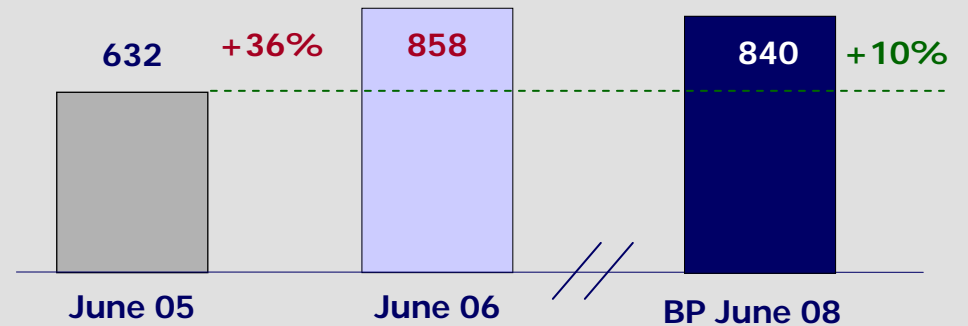
Gross operating profit (€m)



Net portfolio result (€m)



Net profit (€m)



06/08 target CAGR



Implementation of business plan guidelines: progress to date

June 2006 results

BP 06-08 strategic guidelines

Achievements

Develop corporate banking

Increase RWA, including through new asset classes

Strengthen investment banking

Leverage on revenues potential in advisory and cap.mkt

International reach

Larger non-Italian customer base

RFS and PB momentum

Strong growth, both organic and by acquisitions

Capital allocation

Increase capital allocated to banking activities

Profitability

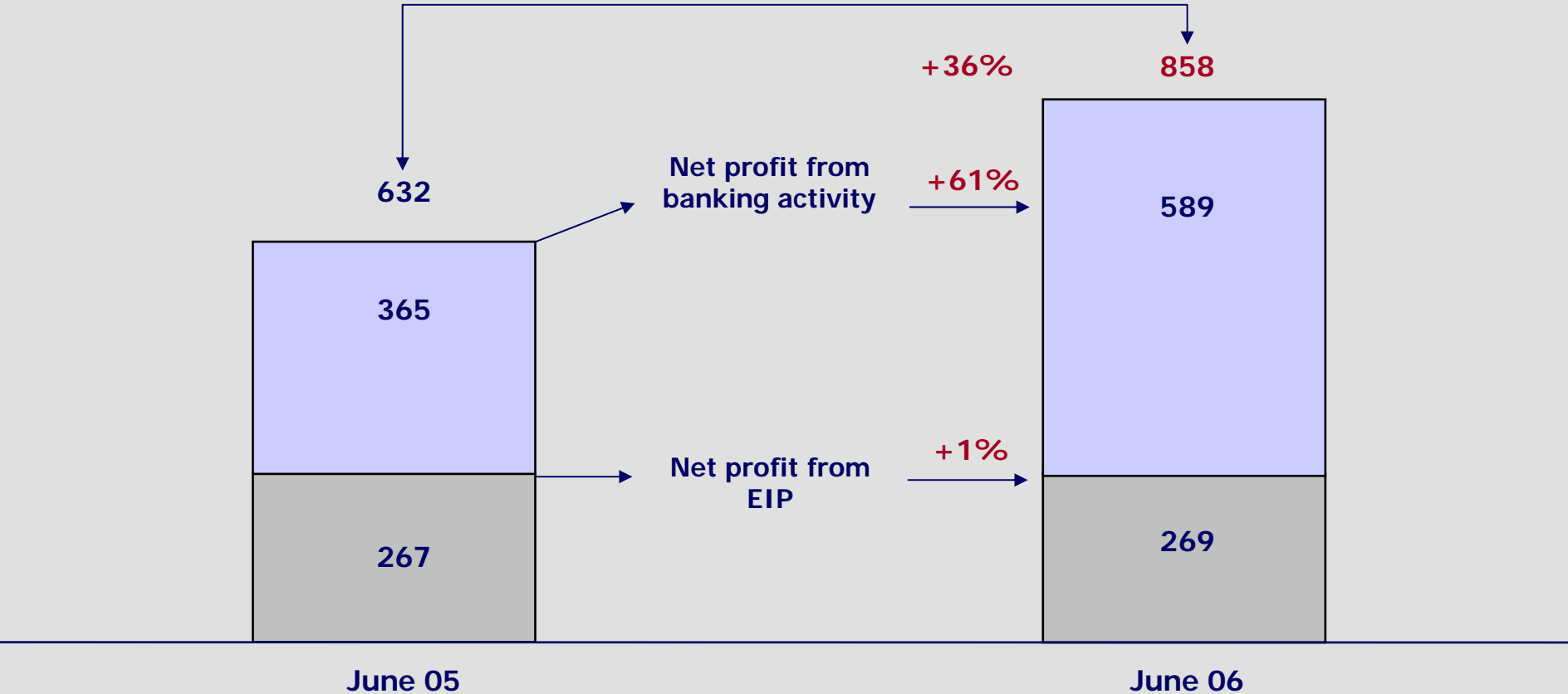
June 08 net profit: € 840 m



Net profit driven by banking activities remarkable performance

June 2006 results

Net profit trends (€m)

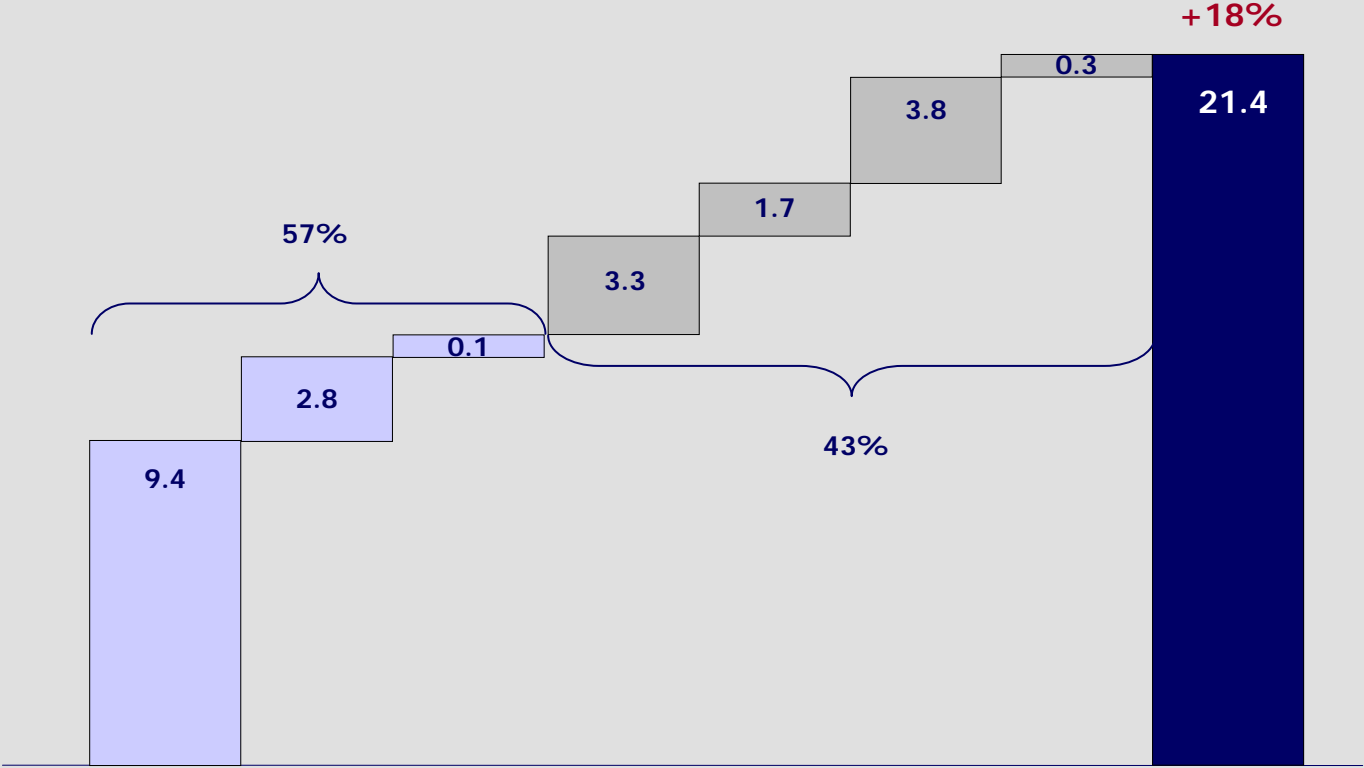
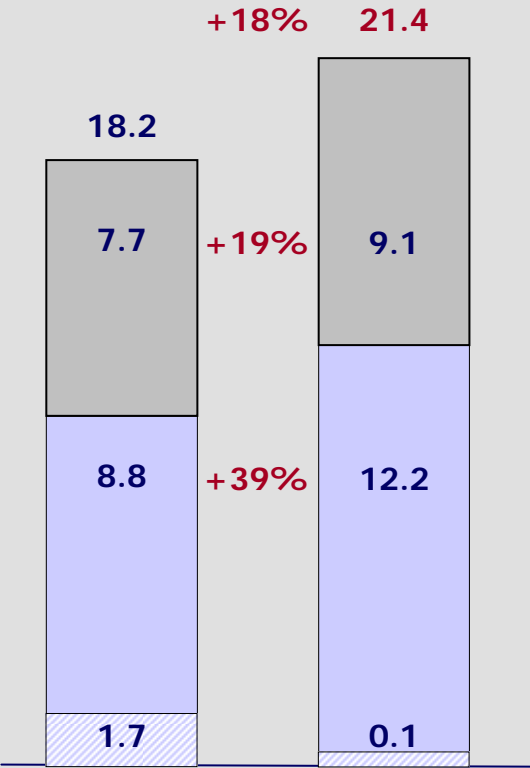


Sound loan book growth, especially corporate

June 2006 results

Loan book trend (€ bn)

June 06 breakdown (€ bn and %)



- Corporate
- Retail/SMEs
- Cash collateral

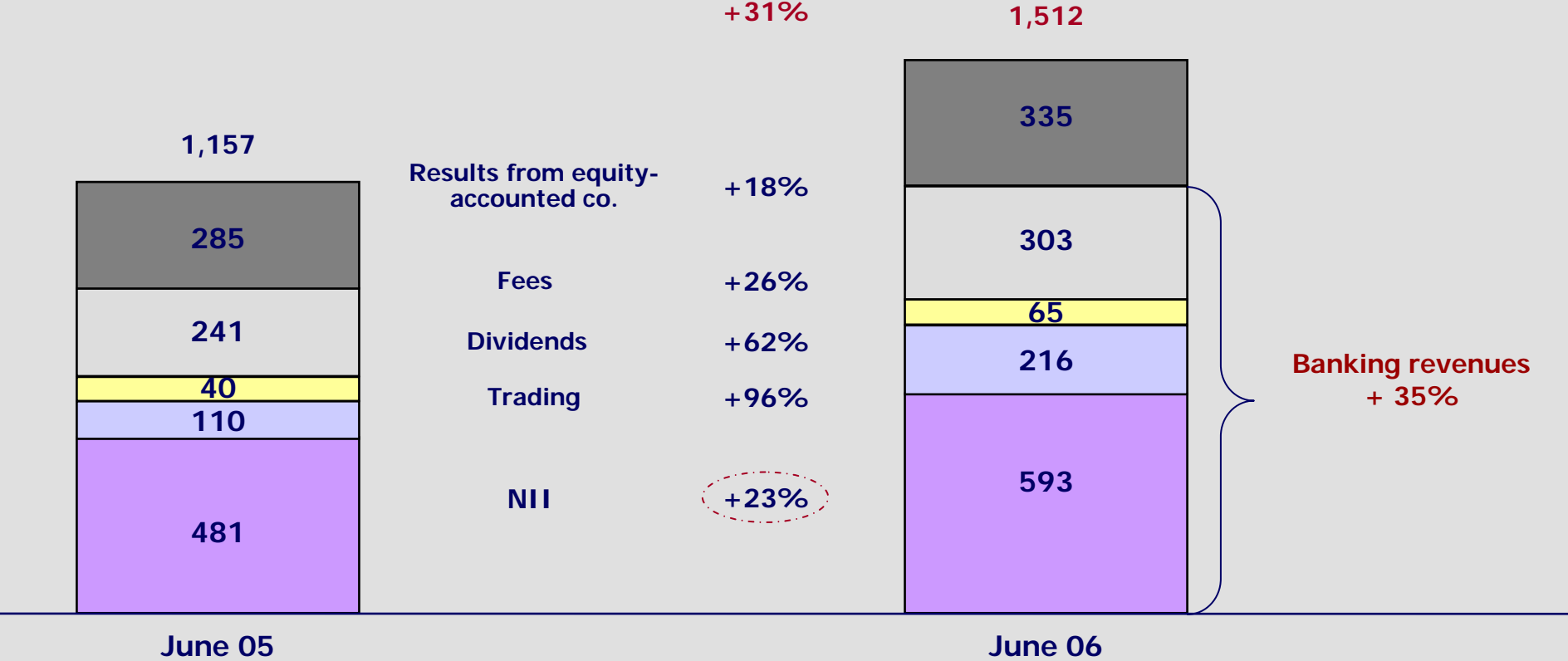


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Strong growth by all revenue streams

June 2006 results

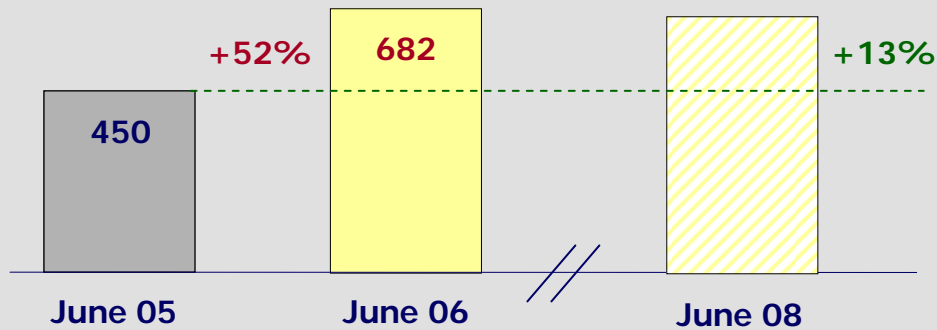
Revenues trends (€m)



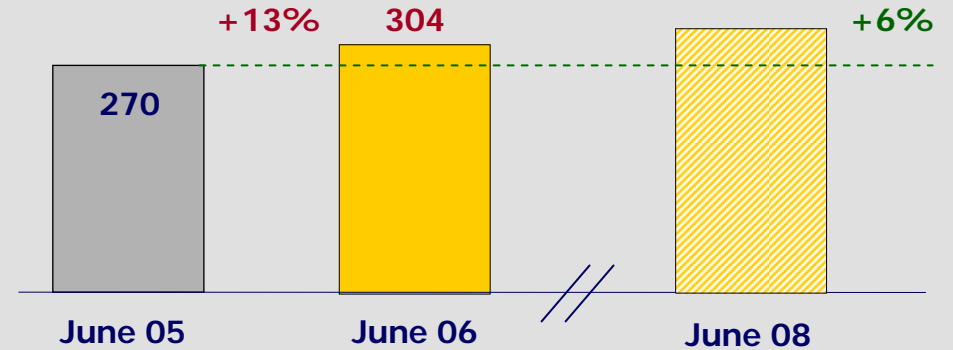
Revenues: growth above BP target

June 2006 results

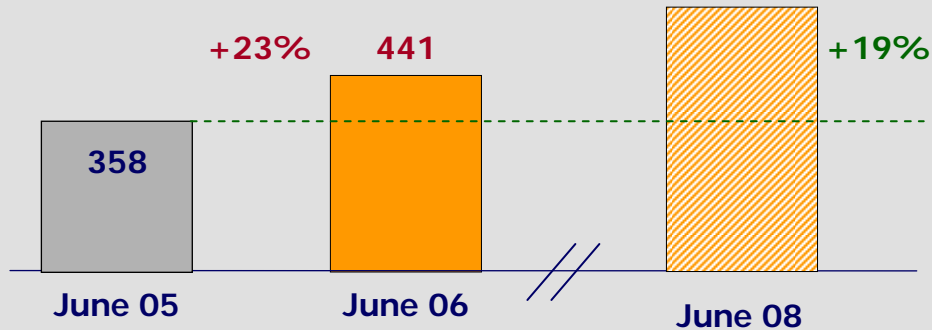
Wholesale banking (€ m)



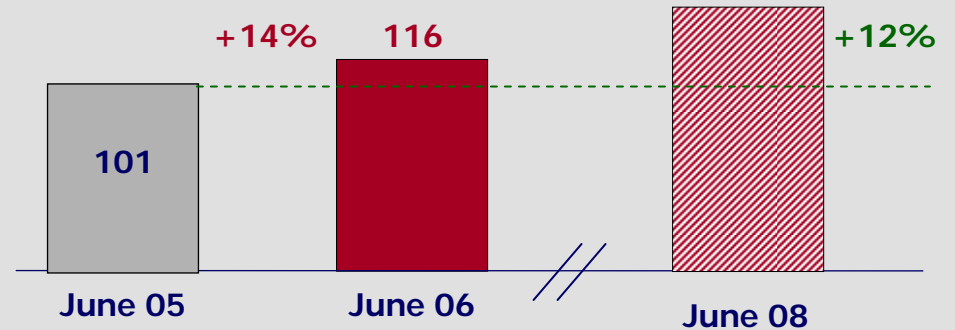
Equity investment portfolio (€ m)



Retail financial services (€ m)



Private banking (€ m)



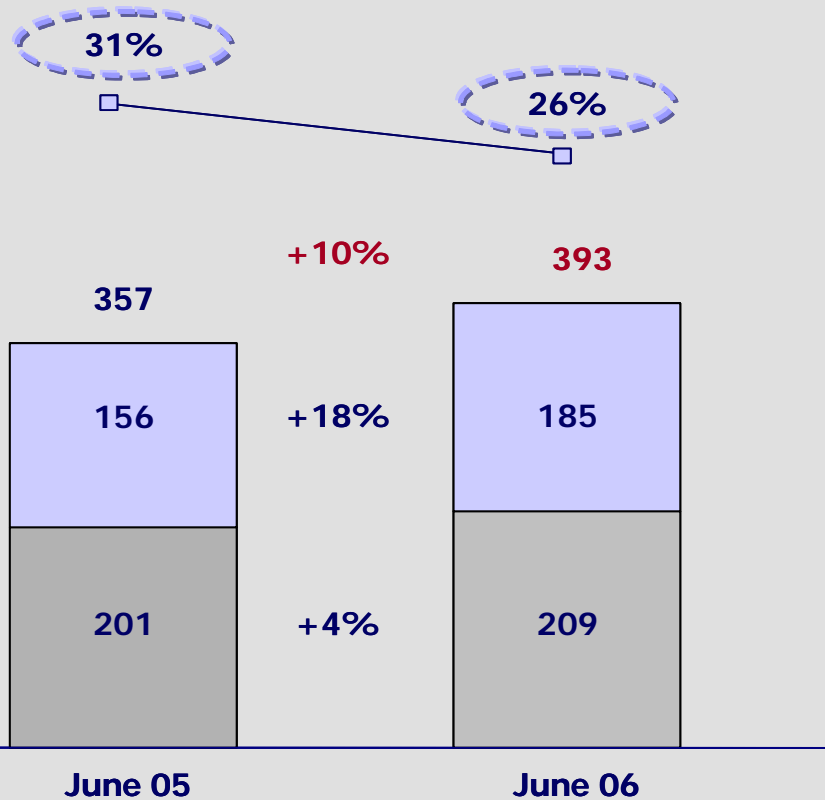
06/08 CAGR



Efficiency improved further despite development costs

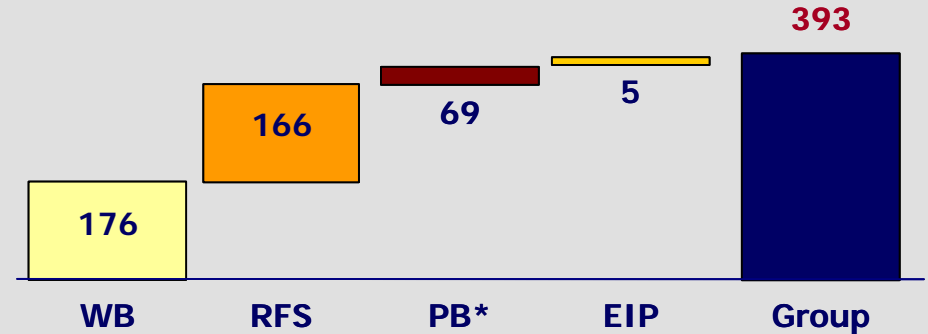
June 2006 results

Cost trend (€ m)

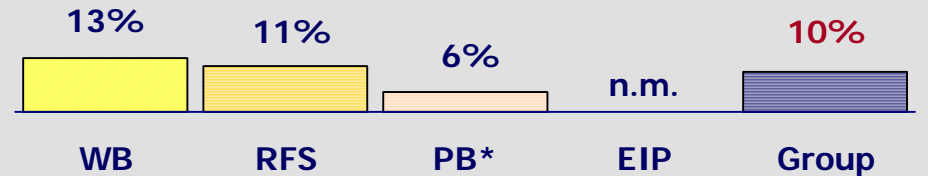


Personnel costs
 Adm. expenses
 C/I ratio

June 2006 costs by division (€ m)



Y/Y trend (%)



* Banca Esperia booked pro-rata

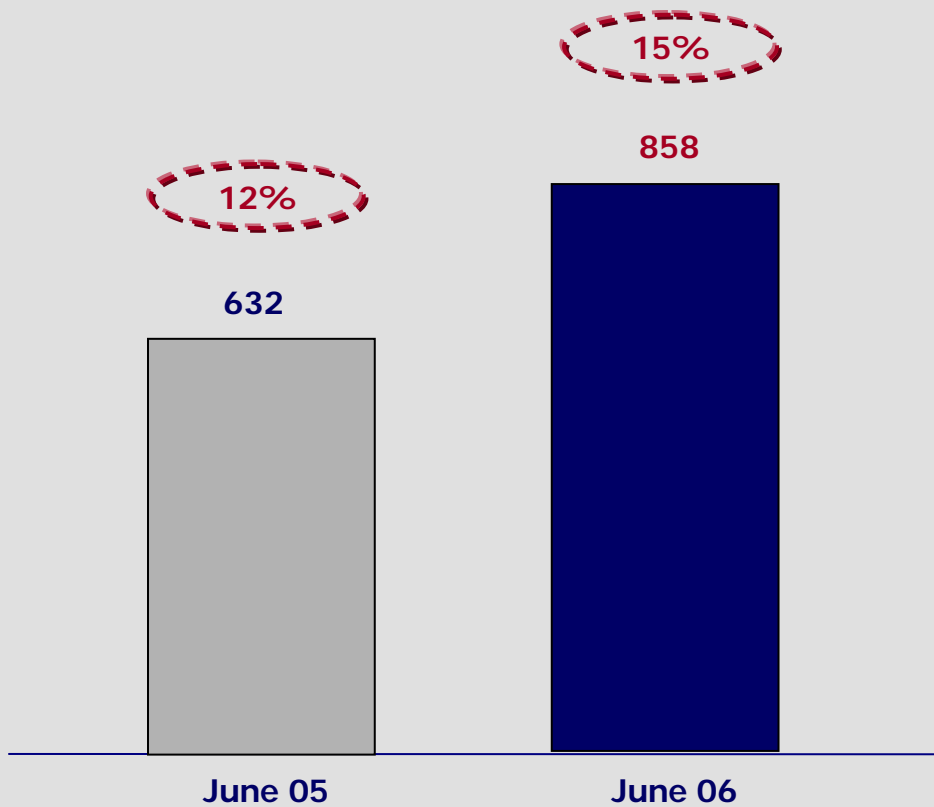


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Sharp increases in net profit and profitability

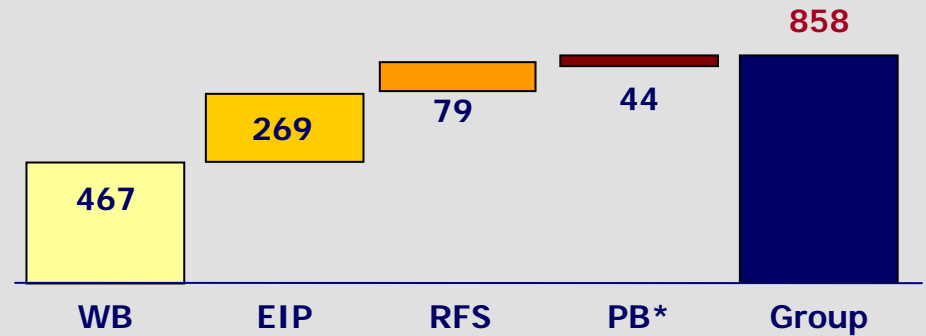
June 2006 results

Net profit and profitability trend (€ m)

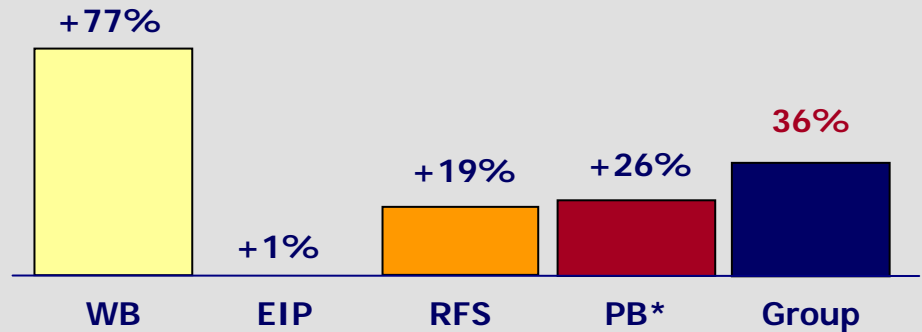


ROE

June 2006 net profit by division (€ m)



Y/Y trend (%)



* Banca Esperia booked pro-rata

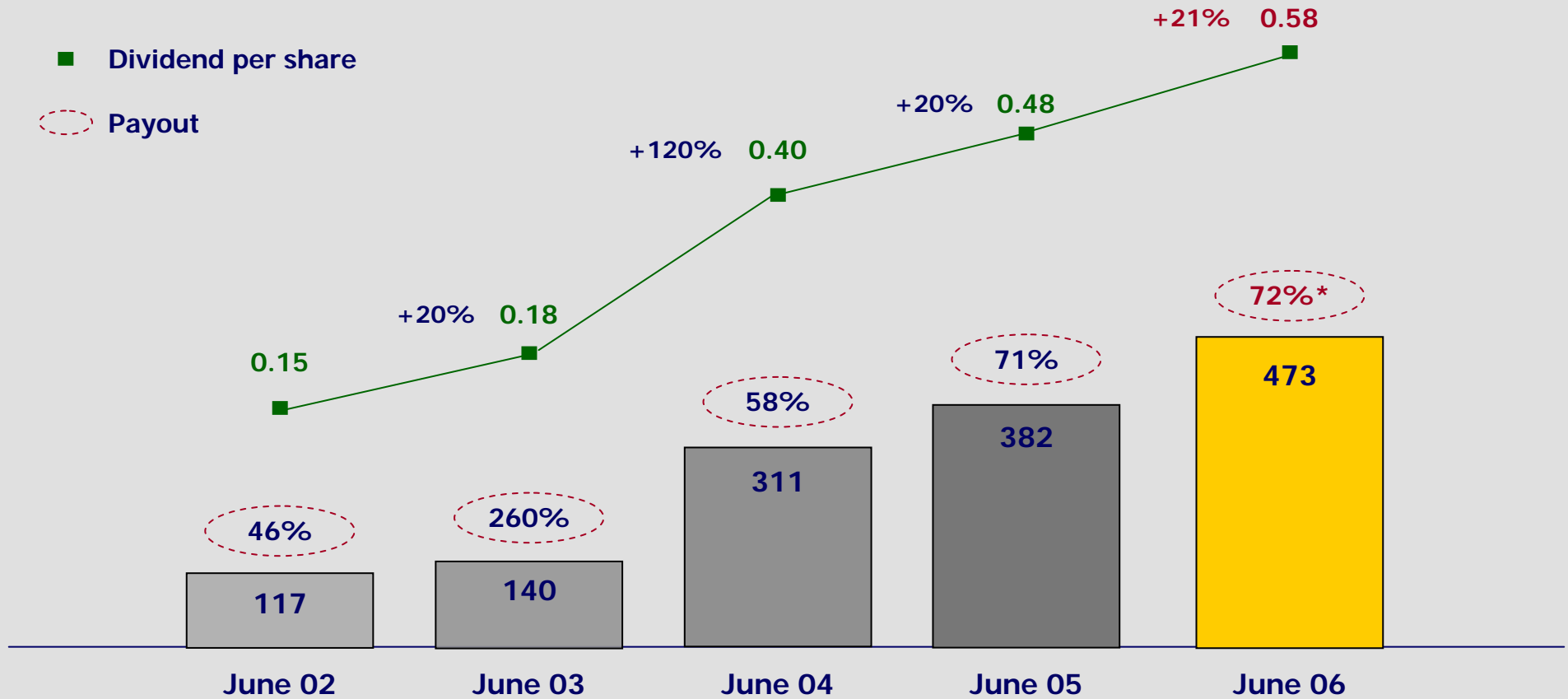


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Proposed dividend: DPS up 21%

June 2006 results

Dividend per share (€), total dividend (€ m) and payout trend (%)



* On cashed net profit = net profit – earnings from equity-accounted co. + dividends from equity-accounted co.



Allocated K (€ bn)	Banking			Banking	EIP
	WB	RFS	PB		
June 05	2.0	0.4	0.1	2.5	1.8
June 06	2.4	0.5	0.1	3.0	2.0
Y/Y chg. (%)	23	19	5	22	8
June 08 target	2.1	0.7	0.2	3.0	2.2

Criteria: WB = 8% RWA; RFS = 7% RWA; EIP = 100% RWA; PB = 1% AUM



	Banking				
ROAC (%)	WB	RFS	PB	Banking	EIP
June 05	13	15	32	15	15
June 06	21	17	40	21	14
June 08 target	16	20	40	18	15



- /// Stake in AG to be deducted progressively from total capital ratio according to EC Directive on financial conglomerates (2002/87 EC)
- /// Strong potential in developing RWA
- /// Opportunity to reduce cost of equity

Issue of € 1 bn subordinated debt

Wholesale banking



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Key facts

- /// New large corporate coverage model launched
- /// Lending origination/distribution network empowered in Italy, France and Spain
- /// Mid corporate platform launched
- /// New prop. and trading activity desk set up
- /// MB Securities soon operative in NY
- /// Ciments Français stake sold

Key achievements

- /// Excellent results
 - /// loan book up 17% to € 12.3 bn
 - /// revenues up 52% to € 682m
 - /// GOP up 72% to € 506 m
 - /// net profit up 77% to € 467 m
- /// Efficiency and asset quality preserved
- /// ROAC 21%

Wholesale banking: 2006 highlights and 2008 targets

June 2006 results

	June 05	June 06	Y/Y (%)	CAGR 06/08	June 06/ Target 08
Revenues (€ m)	450	682	52	13	●
GOP (€ m)	294	506	72	16	●
Net profit (€ m)	264	467	77		●
				Target 08	
C/I ratio (%)	34	26		29	
ROAC (%)	13	21		16	
ROAC* (%)	12	17			●

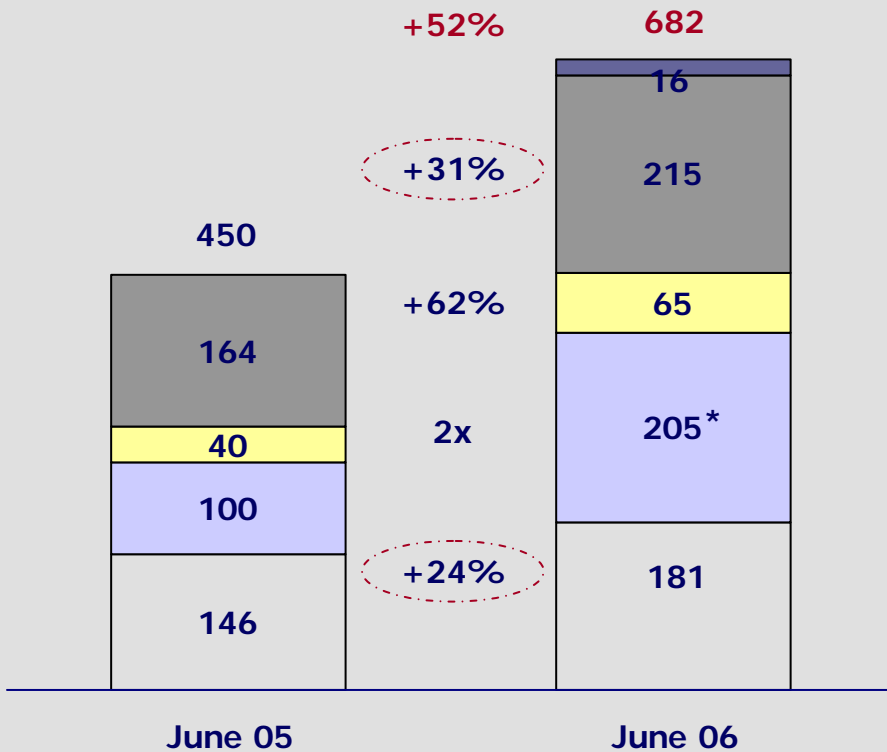
* Earnings from disposal excluded



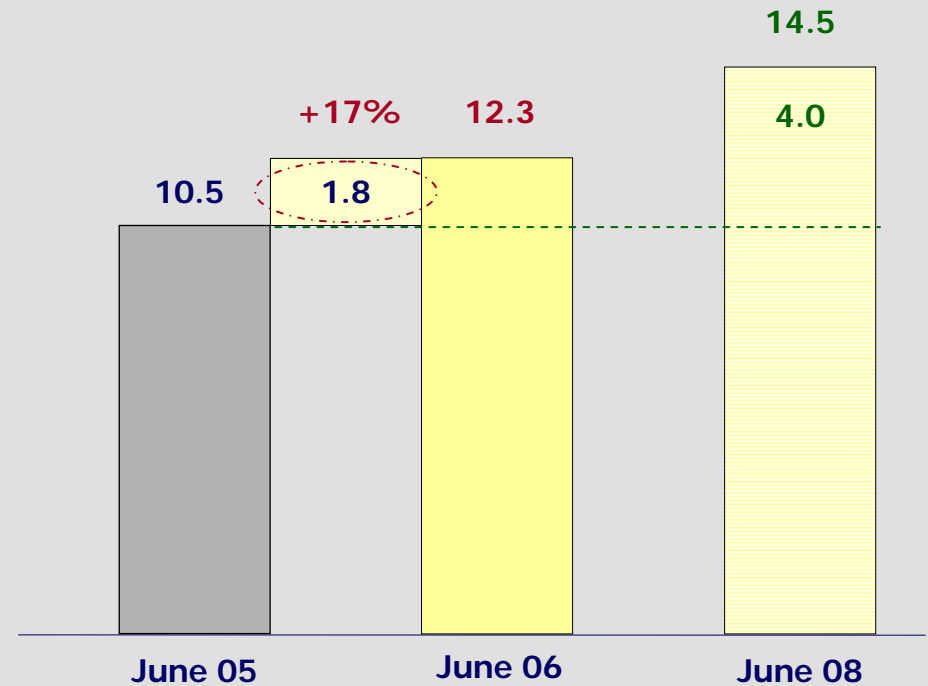
Solid growth by all revenue sources

June 2006 results

Revenues trend (€ m)



Loan book trend (€m)



NII
 Trading
 Dividends
 Fees
 Results from equity-accounted companies

* Of which 41 m Ciment Francaise

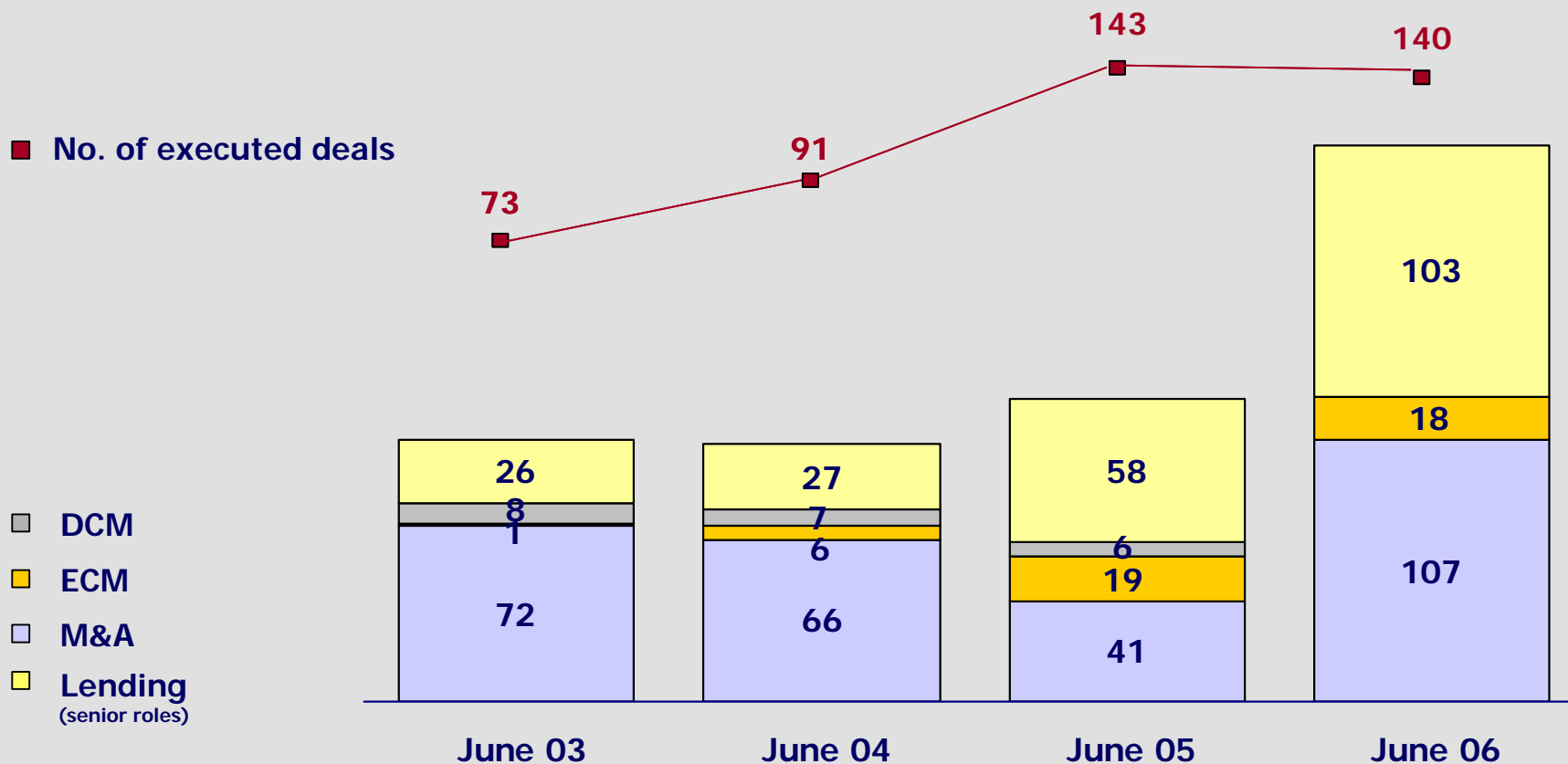


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Booming volumes, driven by M&A and lending businesses

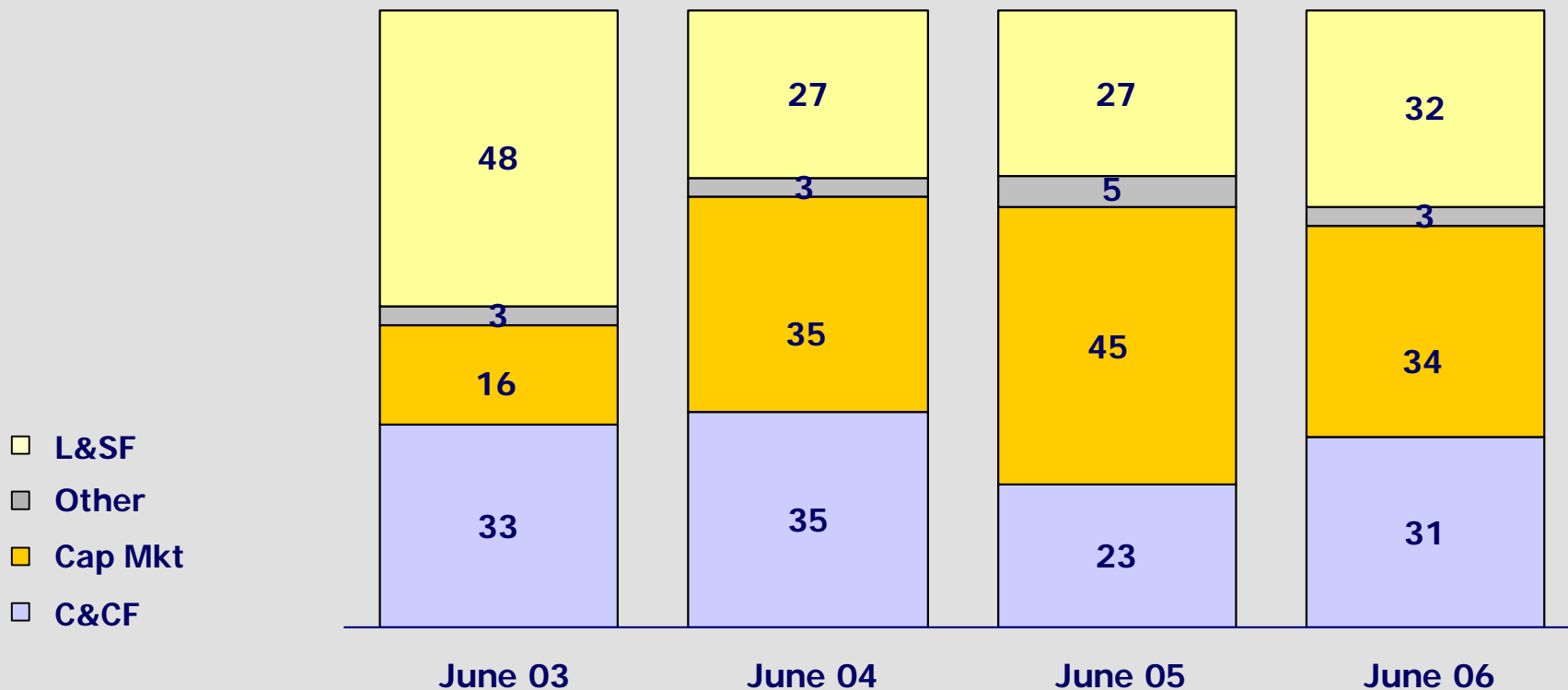
June 2006 results

Breakdown, WB volumes (€bn)



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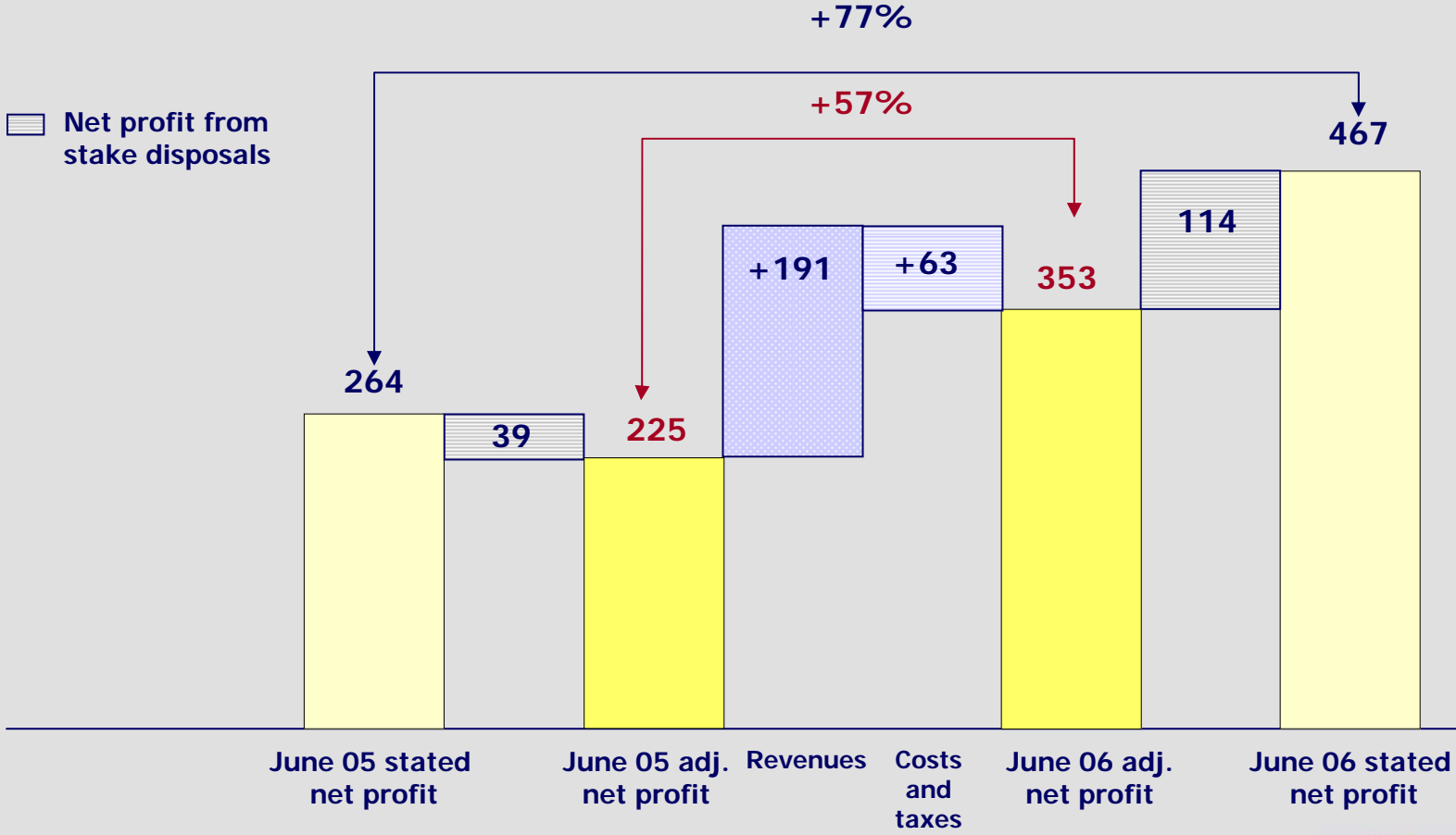
Wholesale banking fees (breakdown %)



Net profit from ordinary banking operations up 57%

June 2006 results

Net profit trend (€ m)



Equity investment portfolio



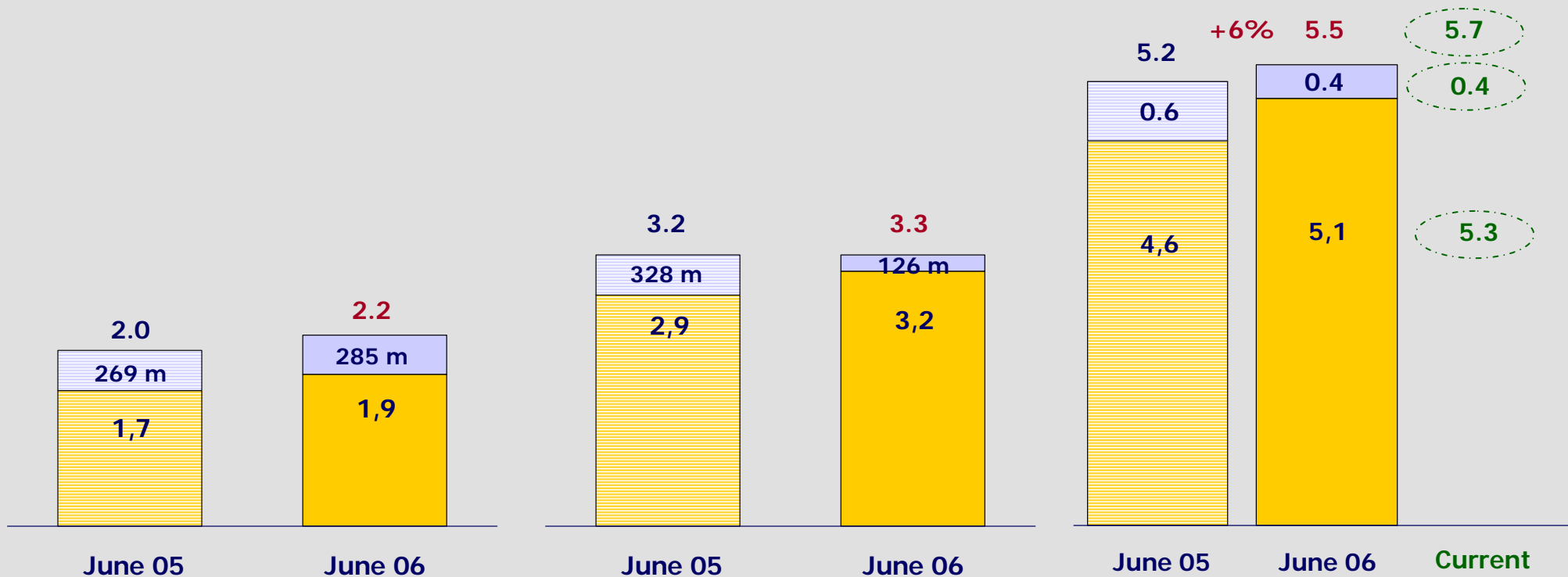
NAV trend

June 2006 results

Book value (€ bn)

Unrealized gains (€ bn)

NAV (€ bn)



BV IAS = 14.12% AG and 13.66% RCS shareholders' funds

■ Ass. Generali

■ RCS Media

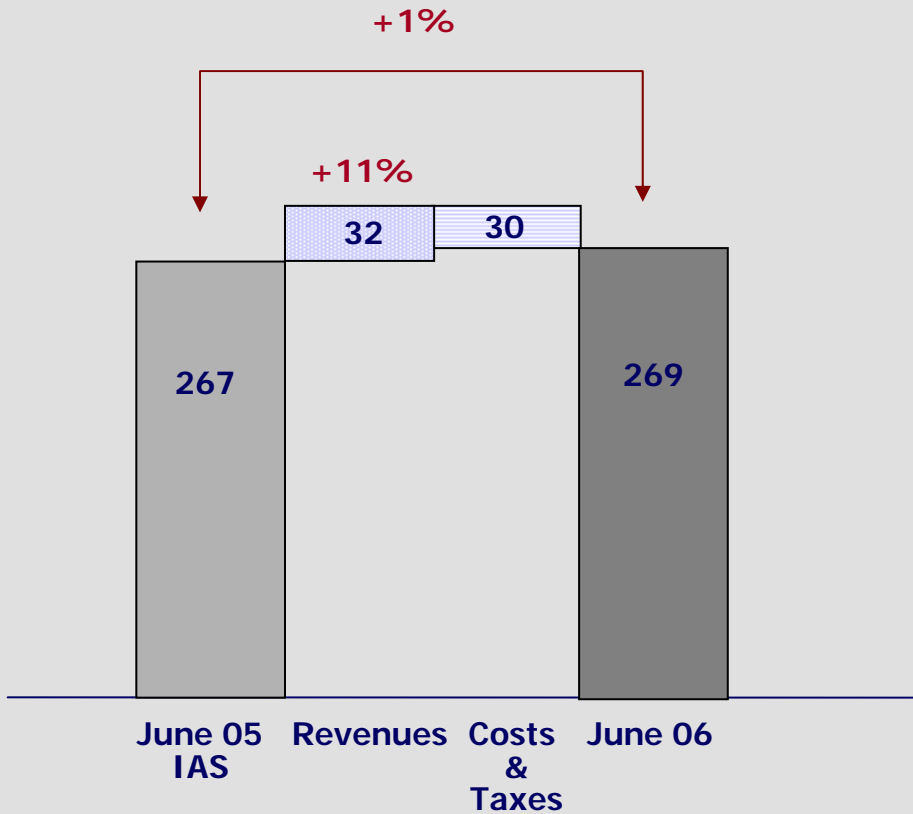


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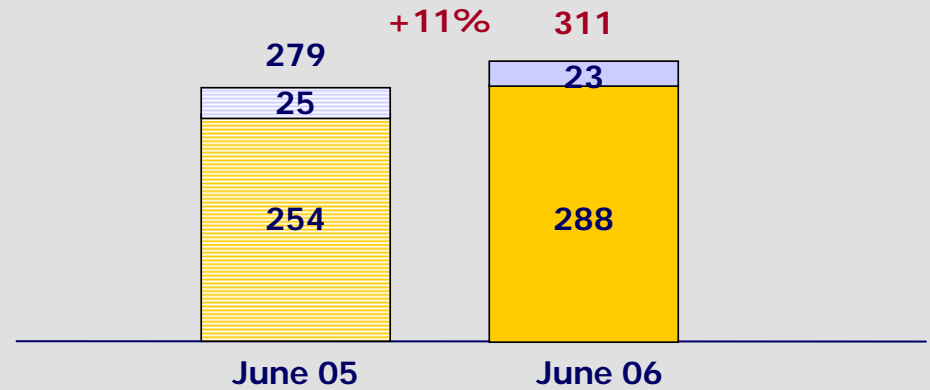
Increased contribution from equity-accounted companies (AG and RCS)

June 2006 results

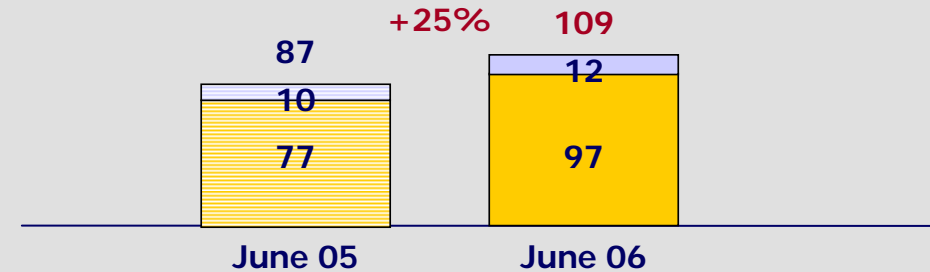
EIP division: net profit trend (€m)



Revenues trend* (€m)



Dividend earned from AG and RCS (€m)



■ Assicurazioni Generali □ RCS Media Group

* 14.12% AG and 13.66% RCS net profit



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Retail financial services



Key facts





- /// Strong volumes and earnings growth
- /// Distribution empowered (135 branches, 11 of which opened last year)
- /// Micos: 5 branches opening in France
- /// Operative in "cessione del quinto" since July
- /// Leasing distribution strengthened

Key achievements

- /// Excellent results
 - /// new loans up 21% to € 4.6 bn
 - /// revenues up 23% to € 441 m
 - /// GOP risk adj. up 37% to € 159 m
 - /// net profit up 19% to € 79 m
- /// Efficiency and asset quality preserved
- /// ROAC 17%

Retail financial services: 2006 highlights and 2008 targets

June 2006 results

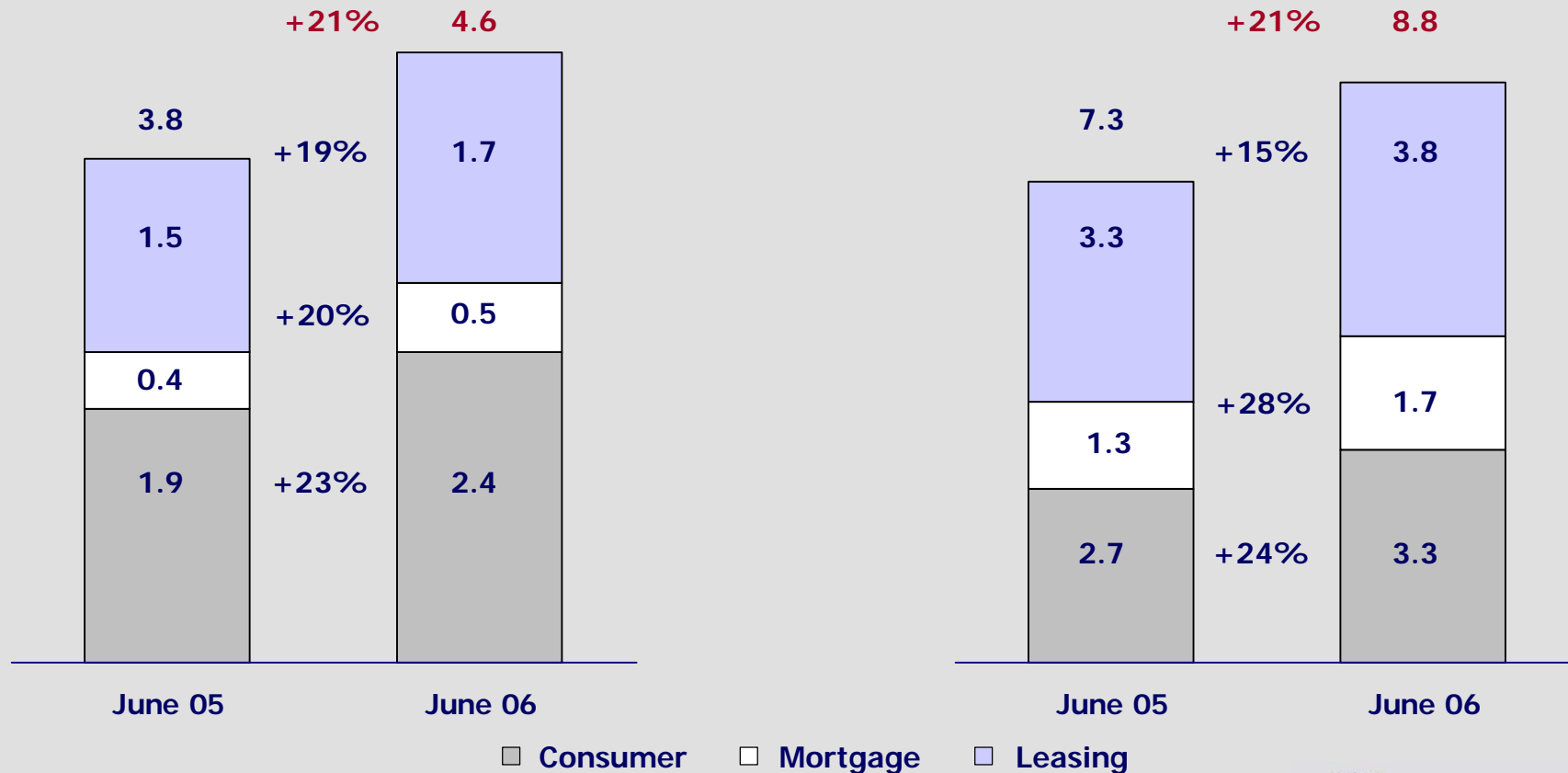
	June 05	June 06	Y/Y (%)	CAGR 06/08	June 06/ Target 08
Revenues (€ m)	358	441	23	19	
GOP risk adj. (€ m)	116	159	37	23	
Net profit (€ m)	66	79	19		
New loans (€ bn)	3.8	4.6	21	20	
				Target 08	
C/I ratio (%)	42	38		36	
ROAC (%)	15	17		20	

New and outstanding loans up 21%

June 2006 results

New loans trend (€ bn)

Outstanding loans trend (€ bn)

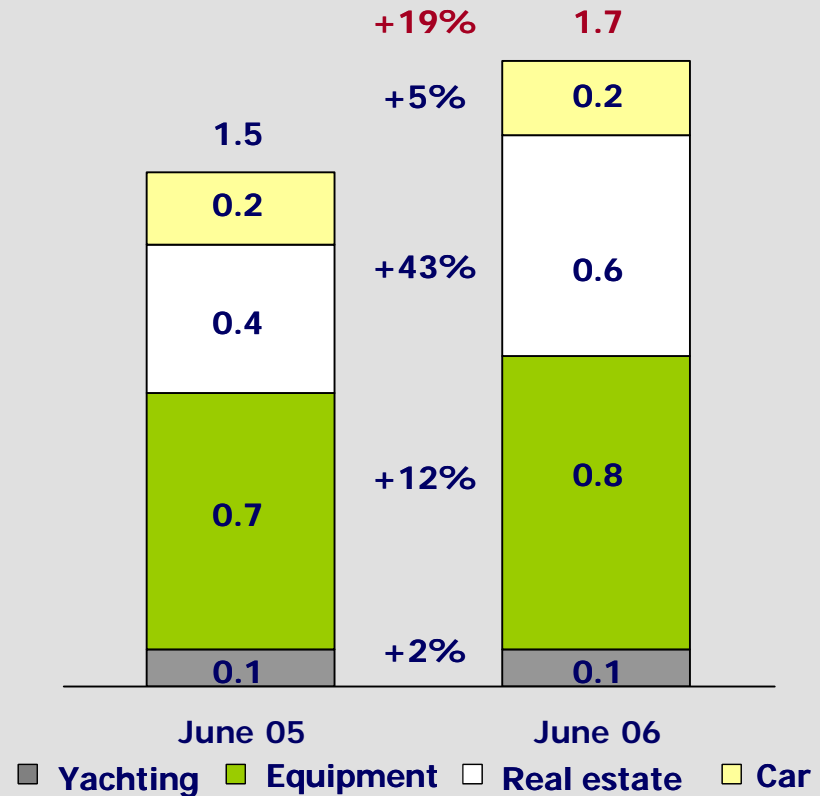
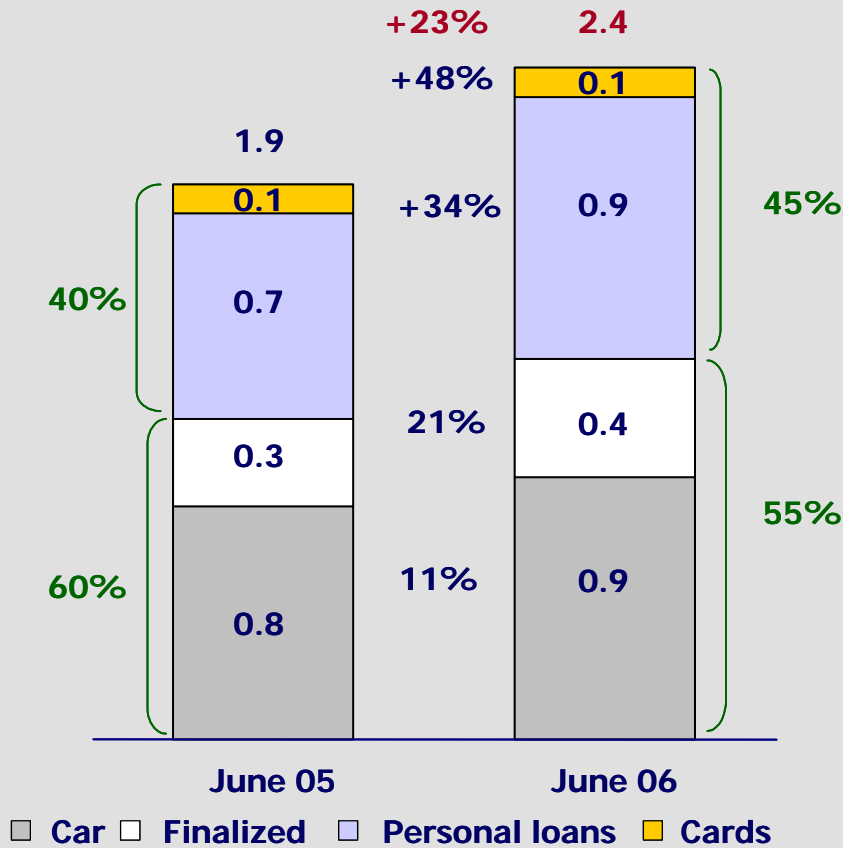


Increasing weight of more profitable/risky products in consumer credit

June 2006 results

Consumer credit: new loans by product (€ bn)

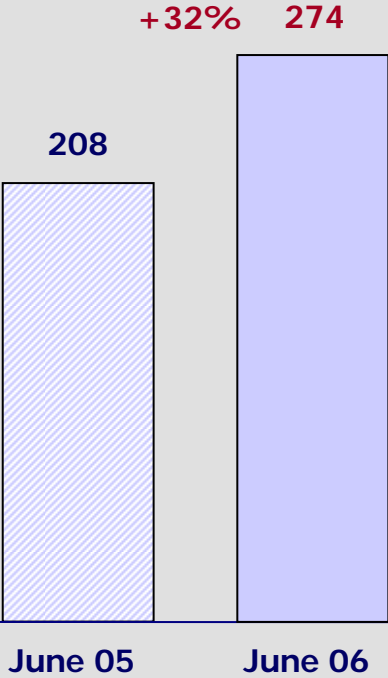
Leasing: new loans by product (€ bn)



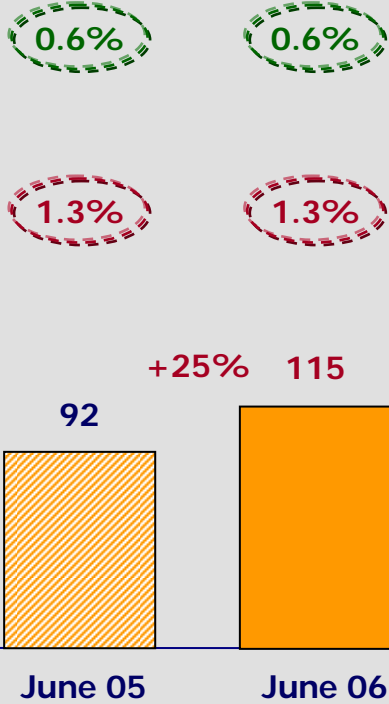
GOP significantly improved

June 2006 results

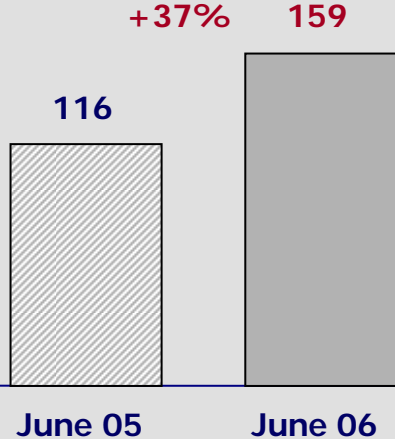
GOP trend (€ m)



Loan loss provision trend (€ m)



GOP risk adjusted (€ m)

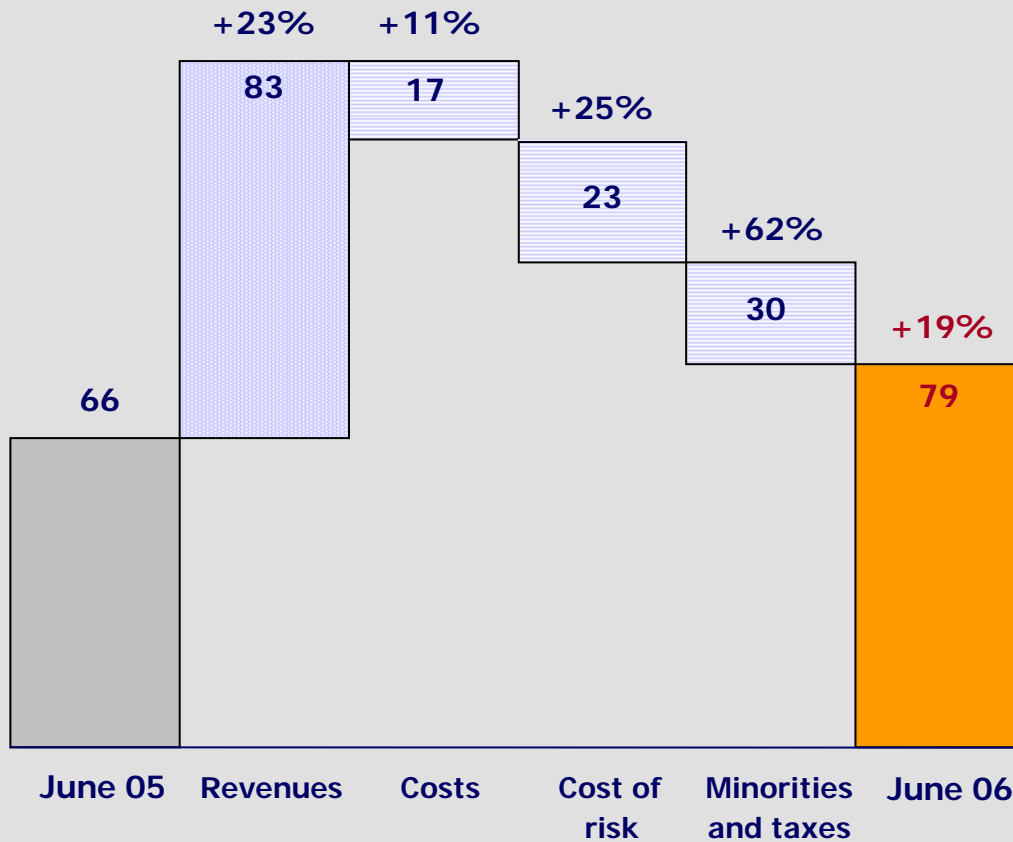


LLP/Ls ratio NPLs/Ls ratio

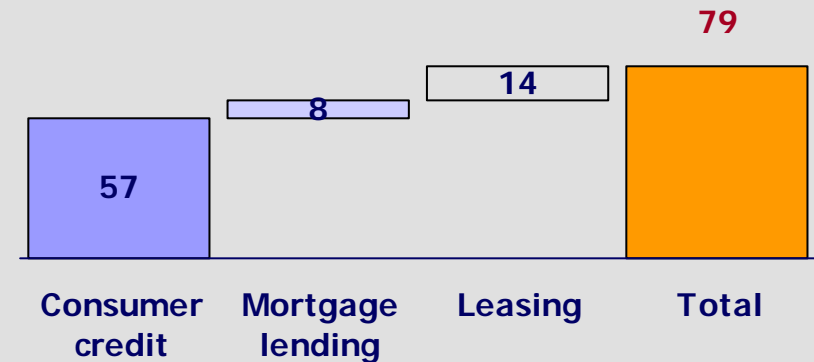
Net profit up 19%

June 2006 results

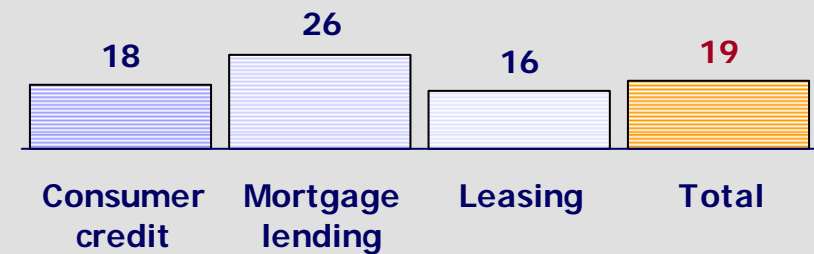
Net profit trend (€ m)



June 06 net profit breakdown (€ m)



Y/Y trend (%)



Private banking



Private banking: 2006 highlights and 2008 targets

June 2006 results

	June 05	June 06	Y/Y (%)	CAGR 06/08	June06/ Target 08
Revenues (€ m)	101	116	14	12	
GOP (€ m)	36	46	30	20	
Net profit (€ m)	35	44	26		
AUM (€ bn)	10.8	11.2	4	9	
				Target 08	
C/I ratio (%)	65	60		58	
ROAC (%)	32	40		40	

Key facts

- /// New CEO appointed at CMB
- /// Mission: from a traditional local bank to an “off-shore asset management group”
 - /// with an improved and more profitable product mix
 - /// present in more countries
 - /// solid and highly profitable

Key achievements

- /// Margins increased by 4 bps
- /// Efficiency improved: C/I ratio down 6pp
- /// Net profit up 27%
- /// ROE to 15.6%

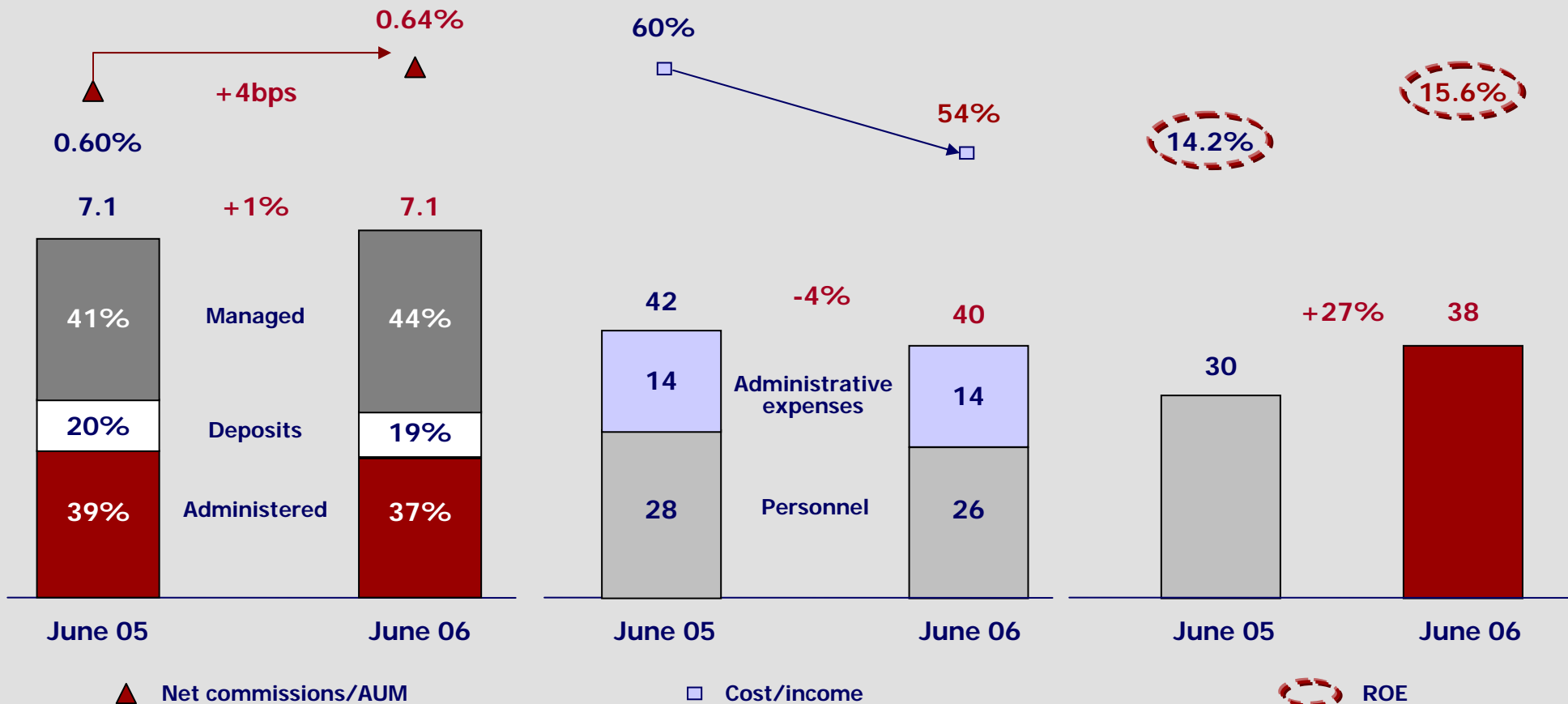
CMB: margins, efficiency and profitability improving

June 2006 results

AUM trend (€ bn) and breakdown

Costs trend (€ m)

Net profit trend (€ m)



Key facts

- // Strong recruitment activity
- // Strong development of trust and fiduciary activities
- // Opening advisory company for Duemme Capital hedge fund in London
- // Successful hedge product distribution to third parties
- // Increasing open architecture

Key achievements

- // AUM up 11%
- // Margins increased by 8 bps
- // Efficiency strongly improved: C/I ratio down 11pp
- // Net profit up 58%
- // ROE to 31%

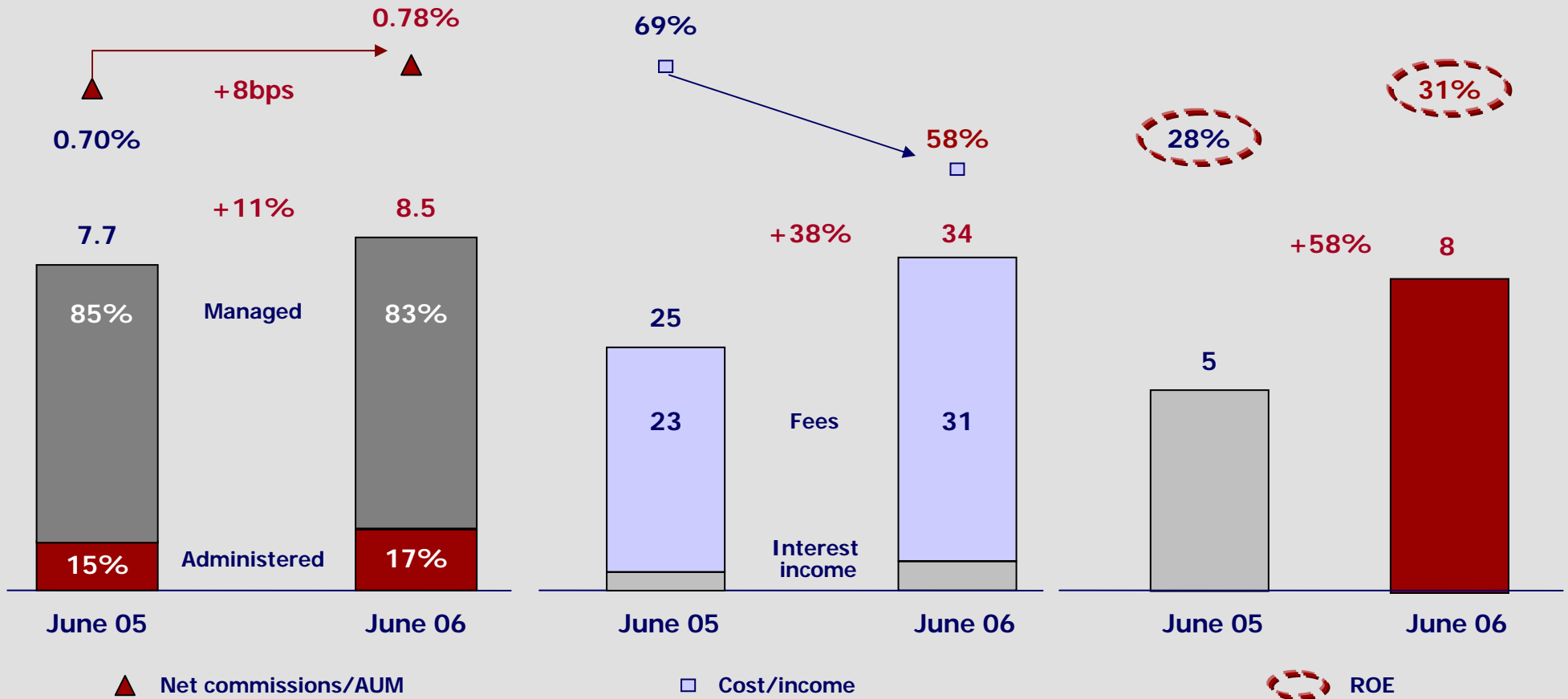
Banca Esperia: assets, margins and efficiency improving

June 2006 results

AUM trend (€ bn) and breakdown

Revenues trend (€ m)

Net profit trend (€ m)



- ⚡ MB business model well positioned to deliver strong cash flow
- ⚡ Commercial banking could be impacted by consolidation / regulators
- ⚡ For MB the main axes according to business plan are
 - ⚡ leveraging further on strong balance sheet
 - ⚡ accelerate building of international presence
 - ⚡ enlarge group perimeter only at reasonable conditions





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Mediobanca group

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