



Management Board Meeting

Milan, 27 October 2007

Results for three months ended 30 September 2007 approved

- /// Profit from ordinary activity up 28%, to €429m, reflecting robust increase in total income (up 26%, to €536m)
- /// Dynamic management of AFS equity portfolio led to disposal of approx. €550m worth of securities, yielding gains of €104m (€154m last year due to Ferrari disposal)
- /// Net profit up 6%, to €390m
- /// Double-digit growth by all main income sources: net interest income up 17% to €184m, net trading income tripled to €72m, contribution from equity-accounted companies up 36% to €171m; net fee and commission income down 14% to €99m, reflecting an unstable financial market scenario
- /// Efficiency preserved (cost/income ratio 20%), despite hefty investment in distribution structures on domestic and international markets
- /// Asset quality unaltered
- /// *Wholesale banking*
 - average corporate loans¹ €16.8bn, up 35% Y.o.Y., up 25% vs June 2007
 - total income up 33%, to €219m, €64m of which net interest income (up 41%)
 - profit from ordinary activities up 37%, to €170m
 - net profit down 4% to €197m, due solely to lower gains on disposals (down from €147m to €104m)
- /// *Equity investment portfolio (AG and RCS)*
 - NAV: €6.5bn
 - Total income up 40%, to €169m
- /// *Retail financial services*
 - new loans up 10%, to €1.2bn, with consumer credit up 5% and mortgage lending up 29%
 - total income up 7% to €128m, profit from ordinary activities up 2% to €82m
 - net profit down 20%, to €19m

¹ Excluding loans to Group companies .



/// **Private banking²**

- **total income up 9%, to €33m; profit from ordinary activities up 9%, to €15m**
- **net profit down 16%, to €14m, due to lack of gains on securities disposals**
- **AUM up 21% Y.o.Y. to €13.9bn, stable vs June 2007**

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At a meeting held today with Renato PAGLIARO in the chair, the Management Board of Mediobanca approved the Group's quarterly report for the three months to 30 September 2007, as illustrated by Managing Director Alberto NAGEL.

Consolidated results

The Mediobanca Group's results for the first three months of the new financial year reflect a net profit of €390.1m, up 6.4% on the €366.5m reported at the same time last year, despite lower gains on disposals of available-for-sale securities, at €104.3m, compared with €154.9m one year previously, owing to disposal of the shareholding in Ferrari.

Profit from ordinary activity improved by 28.5%, from €333.9m to €429.1m, reflecting a robust performance by total income, which was up 26.2%, from €424.8m to €535.9m. In particular:

- net interest income rose by 16.5%, from €158.1m to €184.2m, due to the effect of growing volumes in corporate banking;
- net trading income reported gains of €71.8m (€26.1m);
- net fee and commission income fell by 13.7%, from €115m to €99.3m;
- income from equity-accounted companies grew by 36.2%, from €125.6m to €171.1m, reflecting the healthy earnings performance by Assicurazioni Generali and RCS Media Group in the second quarter.

Costs grew by 17.5%, from €90.9m to €106.8m, linked to expansion of the Group's geographical presence in Italy and elsewhere, and an increase in the employee headcount of 163 compared to the same time last year.

Bad debt writeoffs, entirely attributable to retail financial services, rose by €33.6m to €43.9m, in relation to the increase in lendings of 15%, from €9.1bn to €10.4bn, and due to the

² Includes Compagnie Monégasque de Banque plus the Group's 48.5% pro-forma share in the profits of Banca Esperia.



deterioration in the risk profile of households; nonetheless, such writeoffs were stable versus the fourth quarter last year.

All the Group's main business areas reflect improvement at the operating profit level: wholesale banking grew by 37.1%, from €123.6m to €169.5m; the equity investment portfolio by 39.4%, from €117.8m to €164.2m; private banking by 8.8%, from €13.7m to €14.9m; and retail financial services by 2.4%, from €79.7m to €81.6m. Conversely, wholesale banking and private banking both showed reductions on the bottom line, of 3.6% (from €204.3m to €197m) for the former, and 15.8% (from €16.4m to €13.8m) for the latter, due to the aforementioned lower gains on disposals of securities, whereas the result posted by retail financial services was hit by the increase in development costs and bad debt writeoffs, and shows a reduction of 19.9% in net profit to €19.3m.

On the balance-sheet side, there was growth of 7.1% in loans and advances to customers, from €26.8bn to €28.7bn, and of 2.1% in funding, from €34.2bn to €35bn, whereas treasury funds reduced, from €7bn to €6.4bn, and AFS securities also declined, from €5.6bn to €5bn.

Divisional results

Wholesale banking. Profit from ordinary activities reflects strong growth, up 37.1%, from €123.6m to €169.5m, attributable to a healthy performance at the top-line level, with total income up 32.6%, from €165m to €218.8m. With respect to the individual items:

- net interest income rose by 41% due to: (i) growth in average loans, up 35% vs €12.5bn at 30 September 2006 and up 25% vs €13.5bn at 30 June 2007, to €16.8bn; (ii) upward adjustments on bond issue hedges, net of which the increase in net interest income is 22%;
- net trading income tripled, from €22.3m to €68.1m, with a sizeable contribution from both the equity and fixed-income components;
- net fee and commission income fell by 18.2%, from €94.1m to €77m, impacted by the slowdown in the advisory and structured finance markets, partly due to the well-documented turbulence on financial markets.

Operating costs grew by 19.1%, from €41.4m to €49.3m linked to international expansion, with branches being opened in Frankfurt, Madrid and New York, with an increase of 15%, or 65 staff, in the headcount.

The division reported net profit of €197m (€204.3m) for the three months, solely due to lower gains on disposal of AFS securities amounting to €104.2m, as a result of more dynamic portfolio



management with increased turnover on positions, versus €146.8m at the same stage last year, due to disposal of the stake in Ferrari, and to higher taxation, up from €66.1m to €76.7m.

Balance-sheet aggregates in the three months reflect growth of 10.8% in loans and advances to customers, from €15,995m to €17,722.1m, and a rise in funding, from €26,918.8m to €27,271.8m, while treasury funds declined from €6,292.6m to €5,710.8m, and the AFS securities portfolio fell in value from €4,788.1m to €4,018.9m.

Equity investment portfolio. The share in earnings attributable to Mediobanca for the period rose by 39.5%, from €121.2m to €169.1m, €151.3m of which was attributable to Assicurazioni Generali and €17.8m to RCS MediaGroup.

Retail financial services. The Compass group's consolidated highlights for the three months reflect a slight increase in profit before tax from ordinary activities, up from €79.7m to €81.6m, with total income up 8.4%, from €118.1m to €128m, partly due to higher fees and commissions, up from €9m to €11.7m, and despite the 20.8% increase in costs, from €38.4m to €46.4m, linked to geographical expansion and marketing initiatives. Higher bad debt writeoffs, which grew from €33.6m to €43.9m, virtually all of which were attributable to consumer credit activity, impacted on the bottom line for the period, which fell 19.9%, from €24.1m to €19.3m.

With reference to the individual segments:

- consumer credit posted new loans of €614m, up 5%, reflecting a more selective approach to the market; total income grew from €89.7m to €96.5m, and costs from €27m to €31.4m, reflecting the new branch openings (15 during the year) and increased advertising costs. Bad debt writeoffs totalled €39.5m, up from €30.2m one year previously but unchanged from the figure posted for the fourth quarter last year, reflecting the deterioration in market conditions;
- mortgage lending shows new loans of €162m, up 29%, partly due to the launch of activities in France; net profit declined, from €1.6m to €0.6m, solely as a result of costs linked to the new ventures;
- leasing: new finance of €380m (€336m) shows growth of 13%, partly due to a positive comparison effect with the first quarter last year, which was hit by the effect of a new tax regime on the real estate segment introduced by Italian Legislative Decree 223/06. Against growth in total income of 9%, from €18.8m to €20.5m, net profit remained stable at €3.7m due to higher costs linked to the opening of two new branches.



Private banking

Profit from ordinary activities rose by 8.8%, from €13.7m to €14.9m, on 9% growth in total income, from €29.9m to €32.6m, boosted by higher fees from Banca Esperia, up from €6.5m to €9m, and higher interest income from Compagnie Monégasque de Banque, up from €5.4m to €6.5m, against a modest increase in costs, which totalled €17.7m, compared with €16.2m one year previously. Net profit fell from €16.4m to €13.8m, due solely to the lack of non-recurring income which last year totalled €3.6m. Assets under management on a discretionary and non-discretionary basis remained stable over the quarter at €13.8bn, €8bn of which by CMB and €5.8bn (pro-rata) by Banca Esperia.

27 October 2007

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CONSOLIDATED PROFIT AND LOSS ACCOUNT

	3 mths to 30/9/06	12 mths to 30/6/07	3 mths to 30/9/07	Y.o.Y. chg.
	€m	€m	€m	%
Net interest income	158.1	666.8	184.2	+16.5
Net trading income	26.1	82.8	71.8	n.m.
Net fee and commission income	115.0	371.3	99.3	-13.7
Dividends on AFS securities	—	71.7	9.5	n.m.
Share of profits earned by equity- accounted companies	125.6	418.9	171.1	+36.2
TOTAL INCOME	424.8	1,611.5	535.9	+26.2
Labour costs	(51.8)	(236.4)	(61.9)	+19.5
Other administrative expenses	(39.1)	(194.0)	(44.9)	+14.8
OPERATING COSTS	(90.9)	(430.4)	(106.8)	+17.5
PROFIT FROM ORDINARY ACTIVITIES	333.9	1,181.1	429.1	+28.5
Gain (loss) on disposal of AFS securities	154.9	175.4	104.3	-32.7
Gain (loss) on disposal of other securities	—	(0.1)	—	n.m.
Bad debt writeoffs	(33.6)	(165.0)	(43.9)	+30.7
Net value adjustments to investment securities	—	(4.2)	—	n.m.
One-off provisions	(4.5)	(6.0)	—	n.m.
PROFIT BEFORE TAX	450.7	1,181.2	489.5	+8.6
Income tax for the period	(81.6)	(215.2)	(96.6)	+18.4
Minority interest	(2.6)	(12.8)	(2.8)	+7.7
NET PROFIT	366.5	953.2	390.1	+6.4
<i>of which: from banking activity ...</i>	<i>244.5</i>	<i>590.2</i>	<i>230.1</i>	<i>-5.9</i>



RESTATED BALANCE SHEET

	30/9/06	30/6/07	30/9/07
	€m	€m	€m
Assets			
Treasury funds	8,172.8	6,993.0	6,427.0
AFS securities	4,884.5	5,573.2	4,963.0
<i>of which: fixed -ncome</i>	<i>2,380.1</i>	<i>1,622.4</i>	<i>1,649.3</i>
<i>equities</i>	<i>2,106.0</i>	<i>3,335.7</i>	<i>2,759.9</i>
Financial assets held to maturity	630.6	622.5	626.6
Loans and advances to customers	21,768.4	26,811.6	28,703.6
Equity investments	2,300.8	2,632.7	2,746.2
Tangible and intangible assets	303.0	310.5	310.8
Other assets	466.3	588.6	562.1
<i>of which: tax assets</i>	<i>325.3</i>	<i>372.0</i>	<i>381.7</i>
Total assets	<u>38,526.4</u>	<u>43,532.1</u>	<u>44,339.3</u>
Liabilities			
Funding	30,156.6	34,227.7	34,958.9
<i>of which: debt securities in</i>			
<i>issue</i>	<i>22,297.2</i>	<i>25,702.6</i>	<i>26,098.2</i>
Other liabilities	1,502.3	1,227.9	1,720.3
<i>of which: tax liabilities</i>	<i>734.9</i>	<i>787.1</i>	<i>850.3</i>
Total liabilities	192.8	185.4	181.5
Net equity	6,308.2	6,937.9	7,088.5
<i>of which: share capital</i>	<i>407.8</i>	<i>408.8</i>	<i>409.5</i>
<i>reserves</i>	<i>5,810.2</i>	<i>6,420.8</i>	<i>6,570.5</i>
<i>minority interests</i>	<i>90.2</i>	<i>108.3</i>	<i>108.5</i>
Profit for the period	366.5	953.2	390.1
Total liabilities	<u>38,526.4</u>	<u>43,532.1</u>	<u>44,339.3</u>



Balance-sheet data and profit-and-loss figures by division

30/9/07	Wholesale banking	Retail financial services	Private banking	Equity investment portfolio	Group
	€m	€m	€m	€m	€m
Profit-and-loss figures					
Net interest income	64.1	116.4	7.3	(2.8)	184.2
Dividends	9.5	—	—	—	9.5
Net trading income	68.1	(0.1)	3.9	—	71.8
Net fee and commission income	77.0	11.7	21.4	—	99.3
Share in profits earned by equity-accounted companies	0.1	—	—	169.1	171.1
TOTAL INCOME	218.8	128.0	32.6	166.3	535.9
Labour costs	(33.9)	(18.9)	(11.1)	(1.4)	(61.9)
Administrative expenses	(15.4)	(27.5)	(6.6)	(0.7)	(44.9)
OPERATING COSTS	(49.3)	(46.4)	(17.7)	(2.1)	(106.8)
PROFIT FROM ORDINARY ACTIVITIES	169.5	81.6	14.9	164.2	429.1
Gain (loss) on disposal of AFS securities ...	104.2	—	0.2	—	104.3
Bad debt writeoffs	—	(43.9)	—	—	(43.9)
PROFIT BEFORE TAX	273.7	37.7	15.1	164.2	489.5
Income tax for the period	(76.7)	(15.5)	(1.3)	(4.2)	(96.6)
Minority interests	—	(2.9)	—	—	(2.8)
NET PROFIT	197.0	19.3	13.8	160.0	390.1
Balance-sheet data					
AFS securities	4,018.9	—	967.0	—	4,963.0
Equity investments	175.5	—	—	2,520.0	2,746.2
Loans and advances to customers	21,941.7	10,437.3	712.2	—	28,703.6
<i>of which: to Group companies</i>	4,219.6	—	—	—	—
No. of staff	487	1,130	291*	—	1,860

* Includes 95 staff employed by the Esperia group pro-forma not included in the Group total.

Notes:

- 1) Divisions comprise:
 - *wholesale banking*: Mediobanca, Mediobanca International, MB Securities USA, Consortium and Prominvestment;
 - *retail financial services*: Compass, Micos Banca, Cofactor and Creditech (consumer finance), SelmaBipiemme Leasing, Palladio Leasing and Teleleasing (leasing);
 - *private banking*: Compagnie Monégasque de Banque, Spafid and Prudentia Fiduciaria, plus 48.5% of Banca Esperia pro-forma;
 - *equity investment portfolio*: shareholdings owned by the Group in Assicurazioni Generali and RCS MediaGroup.
- 2) Data drawn up in compliance with IAS/IFRS.
- 3) Sum of divisional data differs from Group total due to:
 - Banca Esperia being consolidated pro-rata (48.5%) rather than equity-accounted;
 - adjustments/differences arising on consolidation between different business areas.



30/9/06	Wholesale banking	Retail financial services	Private banking	Equity investment portfolio	Group
	€m	€m	€m	€m	€m
Profit-and-loss figures					
Net interest income	45.4	109.2	6.1	(2.0)	158.1
Dividends	—	—	—	—	—
Net trading income	22.3	(0.1)	3.9	—	26.1
Net fee and commission income	94.1	9.0	19.9	—	115.0
Share in profits earned by equity- accounted companies	3.2	—	—	121.2	125.6
TOTAL INCOME	165.0	118.1	29.9	119.2	424.8
Labour costs	(27.4)	(16.1)	(9.8)	(0.8)	(51.8)
Administrative expenses	(14.0)	(22.3)	(6.4)	(0.6)	(39.1)
OPERATING COSTS	(41.4)	(38.4)	(16.2)	(1.4)	(90.9)
PROFIT FROM ORDINARY ACTIVITIES	123.6	79.7	13.7	117.8	333.9
Gain (loss) on disposal of AFS securities ..	146.8	—	8.1	—	154.9
Extraordinary provisions	—	—	(4.5)	—	(4.5)
Bad debt writeoffs	—	(33.6)	—	—	(33.6)
PROFIT BEFORE TAX	270.4	46.1	17.3	117.8	450.7
Income tax for the period	(66.1)	(19.4)	(0.9)	4.2	(81.6)
Minority interests	—	(2.6)	—	—	(2.6)
NET PROFIT	204.3	24.1	16.4	122.0	366.5

Balance-sheet data

AFS securities	3,506.4	—	1,397.9	—	4,884.5
Equity investments	146.4	—	—	2,118.1	2,300.8
Loans and advances to customers	15,978.4	9,051.5	509.9	—	21,768.4
<i>of which: to Group companies</i>	<i>3,649.0</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
No. of staff	422	1,032	277*	—	1,697

* Includes 87 staff employed by the Esperia group pro-forma not included in the Group total.



Retail financial services

Retail financial services 30/9/07	Consumer credit	Mortgage lending	Total consumer finance	Leasing	Total RFS
	€m	€m	€m	€m	€m
Total income	96.5	11.0	107.5	20.5	128.0
Operating costs	(31.4)	(7.9)	(39.3)	(7.1)	(46.4)
PROFIT FROM ORDINARY ACTIVITIES	65.1	3.1	68.2	13.4	81.6
Provisions and bad debt writeoffs	(39.5)	(2.1)	(41.6)	(2.3)	(43.9)
Profit attributable to minorities	—	—	—	(2.9)	(2.9)
Income tax for the period	(10.6)	(0.4)	(11.0)	(4.5)	(15.5)
NET PROFIT	15.0	0.6	15.6	3.7	19.3
New loans	613.8	161.9	775.7	379.6	1,155.3
Loans and advances to customers	3,812.2	2,248.1	6,060.3	4,377.0	10,437.3
No. of branches	118	29	147	12	159
No. of staff	689	224	913	217	1,130

Retail financial services 30/9/06	Consumer credit	Mortgage lending	Total consumer finance	Leasing	Total RFS
	€m	€m	€m	€m	€m
Total income	89.7	9.6	99.3	18.8	118.1
Operating costs	(27.0)	(5.2)	(32.2)	(6.2)	(38.4)
PROFIT FROM ORDINARY ACTIVITIES	62.7	4.4	67.1	12.6	79.7
Provisions and bad debt writeoffs	(30.2)	(1.6)	(31.8)	(1.8)	(33.6)
Profit attributable to minorities	—	—	—	(2.6)	(2.6)
Income tax for the period	(13.7)	(1.2)	(14.9)	(4.5)	(19.4)
NET PROFIT	18.8	1.6	20.4	3.7	24.1
New loans	586.4	125.7	712.1	335.9	1,048.0
Loans and advances to customers	3,413.0	1,770.2	5,183.2	3,868.3	9,051.5
No. of branches	103	22	125	10	135
No. of staff	656	169	825	207	1,032



Private banking

Private banking 30/9/07	CMB	Banca Esperia 48.5%	Others	Total PB
	€m	€m	€m	€m
Total income	21.3	9.7	1.6	32.6
<i>of which net fee and commission income</i>	10.9	9.0	1.5	21.4
Operating costs	(9.6)	(6.8)	(1.3)	(17.7)
PROFIT FROM ORDINARY ACTIVITIES	11.7	2.9	0.3	14.9
Other operating income (expense)	0.2	—	—	0.2
Income tax for the period	0.1	(1.2)	(0.2)	(1.3)
NET PROFIT	12.0	1.7	0.1	13.8
AUM	8,014.0	5,838.4	—	13,852.4

Private banking 30/9/06	CMB	Banca Esperia 48.5%	Others	Total PB
	€m	€m	€m	€m
Total income	21.3	7.0	1.6	29.9
<i>of which net fee and commission income</i>	11.9	6.5	1.5	19.9
Operating costs	(9.6)	(5.2)	(1.4)	(16.2)
PROFIT FROM ORDINARY ACTIVITIES	11.7	1.8	0.2	13.7
Other operating income (expense)	3.6	—	—	3.6
Income tax for the period	—	(0.7)	(0.2)	(0.9)
NET PROFIT	15.3	1.1	—	16.4
AUM	7,197.6	4,237.2	—	11,434.8

* * *

As required by Article 154-bis, paragraph 2 of Italian Legislative Decree 58/98, the undersigned hereby declares that the accounting information contained in this report conforms to the documents, account ledgers and book entries of the company.

Head of Company Financial Reporting
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