

MEDIOBANCA - Banca di Credito Finanziario S.p.A.
(incorporated with limited liability in the Republic of Italy)

MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.
(incorporated with limited liability in Luxembourg)

Euro 25,000,000,000
Euro Medium Term Note Programme
guaranteed in the case of Notes issued by Mediobanca International (Luxembourg) S.A.
by
MEDIOBANCA - Banca di Credito Finanziario S.p.A.



Under the Euro Medium Term Note Programme described in this Base Prospectus (the “**Programme**”), each of Mediobanca - Banca di Credito Finanziario S.p.A. (“**Mediobanca**”) and Mediobanca International (Luxembourg) S.A. (“**Mediobanca International**”) (each an “**Issuer**” and together the “**Issuers**”) may from time to time issue notes (“**Notes**”) subject in each case to compliance with all relevant laws, regulations and directives. The payment of all amounts due in respect of any Notes issued by Mediobanca International will be unconditionally and irrevocably guaranteed by Mediobanca - Banca di Credito Finanziario S.p.A. (in such capacity, the “**Guarantor**”). Notes issued under the Programme will have denominations of not less than Euro 1,000.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see “Risk Factors”.

Application has been made to the Commission de Surveillance du Secteur Financier (the “**CSSF**”) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities to approve this document as a base prospectus for each Issuer. Application has also been made for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange. References in this Base Prospectus to a “regulated market” shall have the meaning given to them in the Markets in Financial Instruments Directive 2004/39/EC.

The Programme provides that Notes may be listed or admitted to trading (as the case may be) on such other or further stock exchange(s) or market(s) as may be agreed between the relevant Issuer, the Guarantor (where applicable) and the relevant Dealer. Unlisted Notes or Notes not admitted to trading on any market may also be issued. This Base Prospectus comprises two base prospectuses (one for each Issuer) for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”).

The CSSF may, at the request of the relevant Issuer, send to the competent authority of another European Economic Area Member State (i) a copy of this Base Prospectus; (ii) a certificate of approval pursuant to Article 18 of the Prospectus Directive attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive (an “**Attestation Certificate**”); and (iii) if so required by such competent authority, a translation of the Summary set out on pages 6 to 13 of this Base Prospectus. Under the Luxembourg Law on Prospectuses for Securities which implements the Prospectus Directive, prospectuses relating to money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of Part II of such law.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set out in the final terms (the “**Final Terms**”) which, with respect to Notes to be listed on the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange.

Arranger of the Programme.

MEDIOBANCA - Banca di Credito Finanziario S.p.A.

Dealers

MEDIOBANCA - Banca di Credito Finanziario S.p.A.

BANCA ALETTI & C.

CALYON Crédit Agricole CIB

COMMERZBANK CORPORATES & MARKETS

DEUTSCHE BANK

GOLDMAN SACHS INTERNATIONAL

MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.

MERRILL LYNCH INTERNATIONAL

MORGAN STANLEY

SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING

THE ROYAL BANK OF SCOTLAND

UBS INVESTMENT BANK

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IMPORTANT NOTICES

This document comprises two base prospectuses (one for each Issuer) (the “Base Prospectus”) for the purposes of Article 5.4 of the Prospectus Directive.

Each of the Issuers and the Guarantor, where indicated in the relevant Final Terms (as defined below), accepts responsibility for the information contained in this document and, to the best of the knowledge of each of the Issuers and the Guarantor (which have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Issuers and the Guarantor, having made all reasonable enquiries confirms that (i) this Base Prospectus contains all information with respect to the Issuers, the Guarantor, the Guarantor and its subsidiaries taken as a whole (the “Group” or the “Mediobanca Group”), the Notes and the deed of guarantee executed by the Guarantor and dated 4 December 2007 (the “Deed of Guarantee”) which is material in the context of the issue and offering of Notes, (ii) the statements contained in this Base Prospectus relating to the Issuers, the Guarantor and the Group are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this Base Prospectus with regard to the Issuers, the Guarantor and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iii) there are no other facts in relation to the Issuers, the Guarantor, the Group, the Notes or the Deed of Guarantee the omission of which would, in the context of the issue and offering of Notes, make any statement in this Base Prospectus misleading in any material respect and (iv) all reasonable enquiries have been made by the Issuers and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements.

This Base Prospectus should be read and construed with any supplement hereto and with any other documents incorporated by reference herein and, in relation to any tranche (as defined below) of Notes, should be read and construed together with the relevant Final Terms (as defined below).

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of Notes and, if given or made, such information or representation must not be relied upon as having been authorised by either of the Issuers, the Guarantor or any of the Dealers (as defined in “Plan of Distribution”). Neither the delivery of this Base Prospectus or any Final Terms nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of either Issuer or the Guarantor since the date hereof or the date upon which this document has been most recently supplemented or that there has been no adverse change in the financial position of either Issuer or the Guarantor since the date hereof or the date upon which this document has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of either Issuer, the Guarantor or any of the Dealers to subscribe for, or purchase, any Notes.

The distribution of this Base Prospectus and the offering or sale of Notes in certain jurisdictions may be restricted by law. The Issuers and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers or the Dealers which would permit a public offering of any Notes outside Luxembourg or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly including to the public, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “Securities Act”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of additional restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and Italy) and other jurisdictions, see “Plan of Distribution”.

The Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers makes any representation express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by either of the Issuers, the Guarantor or any of the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase any Notes.

Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuers or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

STABILISATION

In connection with the issue of any Tranche of Notes under the Programme, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) in accordance with all applicable laws and rules.

* * * * *

Notes may be issued on a continuous basis in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set forth in the relevant Final Terms, the form of which is set out in “Form of Final Terms” below.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed Euro 25,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into Euro at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Dealership Agreement, as defined under “Plan of Distribution”). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement.

In this Base Prospectus, unless otherwise specified or the context otherwise requires: references to “U.S.\$” and “US Dollars” are to the lawful currency of the United States of America; references to “Euro” are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended; references to “£” are to the lawful currency of the United Kingdom; and references to “Yen” or “¥” are to the lawful currency of Japan.

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SUMMARY OF THE PROGRAMME

This section of the Base Prospectus constitutes a Summary for the purposes of Article 5(2) of the Prospectus Directive.

This Summary must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability in respect of this Summary, including any translation thereof, will attach to the person responsible for this Summary in any such Member State, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the claimant may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Capitalised terms used elsewhere in this Base Prospectus shall have the same meanings in this Summary.

Issuers:	Mediobanca - Banca di Credito Finanziario S.p.A. Mediobanca International (Luxembourg) S.A.
Description of Mediobanca - Banca di Credito Finanziario S.p.A.:	<p>Mediobanca was established in 1946 as a medium-term credit granting institution in Italy. In 1956 Mediobanca's shares were admitted to the Italian Stock Exchange and since then its business has expanded both nationally and internationally.</p> <p>Mediobanca is registered at the Companies' Registry of the Chamber of Commerce of Milan, Italy under registration number 00714490158. Mediobanca's registered office is at Piazzetta E. Cuccia 1, Milan, Italy, telephone number (+39) 0288291.</p> <p>Mediobanca holds a banking licence from the Bank of Italy authorising it to carry on all permitted types of banking activities in Italy.</p> <p>Mediobanca is a bank organised and existing under the laws of Italy, carrying out a wide range of banking, financial and related activities throughout Italy.</p> <p>At the date hereof, Mediobanca's issued share capital totals Euro 409,549,082.50, represented by 819,098,165 registered shares of nominal value Euro 0.50.</p> <p>The Management Board of Mediobanca is responsible for the ordinary and extraordinary management of Mediobanca.</p>
Description of Mediobanca International (Luxembourg) S.A.:	<p>Mediobanca International was originally incorporated in the Cayman Islands on 13 September 1990 under the name of Mediobanca International Limited with the main aim of raising funds on international markets by the issue of bonds, medium-term notes and certificates of deposit.</p> <p>On 13 May 2005, Mediobanca's Board of Directors approved a resolution to transfer Mediobanca International's place of registration from the Cayman Islands to Luxembourg. By a resolution of the shareholders taken before a Luxembourg notary on 21 December 2005, Mediobanca International adopted the form of a <i>société anonyme</i> subject to the Luxembourg law and transferred its place of registration to Luxembourg without prejudice to its existing legal rights and obligations. On 15 December 2005 the Luxembourg Minister of the Treasury and the Budget, on the recommendation of the CSSF, granted Mediobanca International a full banking licence by which its operations have been extended to include lending, consistent with Mediobanca International's new articles of association approved by the shareholders in the general meeting held on 21 December 2005.</p>

Mediobanca International is registered at the Luxembourg trade and companies registry under registration number B 112885. Mediobanca International's registered office is at 14 Boulevard Roosevelt L-2450 Luxembourg, Luxembourg.

At the date hereof, Mediobanca International's issued and authorised share capital totals Euro 10,000,000 represented by 1,000,000 registered shares of Euro 10 par value.

The Board of Directors of Mediobanca International is responsible for setting authorisation levels, defining organisational structure, defining the system of internal control and reviewing it on a regular basis, and approving the bank's accounts and interim statements. Day-to-day management is entrusted to two managing directors.

Guarantor:

Mediobanca - Banca di Credito Finanziario S.p.A. (with respect to Notes issued by Mediobanca International (Luxembourg) S.A.

Risk Factors relating to the Issuers, the Guarantor and the Mediobanca Group

There are certain factors that may affect each Issuer's ability to fulfil its obligations under Notes issued under the Programme. These include the following risk factors related to the Mediobanca Group, its operations and its industry:

- (i) The Issuer's financial results may be affected by events which are difficult to anticipate.
- (ii) The Issuer's financial results are affected by changes in interest rates.
- (iii) The Issuer's financial results may be affected by market declines and volatility.
- (iv) The Issuer is subject to credit and market risk.
- (v) Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and leading to material losses.
- (vi) The Issuer's investment banking revenues may decline in adverse market or economic conditions.
- (vii) The Issuer may generate lower revenues from brokerage and other commission and fee-based business.
- (viii) Intense competition, especially in the Italian market, where the Issuer has the largest concentration of its business, could materially adversely effect the Issuer's revenues and profitability.
- (ix) The Issuer's risk management policies, procedures and methods may leave the Issuer exposed to unidentified or unanticipated risks, which could lead to material losses.
- (x) The Issuer is subject to operational risk.
- (xi) Changes in the Italian and European regulatory framework could adversely affect the Issuer's business.

Risk Factors relating to the Notes:

In addition, there are certain factors which are material for the purpose of assessing the risks related to Notes issued under the Programme. The Notes may not be suitable for all investors. A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. These include the following:

- (i) An optional redemption feature of Notes is likely to limit their market value.
- (ii) In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction, the Issuer may redeem all outstanding Notes in accordance with the Conditions, unless in the case of any particular

Tranche of Notes the relevant Final Terms specifies otherwise,.

- (iii) The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors which determine the amount of principal or interest. Potential investors should be aware that this may result in, inter alia, the market price of such Notes being volatile and losing all or a substantial portion of their principal in case of non-capital guaranteed Notes.
- (iv) The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.
- (v) Notes with variable interest rates can be volatile investments.
- (vi) Inverse Floating Rate Notes (also known as Reverse Floating Rate Notes) have an interest rate equal to a fixed rate minus a rate based upon a reference rate, making the market values of those Notes typically more volatile than market values of other conventional floating rate debt securities.
- (vii) Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate.
- (viii) The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.
- (ix) In the case of Subordinated Notes, if Mediobanca is declared insolvent and a winding up is initiated, it will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors) in full before it can make any payments on any Subordinated Notes.
- (x) If specified in the Final Terms, to the extent that the Issuer is required by law to withhold or deduct any present or future taxes of any kind imposed or levied by or on behalf of the Republic of Italy, the Issuer will not be under an obligation to pay any additional amounts to Noteholders.

Risk factors related to the Notes generally:

- (i) The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.
- (ii) Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Risk factors relating to the market generally:

- (i) Notes may have no established trading market when issued, and one may never develop.
- (i) The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than the Specified Currency.
- (ii) Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.
- (iii) One or more independent credit rating agencies may assign credit

ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

- (iv) The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers.

Description	Euro Medium Term Note Programme.
Size:	Up to Euro 25,000,000,000 (or the equivalent in other currencies at the date of each issue) aggregate principal amount of Notes outstanding at any one time.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency or currencies as the relevant Issuer, the Guarantor (where applicable), and the Relevant Dealer so agree.
Denomination:	Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or where the Notes are denominated in a currency other than euro, the equivalent amount in such other currency).
Method of Issue:	The Notes may be issued on a syndicated or non-syndicated basis. The Notes will be issued in one or more Series (which may be issued on the same date or which may be issued in more than one Tranche on different dates). The Notes may be issued in Tranches on a continuous basis with no minimum issue size, subject to compliance with all applicable laws, regulations and directives. Further Notes may be issued as part of an existing Series.
Consolidation:	Notes of one series may be consolidated with Notes of another Series, all as described in Condition 12 (<i>Further Issues and Consolidation</i>).
Form of Notes:	<p>The Notes may be issued in bearer form only. The relevant Final Terms will specify whether each Global Note is to be issued in New Global Note or in Classic Global Note form. Each Tranche of Notes will initially be represented by a Temporary Global Note or a Permanent Global Note which, in each case, will be deposited on or around the Issue Date: (a) in the case of Notes intended to be issued in Classic Global Note form, with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and (b) in the case of Notes intended to be issued in New Global Note form, with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. No interest will be payable in respect of a Temporary Global Note except as described under “Summary of Provisions Relating to the Notes while in Global Form”.</p> <p>Interests in Temporary Global Notes will be exchangeable for interests in Permanent Global Notes or, if so stated in the relevant Final Terms for Definitive Notes after the date falling 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. If specified in the relevant Final Terms, interests in Permanent Global Notes will be exchangeable for definitive Notes as described under “Summary of Provisions Relating to the Notes while in Global Form”. Definitive Notes will, if interest-bearing, have interest Coupons attached and, if appropriate, a Talon for further Coupons and will, if the principal thereof is repayable</p>

by instalments, have payment Receipts attached.

Fixed Interest Rate Notes: Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Notes: Floating Rate Notes will bear interest set separately for each Series by reference to the benchmark as may be specified in the relevant Final Terms as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

Zero Coupon Notes: Zero Coupon Notes may be issued at their principal amount or at a discount or a premium to it and will not bear interest.

Index-Linked Interest Notes or other Variable-Linked Interest Notes: The Final Terms issued in respect of each issue of Index-Linked Interest Notes or other Notes bearing interest linked to a formula or other variable will specify the basis for calculating the amounts of interest payable, which may be by reference to an index or formula or as otherwise provided in the relevant Final Terms.

Extendible Notes: Extendible Notes may be issued by Mediobanca International. The Final Terms will set out the manner in which the holders of Extendible Notes may exercise their option to extend the Maturity Period of such Notes.

Other Notes: Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, dual currency Notes, reverse dual currency Notes, optional dual currency Notes, partly-paid Notes, index-linked Notes and any other type of Notes which the relevant Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.

Interest Periods and Interest Rates: The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

Status of the Notes: Notes may be issued by Mediobanca on a subordinated or unsubordinated basis, as specified in the relevant Final Terms. Notes issued by Mediobanca International may only be issued on an unsubordinated basis.

(i) Status of the Senior Notes:

The Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank at all times at least pari passu without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the relevant Issuer, save for certain mandatory exceptions of applicable law. See Condition 2(b) (*Status of Senior Notes*).

(ii) Status of the Subordinated Notes:

Subordinated Notes (Upper Tier II Subordinated Notes, Lower Tier II Subordinated Notes and Tier III Subordinated Notes, as the case may be) constitute direct, unsecured and subordinated obligations of Mediobanca, all as described in Condition 3 (*Status and Special Provisions of Subordinated Notes*) and the relevant Final Terms.

In the event of a winding up, dissolution, liquidation or bankruptcy of Mediobanca, the payment obligations of Mediobanca in respect of principal and interest under Subordinated Notes and any related

Coupons will rank in right of payment (A) after unsubordinated creditors (including depositors and any holder of Senior Notes) of Mediobanca (B) but at least *pari passu* with all other subordinated obligations of Mediobanca which do not rank or are not expressed by their terms to rank junior or senior to such Series of Subordinated Notes and (C) in priority to the claims of shareholders of Mediobanca. Lower Tier II Subordinated Notes and Tier III Subordinated Notes rank *pari passu* amongst themselves and rank senior to Upper Tier II Subordinated Notes, all as described in Condition 3 (*Status and Special Provisions of Subordinated Notes*).

Guarantee:	Under the Deed of Guarantee, Mediobanca unconditionally and irrevocably guarantees payment of all amounts due in respect of Notes issued by Mediobanca International. See also Condition 2(c) (<i>Status of Guarantee</i>).
Status of the Guarantee:	The payment obligations of the Guarantor under the Deed of Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor which will rank at all times at least <i>pari passu</i> without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for certain mandatory exceptions of applicable law. See also Condition 2(c) (<i>Status of Guarantee</i>).
Loss Absorption on Upper Tier II Subordinated Notes:	To the extent that Mediobanca at any time suffers losses which, in accordance with Articles 2446 and 2447 of the Italian Civil Code or otherwise in accordance with Italian laws and regulations, would require it to reduce its paid up share capital and reserves to below its Minimum Capital, the obligations of Mediobanca in respect of interest and principal under Upper Tier II Subordinated Notes will be reduced to the extent necessary to enable Mediobanca, in accordance with the requirements of Italian law, to maintain at least its Minimum Capital. The obligations of Mediobanca in respect of interest and principal due under Upper Tier II Subordinated Notes which are so reduced will be subject to reinstatement in certain circumstances. See Condition 3 (<i>Status and Special Provisions of Subordinated Notes</i>).
Deferral of Interest on Upper Tier II Subordinated Notes:	Mediobanca will not be required to pay interest on the Upper Tier II Subordinated Notes on an Interest Payment Date if: (A) no annual dividend has been approved, paid or set aside for payment by a shareholders' meeting of Mediobanca or paid in respect of any class of shares during the 12-month period ending on, but excluding, the fifteenth Business Day immediately preceding such Interest Payment Date; or (B) the Management Board of Mediobanca has announced, at the time of publication of any interim financial information of Mediobanca published during the six-month period ending on, and including, the fifteenth Business Day immediately preceding such Interest Payment Date that, based on such financial information, no sums are available at such time in accordance with Italian law for the payment of interim dividends, in accordance with Article 2433- <i>bis</i> of the Italian Civil Code. The obligations of Mediobanca in respect of interest due under the Upper Tier II Subordinated Notes which are so deferred will be subject to reinstatement in certain circumstances. See Condition 3 (<i>Status and Special Provisions relating to Subordinated Notes</i>).
Tier III Subordinated Notes:	Tier III Subordinated Notes may be issued only with the prior authorisation of the Bank of Italy pursuant to the provisions of Title IV, Chapter 3, Part I, Section II of Bank of Italy Regulations. Tier III Subordinated Notes shall be subject to the same restrictions provided in respect of similar indebtedness qualifying as Upper Tier II Subordinated

Notes or Lower Tier II Subordinated Notes except that any Tier III Subordinated Notes are subject to (i) a minimum Maturity Period of two years and (ii) a lock-in clause pursuant to which payments of interest or repayment of principal shall be suspended during the period in which such payments or repayments would reduce the total volume of Mediobanca's assets below the aggregate minimum capital requirements of Mediobanca, as provided under the Bank of Italy Regulations. Interest shall not accrue on any repayments of principal or payments of interest suspended as described above. See Condition 3 (*Status and Special Provisions of Subordinated Notes*).

Cross Default	The Senior Notes will contain a cross default in respect of indebtedness for borrowed money of the relevant Issuer and, where applicable, the Guarantor, as more fully set out in Condition 9(a) (<i>Events of Default of Senior Notes</i>).
Optional Redemption:	<p>Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms and subject to all relevant legal and regulatory requirements.</p> <p>If the Notes are Subordinated Notes, unless otherwise permitted by current laws, regulations, directives, and/or the Bank of Italy's requirements applicable to the issue of Subordinated Notes by Mediobanca, the Optional Redemption Date shall not be earlier than (i) in the case of Upper Tier II Subordinated Notes, ten years after the Issue Date, (ii) in the case of Lower Tier II Subordinated Notes, five years after the Issue Date and (iii) in the case of Tier III Subordinated Notes, two years after the Issue Date.</p>
Tax Redemption:	The relevant Final Terms will specify whether early redemption will be permitted for tax reasons as described in Condition 5(c) (<i>Redemption for taxation reasons</i>).
Withholding Tax:	<p>The relevant Final Terms will indicate if all amounts payable by the relevant Issuer or, as the case may be, the Guarantor, under the Notes, the Fiscal Agency Agreement, the Deed of Guarantee, the Deeds of Covenant, the Dealership Agreement or any Relevant Agreement will:</p> <ul style="list-style-type: none">(i) be made with withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges if such withholding or deduction is required by law and in each case without any tax gross up; or(ii) be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges of whatever nature imposed or levied by or on behalf of Luxembourg or any political subdivision thereof or any agency or authority therein or thereof having power to tax (in the case of payment made by or on behalf of Mediobanca International) or Italy or any political subdivision thereof or any agency or authority therein or thereof having power to tax (in the case of payments made by or on behalf of Mediobanca) without prejudice to the option of the relevant Issuer to redeem the Notes pursuant to, and subject to, Condition 5(c) (<i>Redemption for taxation reasons</i>).
Rating:	The rating of the Notes, if any, to be issued under the Programme will be specified in the applicable Final Terms.
Governing Law:	The Notes and all related contractual documentation will be governed by, and construed in accordance with, English law, except for certain provisions relating to Subordinated Notes, which will be governed by

Italian law.

Listing, Approval and
Admission to Trading:

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made for Notes issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the relevant Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The CSSF may, at the request of either Issuer, send to the competent authority of another European Economic Area Member State (i) a copy of this Base Prospectus; (ii) an Attestation Certificate in accordance with Article 18(i) of the Prospectus Directive; and (iii) if so required by such competent authority, a translation of this Summary.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set out in the Final Terms which, with respect to Notes to be admitted to trading on the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Selling Restrictions:

See “Plan of Distribution”.

In connection with the offering and sale of a particular Tranche of Notes, additional selling restrictions may be imposed which will be set out in the relevant Final Terms.

RISK FACTORS

The Issuers and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuers and the Guarantor are not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuers and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers and the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuers and the Guarantor based on information currently available to them or which they may not currently be able to anticipate.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined in “Form of Final Terms” and “Terms and Conditions of the Notes” or elsewhere in this Base Prospectus have the same meaning in this section. Prospective investors should read the entire Base Prospectus. In this section, “Issuer” refers to Mediobanca and/or to Mediobanca International as appropriate.

Risks relating to the Issuers and the Guarantor and the Mediobanca Group

The Issue’s financial results may be affected by events which are difficult to anticipate

The Issuer’s earning and business are affected by general economic conditions, the performance of financial markets, interest rate levels, currency exchange rates, changes in laws and regulation, changes in the policies of central banks, particularly the Bank of Italy and the European Central Bank, and competitive factors, in each case on a regional, national and international level. Each of these factors can change the level of demand for the Issuer’s products and services, the credit quality of borrowers and counterparties, the interest rate margin of the Issuer between lending and borrowing costs and the value of the Issuer’s investment and trading portfolios.

The Issuer’s financial results are affected by changes in interest rates

Fluctuations in interest rates in Italy and in the other markets in which the Mediobanca Group operates influence the Mediobanca Group’s performance. The results of each Issuer’s banking operations are affected by its management of interest rate sensitivity. Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest income. A mismatch of interest-earning assets and interest-bearing liabilities in any given period, which tends to accompany changes in interest rates, may have a material effect on the Issuer’s financial condition or results of operations.

The Issuer’s financial results may be affected by market declines and volatility

The results of the Issuer are affected by general economic, financial and other business conditions. During recessionary periods, there may be less demand for loan products and a greater number of the Issuer’s customers may default on their loans or other obligations. Interest rate rises may also impact the demand for mortgages and other loan products. The risk arising from the impact of the economy and business climate on the credit quality of the Issuer’s borrowers and counter-parties can affect the overall credit quality and the recoverability of loans and amounts due from counterparties.

The Issuer is subject to credit and market risk

To the extent that any of the instruments and strategies the Issuer uses to hedge or otherwise manage its exposure to credit or market risk are not effective, the Issuer may not be able to mitigate effectively the Issuer’s risk exposures in particular market environments or against particular types of risk. The Issuer’s trading revenues and interest rate risk are dependent upon its ability to identify properly, and mark to market, changes in the value of financial instruments caused by changes in market prices or interest rates. The Issuer’s financial results also depend upon how effectively the Issuer determines and assesses the cost of credit and manages its credit risk and market risk concentration.

Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and leading to material losses

In some of the Issuer's businesses, protracted adverse market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the Issuer cannot close out deteriorating positions in a timely way. This may especially be the case for assets of the Issuer for which there are not very liquid markets to begin with. Assets that are not traded on stock exchanges or other public trading markets, such as derivatives contracts between banks, may have values that the Issuer calculates using models other than publicly quoted prices. Monitoring the deterioration of prices of assets like these is difficult and failure to do so effectively could lead to losses that the Issuer did not anticipate or that were higher than those anticipated. This in turn could adversely affect the Issuer's results of operations and financial condition.

The Issuer's investment banking revenues may decline in adverse market or economic conditions

Protracted or steep declines in the stock or bond markets in Italy and elsewhere may adversely impact the Issuer's investment banking, securities trading and brokerage activities, the Issuer's asset management and private banking services, as well as the Issuer's investments in and sales of products linked to financial assets performance.

The Issuer may generate lower revenues from brokerage and other commission and fee-based businesses

Market downturns may lead to declines in the volume of transactions that the Issuer executes for its customers and, therefore, to declines in the Issuer's non-interest revenues.

Intense competition, especially in the Italian market, where the Issuer has the largest concentration of its business, could materially adversely effect the Issuer's revenues and profitability

Competition is intense in all of the Mediobanca Group's primary business areas in Italy and the other countries in which the Issuer conducts its business. The Mediobanca Group derives most of its total banking income from its banking activities in Italy, a mature market where competitive pressures have been increasing quickly. If the Mediobanca Group is unable to continue to respond to the competitive environment in Italy with attractive product and service offerings that are profitable for the Mediobanca Group, it may lose market share in important areas of its business or incur losses on some or all of its activities. In addition, downturns in the Italian economy could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for which to compete.

The Issuer's risk management policies, procedures and methods may leave the Issuer exposed to unidentified or unanticipated risks, which could lead to material losses

The Issuer has devoted significant resources to developing policies, procedures and assessment methods to manage market, credit, liquidity and operating risk and intends to continue to do so in the future. Nonetheless, the Issuer's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risks, including risks that the Issuer fails to identify or anticipate. If existing or potential customers believe that the Issuer's risk management policies and procedures are inadequate, the Issuer's reputation as well as its revenues and profits may be negatively affected.

The Issuer is subject to operational risk

The Issuer, like all financial institutions, is exposed to many types of operational risk, including the risk of fraud by employees and outsiders, unauthorised transactions by employees or operational errors, including errors resulting from faulty computer or telecommunication systems. The Issuer's systems and processes are designed to ensure that the operational risks associated with the Issuer's activities are appropriately monitored. Any failure or weakness in these systems, however, could adversely affect the Issuer's financial performance and business activities.

Changes in the Italian and European regulatory framework could adversely affect the Issuer's business

The Issuer is subject to extensive regulation and supervision by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* (the Italian securities market regulator or "CONSOB") in relation to Mediobanca, the European Central Bank and the European System of Central Banks in relation to both Issuers and the CSSF in Luxembourg in relation to Mediobanca International. The banking laws to which

the Issuer is subject govern the activities in which banks and foundations may engage and are designed to maintain the safety and soundness of banks, and limit their exposure to risk. In addition, the Issuer must comply with financial services laws that govern its marketing and selling practices. Any changes in how such regulations are applied or the implementation of the New Basel Capital Accord (Basel II) on capital requirements for financial institutions, may have a material effect on the Issuer's business and operations. As some of the banking laws and regulations affecting the Issuer have been recently adopted, the manner in which those laws and related regulations are applied to the operations of financial institutions is still evolving. No assurance can be given that laws and regulations will be adopted, enforced or interpreted in a manner that will not have an adverse effect on the business, financial condition, cash flows and results of operations of the Issuer.

Risks relating to the Notes

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) in the case of structured Notes (plain vanilla Notes together with one or more embedded derivative instrument) proceed with investment only after fully appreciating the risks inherent in the nature of the Notes;
- (ii) evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) consider all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency; and
- (iv) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Examples of some of the most common features are described below (but are not intended to be an exhaustive description).

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes.

At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in the light of other investments available at that time.

Redemption for tax reasons

Unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Luxembourg or Italy (as appropriate) or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security

at an effective interest rate as high as that of the relevant Notes.

Index-Linked and other Variable-Linked Interest Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors which determine the amount of principal or interest (each, a “**relevant factor**”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) they may lose all or a substantial portion of their principal in case of non-capital guaranteed Notes;
- (iv) the relevant factors may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (v) if a relevant factor is applied to the Notes in conjunction with a multiplier greater than one or contains any other leverage factor, the effect of changes in the relevant factor on principal or interest payable likely will be magnified; and
- (vi) the timing of changes in a relevant factor may affect the actual yield to investors, even if the average level is consistent with their expectations.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes (also known as Reverse Floating Rate Notes) have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer’s ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Subordinated Notes

If Mediobanca is declared insolvent and a winding up is initiated, it will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors) in full before it can make any payments on the Subordinated Notes. If this occurs, Mediobanca may not have enough assets remaining after these payments to pay amounts due under the Subordinated Notes. In addition, the payment obligations of Mediobanca under Upper Tier II Subordinated Notes rank behind Lower Tier II Subordinated Notes and Tier III Subordinated Notes.

The payment obligations arising under Subordinated Notes are subject to additional limitations. Firstly, the claims of the holders of Upper Tier II Subordinated Notes in relation to payments of principal and interest will be reduced to the extent necessary to enable Mediobanca to maintain its capital at certain minimum levels required by the Bank of Italy. Secondly, Mediobanca may defer interest payments on such Notes in certain circumstances where annual or interim dividends are not declared. In the case of Tier III Subordinated Notes, payment of interest and principal is subject to suspension where such payments would otherwise reduce Mediobanca's capital below certain minimum levels required by the Bank of Italy.

Any reduction or deferral of payments of principal and interest is likely to have an adverse effect on the market price of Subordinated Notes. In addition, as a result of the payment reduction and deferral provisions described above, the market price of Subordinated Notes may be more volatile than the market prices of debt securities which are not subject to such provisions and may be more sensitive generally to adverse changes in the financial condition of Mediobanca and the Mediobanca Group.

For a full description of the provisions relating to Subordinated Notes, see Condition 3 (*Status and Special Provisions of Subordinated Notes*).

No gross up on withholding tax

If specified in the Final Terms, to the extent that the Issuer is required by law to withhold or deduct any present or future taxes of any kind imposed or levied by or on behalf of the Republic of Italy, the Issuer will not be under an obligation to pay any additional amounts to Noteholders.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

Procedures of clearing systems

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository or (where applicable) common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depository or common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk that may be relevant in connection with an investment in Notes:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and form part of, this Base Prospectus:

- the registration document published by Mediobanca on 6 November 2007 and approved by CONSOB pursuant to CONSOB Regulation No. 11971 of 14 May 1999 (as amended), as translated into English from the original Italian (the “**Mediobanca Registration Document**”);
- the audited consolidated annual financial statements as at and for the years ended 30 June 2007 and 2006 of Mediobanca;
- the audited non-consolidated annual financial statements as at and for the years ended 30 June 2007 and 2006 of Mediobanca International; and
- the unaudited consolidated financial statements as at and for the three months ended 30 September 2007 and 2006 of Mediobanca,

in the case of the above-mentioned financial statements, together with the accompanying notes and (where applicable) auditor’s reports, save that any statement contained in this Base Prospectus or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference by way of supplement prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such statement.

The Issuers will provide, without charge to each person to whom a copy of this Base Prospectus has been delivered, upon the request of such person, a copy of any or all the documents deemed to be incorporated by reference herein unless such documents have been modified or superseded as specified above, in which case the modified or superseded version of such document will be provided. Request for such documents should be directed to the Issuers at their offices set out at the end of this Base Prospectus. In addition, such documents will be available, without charge, at the principal office of the Arranger and of the Paying Agents in Luxembourg and on the Luxembourg Stock Exchange’s website (*www.bourse.lu*).

Cross-reference list

The following table shows where the information required under Annex XI of Commission Regulation (EC) No. 809/2004 can be found in the above mentioned documents incorporated by reference. Any information contained in the documents incorporated by reference but not set out below is given for information purposes only.

Mediobanca Registration Document

Commission Regulation (EC) No. 809/2004, Annex XI,

Paragraphs 4, 5, 6, 9, 10, 11.6 and 11.7

History and development of the Issuer	Page 12
Principal activities	Pages 13-20
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Mediobanca - Consolidated annual financial statements

Commission Regulation (EC) No. 809/2004, Annex XI,

2007

2006

Paragraph 11.1

Balance sheet	Pages 48-49	Pages 48-49
Statement of income	Page 50	Page 50
Statement of changes in equity	Pages 51-53	Pages 64-65
Cashflow statement	Pages 54-55	Page 66
Accounting policies and explanatory notes	Pages 59-178	Pages 53-173
Auditors' review/reports	Page 199	Page 45

Mediobanca - Consolidated three-monthly financial statements

Commission Regulation (EC) No. 809/2004, Annex XI,

2007

2006

Paragraph 11.5

Balance sheet	Pages 33-34	Pages 32-33
Statement of income	Page 35	Page 34
Accounting policies and explanatory notes	Pages 21-32	Pages 21-31
Auditors' report on first-time adoption of IFRS	N/A	N/A

Mediobanca International - Non-Consolidated annual financial statements

Commission Regulation (EC) No. 809/2004, Annex XI,

2007

2006

Paragraph 11.1

Balance sheet	Page 3	Pages 10-11
Statement of income	Page 4	Page 13
Cashflow statement	Pages 6	N/A(*)
Accounting policies and explanatory notes	Pages 7-31	Pages 14-30
Auditors' review/reports	Pages 1-2	Page 31

(*) The cashflow statement for the year ended 30 June 2006 is included on page 6 in the 2007 financial statements.

SUPPLEMENTS AND FURTHER PROSPECTUSES

The Issuers will prepare a replacement prospectus setting out the changes in the operations and financial conditions of the Issuers at least every year after the date of this Base Prospectus and each subsequent Base Prospectus.

The Issuers have given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to the information contained in this Base Prospectus which is capable of affecting the assessment of the Notes, it shall prepare a supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer a number of copies of such supplement as a Dealer may reasonably request.

In addition, the Issuers and the Guarantor may agree with any Dealer to issue Notes in a form not contemplated in the section of this Base Prospectus entitled “Form of Final Terms”. To the extent that the information relating to that Tranche of Notes constitutes a significant new factor in relation to the information contained in this Base Prospectus, a separate prospectus specific to such Tranche (a “**Drawdown Prospectus**”) will be made available and will contain such information. Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the relevant Issuer and (if applicable) the Guarantor and the relevant Notes or (2) pursuant to Article 5.3 of the Prospectus Directive, by a registration document containing the necessary information relating to the relevant Issuer and (if applicable) the Guarantor, a securities note containing the necessary information relating to the relevant Notes and, if necessary, a summary note. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, references in this Base Prospectus to information specified or identified in the Final Terms shall (unless the context requires otherwise) be read and construed as information specified or identified in the relevant Drawdown Prospectus.

FORMS OF THE NOTES

Each Tranche of Notes will initially be in the form of either a temporary global note (a “**Temporary Global Note**”), without Coupons, or a permanent global note (a “**Permanent Global Note**”), without Coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “Global Note”) which is not intended to be issued in a new global note form (a “**Classic Global Note**” or “**CGN**”), as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, société anonyme, Luxembourg (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a “**New Global Note**” or “**NGN**”), as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the “**ECB**”) announced that Notes in NGN form are in compliance with the “Standards for the use of EU securities settlement systems in ESCB credit operations” of the central banking system for the euro (the “**Eurosystem**”), provided that certain other criteria are fulfilled (including denomination in euro and listing on an EU regulated market or on an ECB-approved non-regulated market). At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and the debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used (and if the above-mentioned other criteria are fulfilled).

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note without Coupons or Receipts (as defined herein), interests in which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without Coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership, within seven days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership, *provided, however*, that in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”):

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed

for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 9 (*Events of Default*) occurs.

Where interests in the Permanent Global Note are to be exchanged for Definitive Notes in the circumstances described in (i) and (ii) above, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued in denominations which represent the aggregate of (i) a minimum denomination of Euro 50,000, plus (ii) integral multiples of Euro 1,000, *provided that* such denominations are not less than Euro 50,000 nor more than Euro 99,000. For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Note. However, a Noteholder who holds an aggregate principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, without Coupons, interests in which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, without Coupons or Receipts, interests in which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Where the Temporary Global Note is to be exchanged for Definitive Notes, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Talons and Receipts (as defined herein) attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note, without Coupons or Receipts, interests in which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 9 (*Events of Default*) occurs.

Where interests in the Permanent Global Note are to be exchanged for Definitive Notes in the circumstances described in (i) and (ii) above, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued in denominations which represent the aggregate of (i) a minimum denomination of Euro 50,000, plus (ii) integral multiples of Euro 1,000, *provided that* such denominations are not less than Euro 50,000 nor more than Euro 99,000. For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Notes. However, a Noteholder who holds an aggregate principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange. Where the Notes are listed on the Luxembourg Stock Exchange and its rules so require, the Issuer will give notice of the exchange of the Permanent Global Note for Definitive Notes pursuant to Condition 13 (*Notices*).

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions relating to the Notes while in Global Form" below.

Legend concerning United States persons

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections referred to in such legend provide that a United States person who holds a Note, Coupon, Talon or Receipt will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon, Talon or Receipt and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

GENERAL DESCRIPTION OF THE PROGRAMME

The following is a general description on the Programme for the purposes of Article 22.5 (3) of Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive. The following overview does not purport to be complete and is qualified by the remainder of this Document and, in relation to the terms and conditions of any particular Series (as defined below in "Terms and Conditions of the Notes") of Notes, the applicable Final Terms. Subject as provided in the Terms and Conditions of the Notes, any of the following (including, without limitation, the type of Notes which may be issued pursuant to the Programme) may be varied or supplemented as agreed between the Issuer, the relevant Dealer(s) and the Fiscal Agent (if applicable). Words and expressions defined in "Form of the Notes" and the "Terms and Conditions of the Notes" shall have the same meaning in this overview:

Issuers:	Mediobanca - Banca di Credito Finanziario S.p.A. Mediobanca International (Luxembourg) S.A.
Mediobanca - Banca di Credito Finanziario S.p.A.:	<p>Mediobanca was established in 1946 as a medium-term credit granting institution in Italy. In 1956 Mediobanca's shares were admitted to the Italian Stock Exchange and since then its business has expanded both nationally and internationally.</p> <p>Mediobanca is registered at the Companies' Registry of the Chamber of Commerce of Milan, Italy under registration number 00714490158. Mediobanca's registered office is at Piazzetta E. Cuccia 1, Milan, Italy, telephone number (+39) 0288291.</p> <p>Mediobanca holds a banking licence from the Bank of Italy authorising it to carry on all permitted types of banking activities in Italy.</p> <p>Mediobanca is a bank organised and existing under the laws of Italy, carrying out a wide range of banking, financial and related activities throughout Italy.</p> <p>At the date hereof, Mediobanca's issued share capital totals Euro 409,549,082.50, represented by 819,098,165 registered shares of nominal value Euro 0.50.</p> <p>The Management Board of Mediobanca is responsible for the ordinary and extraordinary management of Mediobanca.</p>
Mediobanca International (Luxembourg) S.A.:	<p>Mediobanca International was originally incorporated in the Cayman Islands on 13 September 1990 under the name of Mediobanca International Limited with the main aim of raising funds on international markets by the issue of bonds, medium-term notes and certificates of deposit.</p> <p>On 13 May 2005, Mediobanca's Board of Directors approved a resolution to transfer Mediobanca International's place of registration from the Cayman Islands to Luxembourg. By a resolution of the shareholders taken before a Luxembourg notary on 21 December 2005, Mediobanca International adopted the form of a société anonyme subject to the Luxembourg law and transferred its place of registration to Luxembourg without prejudice to its existing legal rights and obligations. On 15 December 2005 the Luxembourg Minister of the Treasury and the Budget, on the recommendation of the CSSF, granted Mediobanca International a full banking licence by which its operations have been extended to include lending, consistent with Mediobanca International's new articles of association approved by the shareholders in the general meeting held on 21 December 2005.</p> <p>Mediobanca International is registered at the Luxembourg trade and companies registry under registration number B 112885. Mediobanca International's registered office is at 14 Boulevard Roosevelt L-2450 Luxembourg, Luxembourg.</p> <p>At the date hereof, Mediobanca International's issued and authorised share capital totals Euro 10,000,000 represented by 1,000,000 registered shares of Euro 10 par value.</p>

The Board of Directors of Mediobanca International is responsible for setting authorisation levels, defining organisational structure, defining the system of internal control and reviewing it on a regular basis, and approving the bank's accounts and interim statements. Day-to-day management is entrusted to two managing directors.

Guarantor: Mediobanca - Banca di Credito Finanziario S.p.A. (with respect to Notes issued by Mediobanca International (Luxembourg) S.A.

Description: Euro Medium Term Note Programme.

Arranger: Mediobanca Banca di Credito Finanziario S.p.A.

Dealers: Mediobanca - Banca di Credito Finanziario S.p.A
Banca Aletti & C. S.p.A.
CALYON
Commerzbank Aktiengesellschaft
Deutsche Bank AG, London Branch
Goldman Sachs International
Mediobanca International (Luxembourg) S.A.
Merrill Lynch International
Morgan Stanley & Co International plc
Société Générale
The Royal Bank of Scotland plc
UBS Limited

Each of the Issuers may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of a single Tranche or in respect of the whole Programme.

Fiscal Agent: BNP Paribas Securities Services, Luxembourg Branch.

Size: Up to Euro 25,000,000,000 (or the equivalent in other currencies at the date of each issue) aggregate principal amount of Notes outstanding at any one time.

Currencies: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency or currencies as the relevant Issuer, the Guarantor (where applicable), and the Relevant Dealer so agree.

Maturities: Any maturity subject to compliance with all relevant laws, regulations and directives.

Any Notes in respect of which the issue proceeds are received by the relevant Issuer in the United Kingdom and which must be redeemed before the first anniversary of their date of issue must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses: or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 by the relevant Issuer.

Under applicable laws and regulations at the date of this Base Prospectus: (i) Upper Tier II Subordinated Notes may be perpetual (*passività irredimibili*) or have a fixed Maturity Period of not less than ten years; (ii) Lower Tier II Subordinated Notes must have a Maturity Period of not less than five years; and (iii) Tier III Subordinated Notes must have a Maturity Period of not less than two years. If Lower Tier II Subordinated Notes or Tier III Subordinated Notes have an indefinite Maturity Period, Lower Tier II Subordinated Notes may be redeemable only after five years' prior notice to Noteholders and Tier III Subordinated Notes may

be redeemable only after two years' prior notice to Noteholders.

Denomination:	Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be ?1,000 (or where the Notes are denominated in a currency other than euro, the equivalent amount in such other currency).
Method of Issue:	The Notes may be issued on a syndicated or non-syndicated basis. The Notes will be issued in one or more Series (which may be issued on the same date or which may be issued in more than one Tranche on different dates). The Notes may be issued in Tranches on a continuous basis with no minimum issue size, subject to compliance with all applicable laws, regulations and directives. Further Notes may be issued as part of an existing Series.
Consolidation:	Notes of one series may be consolidated with Notes of another Series, all as described in Condition 12 (<i>Further Issues and Consolidation</i>).
Final Terms or Drawdown Prospectus:	<p>Notes issued under the Programme may be issued either (i) pursuant to this Base Prospectus and the relevant Final Terms or (ii) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes as supplemented, amended and/or replaced by the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus.</p> <p>References in this Summary to the "Final Terms" shall, where applicable, be read as references to the Drawdown Prospectus.</p>
Form of Notes:	<p>The Notes may be issued in bearer form only. The relevant Final Terms will specify whether each Global Note is to be issued in New Global Note or in Classic Global Note form. Each Tranche of Notes will initially be represented by a Temporary Global Note or a Permanent Global Note which, in each case, will be deposited on or around the Issue Date: (a) in the case of Notes intended to be issued in Classic Global Note form, with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and (b) in the case of Notes intended to be issued in New Global Note form, with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. No interest will be payable in respect of a Temporary Global Note except as described under "Summary of Provisions Relating to the Notes while in Global Form".</p> <p>Interests in Temporary Global Notes will be exchangeable for interests in Permanent Global Notes or, if so stated in the relevant Final Terms for Definitive Notes after the date falling 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. If specified in the relevant Final Terms, interests in Permanent Global Notes will be exchangeable for definitive Notes as described under "Summary of Provisions Relating to the Notes while in Global Form". Definitive Notes will, if interest-bearing, have interest Coupons attached and, if appropriate, a Talon for further Coupons and will, if the principal thereof is repayable by instalments, have payment Receipts attached.</p>
Issue Price:	Notes may be issued at their principal amount or at a discount or premium to their principal amount. Partly-paid Notes may also be issued, the Issue Price of which will be payable in two or more instalments.
Fixed Interest Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year

	specified in the relevant Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest set separately for each Series by reference to the benchmark as may be specified in the relevant Final Terms as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.
Zero Coupon Notes:	Zero Coupon Notes may be issued at their principal amount or at a discount or a premium to it and will not bear interest.
Index-Linked Interest Notes or other Variable-Linked Interest Notes:	The Final Terms issued in respect of each issue of Index-Linked Interest Notes or other Notes bearing interest linked to a formula or other variable will specify the basis for calculating the amounts of interest payable, which may be by reference to an index or formula or as otherwise provided in the relevant Final Terms.
Extendible Notes:	Extendible Notes may be issued by Mediobanca International. The Final Terms will set out the manner in which the holders of Extendible Notes may exercise their option to extend the Maturity Period of such Notes.
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, dual currency Notes, reverse dual currency Notes, optional dual currency Notes, partly-paid Notes, index-linked Notes and any other type of Notes which the relevant Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Redemption Amount:	Notes may be redeemable at par or at such other Redemption Amount as may be specified in the relevant Final Terms, including a Redemption Amount calculated by reference to an index, formula or other variable. The Final Terms issued in respect of each issue of Notes subject to a variable redemption amount will specify the basis for calculating the redemption amounts payable, which may be by reference to an index, formula or other variable.
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes which are redeemable in two or more instalments will set out the date on which, and the amounts in which, such Notes may be redeemed.
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Status of the Notes:	Notes may be issued by Mediobanca on a subordinated or unsubordinated basis, as specified in the relevant Final Terms. Notes issued by Mediobanca International may only be issued on an unsubordinated basis. (i) Status of the Senior Notes: The Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank at all times at least <i>pari passu</i> without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the relevant Issuer, save for certain mandatory exceptions of applicable law. See Condition 2(b) (<i>Status</i>

of Senior Notes).

(ii) Status of the Subordinated Notes:

Subordinated Notes (Upper Tier II Subordinated Notes, Lower Tier II Subordinated Notes and Tier III Subordinated Notes, as the case may be) constitute direct, unsecured and subordinated obligations of Mediobanca, all as described in Condition 3 (*Status and Special Provisions of Subordinated Notes*) and the relevant Final Terms.

In the event of a winding up, dissolution, liquidation or bankruptcy of Mediobanca, the payment obligations of Mediobanca in respect of principal and interest under Subordinated Notes and any related Coupons will rank in right of payment (A) after unsubordinated creditors (including depositors and any holder of Senior Notes) of Mediobanca (B) but at least *pari passu* with all other subordinated obligations of Mediobanca which do not rank or are not expressed by their terms to rank junior or senior to such Series of Subordinated Notes and (C) in priority to the claims of shareholders of Mediobanca. Lower Tier II Subordinated Notes and Tier III Subordinated Notes rank *pari passu* amongst themselves and rank senior to Upper Tier II Subordinated Notes, all as described in Condition 3 (*Status and Special Provisions of Subordinated Notes*).

Guarantee: Under the Deed of Guarantee, Mediobanca unconditionally and irrevocably guarantees payment of all amounts due in respect of Notes issued by Mediobanca International. See also Condition 2(c) (*Status of Guarantee*).

Status of the Guarantee: The payment obligations of the Guarantor under the Deed of Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor which will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for certain mandatory exceptions of applicable law. See also Condition 2(c) (*Status of Guarantee*).

Loss Absorption on Upper Tier II Subordinated Notes: To the extent that Mediobanca at any time suffers losses which, in accordance with Articles 2446 and 2447 of the Italian Civil Code or otherwise in accordance with Italian laws and regulations, would require it to reduce its paid up share capital and reserves to below its Minimum Capital, the obligations of Mediobanca in respect of interest and principal under Upper Tier II Subordinated Notes will be reduced to the extent necessary to enable Mediobanca, in accordance with the requirements of Italian law, to maintain at least its Minimum Capital. The obligations of Mediobanca in respect of interest and principal due under Upper Tier II Subordinated Notes which are so reduced will be subject to reinstatement in certain circumstances. See Condition 3 (*Status and Special Provisions of Subordinated Notes*).

Deferral of Interest on Upper Tier II Subordinated Notes: Mediobanca will not be required to pay interest on the Upper Tier II Subordinated Notes on an Interest Payment Date if: (A) no annual dividend has been approved, paid or set aside for payment by a shareholders' meeting of Mediobanca or paid in respect of any class of shares during the 12-month period ending on, but excluding, the fifteenth Business Day immediately preceding such Interest Payment Date; or (B) the Management Board of Mediobanca has announced, at the time of publication of any interim financial information of Mediobanca published during the six-month period ending on, and including, the fifteenth Business Day immediately preceding such Interest Payment Date that, based on such financial information, no sums are available at such time in accordance with Italian law for the payment of interim dividends, in accordance with Article 2433-bis of the Italian Civil Code. The obligations

of Mediobanca in respect of interest due under the Upper Tier II Subordinated Notes which are so deferred will be subject to reinstatement in certain circumstances. See Condition 3 (*Status and Special Provisions relating to Subordinated Notes*).

- Tier III Subordinated Notes: Tier III Subordinated Notes may be issued only with the prior authorisation of the Bank of Italy pursuant to the provisions of Title IV, Chapter 3, Part I, Section II of Bank of Italy Regulations. Tier III Subordinated Notes shall be subject to the same restrictions provided in respect of similar indebtedness qualifying as Upper Tier II Subordinated Notes or Lower Tier II Subordinated Notes except that any Tier III Subordinated Notes are subject to (i) a minimum Maturity Period of two years and (ii) a lock-in clause pursuant to which payments of interest or repayment of principal shall be suspended during the period in which such payments or repayments would reduce the total volume of Mediobanca's assets below the aggregate minimum capital requirements of Mediobanca, as provided under the Bank of Italy Regulations. Interest shall not accrue on any repayments of principal or payments of interest suspended as described above. See Condition 3 (*Status and Special Provisions of Subordinated Notes*).
- Cross Default: The Senior Notes will contain a cross default in respect of indebtedness for borrowed money of the relevant Issuer and, where applicable, the Guarantor, as more fully set out in Condition 9(a) (*Events of Default of Senior Notes*).
- Optional Redemption: Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms and subject to all relevant legal and regulatory requirements.
- If the Notes are Subordinated Notes, unless otherwise permitted by current laws, regulations, directives, and/or the Bank of Italy's requirements applicable to the issue of Subordinated Notes by Mediobanca, the Optional Redemption Date shall not be earlier than (i) in the case of Upper Tier II Subordinated Notes, ten years after the Issue Date, (ii) in the case of Lower Tier II Subordinated Notes, five years after the Issue Date and (iii) in the case of Tier III Subordinated Notes, two years after the Issue Date.
- Tax Redemption: The relevant Final Terms will specify whether early redemption will be permitted for tax reasons as described in Condition 5(c) (*Redemption for taxation reasons*).
- Withholding Tax: The relevant Final Terms will indicate if all amounts payable by the relevant Issuer or, as the case may be, the Guarantor, under the Notes, the Fiscal Agency Agreement, the Deed of Guarantee, the Deeds of Covenant, the Dealership Agreement or any Relevant Agreement will:
- (i) be made with withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges if such withholding or deduction is required by law and in each case without any tax gross up; or
 - (ii) be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges of whatever nature imposed or levied by or on behalf of Luxembourg or any political subdivision thereof or any agency or authority therein or thereof having power to tax (in the case of payment made by or on behalf of Mediobanca International) or Italy or any political subdivision thereof or any agency or authority therein or thereof having power to tax (in the case of payments made by or on behalf of Mediobanca) without prejudice to the option of the relevant Issuer to redeem the Notes pursuant to, and subject to, Condition 5(c)

(Redemption for taxation reasons).

Rating:	The rating of the Notes, if any, to be issued under the Programme will be specified in the applicable Final Terms.
Governing Law:	The Notes and all related contractual documentation will be governed by, and construed in accordance with, English law, except for certain provisions relating to Subordinated Notes, which will be governed by Italian law.
Listing, Approval and Admission to Trading:	<p>Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made for Notes issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the relevant Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The CSSF may, at the request of either Issuer, send to the competent authority of another European Economic Area Member State (i) a copy of this Base Prospectus; (ii) an Attestation Certificate in accordance with Article 18(i) of the Prospectus Directive; and (iii) if so required by such competent authority, a translation of this Summary.</p> <p>Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set out in the Final Terms which, with respect to Notes to be admitted to trading on the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
Selling Restrictions:	<p>See “Plan of Distribution”.</p> <p>In connection with the offering and sale of a particular Tranche of Notes, additional selling restrictions may be imposed which will be set out in the relevant Final Terms.</p>

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Notes in global form will differ from those terms and conditions which would apply to the Notes whilst in definitive form to the extent described under "Summary of Provisions relating to the Notes while in Global Form" below.

Mediobanca - Banca di Credito Finanziario S.p.A. ("**Mediobanca**"), Mediobanca International (Luxembourg) S.A. ("**Mediobanca International**") (each, an "**Issuer**" and, together, the "**Issuers**") have established a Euro Medium Note Programme (the "**Programme**") for the issuance of up to Euro 25,000,000,000 in aggregate principal amount of notes (the "**Notes**"), guaranteed by Mediobanca - Banca di Credito Finanziario S.p.A. (in its capacity as guarantor, the "**Guarantor**") in respect of Notes issued by Mediobanca International.

The Notes are issued pursuant to an amended and restated fiscal agency agreement dated 4 December 2007, as amended or supplemented from time to time, (the "**Fiscal Agency Agreement**") between the Issuers and the Guarantor, BNP Paribas Securities Services, Luxembourg Branch, as fiscal agent (the "**Fiscal Agent**") and principal paying agent and Citibank, N.A., London Branch as paying agent (together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the "**Paying Agents**") and with the benefit of deeds of covenant dated 4 December 2007 (each, a "**Deed of Covenant**" and, together, the "**Deeds of Covenant**"), each of them executed by the relevant Issuer in respect of Notes issued by such Issuer. The Guarantor has, for the benefit of the holders of Notes issued by Mediobanca International from time to time, executed and delivered a deed of guarantee (the "**Deed of Guarantee**") dated 4 December 2007 under which it has guaranteed the due and punctual payment of all amounts due by Mediobanca International under the Notes and the Deed of Covenant as and when the same shall become due and payable (the "**Guarantee of the Notes**"). The holders of the Notes (as defined below), the holders of the interest coupons (the "**Coupons**") appertaining to interest bearing Notes and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") and the holders of the instalment receipts (the "**Receipts**") appertaining to the payment of principal by instalments are deemed to have notice of all of the provisions of the Fiscal Agency Agreement applicable to them.

Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail. All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available during normal business hours at the Specified Office of the Fiscal Agent, the initial Specified Office of which is set out below. Certain provisions of these Conditions are summaries of the Fiscal Agency Agreement and are subject to their detailed provisions.

The Final Terms issued in respect of each issue of Notes will specify whether the Issuer is Mediobanca or Mediobanca International. In these Conditions, any reference to a statute or regulation shall be construed as a reference to such statute or regulation as the same may have been, or may from time to time be, amended or re-enacted.

Copies of the Fiscal Agency Agreement, the Deeds of Covenant and the Deed of Guarantee are available for inspection at the specified offices of each of the Paying Agents.

1. FORM, DENOMINATION AND TITLE

The Notes are issued in bearer form in the Denomination(s) and in the Relevant Currency shown in the Final Terms.

Notes are issued with Coupons (and where appropriate, a Talon) attached save in the case of Notes which do not bear interest in which case references to interest (other than in relation to interest due after the date specified in the Final Terms as the Maturity Date (as designed below), Coupons and Talons in these Conditions are not applicable. Any Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Title to the Note and the Receipts, Coupons and Talons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

In these Conditions, “**holder**” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Note, Receipt, Coupon or Talon. All capitalised terms which are not defined in these Conditions will have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes. Those definitions will be endorsed on the definitive Notes.

2. STATUS OF SENIOR NOTES AND GUARANTEE

(a) *Application*

This Condition 2 (*Status of Senior Notes and Guarantee*) is applicable only to Notes specified in the Final Terms as being unsubordinated (“**Senior Notes**”) and Condition 2(b) (*Status of Guarantee*) is applicable only to Senior Notes issued by Mediobanca International.

(b) *Status of Senior Notes*

The Senior Notes will constitute direct unconditional, unsubordinated and unsecured obligations of the Issuer and will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Issuer, save for certain mandatory exceptions of applicable law.

(c) *Status of Guarantee*

The Guarantee of the Notes constitutes direct, unconditional, unsubordinated and unsecured obligations of the Guarantor which will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for certain mandatory exceptions of applicable law.

3. STATUS AND SPECIAL PROVISIONS OF SUBORDINATED NOTES

(a) *Application*: This Condition 3 (*Status and Special Provisions of Subordinated Notes*) is applicable only to Notes which are:

- (i) issued by Mediobanca; and
- (ii) specified as being Upper Tier II Subordinated Notes, Lower Tier II Subordinated Notes or Tier III Subordinated Notes in the relevant Final Terms (together, “**Subordinated Notes**”).

(b) *Definitions*: In these Conditions, the following expressions have the meanings set out below.

“**Bank of Italy**” means the Bank of Italy and/or any competent authority which at a future date carries out the functions which the Bank of Italy performs as at the Issue Date.

“**Bank of Italy Regulations**” means the *Istruzioni di Vigilanza della Banca d’Italia* as in force from time to time or such successor regulations as may be in force from time to time.

“**Consolidated Banking Law**” means Italian Legislative Decree No. 385 of 1 September 1993, as amended or supplemented from time to time.

“**Liquidazione Coatta Amministrativa**” means *Liquidazione Coatta Amministrativa* as described in Articles 80 to 94 of the Consolidated Banking Law.

“**Lower Tier II Subordinated Notes**” means *passività subordinate*, as defined in Title IV, Chapter 1, Section II, paragraph 4.2 of the Bank of Italy Regulations (being those Notes which are specified in the relevant Final Terms as being Lower Tier II Subordinated Notes).

“**Minimum Capital**” means the minimum amount of capital of Mediobanca, as provided for by the Bank of Italy from time to time for the purposes of obtaining or maintaining the authorisation of the Bank of Italy to carry on banking activities, as determined by the external auditors of Mediobanca and certified in writing by two directors of Mediobanca.

“**Tier III Subordinated Notes**” means *prestiti subordinati di 3° livello*, as defined in Title IV, Chapter 3, Section I, paragraph 3 of the Bank of Italy Regulations (being those Notes which are specified in the relevant Final Terms as being Tier III Subordinated Notes).

“**Total Regulatory Capital**” means, on a consolidated and unconsolidated basis, the aggregate amount of the following, as amended, supplemented or replaced under the Bank of Italy Regulations in force from time to time:

- (i) the regulatory capital of Mediobanca (*Patrimonio di Vigilanza*) as set forth in the Bank of Italy Regulations; plus
- (ii) any indebtedness of Mediobanca classified by the Bank of Italy as tier III subordinated capital (*passività subordinate di 3° livello*), intended to cover the minimum capital requirements for market risk (as currently defined in Title IV, Chapter 3, Section II of the Bank of Italy Regulations referred to in the following sub paragraph (iii)); less
- (iii) the minimum capital requirements for market risk of Mediobanca (as currently defined in Title IV, Chapter 3, Section II of the Bank of Italy Regulations); less
- (iv) the excess over the limit on ownership of shareholdings in non-financial companies acquired by Mediobanca following the recovery of credits (as currently defined in Title IV, Chapter 9, Section V of the Bank of Italy Regulations); less
- (v) the excess over the limit on ownership of real estate acquired by Mediobanca following the recovery of credits (as defined in Title IV, Chapter 10, Section II of the Bank of Italy Regulations); less
- (vi) a additional specific capital requirements imposed on Mediobanca by the Bank of Italy, to the extent not taken into account in sub paragraphs (iii), (iv) and (v) above, together with any other capital requirement which may from time to time became applicable pursuant to the Bank of Italy Regulations.

“**Upper Tier II Subordinated Notes**” means *strumenti ibridi di patrimonializzazione* as defined in Title IV, Chapter 1, Section II, paragraph 4.1 of the Bank of Italy Regulations (being those Notes which are specified in the relevant Final Terms as being Upper Tier II Subordinated Notes).

- (c) *Status of Subordinated Notes*: Subordinated Notes and any related Coupons constitute direct, unsecured and subordinated obligations of Mediobanca and, subject to the provisions of this Condition 3, will at all times rank *pari passu* without any preference among themselves. In relation to each Series of Subordinated Notes, all Subordinated Notes of such Series will be treated equally and all amounts paid by Mediobanca in respect of principal and interest thereon will be paid *pro rata* on all Subordinated Notes of such Series.
- (d) *Winding up, etc.*: In the event of the winding up, dissolution, liquidation or bankruptcy (*including, inter alia, Liquidazione Coatta Amministrativa*) of Mediobanca, the payment obligations of Mediobanca under each Series of Subordinated Notes, and the relative Coupons as the case may be, will rank in right of payment (A) after unsubordinated creditors (including depositors and any holder of Senior Notes and their respective Coupons) of Mediobanca but (B) at least *pari passu* with all other subordinated obligations of Mediobanca which do not rank or are not expressed by their terms to rank junior or senior to such Series of Subordinated Note and (C) in priority to the claims of shareholders of Mediobanca. Lower Tier II Subordinated Notes and Tier III Subordinated Notes rank *pari passu* amongst themselves and rank senior to Upper Tier II Subordinated Notes.
- (e) *Waiver*: Each holder of a Subordinated Note is deemed unconditionally and irrevocably to have waived any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Subordinated Note.
- (f) *Loss absorption in respect of Upper Tier II Subordinated Notes*: To the extent that Mediobanca at any time suffers losses which, in accordance with Articles 2446 and 2447 of the Italian Civil Code or otherwise in accordance with Italian laws and regulations, would require it to reduce its paid up share capital and reserves to below its Minimum Capital, the obligations of Mediobanca in respect of interest and principal under Upper Tier II Subordinated Notes will be reduced to the extent necessary to enable it, in accordance with the requirements under Italian law and regulatory provisions, to maintain at least its Minimum Capital. The obligations of Mediobanca in respect of interest and principal due under Upper Tier II Subordinated Notes which are so reduced will be reinstated whether or not the Maturity Date of the relevant obligation has occurred:

- (i) in whole, in the event of bankruptcy, dissolution, liquidation or winding-up of Mediobanca (including, *inter alia*, *liquidazione coatta amministrativa*, *amministrazione straordinaria* or *liquidazione volontaria* or any other similar liquidation, bankruptcy or winding-up proceedings otherwise in accordance with any applicable Italian laws and regulations) and, with effect immediately prior to the commencement of such bankruptcy, dissolution, liquidation or winding up as if such obligations of Mediobanca had not been so reduced in accordance with this Condition 3(f); and
- (ii) in whole or in part, from time to time, to the extent that Mediobanca, by reason of its having made profits or by reason of its obtaining new capital contributions or by reason of the occurrence of any other event would not be required to reduce its obligations in respect of interest and principal in accordance with this Condition 3(f).

Mediobanca shall forthwith give notice of any such reduction and/or reinstatement to the Noteholders in accordance with Condition 13 (*Notices*).

- (g) *Deferral of interest on Upper Tier II Subordinated Notes*: Mediobanca will not be required to pay interest on Upper Tier II Subordinated Notes on an Interest Payment Date if (i) no annual dividend has been approved, paid or set aside for payment by its shareholders' meeting or paid in respect of any class of its shares during the 12-month period ending on, but excluding, the fifteenth Business Day immediately preceding such Interest Payment Date or (ii) the Management Board of Mediobanca has announced, at the time of the release of any interim accounts published during the six-month period ending on, but excluding, the fifteenth Business Day immediately preceding such Interest Payment Date that, based on such interim accounts, no sums are available at such time for the payment of interim dividends, in accordance with Article 2433-*bis* of the Italian Civil Code.

Any such unpaid amounts of interest will constitute arrears of interest which will bear interest at the rate applicable to the relevant Upper Tier II Subordinated Notes. Arrears of interest (together with any additional interest amount in respect of such arrears of interest) will become due and payable (i) in part *pari passu* and *pro rata* if and to the extent that Mediobanca makes payments of or in respect of amounts of interest on or in relation to any other *pari passu* claims, and (ii) in full on the earliest to occur of: (A) the Interest Payment Date falling on or after the date on which a dividend is approved or paid on any class of shares of Mediobanca; (B) the date for repayment of the Upper Tier II Subordinated Notes; or (C) the date on which the *Liquidazione Coatta Amministrativa* of Mediobanca is commenced pursuant to Article 83 of the Consolidated Banking Law or on which Mediobanca becomes subject to a liquidation order.

- (h) *Notice of interest deferral*: Mediobanca shall give not more than 25 nor less than 15 days prior notice to the Paying Agents and to the holders of Notes in accordance with Condition 13 (*Notices*):
 - (i) of any Interest Payment Date on which, pursuant to the provisions of Condition 3(g) (*Deferral of interest on Upper Tier II Subordinated Notes*) above, interest will not be paid;
 - (ii) of any date upon which amounts in respect of arrears of interest shall become due and payable;
 - (iii) of (1) the amount of principal and of sums which would otherwise have been payable as interest in respect of the Notes and which, having been applied to meet the losses of Mediobanca pursuant to Condition 3(f) (*Loss Absorption in respect of Upper Tier II Subordinated Notes*), are to be reinstated as provided herein, (2) the date of such reinstatement and the date on which the relevant amount shall become due and payable in accordance with these Conditions and (3) details of the event giving rise to such reinstatement.

The information contained in any notice given in accordance with this Condition 3(h) will be available at the specified office of the Fiscal Agent from the date of the relevant notice.

- (i) *Provisions relating to Tier III Subordinated Notes*: The following provisions apply to Tier III Subordinated Notes:
 - (i) *Authorisation*: Tier III Subordinated Notes may only be issued with the prior authorisation of the Bank of Italy pursuant to the provisions of Title IV, Chapter 3, Part I, Section II of the Bank of Italy Regulations.
 - (ii) *Restrictions*: Tier III Subordinated Notes shall be subject to the same restrictions provided

for in respect of similar indebtedness qualifying as Upper Tier II Subordinated Notes or Lower Tier II Subordinated Notes except that Tier III Subordinated Notes shall be subject to (i) a minimum maturity period of two years from the Issue Date and (ii) a lock-in clause pursuant to which payments of interest and repayments of principal shall be suspended during the period (the “**Suspension Period**”) in which such payments or repayments would reduce the total value of Mediobanca’s assets below its aggregate minimum capital requirements, as provided under the Bank of Italy’s Regulations and, for the avoidance of doubt, interest shall not accrue on any repayments of principal or payments of interest suspended during the Suspension Period.

4. INTEREST AND OTHER CALCULATIONS

(a) *Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below.

“**Accrual Yield**” has the meaning given in the relevant Final Terms;

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms.

“**Business Day**” means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre

“**Calculation Agent**” means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Interest Rate(s) and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms.

“**Calculation Amount**” has the meaning given to it in the relevant Final Terms.

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if “**Actual/Actual (ICMA)**” is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (c) if “**Actual/365 (Fixed)**” is specified, the actual number of days in the Calculation Period in respect

of which payment is being made divided by 365;

- (d) if “**Actual/360**” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30; and

- (f) if “**30E/360**” or “**Eurobond Basis**” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30; and

- (g) if “**30E/360 (ISDA)**” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Termination Date or (ii) such number would be 31, in which case D2 will be 30.

“**Fixed Coupon Amount**” has the meaning given to it in the relevant Final Terms.

“**Interest Amount**” means, in relation to a Note and Interest Period, the amount of interest payable in respect of the Note for that Interest Period.

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms.

“**Interest Determination Date**” has the meaning given to it in the Relevant Final Terms.

“**Interest Payment Date**” means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms, as the same may be adjusted in accordance with the relevant Business Day Convention.

“**Interest Period**” means the period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date.

“**Interest Rate**” means the rate of interest (expressed as a percentage per annum) payable from time to time in respect of this Note and which is either specified, or calculated in accordance with the provisions, in the relevant Final Terms.

“**ISDA Definitions**” means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.).

“**Issue Date**” has the meaning given in the relevant Final Terms.

“**Issue Price**” has the meaning given in the relevant Final Terms.

“**Margin**” has the meaning given in the relevant Final Terms.

“**Payment Business Day**” means:

- (i) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

- (ii) if the currency of payment is not euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency *provided, however, that:*

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent.

“Reference Banks” means, the institutions specified as such in the relevant Final Terms or, if none, four (or, if the Relevant Financial Centre is Helsinki, five) major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate.

“Reference Price” has the meaning given in the relevant Final Terms.

“Reference Rate” has the meaning given in the relevant Final Terms.

“Regular Period” means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

“Relevant Currency” means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

“Relevant Financial Centre” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Reference Rate is most closely connected or, if none is so connected, London.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified as the Relevant Screen Page in the relevant Final Terms for the purpose of providing a Reference Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Reference Rate.

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in the Relevant Financial Centre *provided*

that if the Relevant Currency is Euro and the Benchmark is EURIBOR, the Relevant Time shall be 11.00 am Brussels time.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

“**TARGET Settlement Day**” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET or TARGET2) is open:

(b) *Interest Rate and Accrual*

Each Note bears interest on its outstanding principal amount from the Interest Commencement Date at the Interest Rate, such interest being payable in arrear on each interest payment date (each, an “**Interest Payment Date**”).

Interest will cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Interest Rate in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7 (*Taxation*)).

(c) *Business Day Convention*

If any date referred to in these Conditions which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (i) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (ii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (iii) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(d) *Interest Rate on Fixed Rate Notes*

If the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Denomination. The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Interest Rate to the Calculation Amount of such Note, multiplying the product by the relevant Day Count Fraction (not adjusted in accordance with the Business Day Convention) and rounding the resulting figure in accordance with Condition 4(h) (*Rounding*). Where the Specified Denomination of a Fixed Rate Note comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(e) *Interest Rate on Floating Rate Notes*

If the Floating Rate Note Provisions are specified in the Final Terms as being applicable, the Interest Rate for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) *Screen Rate Determination*: if Screen Rate Denomination is specified in the relevant Final Terms as the manner in which the Interest Rate is to be determined, as follow:

(A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(B) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(C) if, in the case of (A) above, such rate does not appear on that page or, in the case of (B) above, fewer than two such rates appear on that page or if, in either case, the

Relevant Screen Page is unavailable, the Calculation Agent will:

- (1) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (2) determine the arithmetic mean of such quotations; and
- (D) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Relevant Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time, and the Interest Rate for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Interest Rate applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.
- (ii) *ISDA Determination*: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “**ISDA Rate**” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (B) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (C) the relevant Reset Date (as defined in the ISDA Definitions) is either (1) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (2) in any other case, as specified in the relevant Final Terms.
- (f) *Index-Linked Interest or other Variable-Linked Interest*: If the Index-Linked Interest or other Variable-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable, the Interest Rate(s) applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.
- (g) *Maximum/Minimum Interest Rates, Instalment Amounts and Redemption Amounts*

If any Maximum or Minimum Interest Rate, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Interest Rate, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(h) *Rounding*

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (ii) all figures will be rounded to seven significant figures (with halves being rounded up) and (iii) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency

(with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes “unit” means, with respect to any currency other than Euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to Euro, means one cent.

(i) *Calculations*

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the outstanding Calculation Amount by the Day Count Fraction, save that where an Interest Amount (or a formula for its calculation) is specified in respect of such period, the amount of interest payable in respect of such Note for such period will equal such Interest Amount (or be calculated in accordance with a formula). Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(j) *Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts*

After the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation, it will, promptly, determine the Interest Rate and calculate the amount of interest payable (the “**Interest Amounts**”) on the principal amount of the Notes for the relevant Interest Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the holders of the Notes, any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so requires, such exchange promptly after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9 (*Events of Default*), the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(k) *Calculation Agent and Reference Banks*

The Issuer will use its best endeavours to ensure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Conditions applicable to the Notes and for so long as any Notes are outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(l) *Late payment on Zero Coupon Notes*

If the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable and the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The calculation of the above amount shall be made (where such calculation is to be made for a period which is not a whole number of years) on the basis of such Day Count Fraction as may be specified in the relevant Final Terms for the purposes of this Condition 5(e) or, if none is so specified, a Day Count Fraction of 30E/360.

(m) *Dual Currency Note Provisions*

If the Dual Currency Note Provisions are specified in the relevant Final Terms as being applicable and the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

5. REDEMPTION, PURCHASE AND OPTIONS

(a) **Definitions**

In these Conditions, unless the context requires otherwise:

(i) *Redemption amount*

The expressions “**Early Redemption Amount (Tax)**”; “**Early Termination Amount**”, “**Final Redemption Amount**”, “**Instalment Amount**”, “**Optional Redemption Amount (Call)**”, and “**Optional Redemption Amount (Put)**” mean, in respect of any Note: (A) such amount as may be specified in, or determined in accordance with the relevant Final Terms; or (B) if no such amount is specified, the principal amount of such Note.

“**Redemption Amount**” means, as appropriate, the Final Redemption Amount, the Instalment Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms.

(ii) *Maturity date/period*

“**Maturity Date**” has the meaning given in the relevant Final Terms.

“**Maturity Period**” means the period from and including the Issue Date to but excluding the Maturity Date.

(b) **Final Redemption**

Unless previously redeemed, purchased and cancelled as provided below in accordance with Condition 5(f) (*Redemption at the option of the Issuer*) or (h) (*Redemption at the option of holders of Notes*) or unless its maturity is extended pursuant to an option of the Issuer or holders of Notes and subject to Condition 5(g) (*Redemption and purchase of Subordinated Notes*), each Note will be redeemed at its Final Redemption Amount on the Maturity Date.

(c) **Redemption for taxation reasons**

If Redemption for taxation reasons is specified in the Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer (but subject, in the case of Subordinated Notes, to

the prior approval of the Bank of Italy) in whole, but not in part, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, on giving not less than 30 nor more than 60 days' notice to the holders of Notes (which notice shall be irrevocable), at their Early Redemption Amount (Tax), (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee of the Notes were called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Luxembourg or any political subdivision thereof or any agency or authority thereof or therein having power to tax (in the case of payments made by or on behalf of Mediobanca International) or the Republic of Italy or any political subdivision thereof or any agency or authority thereof or therein having power to tax (in the case of payments made by or on behalf of Mediobanca), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligations cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by a director of the Issuer (or the Guarantor, as the case may be) stating that such Issuer (or the Guarantor, as the case may be) is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of such Issuer (or the Guarantor, as the case may be) so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment.

(d) Purchases

Subject to Condition 5(g) (*Redemption and purchase of Subordinated Notes*), the Issuer, the Guarantor and any of the Guarantor's subsidiaries may at any time purchase Notes in the open market or otherwise at any price provided that all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith).

(e) Early Redemption of Zero Coupon Notes

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(A) the Reference Price; and

(B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Final Terms for the purposes of this Condition 5(e) or, if none is so specified, a Day Count Fraction of 30E/360.

(f) Redemption at the option of the Issuer

If the Call Option is specified in the relevant Final Terms as being applicable, the Issuer may (subject in the case of Subordinated Notes to prior approval of the Bank of Italy), on giving irrevocable notice to the holders of Notes within the period specified in the relevant Final Terms redeem, or exercise the Issuer's option in relation to, all or, if so provided, some of the Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Optional Redemption Amount (Call) together with interest accrued to the date fixed for redemption, unless otherwise specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option the notice to holders

of Notes shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

(g) Redemption and purchase of Subordinated Notes

(A) Maturities

Upper Tier II Subordinated Notes may be perpetual (*passività irredimibili*) or with a fixed maturity period of ten years or longer (*altri strumenti rimborsabili*). Lower Tier II Subordinated Notes shall have a minimum Maturity Periods of five years and Tier III Subordinated Notes shall have a minimum Maturity Period of two years, in each case as provided under the Bank of Italy Regulations.

(B) Regulatory approval

Notwithstanding the foregoing provisions of this Condition 5, the redemption and/or early redemption of Subordinated Notes shall always be subject to the prior approval of the Bank of Italy, such approval in respect of redemption and/or early redemption of Upper Tier II Subordinated Notes being dependent on Mediobanca maintaining its minimum capital requirements (*patrimonio di vigilanza*) as prescribed in Title IV, Chapter 1 of the Bank of Italy Regulations immediately following redemption of the Upper Tier II Subordinated Notes. If such approval is not given on or prior to the redemption date, Mediobanca will re-apply to the Bank of Italy for its consent to such redemption forthwith upon its having again, by whatever means, such required minimum capital. Mediobanca will use its best endeavours to maintain such required minimum capital and to obtain such approval.

(C) Indefinite maturity

Where Lower Tier II Subordinated Notes or Tier III Subordinated Notes have an indefinite Maturity Period but are subject to redemption at the option of Mediobanca, such Notes may only be redeemed by the giving of notice from Mediobanca to holders of Notes as follows: (i) five years' notice, in the case of Lower Tier II Subordinated Notes; and (ii) two years' notice, in the case of Tier III Subordinated Notes.

(D) Interest

Amounts that would otherwise be payable on the due date will continue to bear interest until whichever is the earlier of (i) the day on which all sums due in respect of such Subordinated Notes up to that day are received by or on behalf of the holders of Notes and (ii) the day which is seven days after the Fiscal Agent has notified the holders of Notes that it has received all sums due in respect of such Subordinated Notes up to such seventh day.

(E) Purchase

Subordinated Notes may only be purchased by Mediobanca or any of its subsidiaries subject to the prior approval of the Bank of Italy, unless the Notes to be purchased (A) do not exceed 10 per cent. of the aggregate nominal amount of the relevant Series and (B) are not to be purchased in order to be surrendered to any Paying Agent for cancellation.

(h) Redemption at the option of holders of Notes

This Condition 5(h) shall not apply to Subordinated Notes.

If the Put Option is specified as being applicable to the Notes in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Note, redeem such Note on the date or dates so provided at its Optional Redemption Amount (Put) together with interest accrued to the date fixed for redemption, unless otherwise specified in the relevant Final Terms.

To exercise such option or any other option of a holder of Notes which may be set out in the Final Terms, the holder must deposit such Note with any Paying Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, within the period specified in the relevant Final Terms. No Note so deposited and option exercised may be withdrawn (except as provided in the Fiscal Agency

Agreement) without the prior consent of the Issuer.

(i) **Redemption by instalments**

Unless previously redeemed, purchased and cancelled on the relevant Instalment Date (being one of the dates so specified in the Final Terms) in accordance with Condition 5(f) (*Redemption at the option of the Issuer*) or (h) (*Redemption at the option of holders of Notes*) or is extended pursuant to an option of the Issuer or holder of Notes, each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes.

(j) **Extendible Notes**

This Condition 5(j) applies only to Notes issued by Mediobanca International. If the Final Terms specify that the Notes are Extendible Notes, such Notes shall contain an option exercisable by holders of the Notes to extend the original Maturity Period of such Notes. The Final Terms will set forth the manner in which the Maturity Period of such Notes are extendible, the final date beyond which the Maturity Period may not be extended and the procedure for notification of such extension.

(k) **Cancellation**

Notes purchased by or on behalf of the Issuer, the Guarantor or any of the Guarantor's subsidiaries (where applicable) may be surrendered for cancellation, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, if so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor (where applicable) in respect of any such Notes shall be discharged.

6. PAYMENTS AND TALONS

(a) **Payments outside the United States**

Payments of principal and interest in respect of Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and *provided that* the Receipts are presented for payment together with their relative Notes), Notes (in the case of all other payments of principal and, in the case of interest as specified in Condition 6(e)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(e)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the principal financial centre of that currency: *provided that* in the case of Euro, the transfer may be to a Euro account.

(b) **Payments in the United States**

Notwithstanding the foregoing, if any Notes are denominated in US Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(c) **Payments subject to law, etc.**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and

directives, but without prejudice to the provisions of Condition 7 (*Taxation*). No commission or expenses shall be charged to the holders of Notes or Couponholders in respect of such payments.

(d) Appointment of Agents

The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor (where applicable) and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer and the Guarantor (where applicable) reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Calculation Agent, the Registrar or any Transfer Agent and to appoint additional or other agents *provided that* the Issuer will at all times maintain (i) a Fiscal Agent, (ii) a Calculation Agent where the Conditions so require one, (iii) the Issuer and the Guarantor (where applicable) will ensure that they maintain a Paying Agent in an EU member state that will not be obliged to withhold or deduct tax, pursuant to European Council Directive 2003/48/EU, (iv) Paying Agents having a specified office in at least two major European cities (including Luxembourg so long as the Notes are listed on the Luxembourg Stock Exchange), and (v) such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York in respect of any Notes denominated in US Dollars in the circumstances described in paragraph (b) above.

Notice of any such change or any change of any specified office will promptly be given to the holders of Notes in accordance with Condition 13 (Notices).

(e) Unmatured Coupons and Receipts and unexchanged Talons

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) If the relevant Notes so provide, upon the due date for redemption of any Note, unexpired Coupons relating to such Notes (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Note which provides that the relative Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons and any unexpired Talon relating to it, and where any Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note.

(f) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered to or to the order of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 8 (*Prescription*)).

(g) **Non-Business Days**

If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

In this Condition 6(g):

“**Additional Financial Centre**” means the city or the cities specified as such in the relevant Final Terms; and

“**Payment Business Day**” means:

- (i) if the currency of payment is euro, any day which is:
 - (a) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (b) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre specified in the Final Terms; or
- (ii) if the currency of payment is not euro, any day which is:
 - (a) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (b) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre specified in the Final Terms.

7. TAXATION

(a) **Gross Up**

If “Taxation - Gross Up” is specified in the Final Terms as being applicable, all payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the Issuer or (as the case may be) the Guarantor under the Deed of Guarantee will be made without withholding or deduction for, or on the account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Grand Duchy of Luxembourg or any political subdivision thereof or any agency or authority therein or thereof having power to tax (in the case of payments made by or on behalf of Mediobanca International) or the Republic of Italy or any political subdivision thereof or any agency or authority therein or thereof having power to tax (in the case of payments made by or on behalf of Mediobanca), unless the withholding or deduction of such taxes, duties, assessments or governmental changes is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, Receipts or (as the case may be) Coupons, in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any Note, Receipt or Coupon or (as the case may be) under the Deed of Guarantee:

- (i) (A) to, or to a third party on behalf of, a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of its having some connection (otherwise than merely by holding the Note, Receipt or

Coupon) with (in the case of payments of principal and interest made by or on behalf of Mediobanca International) the Grand Duchy of Luxembourg or (in the case of payments of principal and interest made by or on behalf of Mediobanca) the Republic of Italy; (B) with respect to any Note, Receipt or Coupon presented for payment in the Republic of Italy; (C) for or on account of *imposta sostitutiva* pursuant to Legislative Decree No. 239 of 1 April 1996, Legislative Decree No. 461 of 21 November 1997 or related implementing regulations; (D) in all circumstances in which the requirements and procedures of such Legislative Decree No. 239 have not been met or complied with (except where due to the actions or omissions of the Issuer, the Guarantor or their agents); or (E) to, or to a third party on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of such Note, Receipt or Coupon by making a declaration of non-residence or other similar claim for exemption to the relevant taxing authority but has failed to do so;

- (ii) (in the case of payments of principal and interest made by or on behalf of Mediobanca) to a holder who is a non-Italian resident or individual or legal entity which is resident in a tax haven country (as defined and listed in the Ministry of Finance Decree of 23 January 2002) or in a country which does not allow for an adequate exchange of information with the Italian tax authorities;
- (iii) for any Note, Receipt or Coupon presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day;
- (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (v) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another paying agent in a Member State of the European Union; or
- (vi) (in the case of payments of principal and interest made by or on behalf of Mediobanca) with respect to any Notes having an original maturity of less than 18 months where withholding or deduction is required by law pursuant to Presidential Decree No. 600 of 29 September 1973,

without prejudice to the option of the Issuer to redeem the Notes pursuant to, and subject to the conditions of, Condition 5(c) (*Redemption for taxation reasons*).

(b) No Gross Up

If “Taxation - No Gross Up” is specified in the Final Terms as being applicable, all payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the Issuer or (as the case may be) the Guarantor under the Deed of Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Grand Duchy of Luxembourg or any political subdivision thereof or any agency or authority therein or thereof having power to tax (in the case of payments made by or on behalf of Mediobanca International) or the Republic of Italy or any political subdivision thereof or any agency or authority therein or thereof having power to tax (in the case of payments made by or on behalf of Mediobanca), unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the appropriate withholding or deduction shall be made and neither the Issuer nor, as the case may be, the Guarantor shall pay any additional amounts to holders of the Notes, Receipts or Coupons to compensate for such withholding or deduction.

(c) Taxing Jurisdiction

If the Issuer or the Guarantor (where applicable) becomes subject at any time to any taxing jurisdiction other than the Grand Duchy of Luxembourg or the Republic of Italy respectively, references in these Conditions to Luxembourg or Italy shall be construed as references to the Grand Duchy of Luxembourg or (as the case may be) the Republic of Italy and/or such other jurisdiction.

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money

payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the holders of Notes in accordance with Condition 13 (*Notices*) that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, *provided that* payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts which may be payable under this Condition.

8. PRESCRIPTION

Claims against the Issuer and the Guarantor (where applicable) for payment in respect of the Notes, Receipts and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

9. EVENTS OF DEFAULT

(a) Events of Default of Senior Notes

This Condition 9(a) only applies to Senior Notes. If any of the following events occurs and is continuing, the holder of a Note of any Series may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Termination Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable:

- (i) *Default in payment of principal or interest:* default is made for a period of five Business Days or more in the payment of any principal on any of the Notes or for a period of fifteen Business Days or more in the payment of any interest due in respect of the Notes or any of them;
- (ii) *Failure to perform any other Obligation:* the Issuer or the Guarantor (where applicable) fails duly to perform any other obligation under or in respect of the Notes, the Deed of Guarantee or the Fiscal Agency Agreement and such failure continues for more than 30 days after the service by a holder of a Note of notice on the Issuer requiring the same to be remedied;
- (iii) *Suspension of payments:* the Issuer or the Guarantor (where applicable) suspends its payments generally;
- (iv) *Bankruptcy, composition or similar event:* a court in the country of domicile of the Issuer or the Guarantor (where applicable) institutes bankruptcy proceedings or composition proceedings to avert a bankruptcy or the Issuer or the Guarantor (where applicable) applies for institution of such proceedings or any event occurs which under the laws of the Republic of Italy or Luxembourg has an analogous effect to such proceedings;
- (v) *Cross-default:* (i) any other present or future indebtedness of the Issuer or the Guarantor (where applicable) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity as a result of any payment default thereon by the Issuer or, as the case may be, the Guarantor (where applicable), or (ii) any such indebtedness is not paid when due or, as the case may be, within an applicable grace period, or (iii) the Issuer or the Guarantor (where applicable) fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of any moneys borrowed or raised *provided that* the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (v) have occurred equals or exceeds Euro 15,000,000;
- (vi) *Insolvency:* either the Issuer or the Guarantor (where applicable) is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, proposes or makes a general

assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or the Guarantor (where applicable);

- (vii) *Winding-up*: an order is made or an effective resolution is passed for the winding-up or dissolution or administration of the Issuer or the Guarantor (where applicable), or the Issuer or the Guarantor (where applicable) applies or petitions for a winding-up or administration order in respect of itself or ceases or threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purposes of and pursuant to or in connection with a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation, deconsolidation or disposal of assets;
- (viii) *Ownership*: in respect of Notes issued by Mediobanca International, Mediobanca International ceases to be controlled by Mediobanca (except in the case of a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation or similar transaction by which Mediobanca assumes the payment obligations of Mediobanca International under the Notes);
- (ix) *Illegality*: it is or will become unlawful for the Issuer or the Guarantor (where applicable) to perform or comply with any one or more of its obligations under any of the Notes or the Deed of Guarantee (where applicable) (except in the case of a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation or similar transaction by which Mediobanca assumes the payment obligations of Mediobanca International under the Notes); or
- (x) *Guarantee*: in respect of Notes issued by Mediobanca International, the Deed of Guarantee (where applicable) ceases to be a valid and binding obligation of the Guarantor or it becomes unlawful for the Guarantor to perform its obligations under the Deed of Guarantee or the Deed of Guarantee is claimed by Mediobanca International or the Guarantor not to be in full force and effect (except in the case of a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation or similar transaction by which Mediobanca assumes the payment obligations of Mediobanca International under the Notes).

(b) Events of Default of Subordinated Notes

This Condition 9(b) applies only to Subordinated Notes. If any of the following events occurs and is continuing, the holder of a Note may give written notice to the Fiscal Agent at its Specified Office that such Note is immediately repayable:

- (i) *Default in payment of principal or interest*: default is made for a period of five Business Days or more in the payment of any principal due on any of the Notes or for a period of fifteen Business Days or more in the payment of any interest due on any of the Notes; or
- (ii) *Winding-up*: Mediobanca is wound up or dissolved, except for the purposes of, and pursuant to, or in connection with, a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation, deconsolidation or disposal of assets,

whereupon the Early Termination Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable and any holder of a Note may at its discretion and without further notice institute proceedings to determine the insolvency or bankruptcy of Mediobanca or prove in any winding-up or bankruptcy of Mediobanca. No remedy against Mediobanca other than as specifically provided by this Condition 9(b) shall be available to holders of the Notes or Coupons for the recovery of amounts owing in respect of the Notes or Coupons.

10. MEETINGS OF HOLDERS OF NOTES AND MODIFICATIONS

(a) Meetings of holders of Notes

The Fiscal Agency Agreement contains provisions for convening meetings of holders of Notes to consider any matter affecting their interest, including modification by Extraordinary Resolution of the Notes (including these Conditions insofar as the same may apply to such Notes). An Extraordinary Resolution duly passed at any such meeting shall be binding on all the holders of Notes, whether present or not and on all relevant holders of Coupons, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity or redemption

of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) to reduce or cancel the principal amount of any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in respect thereof, (iv) if a Minimum and/or a Maximum Interest Rate, Instalment Amount or Redemption Amount is shown in the Final Terms, to reduce any such Minimum and/or Maximum, (v) to change any method of calculating the Redemption Amount, (vi) to change the currency or currencies of payment or denomination of the Notes, (vii) to take any steps which as specified Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (viii) to modify the provisions concerning the quorum required at any meeting of holders of Notes or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the holders of Notes (or at any adjournment thereof) at which a special quorum (provided for in the Fiscal Agency Agreement) is present.

(b) *Modification of Fiscal Agency Agreement*

The Issuer and the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the holders of Notes.

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to holders in accordance with Condition 13 (*Notices*), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. FURTHER ISSUES AND CONSOLIDATION

The Issuer may from time to time without the consent of the holders of Notes or Coupons create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Price, the Issue Date and/or the first payment of interest) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “**Notes**” shall be construed accordingly.

The Issuer may also from time to time upon not less than 30 days’ prior notice to Noteholders, without the consent of the holders of Notes or Coupons of any Series, consolidate the Notes with Notes of one or more other Series (the “**Other Notes**”) issued by it, provided the Notes and the Other Notes have been redenominated into Euro (if not originally denominated in Euro), and otherwise have, in respect of all periods subsequent to such consolidation, the same terms. Notice of any such consolidation will be given to the Noteholders in accordance with Condition 13 (*Notices*). The Fiscal Agent shall act as the consolidation agent.

With effect from their consolidation, the Notes and the Other Notes will (if listed prior to such consolidation) be listed on at least one European stock exchange on which either the Notes or the Other Notes were listed immediately prior to such consolidation.

The Issuer shall in dealing with holders of such Notes following a consolidation pursuant to this Condition 12 have regard to the interest of the holders and the holders of the Other Notes, taken together as a class, and shall treat them alike.

13. NOTICES

Notices to the holders of Notes will be valid if published in a leading newspaper having general circulation in Luxembourg (which is expected to be *d'Wort*) or on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). If any such publication is not practicable, notice will be validly given if published in another leading daily English language newspaper of general circulation in Europe.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice to the holders of Notes in accordance with this Condition.

14. SUBSTITUTION OF THE ISSUER

This Condition 14 (Substitution of the Issuer) only applies in respect of Notes issued by Mediobanca International.

- (a) The Issuer and the Guarantor may at any time, without the consent of the holders of Notes or Coupons, substitute for the Issuer any company (the “**Substitute**”) upon notice by the Issuer, the Guarantor and the Substitute to be given in accordance with Condition 13 (*Notices*), *provided that*;
- (i) no payment in respect of the Notes, the Receipts or the Coupons or the Deed of Guarantee (as the case may be) is at the relevant time overdue;
 - (ii) the Substitute shall, by means of a deed poll in the form scheduled to the Programme Manual as Schedule 10 (the “**Deed Poll**”), agree to indemnify each holder of Notes and Coupons against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute’s residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon, Talon or the Deed of Covenant and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
 - (iii) where the Substitute is not the Guarantor, the obligations of the Substitute under the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant shall be unconditionally guaranteed by the Guarantor by means of the Deed Poll;
 - (iv) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and in the case of the Deed Poll of the Guarantor have been taken, fulfilled and done and are in full force and effect;
 - (v) the Substitute shall have become party to the Fiscal Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
 - (vi) legal opinions shall have been delivered to the Fiscal Agent from lawyers of recognised standing in each jurisdiction referred to in (ii) above, in Italy and in England as to the fulfilment of the requirements of this Condition 14 and the other matters specified in the Deed Poll and that the Notes, Receipts, Coupons and Talons are legal, valid and binding obligations of the Substitute;
 - (vii) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the Substitute, the Notes will continue to be listed on such stock exchange;
 - (viii) if applicable, the Substitute has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes.
- (b) Upon the execution of the Deed Poll and the delivery of the legal opinions, the Substitute shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes and the Fiscal Agency Agreement with the same effect as if the Substitute had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Notes

and under the Fiscal Agency Agreement.

- (c) After a substitution pursuant to Condition 14(a), the Substitute may, without the consent of any holder, effect a further substitution. All the provisions specified in Conditions 14(a) and 14(b) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute.
- (d) After a substitution pursuant to Condition 14(a) or 14(c) any Substitute may, without the consent of any holder, reverse the substitution, *mutatis mutandis*.
- (e) The Deed Poll and all documents relating to the substitution shall be delivered to, and kept by, the Fiscal Agent. Copies of such documents will be available free of charge at the specified office of each of the Paying Agents.

15. LAW AND JURISDICTION

- (a) *Governing Law*: The Notes and all matters arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law, except for Conditions 3 (*Status and Special Provisions of Subordinated Notes*), 5(g) (*Redemption and purchase of Subordinated Notes*) and 9(b) (*Events of Default of Subordinated Notes*), which are governed by, and shall be construed in accordance with, Italian law.
- (b) *English courts*: Subject to Condition 15(d) (*Rights of the Noteholders to take proceeding outside England*), the courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”), arising from or connected with the Notes.
- (c) *Appropriate forum*: Each of the Issuer and the Guarantor (where applicable) agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceeding outside England*: Condition 15(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 15 (*Law and Jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Process agent*: Each of the Issuer and the Guarantor (where applicable) agree that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on them by being delivered to Clifford Chance Secretaries Limited at 10 Upper Bank Street, London E14 5JJ or, if different, its registered office for the time being or at any address of the Issuer or the Guarantor (where applicable) in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer and the Guarantor (where applicable), the Issuer and the Guarantor (where applicable) shall, on the written demand of any Noteholder addressed and delivered to the Issuer and to the Guarantor (where applicable) or to the specified office of the Fiscal Agent appoint a further person in England to accept service of process on their behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and the Guarantor (where applicable) and delivered to the Issuer and the Guarantor (where applicable) or to the specified office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to “**Noteholder**” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary (in the case of a CGN) or a common safekeeper (in the case of an NGN) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and (in the case of an NGN) effectuated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global to or to the order of the Fiscal Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (Luxembourg time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) Definitive Notes have not been delivered by 5.00 p.m. (Luxembourg time) on the forty-fifth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m.

(Luxembourg time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (Luxembourg time) on such forty-fifth day (in the case of (b) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deeds of Covenant. Under the Deeds of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Where the Notes are listed on the Luxembourg Stock Exchange and its rules so require, the Issuer will give notice of the exchange of the Permanent Global Note for Definitive Notes pursuant to Condition 13 (*Notices*).

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and, where applicable, with Coupons, Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (Luxembourg time) on the forty-fifth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (Luxembourg time) on such forty-fifth day (in the case of (a) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deeds of Covenant). Under the relevant Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Where the Notes are listed on the Luxembourg Stock Exchange and its rules so require, the relevant Issuer will give notice of the exchange of the Permanent Global Note for Definitive Notes pursuant to Condition 13 (*Notices*).

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that, in respect of a CGN, the payment is noted on a schedule thereto and, in respect of an NGN, the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Exercise of put option: In order to exercise the option contained in Condition 5(h) (*Redemption at the option of holders of Notes*), the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and Put Option Notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 5(f) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg, at their discretion, as either a pool factor or a reduction in principal amount).

Notices: Notwithstanding Condition 13 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary, common depositary or common safekeeper (as the case may be) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 13 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system; *provided, however, that*, so long as the Notes are listed on the Luxembourg Stock Exchange and its rules so require, notices will also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *d'Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu).

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Notes will be used for the general corporate purposes of the relevant Issuer and, in the case of issues by Mediobanca International, may be made available to Mediobanca - Banca di Credito Finanziario S.p.A. for its general banking activity.

INFORMATION ON MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.p.A.

Information relating to Mediobanca, its history and development, business, management and shareholders, and the group of which it forms part, is set out in the Mediobanca Registration Document, which is incorporated by reference in this Base Prospectus. See “Documents Incorporated by Reference”.

**FINANCIAL INFORMATION OF
MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.p.A.**

The consolidated annual financial statements of Mediobanca as at and for the years ended 30 June 2006 and 2007 and the three months ended 30 September 2006 and 2007 were prepared in accordance with IFRS.

All of the above consolidated annual and three month financial statements, prepared in each case together with the notes thereto, are incorporated by reference in this Base Prospectus. See “Documents Incorporated by Reference”.

All of the above annual consolidated financial statements have been audited by Reconta Ernst & Young S.p.A., whose reports thereon are attached to such annual financial statements.

INFORMATION ON MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.

General Information

Name:	Mediobanca International (Luxembourg) S.A. (“ Mediobanca International ”).
Date of Incorporation:	Mediobanca International was incorporated on 13 September 1990 in the Cayman Islands with an unlimited duration. By decision of the shareholders taken before a Luxembourg notary on 21 December 2005 Mediobanca International adopted the form of a société anonyme (public limited liability company) subject to Luxembourg law and amended and restated its articles of incorporation in compliance with Luxembourg law and in particular with the Law of 10 August 1915 relating to commercial companies as amended. The amended and restated articles of incorporation were published in the <i>Memorial Recueil des Sociétés et Associations</i> on 17 March 2006. The articles of association were amended on 5 October 2007 and are not yet published in the <i>Memorial Recueil des Sociétés et Associations</i> .
Registered Office:	14 Boulevard Roosevelt, L-2450 Luxembourg.
Investor Relations telephone number:	+39 02 8829860. This service is provided by Mediobanca for Mediobanca International.
Registration:	Registre de Commerce et des Sociétés Luxembourg number B 112885.
Financial Year:	Mediobanca International’s financial year ends on 30th June in each year.
General Meetings:	General Meetings are held at least once a year.

Share Information

Authorised and Issued Capital:	EUR 10,000,000 divided into 1,000,000 ordinary shares of EUR 10.00 each.
Reserves:	EUR 67,653,008 as at 30 June 2007.
Controlling Shareholders:	Mediobanca - Banca di Credito Finanziario S.p.A.

Management

Board of Directors:	The Articles of Association provide for a Board consisting of at least three members elected by the general meeting of shareholders for a term of office not to exceed six years.
Directors:	The Board is responsible for setting authorisation levels, defining organisational structure, defining the system of internal control and reviewing it on a regular basis, and approving the bank’s accounts and interim statements. The present Board consists of the following eight Directors:

<i>Director</i>	<i>Place and date of birth</i>	<i>Principal activities performed by the Directors outside Mediobanca International</i>
Massimo Di Carlo Rovereto (Chairman)	on 25 June 1963	Head of coverage and corporate finance of Mediobanca

Luigi Ciocca	Beregardo on 13 November 1957	Banking Group division manager in Mediobanca
Peter Gerrard	New York on 21 October 1947	International banking executive
Stefano Pellegrino	Cassino on 22 January 1966	Head of equity investment Mediobanca Banking Group Unit
Silvio Perazzini	Gargnano on 27 June 1943	Lending division manager in Mediobanca
Federico Potsios	Rome on 17 July 1963	Lending division manager in Mediobanca
Paolo Ponzanelli	Carrara on 25 August 1951	Capital market division manager in Mediobanca
Alex Schmitt	Luxembourg on 24 March 1953	Attorney at law, member of Luxembourg bar, partner of the law firm Bonn Schmitt Steichen

The business address of each of the directors is Piazzetta E. Cuccia 1, Milan, Italy with the exception of Alex Schmitt whose business address is 44 rue de la Vallée, L-2661 Luxembourg and Peter Gerrard whose business address is 14 Boulevard Roosevelt, L-2450 Luxembourg.

Other than as disclosed in the table above, there are no significant conflicts of interests in relation to the update of the Programme between any of the Directors' duties to Mediobanca International and their private interests or other duties.

Managing Directors:

Day-to-day management is entrusted to two managing directors: Peter Gerrard (Board member) and Luigi Ciocca (Board member).

Independent Auditors:

Pursuant to a resolution adopted by the Board of Directors on 21 December 2005, the Luxembourg office of Ernst & Young was appointed as external auditors to audit Mediobanca International's annual financial statements.

Ernst & Young are registered with the Institut des Réviseurs d'Entreprises in Luxembourg.

Object and General Business Policy

Business Operations:

Mediobanca International may carry out, either within or outside the Grand Duchy of Luxembourg, any banking or financial operations authorised by the law relating to the financial sector.

Mediobanca International's principal activity consists of raising funds on international markets, by issues of bonds chiefly under a short and medium term notes programme guaranteed by Mediobanca. Mediobanca International is also engaged in corporate lending operations almost entirely guaranteed by Mediobanca.

Risk Management:

All interest rate, currency and other risks are hedged in the market, credit risk is minimal due to guarantees by Mediobanca.

Tax Treatment:

See "*Taxation - (B) Tax Regime for Mediobanca International issues - Luxembourg*".

Capitalisation

The following table shows the capitalisation in Euro of Mediobanca International as at 30 June 2007 and 2006.

	As at 30 June	
	2007	2006
	<i>(In EUR)</i>	
Shareholders equity		
Share capital	10,000,000.00	10,000,000.00
Reserves	67,653,008.00	63,317,000.00
Retained earnings	969,803.00	1,897,187.00
Net profit	8,996,701.00	3,408,624.00
Total Shareholder's equity	87,619,512.00	78,622,811.00
Medium and long-term debt		
1. Amounts owed to credit institutions	2,798,402,000.00	353,313,521.88
2. Notes and bonds payable	851,568,000.00	303,094,689.90
Total medium and long-term debt	4,633,258,853.00	656,408,211.78
Total capitalisation	<u>4,720,878,365.00</u>	<u>735,031,022.78</u>

Cash Flow Statements

The following tables set forth cash flow statements for Mediobanca International for the years ended 30 June 2006 and 2007:

	Year ended 30 June	
	2007	2006
	(Euro thousands)	
CASH FLOW FROM OPERATING ACTIVITIES		
Operating activities	20,948	3,588
– interest received	169,301	70,448
– interest paid	(153,541)	(70,018)
– net fee and commission received	7,246	3,548
– cash payments to employees	(611)	(633)
– other expenses paid	(1,447)	(1,736)
– other income received	–	1,979
– income taxes paid	–	–
Cash generated/(absorbed) by financial assets	(5,234,765)	609,005
– trading securities	–	188,929
– amounts due from customers	(2,970,118)	(133,448)
– amounts due from banks: on demand	(1,435,843)	(422,431)
– amounts due from banks: other	(828,270)	977,775
– other assets	(534)	(1,820)
Cash (generated)/absorbed by financial liabilities	5,174,569	(612,472)
– amounts due to banks: on demand	3,290,867	(41,432)
– amounts due to banks: other	–	433,489
– amounts due to clients	–	(188,929)
– debt securities in issue	1,877,702	(820,330)
– financial liabilities at fair value	–	–
– other liabilities	6,000	4,730
Net cash flow (outflow) from operating activities	(39,248)	121
CASH FLOW FROM INVESTMENT ACTIVITIES		
Cash generated from		
– disposals/redemptions of held-to-maturity investments	–	–
– disposals of tangible assets	–	–
– disposals of intangible assets	–	–
Cash absorbed by	(1)	(121)
– acquisitions of tangible assets	(1)	(81)
– acquisitions of intangible assets	–	(40)
Net cash flow (outflow) from investment activities	(1)	(121)
FUNDING ACTIVITIES		
– issues/purchases of treasury shares	–	–
– issues/purchases of equity instruments	–	–
– issues/purchases of subordinated debt	39,250	–
Net cash flow (outflow) from funding activities	39,250	–
NET CASH FLOW (OUTFLOW) DURING YEAR/PERIOD .	1	–

**FINANCIAL INFORMATION OF
MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.**

The audited non-consolidated financial statements of Mediobanca International as at and for the years ended 30 June 2007 and 2006, in each case together with the notes thereto, are incorporated by reference in this Base Prospectus. See “Documents Incorporated by Reference”.

The annual non-consolidated financial statements of Mediobanca International as at and for the years ended 30 June 2007 and 2006 have been prepared in accordance with IFRS.

The annual non-consolidated financial statements of Mediobanca International as at and for the year ended 30 June 2006 reflect operations from 21 December 2005 (the date Mediobanca International transferred its registered office from the Cayman Islands to Luxembourg) to 30 June 2006 and has been reclassified in accordance with IFRS.

All of the above annual non-consolidated financial statements of Mediobanca International have been audited by Ernst & Young Luxembourg, whose reports thereon are attached to such annual financial statements.

PLAN OF DISTRIBUTION

References in this Base Prospectus to “**Permanent Dealers**” are to the persons listed on page 28 above as Dealers and to such additional persons which are appointed from time to time as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “**Dealers**” are to all Permanent Dealers and all persons appointed from time to time as a dealer solely in respect of one or more Tranches.

Subject to the terms and conditions contained in an amended and restated dealership agreement dated 4 December 2007 as further amended or supplemented from time to time (the “**Dealership Agreement**”) between the Issuers, the Guarantor, the Arrangers and the Permanent Dealers, the Notes will be offered on a continuous basis by each Issuer to the Permanent Dealers. However, the relevant Issuer has reserved the right to sell Notes directly on its own behalf to Dealers which are not Permanent Dealers. The relevant Issuer may also offer and sell Notes directly to investors without the involvement of any Dealer. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the relevant Issuer through the Dealers, acting as agents of such Issuer. The Dealership Agreement also provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

The relevant Issuer, failing whom, where applicable, the Guarantor, has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealership Agreement may be terminated in relation to all the Dealers or any of them by Mediobanca and Mediobanca International, acting together or, in relation to itself and Mediobanca and Mediobanca International only, by any Dealer, at any time on giving not less than ten business days’ notice.

General

The selling restrictions described below may be modified by the agreement of the relevant Issuer, the Guarantor (where applicable) and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the relevant Issuer, the Guarantor (where applicable), nor any other Dealer shall have responsibility therefor.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than ?43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time, to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances which do not require the publication by the Issuer of a Base Prospectus pursuant to Article 3(2) of the Prospectus Directive

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- (i) an **“offer of Notes to the public”** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and
- (ii) the **“Prospectus Directive”** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United States of America

Regulation S Category 2, TEFRA D, unless TEFRA C is specified as applicable in the relevant Final Terms: not Rule 144A eligible.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (as amended) (the **“Securities Act”**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealership Agreement, it will not offer sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of the Notes comprising the relevant Tranche as determined, and certified to the relevant Issuer or the Fiscal Agent by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it in which case the Fiscal Agent or the relevant Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act (if available).

Each Series of Notes may also be subject to such further United States selling restrictions as the relevant Issuer and the relevant Dealer may agree and as indicated in the relevant Final Terms.

United Kingdom

In relation to each Tranche of Notes, each Dealer subscribing for or purchasing such Notes represents to and agrees with the relevant Issuer, the Guarantor (where applicable) and each other such Dealer (if any) that:

Each Dealer has represented, warranted and agreed that:

- (a) *No deposit-taking*: in relation to any Notes which must be redeemed before the first anniversary of the date of their issue:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the relevant Issuer;
- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 2 1(1) of the FSMA does not apply to the relevant Issuer or the Guarantor (where applicable); and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that, save as set out below, it has not offered or sold, and will not make an offer of any Notes to the public in Italy and that sales of the Notes in Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus or any other document relating to the Notes in Italy except:

1. that each Dealer may make an offer of Notes to the public if the final terms in relation to the Notes specify that a Non-exempt Offer may be made in Italy following the date of publication of a prospectus in relation to such Notes, provided that such prospectus has been (i) approved in another Relevant Member State and notified to CONSOB and (ii) completed by final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, as implemented in Italy under Decree 58 and CONSOB Regulation No. 11971 of 14 May 1999, as amended (“**Regulation No. 11971**”), in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
2. to “**qualified investors**”, as defined in Article 2(1)(e) paragraphs (i) to (iii) of the Prospectus Directive, pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (“**Decree No. 58**”); or
3. in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended, Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007 and any other applicable laws and regulations; and
- (b) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others

for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

Final Terms

**[MEDIOBANCA - Banca di Credito Finanziario S.p.A./
MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.]**

Issue of [currency] [aggregate principal amount] Notes due [maturity]

[Guaranteed by

MEDIOBANCA - Banca di Credito Finanziario S.p.A.]

under the

Euro 25,000,000,000

Euro Medium Term Note Programme

SERIES NO: []

TRANCHE NO: []

Issue Price: [] per cent.

[Dealer(s)]

The date of these Final Terms is []

[The prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.](¹)

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offer of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.](²)

[This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 4 December 2007 [and the supplement to the Base Prospectus dated [insert date] [delete if not applicable],] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer [and the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement to the Base Prospectus] [is/are] available for viewing at [address] and [website] and copies may be obtained from [address]]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

[This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [date of original base prospectus]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 4 December 2007 [and the supplement to the Base Prospectus dated []], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto. Full information on the Issuer [and the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [date of original base prospectus] and 4 December 2007 [and the supplement to the Base Prospectus dated []]. The Base Prospectuses [and the supplement to the Base Prospectus] [is/are] available for viewing at the registered office[s] of the Issuer [and of the Guarantor] [at []].]The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

(1) Include where a non-exempt offer of Notes is anticipated.

(2) Include where an exempt offer of Notes is anticipated.

[Include whichever of the following apply or specify as “not applicable”. Note that the numbering should remain as set out below, even if individual items are deleted.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

[The purchase of Notes involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in the Base Prospectus (including “Risk Factors” on pages 14 to 20 thereof) [and the supplement thereto] referred to above and these Final Terms.

No person has been authorised to give any information or make any representation not contained in or not consistent with these Final Terms, or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer.

By investing in the Notes each investor represents that:

- (a) *Non-Reliance*. It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or the Dealers as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer or the Dealers shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.
- (b) *Assessment and Understanding*. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.
- (c) *Status of Parties*. Neither the Issuer nor the Dealers is acting as a fiduciary for or adviser to it in respect of the investment in the Notes.]

1. [(i)] Issuer: []
[(ii)] [Guarantor: []]

2 (i) Series Number: []
(ii) Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).

3. Specified Currency or Currencies: []

4. Aggregate Nominal Amount of Notes admitted to trading:
(i) Series: [Up to] []
(ii) Tranche: [Up to] []

[The Aggregate Nominal Amount will not exceed [] and will be determined at the end of the Offer Period (as defined in paragraph [11] of Part B below) and such final amount will be filed with the CSSF as competent authority and published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) pursuant to Articles 8 and 14(2) of the Prospectus Directive.]

5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]

6. (i) Specified Denominations: [] [and integral multiples of [] in excess thereof up to and including []. No Notes in definitive form will be issued with a denomination above [].]

(Notes including Notes denominated in Sterling, in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of the Financial Services and Markets Act 2000 and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).)

(ii) Calculation Amount: [] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. There must be a common factor in the case of two or more Specified Denominations.)*

7. (i) Issue Date: []

(ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]

8. Maturity Date: [Specify date or (for Floating Rate Notes) Interest Payment Date falling in relevant month and year.]

(If the Notes are Extendible Notes, provide details of the option of holders of Notes to extend the Maturity Period and the manner in which it may be exercised in paragraph 30 below.)

(N.B. Notes issued by Mediobanca - Banca di Credito Finanziario S.p.A. with a Maturity Period of less than 18 months are subject to a withholding tax at the rate of 27 per cent. per annum in respect of interest and premium (if any), pursuant to Italian Presidential Decree No. 600 of 29 September 1973, as amended. The Issuer shall not be liable to pay any additional amounts to Noteholders in relation to any such withholding.)

(N.B. Unless otherwise permitted by current laws, regulations, directives and/or the Bank of Italy's requirements applicable to the issue of Subordinated Notes by the Issuer, (i) Upper Tier II Subordinated Notes must have a minimum maturity of ten years, (ii) Lower Tier II Subordinated Notes must have a minimum maturity of five years and (iii) Tier III Subordinated Notes must have a minimum maturity of two years.)

(If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” or (ii) another applicable exemption from section 19 of the FSMA must be available.)

9. Interest Basis: [] per cent. Fixed Rate
 [[specify reference rate] +/- [] per cent. per annum Floating Rate]
 [Zero Coupon]
 [Index-Linked or other Variable-Linked Interest]
 [Dual Currency]
 [Other (specify)]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
 [Index-Linked or other Variable-Linked Redemption]
 [Dual Currency]
 [Partly Paid]
 [Instalment]
 [Other (specify)]
(N.B. If the Final Redemption Amount is other than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply)
11. Change of Interest or Redemption/
Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]*
12. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]
13. (i) Status of the Notes: [Senior/[Dated/Perpetual]/
Upper Tier II Subordinated/
Lower Tier II Subordinated/
Tier III Subordinated]
- (ii) [Date [Board] approval for issuance
of Notes [and Guarantee] obtained: [] [and [] , respectively]]

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related guarantee of the Notes)

14. Method of distribution: [Syndicated/Non-syndicated]
15. Taxation: Taxation- [No] gross up is applicable
[For further details of the Early Redemption Amount payable on redemption for taxation reasons see paragraph 24 below]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]
(N.B. This will need to be amended in the case of long or short coupons)
- (iii) Fixed Coupon Amount[(s)]: [] per Calculation Amount
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
- (v) Day Count Fraction: []
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
17. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (i) Interest Payment Dates: []
- (ii) First Interest Payment Date: []
- (iii) Business Day Convention: [Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (iv) Additional Business Centre(s): [Not Applicable/give details]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent): [] [Name] shall be the Calculation Agent (no need to specify if the Fiscal Agent is to perform this function)]
- (vii) Screen Rate Determination: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph (vii))

- Reference Rate: [] [LIBOR/EURIBOR/other (give details)]
- Interest Determination Date(s): []

Typically second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second TARGET Settlement Day prior to the start of each Interest Period if EURIBOR or euro LIBOR)

- Relevant Screen Page: [For example, Reuters page EURIBOR01/other (give details)]
- Relevant Time [For example, 11.00 a.m. [London/Brussels] time/other (give details)]
- Relevant Financial Centre [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro/other (give details))]

(viii) ISDA Determination: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph (viii))

- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []

(ix) Margin(s): [+/-][] per cent. per annum

(x) Minimum Rate of Interest: []

(xi) Maximum Rate of Interest: []

(xii) Day Count Fraction: []

(xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []

18. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) [Amortisation/Accrual] Yield: [] per cent. per annum.

Calculated as [include details of method of calculation in summary form] on the Issue Date on the basis of the Issue Price.

(ii) Reference Price: []

(iii) Any other formula/basis of determining amount payable: [] [Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 5(e) (Early Redemption of Zero Coupon Notes)]

19. **Index-Linked Interest or other Variable-Linked Interest Note Provisions** [Applicable/Not Applicable]

(Note that Index-Linked Interest or other Variable-Linked Interest Note Provisions may apply to any Notes bearing interest linked to a variable)

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Index/Formula/variable: [Give or annex details]
- (ii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [] *[[Name] shall be the Calculation Agent (no need to specify if the Fiscal Agent is to perform this function)]*
- (iii) Provisions for determining the Rate(s) of Interest and Interest Amount(s) where calculated by reference to Index and/or Formula and/or other variable: []
- (iv) Determination Date(s): []
- (v) Provisions for determining the Rate(s) of Interest and Interest Amount(s) where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []
- (vi) Interest or calculation period(s): []
- (vii) Specified Interest Payment Dates: []
- (viii) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (ix) Additional Business Centre(s): []
- (x) Minimum Rate of Interest: []
- (xi) Maximum Rate of Interest: []
- (xii) Day Count Fraction: []

20. Dual Currency Note Provisions [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Rate of Exchange/method of calculating Rate of Exchange: [Give details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due: [] *[[Name] shall be the Calculation Agent (no need to specify if the Fiscal Agent is to perform this function)]*
- (iii) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable: [] *(Need to include a description of any market disruption or settlement disruption events and adjustment provisions)*
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

21. Call Option [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s) (call): []
- (ii) Optional Redemption Amount(s) [] per Calculation Amount.
(call)and method, if any, of calculation
of such amount(s):
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (iv) Notice period: []
22. **Put Option** [Applicable/Not Applicable]
*(If not applicable, delete the remaining sub-paragraphs
of this paragraph)*
- (i) Optional Redemption Date(s) (put): []
- (ii) Optional Redemption Amount(s)
(put) and method, if any, of calculation
of such amount(s): [] per Calculation Amount
- (iii) Notice period: []
23. **Final Redemption Amount of each Note** [[] per Calculation Amount/ other/see Appendix.]
*[Include the following in cases where the Final Redemption Amount is Index-Linked
or other Variable-Linked] (N.B. If the Final Redemption Amount is other than
100 per cent. of the principal amount, the Notes will be
derivative securities for the purposes of the Prospectus
Directive and the requirements of Annex XII to the
Prospectus Directive will apply)*
- (i) [Index/Formula/variable [give or annex details]
- (ii) Party responsible for calculating the Final Redemption Amount: [] [[Name] shall be the Calculation Agent (no need
to specify if the Fiscal Agent is to perform this function).
- (iii) Provisions for determining Final
Redemption Amount where calculated
by reference to Index and/or Formula
and/or other variable []
- (iv) Final Redemption Amount
Determination Date(s): []
- (v) Provisions for determining Final
Redemption Amount where calculation
by reference to Index and/or Formula
and/or other variable is impossible or
impracticable or otherwise disrupted []
- (vi) Payment Date []
- (vii) Minimum Final Redemption Amount []
- (viii) Maximum Final Redemption Amount
*[Include the following in cases where
the Final Redemption Amount is linked
to Dual Currency Note provisions]*
- (i) Rate of Exchange/method of calculating
Rate of Exchange: [Give details]

- (ii) Calculation Agent, if any, responsible for calculating the Final Redemption Amount: []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

24. Early Redemption Amount

Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): per Calculation Amount/specify other/see Appendix]

[An amount in the Specified Currency which the Calculation Agent will determine and calculate in its sole discretion in good faith and in a commercially reasonable manner as representing the fair economic value of the Note at the date of redemption, without making any reduction to such value by reason of the financial condition of the Issuer but taking into account (without duplication) any costs and expenses incurred by the Issuer in connection with the termination of any agreement or instrument entered into by the Issuer for the purposes of hedging the risk arising from the entering into and performance of its obligations under the Notes.]

[(To be inserted where Taxation - No Gross Up is specified) The Issuer shall not be entitled to redeem the Notes prior to their Maturity Date for taxation reasons and Condition 5(c) (Redemption for taxation reasons) shall not apply to the Notes.]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]

[Temporary Global Note exchangeable for Definitive Notes on [] days' notice.]

[Permanent Global Note exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].

[In relation to any Notes issued with a denomination of €50,000 (or equivalent) and integral multiples of €1,000 (or equivalent), the Permanent Global Note representing such Notes shall only be exchangeable for Definitive Notes in the limited circumstances of (1) closure of the ICSDs; and (2) default of the Issuer.]

26. New Global Note form: [Applicable/Not Applicable]
27. Additional Financial Centre(s) or other special provisions relating to Payment Business Dates: [Not Applicable/give details]
- [Note that this item relates to the date and place of payment and not to interest period end dates, to which items 16(iii) and 18(vi) relate]*
28. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
29. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
30. Details relating to Instalment Notes: (amount of each instalment, date on which each payment is to be made): [Not Applicable/give details]
31. Details relating to Extendible Notes: [Not Applicable/give details]
32. Other terms or special conditions:

DISTRIBUTION

33. (i) If syndicated, names [and addresses] of Managers [and underwriting commitments]: [Not Applicable/give names [and addresses and underwriting commitments]]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)*
(*)
- (ii) [Date of [Subscription] Agreement: []]
- (ii[i]) Stabilising Manager(s) (if any): [Not Applicable/give name]
34. If non-syndicated, name [and address] (*) of Dealer: [Not Applicable/give name and address]
35. [Total commission and concession: [] per cent. of the Aggregate Nominal Amount] (*)

(*) Delete wording in square brackets if the Notes are issued in Denominations of Euro 50,000 or more.

36. US Selling Restrictions: [Reg. S Compliance Category; TEFRA C/ TEFRA D/ TEFRA not applicable]
37. Non-exempt offer: [Not Applicable] [An offer of the Notes may be made by the Managers and *[specify if applicable]* other than pursuant to Article 3(2) of the Prospectus Directive in *[specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported]* (“**Public Offer Jurisdictions**”) during the period from *[specify date]* until *[specify date]* (“**Offer Period**”). See further Paragraph 11 of Part B below.
38. Additional selling restrictions: [Not Applicable/*give details*]

[PURPOSE OF FINAL TERMS

These Final Terms comprises the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] and [admission to trading on *[specify relevant regulated market]* of the Notes described herein] pursuant to the Euro 25,000,000,000 Euro Medium Term Note Programme.]

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms [[] has been extracted from []. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.].

Signed on behalf of the Issuer:

By:.....

Duly authorised

By:.....

Duly authorised

[Signed on behalf of the Guarantor:

By:.....

Duly authorised

By:.....

Duly authorised]

PART B - OTHER INFORMATION

1. (i) Listing: [Luxembourg/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [].] [Not applicable]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)
- [(iii) Estimate of total expenses related to admission to trading: [] [Delete if the information in paragraph 5(iii) (Estimated total expenses) below is to be provided]] (**)

2. RATINGS

- Ratings: The Notes to be issued have been rated:
- [S&P's: []]
- [Moody's: []]
- [[Other]: []]

3. NOTIFICATION

[The CSSF [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

Save as discussed in ["Plan of Distribution"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- [(i) Reasons for the offer: []
- (See ["Use of Proceeds"] wording in Prospectus - if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)] (*)
- [(ii) Estimated net proceeds: []
- (If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)] (*)
- [(iii) Estimated total expenses: []
- [Include breakdown of expenses.] (***)

(**) Delete if the Notes are issued in Denominations of less than Euro 50,000.

(*) Delete if the Notes are issued in denominations of Euro 50,000 or more, unless the Notes are derivative securities to which Annex XII of the Prospectus Directive applies (in which case see footnote below).

(***) If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

[6. [[Fixed Rate Notes only] YIELD

Indication of yield:

[]

Calculated as *[include details of method of calculation in summary form]* on the Issue Date

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. [[Floating Rate Notes only] HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

[8. [[Index-Linked or other variable-linked Notes only] PERFORMANCE OF INDEX/FORMULA/ OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.] Include other information concerning the underlying required by Paragraph 4.3 of Annex XII of the Prospectus Directive Regulation.]

The Issuer [intends to provide post-issuance information *[specify what information will be reported and where it can be obtained]*] [does not intend to provide post-issuance information.]

[9. [[Dual Currency Notes only] PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[10.] OPERATIONAL INFORMATION

ISIN:

[]

Common Code:

[]

New Global Note intended to be held in a manner which would allow Eurosystem eligibility:

[Not Applicable/Yes/No][Note that the designation “Yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem, either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

[Include this text if “Yes” selected in which case the Notes must be issued in NGN form]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Initial Paying Agents:

Names and addresses of additional Paying Agent(s) (if any): []

11. TERMS AND CONDITIONS OF THE OFFER (*)

Offer Period: [] to []

Offer Amount: []

Offer Price: [Issue Price][specify]

Conditions to which the offer is subject: [Not Applicable/give details]

Description of the application process: [Not Applicable/give details]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/give details]

Details of the minimum and/or maximum amount of application: [Not Applicable/give details]

Details of the method and time limits for paying up and delivering the Notes: [Not Applicable/give details]

Manner in and date on which results of the offer are to be made public: [Not Applicable/give details]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/give details]

Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: [Not Applicable/give details]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/give details]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/give details]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. [None/give details]

[12]. FURTHER INFORMATION RELATING TO THE ISSUER

[The information set out in this Schedule may need to be updated if, at the time of the issue of the Notes, any of it has changed since the date of the Base Prospectus]

[For Notes issued by Mediobanca]

[Further information in respect of the Issuer is provided below, pursuant to Article 2414 of the Italian Civil Code.

(*) Delete if the Notes are issued in Denominations of Euro 50,000 or more.

Objects:	<p>The objects of the Issuer, as set out in Article 3 of its bylaws, are as follows:</p> <p>“The purpose of the Company shall be to raise funds and provide credit in any of the forms permitted, with special regard to medium and long-term financing of corporates.</p> <p>Within the limits laid down by current regulations, the Company may execute all banking, financial and intermediation-related transactions and/or services and carry out any transaction deemed to be instrumental to or otherwise connected with achievement of the Company’s purpose.</p> <p>As part of its supervisory and coordinating activities in its capacity as parent company of the Mediobanca Banking Group within the meaning of Article 61/4 of Legislative Decree No. 385 dated 1 September 1993, the Company shall issue directives to member companies of the Group to comply with instructions given by the Bank of Italy in the interests of maintaining the Group’s stability.”</p>
Registered office:	Piazzetta E. Cuccia 1, Milan, Italy.
Company registration:	Registered at the Companies’ Registry of the Chamber of Commerce of Milan, Italy under registration no. 00714490158.
Amount of paid-up share capital and reserves:	<p>Paid-up share capital: Euro 409,549,082.50, consisting of 819,098,165 ordinary shares with a nominal value of Euro 0.50 each.</p> <p>Reserves: Euro 4,356,951,536.04.</p>
<i>[For Notes issued by Mediobanca International]</i>	
[Registered office:	14 Boulevard Roosevelt, L-2450 Luxembourg.
Company registration:	Registered at the Luxembourg Register of Commerce and Companies under registration number B 112885.
Amount of paid-up share capital and reserves:	EUR 10,000,000 divided into 1,000,000 ordinary shares of EUR 10.00 each.
Duration of company:	Unlimited.
Date of constitutional documents:	Transferred to Luxembourg by public deed dated 21 December 2005, published on 17 March 2006.

TAXATION

The following is a general summary of Italian and Luxembourg tax consequences of the purchase, the ownership and the disposition of the Notes. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) maybe subject to special rules.

So that, prospective purchasers of the Notes are advised to consult in any case their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

This summary is based upon the laws and/or practice in force as at the date of this Prospectus, which are subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis.

As at the date of this Base Prospectus, the Italian Government has been entrusted by Italian Parliament to reform the tax treatment of financial income, which will impact the tax regime of the Notes. As the date of this Base Prospectus, no law or decree implementing such reform has been published on the Official Gazette and, accordingly, has not come into force yet.

Neither Mediobanca nor Mediobanca International will update this summary to reflect changes in law. If any such change should occur, the information in this summary could become obsolete.

(A) Taxation of the Notes issued by Mediobanca

Tax on interest, premiums and other proceeds

Decree 239/1996, as amended and supplemented, regulates the tax treatment of interests, premiums and other incomes from Notes issued, *inter alia*, by Italian resident banks. The Provisions of Decree 239/1996 only apply to interests, premiums and other incomes (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as Interests) paid under Notes issued by the Issuer with a maturity of not less than 18 months, which qualify as bonds or securities similar to bonds pursuant to Article 44 of Decree 917/1986, as amended and supplemented.

Italian resident investors

Pursuant to Decree 239/1996, payments of interest, premium and other income from such Notes issued by the Issuer will be subject to final substitute tax (“**Substitute Tax**”) at the rate of 12,50% in the Republic of Italy pursuant to Article 45 of Decree 917/1986 if made to beneficial owners who are:

- (1) individuals resident in the Republic of Italy for tax purposes, holding Notes not in connection with entrepreneurial activities (unless they have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called *Risparmio gestito* regime according to Article 7 of Decree 461/1997 - the “**Asset Management Option**”);
- (2) Italian resident partnerships (other than “*società in nome collettivo*”, “*società in accomandita semplice*” or similar partnerships), de facto partnerships not carrying out commercial activities; professional associations; Italian resident public and private entities, other than companies, not carrying out commercial activities;
- (3) Italian resident entities exempt from corporate income tax.

The 12.50 per cent. final Substitute Tax will be applied by the qualified financial intermediaries that will intervene, in any way, in the collection of interest and other proceeds on the Notes or in the transfer of the Notes.

Interest will not be subject to the 12.50 per cent. Substitute Tax if made to beneficial owners who are:

- (1) Italian resident corporations or permanent establishments in Italy of non resident corporations to which the Notes are effectively connected;
- (2) Italian resident collective investment funds, Italian resident pension funds referred to in Legislative Decree 124/1993 and Italian resident real estate investment funds which benefit from the new regime provided for by Decree 351/2001;

- (3) Italian resident individuals holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an Italian authorised financial intermediary and have opted for the Asset Management Option.

To ensure payment of interest and other proceeds in respect of the Notes without the application of Substitute Tax investors must be the beneficial owners of payments of interest and other proceeds on the Notes and timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Italian authorised financial intermediary.

Special rules apply if the Notes are part of an investment portfolio managed on a discretionary basis by an authorised intermediary and the beneficial owners of the Notes opt for the Asset Management Option and if the Notes are in the portfolio of Italian collective investment funds, SICAVs, pension funds and real estate investment funds.

Italian resident individuals holding Notes not in connection with entrepreneurial activity who have opted for the Asset Management Option are subject to a 12.50 per cent. annual substitute tax, pursuant to Article 7 of Decree 461/1997, (the “**Asset Management Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest and other proceeds accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Italian resident collective investment funds and SICAVs are subject to a 12.50 per cent. annual substitute tax (the “**Collective Investment Fund Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest and other proceeds accrued on the Notes).

Italian resident pension funds subject to the regime provided by Articles 14, 14-ter and 14-quarter, paragraph 1, of Italian Legislative Decree 124/1993 are subject to a 11 per cent. annual substitute tax (the “**Pension Fund Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest and other proceeds accrued on the Notes).

Interest and other proceeds accrued on the Notes would be included in the corporate taxable income (and in certain circumstances also in the net value of production for the purposes of regional tax on productive activities - IRAP) of beneficial owners who are Italian resident corporations and permanent establishments in Italy of foreign corporations to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Non-Italian resident investors

Pursuant to Decree 239/1996, payments of interest, premium and other income from such Notes issued by the Issuer will be subject to final substitute tax at the rate of 12.50 per cent. in the Republic of Italy pursuant to Article 45 of Decree 917/1986 if made to beneficial owners who are non-Italian resident entities or individuals without a permanent establishment in Italy to which the Notes are effectively connected, which are not eligible for the exemption from Substitute Tax and/or do not timely comply with the requirements set forth in Decree 239/1996 and the relevant application rules in order to benefit from the exemption from Substitute Tax. As to non-Italian resident beneficial owners, Substitute Tax may apply at lower or nil rate under double taxation treaties entered into by Italy, where applicable.

The 12.50 per cent. (or the lower rate provided for by the relevant applicable double taxation treaty) final Substitute Tax will be applied by the Italian resident qualified financial intermediaries that will intervene, in any way, in the collection of interest and other proceeds on the Notes or in the transfer of the Notes.

Interest will not be subject to the 12.50 per cent. Substitute Tax if made to beneficial owners who are non-Italian resident beneficial owners of Notes with no permanent establishment in Italy to which the Notes are effectively connected, *provided that*:

- such non-Italian resident beneficial owners are resident for tax purposes, in a country which recognises the Italian fiscal authorities’ right to an adequate exchange of information and are not resident for tax purposes, in certain tax haven countries referred to in Article 110, paragraph 10, of Decree 917/1986, identified by Decree of 23rd January 2002; and
- all the requirements and procedures set forth in Decree 239/1996 in order to benefit from the exemption from Substitute Tax, have been complied with.

To ensure payment of interest and other proceeds in respect of the Notes without the application of Substitute Tax investors must:

- be the beneficial owners of payments of interest and other proceeds on the Notes;
- timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Italian authorised financial intermediary and
- in the event of non-Italian resident beneficial owners being holders of the Notes, promptly file with the relevant depository a self-declaration stating, *inter alia*, to be resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information.

Decree 239/1996, as amended and restated, also provides for additional exemptions from Substitute Tax for payments of interest and other proceeds in respect of the Notes made to:

- international bodies and organisations established in accordance with international agreements ratified in Italy;
- foreign institutional investors not subject to income tax or to other similar taxes, which are resident in countries which allow an adequate exchange of information and are not tax haven countries included in the black list identified by Decree of 23 January 2002; and
- Central Banks, even if investing State reserves.

According to Decree 143/05, enacting EC Directive 2003/49, payments of interest and royalties in Italy made by companies, entities resident in Italy or permanent establishments of non-resident companies which are subject to corporate income tax and do not benefit from any exemption regime to companies and entities resident in other EU member states but forming part of the same group may, under circumstances disposed by paragraph 2 of Article 26-*quater* of Decree 600/1973, be exempt from all taxes in Italy.

Early redemption

Without prejudice to the above provisions, in the event that Notes, with an original duration of not less than 18 months, are redeemed prior to 18 months from the issue date, the Issuer, in the case that the Issuer is an Italian resident entity, will be required to pay an additional amount equal to 20 per cent. of the interest and other proceeds accrued up to the time of early redemption. This payment will be made by the Issuer and will not affect the amounts to be received by the Noteholder by way of interest or other proceeds, if any, under the Notes.

Atypical securities

Notes whose terms provide for redemption at maturity of an amount below their par value are deemed to qualify as atypical securities, pursuant to Article 5 of Law 512/83.

Payments of interest and other proceeds (including the difference between the amount paid to Noteholders at maturity or the value of assets due to them on maturity and the issue price) relating to Notes that are deemed to qualify as atypical securities may be subject to a withholding tax, levied by the Issuer at the rate of 27 per cent., final or on account depending on the "status" of the Italian resident Noteholder, unless the Issuer has entrusted such duty to a third party. The rate of withholding tax applicable as to payments of interest and other proceeds on the Notes to non-Italian resident Noteholders may be reduced under double taxation treaties entered into by Italy, where applicable.

Capital gains from the sale of Notes

Capital gains realised by Italian resident investors

Pursuant to Article 67, paragraph 1 *c-ter* of Decree 917/1986 a 12.50 per cent. Substitute Tax on capital gains will be applicable to capital gains, other than investment income or business income realised by Italian resident individuals and determined in accordance with Article 68 of the Decree.

Under the tax declaration regime, which is the standard for taxation of capital gains realised by Italian resident individuals holding Notes not in connection with entrepreneurial activities, the 12,50% Substitute Tax on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any incurred capital losses realised by Italian resident individuals not engaged in entrepreneurial activities pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a tax year must be detailed in the annual tax declaration to be filed with Italian tax authorities. Where losses exceed gains they may be carried forward against capital gains realised in any of the following four fiscal years.

As an alternative to the tax declaration regime, Noteholders whose notes are not held in connection with entrepreneurial activities may elect to pay Substitute Tax separately on the individual capital gains realised on each sale or transfer or redemption of the Notes (the *Risparmio Amministrato* regime).

Such separate taxation of the individual capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or other qualified intermediaries and (ii) an express election of separate taxation being timely made in writing by the relevant Noteholder. In case of election for the *Risparmio Amministrato* regime, the Italian intermediary is responsible for accounting for Substitute Tax in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any incurred capital losses, and is required to pay the relevant amount to the Italian fiscal authorities, deducting a corresponding amount from proceeds to be credited to the Noteholder. Where a particular sale or transfer or redemption of the Notes results in a net loss, the intermediary is entitled to deduct such loss from gains subsequently realised within the same relationship of deposit in the same tax year or in the following four fiscal years.

Special rules apply if the Notes are part of an investment portfolio managed on a discretionary basis by an authorised intermediary and the beneficial owners of the Notes opt for the Asset Management Option and if the Notes are in the portfolio of Italian collective investment funds, SICAVs, pension funds and real estate investment funds.

Any capital gains referred to in Articles 67 and 68 of Decree 917/1986 and realised by Noteholders whose Notes are not held in connection with entrepreneurial activity who have elected for the Asset Management Option are calculated by taking into account any capital losses and will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at each year end, subject to the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the Asset Management Option, any depreciation of the managed assets accrued at each year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding fiscal years. Under the Asset Management Option, the Noteholder is not required to report capital gains realised in its annual tax declaration and remains anonymous.

Any capital gains realised by Noteholders who are Italian resident collective investment funds and SICAVs will be included in the computation of the taxable basis of the Collective Investment Fund Tax.

Any capital gains realised by Noteholders who are Italian resident pension funds subject to the regime provided by Articles 14, 14-ter and 14-quarter, paragraph 1, of Decree 124/1993, will be included in the computation of the taxable basis of Pension Fund Tax.

Any capital gains realised upon sale, transfer or redemption of the Notes by Italian resident corporations or permanent establishments in Italy to which the Notes are effectively connected, shall be treated as part of their taxable business income in Italy (and in certain cases may also be included in their taxable net value of production for purposes of regional tax on productive activities - IRAP), subject to tax in Italy according to the relevant tax provisions.

Capital gains realised by non-Italian resident investors

The 12.50 per cent. final Substitute Tax on capital gains may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of Notes by non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Decree 259/1999, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected upon sale for consideration or redemption of Notes are exempt from taxation in Italy if the Notes are listed on a regulated market in Italy or abroad.

In relation to non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected who hold Notes in Italy with an Italian authorised financial intermediary and are subject to the *Risparmio Amministrato* regime, this exemption from Substitute Tax on capital gains applies upon condition that they promptly file with the Italian authorised financial intermediary a self-declaration not to be resident in Italy for tax purposes.

In case the Notes are not listed on a regulated market in Italy or abroad:

1. non-Italian resident beneficial owners of Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from *Substitute Tax* on any capital gains realised upon sale for consideration or redemption of the Notes if they (i) are resident for tax purposes in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information and (ii) are not resident, for tax purposes, in certain tax haven countries, specified in Article 110, paragraph 10, of Decree 917/1986 and in Decree 23 January 2002.

In such case, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected hold Notes in Italy with an Italian authorised financial intermediary and are subject to the *Risparmio Amministrato* regime, exemption from Substitute Tax on capital gains applies upon condition that they promptly file with the Italian authorised financial intermediary a self-declaration stating to meet the requirements indicated under (i) and (ii) above.

2. in any event, non-Italian resident persons or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to Substitute Tax in Italy on any capital gains realised upon sale for consideration or redemption of Notes.

In such case, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected hold Notes in Italy with an Italian authorised financial intermediary and are subject to the *Risparmio Amministrato* regime, exemption from Substitute Tax on capital gains will apply upon condition that they promptly file with the Italian authorised financial intermediary appropriate documents which include, *inter alia*, a statement from the competent tax authorities of the country of residence of the non-Italian residents.

(B) Tax regime for Mediobanca International issues

1. Tax treatments of the Notes in Italy

Tax on interest, premiums and other proceeds

Italian resident investors

To the extent that the Notes qualify as “*obbligazioni o titoli similari*” pursuant to Article 44 of Decree 917/1986 and to Legislative Decree 239/1996, interest, premiums, and other income owned by a non-resident issuer to beneficial owners of Notes resident in Italy for tax purposes may be subject to final Italian substitute tax, depending on the legal status of the beneficial owner.

Substitute Tax is payable on interest, premiums and other proceeds in respect of the Notes paid to the persons and entities listed hereunder and, in the case of a sale of the Notes, on every item of the proceeds from sales paid to persons and entities listed hereunder, representing interest, premiums and other proceeds accrued, either implicitly or explicitly. The applicable rates of Substitute Tax are 12.50 per cent., if the original maturity of the Notes was 18 months or more, and 27 per cent., if such maturity was less than 18 months.

Interest, premiums, and other proceeds accrued up to the date of early redemption or prepayment on Notes having an original maturity of not less than 18 months and redeemed or prepaid by the relevant Issuer within 18 months of the date of issue, are subject to tax payable by resident beneficial owners at a rate of 20 per cent.

Substitute Tax at a rate of 12.50 per cent. on interest, premiums and other proceeds from Notes with an original maturity of not less than 18 months, applies to beneficial owners who are:

- individuals resident in the Republic of Italy for tax purposes, holding Notes not in connection with entrepreneurial activity (unless they have entrusted the management of their financial assets, including the Notes, to an Italian authorised financial intermediary and have opted for the *Risparmio gestito* regime provided by Article 7 of Decree 461/1997 - the “**Asset Management Option**”);
- Italian resident partnerships (other than *società in nome collettivo*, *società in accomandita* semplice or similar partnerships), de facto partnerships not carrying out commercial activities; professional associations or Italian resident public and private entities, other than companies, not carrying out commercial activities;
- Italian resident entities exempt from corporate income tax.

Substitute Tax at a rate of 27 per cent. on interest, premiums and other proceeds from Notes with an original maturity of less than 18 months, applies to the Italian resident beneficial owners listed above under a) to c) and in addition to Italian beneficial owners who are:

- collective investment funds and SICAVs regulated by Article 8, paragraphs 1 to 4, of Decree 461/1997;
- pension funds regulated by Decree 124/1993.

Moreover, Substitute Tax at a rate of 27 per cent. applies to private individuals holding Notes with an original maturity of less than 18 months not in connection with entrepreneurial activity even in case they have entrusted the management of their financial assets to an Italian authorised financial intermediary and have opted for the Asset Management Option.

The 12.50 per cent. or 27 per cent. final Substitute Tax will be applied by the Italian resident qualified financial intermediaries that will intervene, in any way, in the collection of interest, premiums and other proceeds on the Notes or in the transfer of the Notes.

Where interests and other proceeds on the Notes are not collected through the intervention of an Italian resident qualified financial intermediary and as such no Substitute Tax is applied, the Italian resident beneficial owners listed above under a) to d) and Italian collective investment funds, SICAVs and pension funds holding Notes with an original maturity of not less than 18 months, will be required to declare interest, premiums and other proceeds in their yearly income tax return and subject them to final Substitute Tax at a rate of 12.50 per cent. (in case of Notes with an original maturity of not less than 18 months) or 27 per cent. (in case of Notes with an original maturity of less than 18 months).

The individual beneficial owners indicated above under a) may elect instead to pay ordinary personal income tax at the progressive rates applicable to them in respect of interest, premiums and other proceeds on the Notes: if so, the beneficial owners should generally benefit from a tax credit for withholding taxes applied outside Italy, if any.

Special rules apply if the Notes are part of an investment portfolio managed on a discretionary basis by an authorised intermediary and the beneficial owner of the Notes opts for the Asset Management Option or if the Notes are in the portfolio of Italian collective investment funds, SICAVs, pension funds and real estate investment funds.

In case the Notes are part of an investment portfolio managed on a discretionary basis by an authorised intermediary and the beneficial owners of the Notes have opted for the Asset Management Option, an annual substitute tax at a rate of 12.50 per cent. (the “**Asset Management Tax**”) that applies on the increase in value of the managed assets accrued, even if not realised, at the end of each tax year (which increase would include interest, premiums and other proceeds accrued on Notes having an original maturity of not less than 18 months). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Italian resident collective investment funds and SICAVs are subject to a 12.50 per cent. annual substitute tax (the “**Collective Investment Fund Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest, premiums and other proceeds accrued on Notes having an original maturity of not less than 18 months).

Italian resident pension funds subject to the regime provided by Articles 14, 14-ter and 14-quarter, paragraph 1, of Decree 124/1993, are subject to a 11% annual substitutive tax (the “**Pension Fund Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest, premiums and other proceeds accrued on Notes having an original maturity of not less than 18 months).

Substitute Tax is not levied on interest, premiums and other proceeds on Notes (either with maturity of less or not less than 18 months) paid to Italian resident companies engaged in business or to permanent establishments in Italy of foreign companies to which the Notes are effectively connected. In such cases, interest, premiums and other proceeds accrued on the Notes will be included in the taxable business income (and, in certain cases, depending on the status of the Noteholders, may also be included in the taxable net value of production subject to regional tax on productive activities - IRAP) of such beneficial owners, subject to tax in Italy in accordance with ordinary tax rules. A tax credit for withholding taxes applied outside Italy, if any, should be generally available.

To ensure payment of interest, premiums and other proceeds in respect of the Notes without application of the Substitute Tax, where allowed, investors must:

- be the beneficial owners of payments of interest, premiums and other proceeds on the Notes; and
- timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Italian authorised financial intermediary.

Atypical securities

Where any set of Notes is issued whose terms provide for redemption on maturity of an amount below their par value based on equity indices or some other formula and thus the Notes qualify as so-called “*titoli atipici*” or “atypical securities”, any proceeds on Notes paid, *inter alia*, to Italian resident (i) private individuals holding Notes not in connection with entrepreneurial activities, (ii) real estate investment funds, (iii) pension funds, (iv) collective investment funds and SICAVs and (v) persons and entities exempt from corporate income tax, shall be subject to final entrance withholding tax at a rate of 27 per cent., if the Notes are sold (“*collocati*”) in Italy and an entrusted Italian resident financial intermediary intervenes in the collection of payments on the Notes, in the repurchase or in the transfer of the Notes.

If the Notes are not sold (“*collocati*”) in Italy or payments of proceeds on the Notes are not received through an entrusted Italian resident financial intermediary that intervenes in the collection of payments on the Notes, in the repurchase or in the transfer of the Notes, and as such no “entrance” withholding tax is required to be levied, the subjects indicated above under (i) to (v) will be required to report the payments of proceeds on the Notes in their yearly income tax return and subject them to a final substitute tax at a rate of 27 per cent.

The individual beneficial owners may elect instead to pay ordinary personal income tax at the progressive rates applicable to them in respect of the payments: if so, the beneficial owners should generally benefit from a tax credit for withholding taxes applied outside Italy, if any.

In case of Italian resident beneficial owners who are corporate entities, payments received on the Notes will not be subject to any “entrance” withholding tax and will form part of their aggregate taxable business income (and, in certain cases, depending on the status of the Noteholders, may also be included in the taxable net value of production subject to regional tax on productive activities - IRAP) subject to tax in Italy according to the ordinary tax provisions. A tax credit for withholding taxes applied outside Italy, if any, should be generally available.

Non-Italian resident investors

Interest, premiums and other proceeds paid on Notes to a beneficial owner who is not resident of Italy for tax purposes, without a permanent establishment in Italy to which the Notes are effectively connected, should not be subject to any Substitute Tax. If the Notes are deposited with an Italian bank or a resident intermediary or are sold through an Italian bank or a resident intermediary or in any case an Italian resident intermediary intervenes in the payment of interest, premiums and other proceeds on the Notes, to ensure payment of interest, premiums and other proceeds without application of Substitute Tax, a non-Italian resident beneficial owner should produce a self-declaration stating not to be resident in Italy for tax purposes.

Capital gains from the sale of Notes

Capital gains realised by Italian resident investors

Article 67, paragraph 1 *c-ter* and Article 68 of Decree 917/986 provides for different systems governing the taxation of capital gains realised on the sale or redemption of Notes by (i) Italian resident private individuals holding Notes not in connection with entrepreneurial activity (unless they have entrusted the management of their financial assets, including the Notes, to an Italian authorised financial intermediary and have opted for the Asset Management Option) and non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected and (ii) Italian resident corporations. Special rules apply to Italian collective investment funds, SICAVs, pension funds and real estate investment funds.

Capital gains arising from the sale, redemption or prepayment of Notes, not earned by business enterprises and which do not constitute income from capital, are subject to 12.50 per cent. substitutive tax. This tax is levied on the difference between earnings from the sale, redemption or prepayment of Notes and the cost of purchase subjected to taxation, plus related charges but excluding interest payable.

Under the tax declaration regime (the standard regime for taxation of capital gains realised by Italian resident individuals holding Notes not in connection with entrepreneurial activity) the 12.50 per cent. substitutive tax on capital gains will be chargeable on a cumulative basis on all capital gains, net of any incurred capital loss, realised by Italian resident individuals holding Notes not in connection with entrepreneurial activity pursuant to all disposals of Notes carried out during any given tax year, and Italian resident individuals must report overall capital gains realised in any tax year, net of any incurred capital loss, in the annual tax declaration to be filed with the Italian tax authorities for such year and pay the 12.50 per cent. substitutive tax on such gains together with any balance income tax due for such year.

Different rules apply if the Notes (i) are in a portfolio managed by an Italian authorised intermediary on a discretionary basis and the individual investors opt for the Asset Management Option, or (ii) are deposited for safekeeping and administration with an authorised intermediary and the individual investors opt for the *Risparmio Amministrato* regime provided for by Article 6 of Decree 461/1997.

Capital gains and losses realised on sales or redemption of Notes by Italian resident corporations are included in the computation of their taxable business income (and, in certain cases, may also be included in the taxable net value of production subject to regional tax on productive activities - IRAP), subject to tax in Italy according to the relevant tax provisions.

If the Notes have been recorded by Italian resident corporations as investment securities for at least three years in their accounts, gains from the sale thereof, defined as the difference between the selling price and the purchase price as recognised for tax purposes, may, upon election, be included in the computation of the taxable business income of the corporations in equal fixed instalments over five tax years, starting from that in which the sale took place.

Capital gains realised by non-Italian resident investors

In principle, capital gains realised by non-Italian resident private individuals and business enterprises without any permanent establishment in Italy to which the Notes are effectively connected upon sale, redemption or prepayment of Notes may be taxable in Italy if the Notes are held in Italy.

In case capital gains realised on disposal of Notes by non-Italian resident investors are taxable in Italy, taxation of such capital gains is subject to the same rules as those set out above, which apply to Italian resident private individuals.

However, Decree 461/1997 and Decree 259/1999 provide for an exemption from Italian substitutive tax on capital gains for Noteholders (either individuals or corporations) who are not resident in Italy for tax purposes and do not have a permanent establishment in Italy to which the Notes are effectively connected, in respect of capital gains realised on sale, redemption or prepayment of Notes listed on a regulated market, in Italy or abroad, even though the Notes are held in Italy and regardless of the provisions of any applicable double tax treaty. Such regime applies also to Noteholders who are resident for tax purposes in a country with a favourable tax regime, since pursuant to Article 23, letter (f), number (2) of Decree 917/1986, such capital gains are deemed not to be realised in Italy. In relation to non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected who hold Notes in Italy with an Italian authorised financial intermediary and are subject to the *Risparmio Amministrato* regime, this exemption from Italian capital gains tax applies upon condition that they promptly file with the Italian authorised financial intermediary a self-declaration not to be resident in Italy for tax purposes.

Moreover, pursuant to Decree 461/1997, any capital gains realised upon disposal of Notes not listed on a regulated market shall not be taxable in Italy (even though the Notes disposed of are held in Italy), if realised by non-Italian residents (either individuals or corporations) with no permanent establishment in Italy to which the Notes are effectively connected who (i) are resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information and (ii) are not resident, for tax purposes, in tax haven countries list as specified in Article 110, paragraph 10, of Decree 917/1986. In relation to non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected, who hold Notes in Italy with an Italian authorised financial intermediary and are subject to the *Risparmio Amministrato* Regime, this exemption from Italian substitutive tax on capital gains applies upon condition that they promptly file with the Italian authorised financial intermediary a self-declaration stating that the conditions indicated above under (i) and (ii) are met. The same exemption applies in case the beneficial owners of the Notes are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; or (iii) central banks or entities which manage, inter alia, the official reserves of a foreign state.

Exemption from Italian substitutive tax on capital gains also applies to (a) international bodies and organisations established in accordance with international agreements ratified in Italy; (b) foreign institutional investors not subject to income tax or to other similar taxes, established in countries which meet the requirements indicated here above under (i) and (ii) and (c) Central Banks of countries not included in the black list.

In addition, the provisions of Decree 461/1997 do not preclude the application of any more favourable provisions of a double tax treaty entered into by Italy. Therefore, if a foreign selling Noteholder (i) is resident, for tax purposes, in a country with which Italy has a double tax treaty and the provisions relating to taxation of capital gains comply with the OECD model and (ii) is fully eligible for the benefits under such a treaty, then any capital gains realised upon disposal of Notes will not be subject to Italian substitutive tax on capital gains pursuant to the provisions of the applicable double tax treaty. Non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected who hold Notes in Italy with an Italian authorised financial intermediary and are subject to the *Risparmio Amministrato* regime, may be required to promptly provide appropriate documentation (including a certificate of residence issued by the tax authorities of their country of residence) establishing that the above mentioned conditions of non-taxability of capital gains realised pursuant to the applicable double tax treaty have been satisfied, in order to be exempted from Italian substitutive tax on capital gains under the applicable double tax treaty.

The *Risparmio Amministrato* is the ordinary regime automatically applicable to non-resident persons and entities relating to Notes deposited for safekeeping or administration at Italian banks, SIMs and other eligible persons or entities, but non-resident Noteholders retain the right to waive this regime by means of the appointment of an authorised tax representative.

Payments under the Guarantee

There is no authority directly on point regarding the Italian tax regime of payments made by the Guarantor under the Guarantee. Accordingly, there can be no assurance that the Italian Revenue Authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian court would not sustain such an alternative treatment.

In accordance with one interpretation of Italian Fiscal Law, payments by the Guarantor to beneficial owners of Notes under the Guarantee should be treated as payments by the relevant Issuer and subject to the same tax treatment as payments by the relevant Issuer described above in the paragraphs “*Tax on interest premiums and other proceeds*” and “*Notes redeemable below par*”.

In accordance with another interpretation of Italian fiscal law, payments by the Guarantor to beneficial owners of Notes under the Guarantee may be subject in certain circumstances to Italian withholding tax at a rate of 12.50 per cent., final or on account, depending on the status of the beneficial owners, pursuant to Article 26, paragraph 5, of Decree 600/1973. In case of beneficial owners which are non-resident of Italy for tax purposes, the withholding tax should be final and should be applied at the rate of 27 per cent. if payments are made by the Guarantor under the Guarantee to non-Italian resident beneficial owners which are resident for tax purposes in black list countries. Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding.

2. Tax treatment of the Notes in Luxembourg

Under the existing laws of Luxembourg as currently applied by the Luxembourg tax authorities:

- (a) all payments of interest and principal by the Issuer under the Notes can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein except for interest paid or attributed to a natural person resident of an EU Member State or to a residual entity within the meaning of article 4§2 of the EC Council Directive no. 2003/48/EC on the taxation of savings income (implemented in Luxembourg by a law of 21 June 2005, Mémorial A 2005 n. 86 p. 1540 (the “Savings Law”). Under the Savings Law, which came into effect as of 1 July 2005, Luxembourg will levy a withholding tax on payments of interest or other similar income paid by a person within its jurisdiction to or for an individual resident in another EU member state unless such individual agrees to an exchange of information regarding the interest or similar income it received between the tax authorities of Luxembourg and the relevant EU member state. The rate of the withholding tax is equal to 15 per cent. as from 1 July 2005, 20 per cent. as from 1 July 2008 and 35 per cent. as from 1 July 2011;

- (b) a holder of a Note who derives income from such Note or who realises a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on income or capital gains unless:
 - (i) such holder is, or is deemed to be, resident in Luxembourg (if such holder is a natural person such taxation will occur by way of a final 10 per cent. withholding tax); or
 - (ii) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg;
- (c) Luxembourg net wealth tax will not be levied on a holder of a Note unless:
 - (i) such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions (and such holder is not a natural person.); or
 - (ii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg;
- (d) no Luxembourg inheritance tax is levied on the transfer of Notes upon the death of a Noteholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes;
- (e) Luxembourg gift tax will be levied in the event that the gift is made pursuant to a notarial deed signed before a Luxembourg notary;
- (f) it is not compulsory that the Notes be filed, recorded or enrolled with any court, or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty (other than court fees and contributions for the registration with the Chamber of Commerce) be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of Luxembourg) of the Notes, in accordance therewith, except that, in case of use of the Notes, either directly or by way of reference (i) in a public deed, (ii) in a judicial proceeding in Luxembourg or (iii) before any other Luxembourg official authority (*autorité constituée*), registration may be ordered which implies the application of a fixed or an ad valorem registration duty and calculated on the amounts mentioned in the Notes;
- (g) there is no Luxembourg value added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of Notes, provided, however, that Luxembourg value added tax may be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from Luxembourg value-added tax does not apply with respect to such services; and
- (h) a holder of a Note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such Note or the execution, performance, delivery and/or enforcement of that or any other Note.

(C) General Provisions applicable in Italy to both Mediobanca and Mediobanca International Issues

Tax monitoring obligations

Italian resident individuals holding Notes not in connection with entrepreneurial activity will be required to report in their yearly income tax return, for tax monitoring purposes:

- the amount of Notes held at the end of each tax year, if exceeding in the aggregate Euro 10,000 (in relation with EU countries) or Euro 12,500 (in relation with non-EU countries);
- the amount of any transfers from abroad, towards abroad and occurred abroad, related to the Notes, occurred during each tax year, if exceeding in the aggregate Euro 10,000 (in relation with EU countries) or Euro 12,500 (in relation with non-EU countries). This also in the case that the end of the tax year the Notes are no longer held by Italian individuals.

Italian individuals will however not be required to comply with the above reporting requirements in respect of Notes deposited for management with qualified Italian financial intermediaries and in respect of contracts entered into through their intervention, upon condition that the items of income derived from the Notes are collected through the intervention of the same intermediaries.

Transfer tax

Legislative Decree No. 435/1997 governs the application of taxation of securities transfer contracts, with Italian transfer tax being in general applicable as follows in relation to transfer of Notes by or to Italian residents:

- (1) Euro 0,0826 for every Euro 51,65 (or fraction thereof) of the price at which the Notes are transferred, when the transfer is effected between private subjects directly or through an intermediary other than a bank or other authorised intermediaries governed by Decree 415/1996, as superseded by Decree 58/1998, or a stock broker;
- (2) Euro 0,00465 for every Euro 51,65 (or fraction thereof) of the price at which the Notes are transferred, when the transfer is effected (i) between private subjects and banks or other authorised intermediaries governed by Decree 415/1996, as superseded by Decree 58/1998, or a stock brokers, or (ii) between private subjects through such intermediaries;
- (3) Euro 0,00465 for every Euro 51,65 (or fraction thereof) of the price at which the Notes are transferred, when the transfer is effected between banks, stockbrokers or other authorised intermediaries governed by Decree 415/1996, as superseded by Decree 58/1998.

However, in the cases indicated above under (1) and (2), the amount of applicable transfer tax may not exceed Euro 929,62 for each transaction.

Transfer tax is not applicable, *inter alia*, in the following cases:

- (1) contracts entered into in regulated markets governing the transfer of listed securities, including contracts entered into by an authorised intermediary with its clients;
- (2) off-market transactions involving securities quoted on a regulated market, provided such transactions take place:
 - between banks, stockbrokers or other authorised intermediaries governed by Decree 415/1996, as superseded by Decree 58/1998; or
 - between such authorised intermediaries and non-residents; or
 - between such authorised intermediaries and undertakings for collective investment of savings income;
- (3) contracts covering unlisted securities between non-residents and banks, stockbrokers or other authorised intermediaries governed by Decree 415/1996, as superseded by Decree 58/1998 as amended;
- (4) contracts covering public sale offers (OPA) of securities aimed at listing the securities on regulated markets or involving financial instalments already listed on regulated markets;
- (5) contracts for a consideration of less than Euro 206,58; and
- (6) securities lending transactions and any contracts having the same economic purpose.

Inheritance and Gift tax

According to Article 6, paragraph 5 of Decree 262/2006, a transfer by way of gift of Notes is subject to registration tax at the following rates:

- 4 per cent. if the transfer is made to spouses and direct descendants or ancestors, in respect of the amount by which the value of the transfer exceeds Euro 100.000,00;
- 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity and to persons related by collateral affinity up to the third degree; and
- 8 per cent. in all other cases.

(D) General Provisions applicable in Luxembourg to both Mediobanca and Mediobanca International Issues

There is no Luxembourg registration tax, stamp duty or any similar tax or duty payable in Luxembourg by the Noteholders as a consequences of the issuance of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer of redemption or repurchase of the Notes.

There is no Luxembourg value added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of Notes, *provided, however*, that Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from Luxembourg value-added tax does not apply with respect to such services.

Luxembourg net wealth tax will not be levied on a note holder, unless such note holder is resident in Luxembourg for the purpose of the relevant legal provisions; or the Notes are attributable to an enterprise or part thereof which is carried on through a permanent representative in Luxembourg.

No estate or inheritance taxes are levied on the transfer of the Notes, upon death of a noteholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes. Gift tax may be due on a gift or donation of Notes, if the gift is recorded in a deed passed in front of a Luxembourg notary or registered in Luxembourg.

(E) EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

Implementation in Italy

Italy has implemented the Directive through Legislative Decree No. 84 of 18 April 2005 (“**Decree 84**”). Under Decree 84, subject to a number of important conditions being met, where interest is paid starting from 1 July 2005 (including interest accrued on the Notes at the time of their disposal) to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State or in a dependent or associated territory under the relevant International agreement (currently Jersey, Guernsey, the Isle of Man, the Netherlands Antilles, the British Virgin Islands, Turks and Caicos Islands, the Cayman Islands, Montserrat, Anguilla and Aruba), Italian paying agents (including any banks, SIMs, fiduciary companies and SGRs resident for tax purposes in Italy) are required to report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the state of residence of the beneficial owner.

In certain circumstances, the same reporting requirements must be complied with also in respect of interest paid to an entity established in another EU Member State, other than legal persons (with the exception of certain Finnish and Swedish entities), whose profits are taxed under general arrangements for business taxation and, in certain circumstances, UCITS recognised in accordance with Directive 85/311/EEC.

Either payments of interest on the Notes or the realisation of the accrued interest through the sale of the Notes would constitute “payments of interest” under Article 6 of the Directive and, as far as Italy is concerned, Article 2 of Decree 84. Accordingly, such payments of interest arising out of the Notes would fall within the scope of the Directive being the Notes issued after 1 March 2001.

Implementation in Luxembourg

The Savings Tax Directive was implemented in Luxembourg by the Law of 21 June 2005.

GENERAL INFORMATION

(1) Listing and Admission to Trading

Application has been made to the CSSF to approve this Base Prospectus as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC.

However, Notes may be issued pursuant to the Programme which will not be listed or admitted to trading on the Luxembourg Stock Exchange or any other stock exchange or which will be listed or admitted to trading on such stock exchange as the Issuers and the relevant Dealer(s) may agree.

The CSSF may, at the request of the relevant Issuer, send to the competent authority of another European Economic Area Member State: (i) a copy of this Base Prospectus; (ii) an Attestation Certificate; and (iii) if so required by such competent authority, a translation of the Summary set out on pages 6 to 13 of this Base Prospectus.

- (2) Each Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations in Luxembourg and the Republic of Italy in connection with the establishment and update of the Programme and the issue and performance of the Notes and the guarantee relating to them. The establishment and update of the Programme and the issue of the Notes was authorised under the terms of resolutions of the Board of Directors of Mediobanca passed on 29 October 2001, 18 March 2002, 14 May 2003, 28 October 2003 and 13 May 2004 and a resolution of the Management Board of Mediobanca passed on 24 September 2007 and by a resolution adopted by the Executive Committee of Mediobanca passed on 27 March 1998, 29 October 2001, 13 May 2005 and 28 October 2006 and by resolutions of the Board of Directors of Mediobanca International passed on 27 January 1998, 17 May 2002, 8 May 2003, 6 May 2004, 21 December 2005, 16 November 2006 and 1 October 2007. The giving of the guarantee relating to the relevant Notes by the Guarantor was authorised by resolutions adopted by the Executive Committee of the Guarantor passed on 27 March 1998, 29 October 2001, 13 May 2005, 28 October 2006 and by a resolution adopted by the Management Board of the Guarantor dated 24 September 2007.
- (3) The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
- (4) Save as disclosed in this Base Prospectus, Mediobanca International (where Mediobanca International is the Issuer) is not and none of Mediobanca and its consolidated subsidiaries (where Mediobanca is the Issuer or the Guarantor) is or has been involved in any governmental, legal, arbitration or administrative proceedings in the 12 months preceding the date of this document relating to claims or amounts which may have, or have had in the recent past, a significant effect on the Group's financial position or profitability and, so far as Mediobanca or, as the case may be, Mediobanca International is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.
- (5) Save as disclosed in this Base Prospectus, neither Mediobanca nor Mediobanca International nor any of Mediobanca's subsidiaries has entered into any contracts in the last two years outside the ordinary course of business that have been or may reasonably be expected to be material to such Issuer's ability to meet its obligations to Noteholders.
- (6) Save as otherwise disclosed in this Base Prospectus and since 30 September 2007 in the case of Mediobanca and since 30 June 2007 in the case of Mediobanca International (being, in each case, the last day of the financial period in respect of which the most recent published financial statements of the relevant Issuer or, where applicable, the Guarantor have been prepared), there has been no significant change in the financial condition of the relevant Issuer or its subsidiaries and, where applicable, the Guarantor or its subsidiaries.
- (7) Save as disclosed in this Base Prospectus, since 30 June 2007 (being the last day of the financial period in respect of which the most recent audited financial statements of the relevant Issuer and, where applicable, the Guarantor have been prepared), there has been no material adverse change in the financial or other position or prospects of either of the Issuers, the Guarantor or the Group.
- (8) Notes will be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and the International Securities Identification Number (ISIN) for each Series of Notes will be set out in the relevant Final Terms.

- (9) For so long as the Programme remains in effect or any Notes remain outstanding, the following documents will be available, and in the case of paragraphs (vii), (viii), (ix), (x) and (xi) below, may be obtained free of charge during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent and each of the Paying Agents:
- (i) the Fiscal Agency Agreement;
 - (ii) the Dealer Agreement;
 - (iii) the Deeds of Covenant;
 - (iv) the Deed of Guarantee;
 - (v) the Programme Manual (being a manual signed for the purposes of identification by the Issuers and the Fiscal Agent, containing suggested forms and operating procedures for the Programme, including the forms of the Notes in global and definitive form);
 - (vi) the By-laws (*Statuto*) of Mediobanca and the By-laws of Mediobanca International;
 - (vii) the Mediobanca Registration Document;
 - (viii) the published annual financial statements of Mediobanca International as at and for the years ended 30 June 2007 and 2006;
 - (ix) the consolidated annual financial statements of Mediobanca as at and for the years ended 30 June 2007 and 2006 and the unaudited consolidated quarterly financial statements of Mediobanca as at and for the nine months ended 30 September 2007;
 - (x) Final Terms for Notes which are listed on the Luxembourg Stock Exchange or any other stock exchange; and
 - (xi) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus.
- (10) Copies of the latest annual consolidated financial statements of Mediobanca and annual financial statements of Mediobanca International, unaudited consolidated interim financial statements of Mediobanca, unaudited consolidated quarterly financial statements of Mediobanca and the latest semi-annual interim financial statements of Mediobanca International (if published), may be obtained at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
- (11) The Issuers do not intend to provide any post-issuance information in relation to any assets underlying issues of Notes constituting derivative securities.
- (12) The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.
- (13) The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

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