



Board of Directors' Report

Authorization to the Board of Directors to increase the company's share capital by means of a rights and/or bonus issue in a nominal amount of up to €100m, and to issue bonds convertible into ordinary shares and/or bonds *cum* warrants, in an amount of up to €2bn, as permitted under Articles 2443 and 2420-ter of the Italian Civil Code, having first rescinded the existing powers granted under a resolution adopted by shareholders in general meeting on 27 June 2007 as amended by shareholders in general meeting on 28 October 2008. Amendments to Article 4 of the Company's Articles of Association and related resolutions.

Dear shareholders,

At an extraordinary general meeting held on 27 June 2007, the shareholders of Mediobanca authorized the Bank's Management Board (now the Board of Directors), under Article 2443 of the Italian Civil Code, to increase the Bank's share capital on or prior to the fifth anniversary of the date of the resolution concerned, in an amount of up to €100m, including via warrants, and under Article 2420-ter of the Italian Civil Code, to increase the Bank's share capital through the issue of convertible bonds and/or shares *cum* warrants, it being further provided that the exercise of such powers should not result in a total number of more than 200 million shares being issued.

On 18 September 2009, the Board of Directors exercised the above powers, adopting a resolution to increase the company's share capital by a total amount of €77,919,653.00, €20,501,391.50 by means of a scrip issue and €57,418,261.50 for use in connection with a total of 803,855,665 warrants which expired in March 2011, only 495,348 of which were exercised and converted into 70,764 new shares.

Given that the above powers have now been virtually exhausted and will any case expire in June 2021, we propose that the authorization be renewed for the original amount, at the same time cancelling the outstanding share which is worth €22,080,347.

Exercise of these powers will allow the execution times for capital increases to be reduced, the size of such increases to be established on the basis of specific opportunities, and the risk of changes in share prices from the time of announcement to the time when the deal is actually approved to be reduced.

You are therefore invited to adopt the following resolution:

- ◆ The shareholders of Mediobanca, gathered in extraordinary general meeting:
- ◆ having heard the Board of Directors' report

hereby resolve:

- 1) to rescind, in respect of the part as yet unexecuted, the powers conferred on the Board of Directors at the time under the resolution adopted by shareholders in the general meeting held on 27 June 2007 as amended on 28 October 2008, to increase the company's share capital by means of rights or bonus issues in an amount of up to €100m, and to issue bonds convertible into ordinary shares and/or shares *cum* warrants, in an amount of up to €2bn, pursuant to Articles 2443 and 2420-ter of the Italian Civil Code;



- 2) to authorize the Board of Directors:
- ◆ under Article 2443 of the Italian Civil Code, to increase the Company’s share capital, by means of rights issues and/or bonus issues in one or more tranches on or prior to the fifth anniversary of the date of this resolution in an amount of up to €100m, including via warrants, through the issue of up to 200 million ordinary par value €0.50 shares to be offered as an option or assigned to shareholders, and accordingly, to establish from time to time the issue price of the new shares, including the share premium, if any, the date from which they shall rank for dividends, and whether or not any of the shares shall be used for exercising the warrants attached to the shares to be issued;
 - ◆ under Article 2420-ter of the Italian Civil Code, to increase the Bank’s share capital through the issue of bonds convertible into ordinary shares and/or shares *cum* warrants, in one or more tranches on or prior to the fifth anniversary of the date of this resolution, in a nominal amount of up to €2bn, to be offered as an option to shareholders, and accordingly, to establish from time to time the conversion ratio of the bonds to be issued and any other feature thereof, and to authorize the corresponding increase in the Bank’s share capital for use in the conversion of the bonds;
- 3) to establish that exercise of the foregoing mandates shall not, without prejudice to the foregoing, lead to the issue of a total number of shares in excess of 200 million;
- 4) to further amend Article 4 of the Articles of Association, as follows:

EXISTING TEXT

NEW TEXT

Article 4

Article 4

The Company’s subscribed and fully paid up share capital is Euro 430,564,606 represented by 861,129,212 Euro 0.50 par value shares.

unchanged

The share capital may also be increased as provided under legal provisions, including Article 2441, paragraph 4, point 2 of the Italian Civil Code, in compliance with the terms and procedure set forth therein.

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Profits may, in the ways and forms permitted by law, be awarded to employees of the Company or Group companies via the issuance of shares, under Article 2349 of the Italian Civil Code.

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The shares shall be registered.

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An Extraordinary General Meeting held on 30 July 2001 amended the resolution taken at the Extraordinary General Meeting held on 28 October 2000 relating to the capital increase restricted to employees of the Mediobanca Banking Group via

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the creation of up to 13 million par value Euro 0.50 ordinary shares, whereby the maximum nominal amount thereof was increased to Euro 25,000,000 via the creation of up to 50,000,000 Euro 0.50 par value ordinary shares ranking for dividends pari passu with the Bank's existing shares, to be subscribed by Mediobanca Banking Group employees not later than 1 July 2015 on a restricted basis under Article 2441/8 of the Civil Code. Of these 50 million shares, a total of 37,819,250 new shares have to date been subscribed.

As a result of resolutions adopted at Extraordinary General Meetings held on 25 June 2004 and 28 October 2004, the Bank's share capital was increased by up to a further Euro 7.5m via the issue of up to 15 million par value Euro 0.50 ordinary shares, ranking for dividends pari passu and for subscription no later than 1 July 2020, pursuant to paragraphs 8 and 5 Article 2441 of the Italian Civil Code, to be set aside as follows:

- ◆ up to 11 million shares for employees of the Mediobanca Group;
- ◆ up to 4 million shares for Bank Directors, carrying out particular duties. Of these, a total of 2,500,000 new shares have still to be subscribed.

The Board of Directors is also authorized under Article 2443 of the Italian Civil Code, to increase the Bank's share capital by means of rights or bonus issues in one or more tranches by and no later than 27 June 2012, in a nominal amount of up to Euro 100m, including via warrants, through the issue of up to 200 million ordinary par value Euro 0.50 shares, to be offered in option or otherwise allotted to shareholders, and also to establish the issue price of such new shares from time to time, including the share premium, the date from which they shall rank for dividends, and whether or not any of the shares shall be used for exercising warrants, and is further authorized under Article 2420-ter of the Italian Civil Code to issue bonds convertible into ordinary shares and/or shares with warrants attached in one or more tranches by and no later than 27 June 2012, in a nominal amount of up to Euro 2bn to be offered in option to shareholders, establishing that exercise of such authorizations shall not, without prejudice to the foregoing, lead to the issue of a total number of

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shares in excess of 200 million.

Pursuant to the above authorization, at a meeting held on 18 September 2009, the Board of Directors adopted a resolution to (i) increase the Company's share capital free of charge by Euro 20,501,391.50 with effect from 28 September 2009, and (ii) increase the Company's share capital in one or more tranches by a nominal amount of up to Euro 57,418,261.50 via the issue by and no later than 31 March 2011 of up to 114,836,523 par value Euro 0.50 shares for use in connection with the exercise of 803,855,665 warrants assigned free of charge to shareholders entitled to receive them. Following exercises of such warrants a total of 70,764 new shares have been subscribed for.

The Board of Directors is also authorized under Article 2443 of the Italian Civil Code, to increase the Bank's share capital by means of rights issues in one or more tranches by and not later than 27 June 2012, in a nominal amount of up to Euro 40m including via warrants, through the issue of up to 80 million ordinary par value Euro 0.50 shares, to be set aside for subscription by Italian and non-Italian professional investors with option rights excluded under and pursuant to the provisions of Article 2441 paragraph 4 point 2 of the Italian Civil Code and in compliance with the procedure and conditions precedent set forth therein.

At an Extraordinary General Meeting held on 27 June 2007, shareholders approved a resolution to increase the company's share capital in an amount of up to Euro 20m through the issue of up to 40 million ordinary par value Euro 0.50 new shares, ranking for dividends pari passu, to be set aside for subscription by Mediobanca Group employees by and no later than 1 July 2022 pursuant to Article 2441, paragraph 8 of the Italian Civil Code.

The Board of Directors is authorized, under Article 2443 of the Italian Civil Code, to increase the Bank's share capital free of charge, as permitted by Article 2349 of the Italian Civil Code, in one or more tranches by and not later than 28 October 2015, in an amount of up to Euro 10m, through the issue of no more than 20 million ordinary par

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value Euro 0.50 shares, ranking for dividends pari passu, to be awarded to Mediobanca Group employees in execution of and in compliance with the terms of the performance share schemes approved by shareholders in general meeting.

The Board of Directors is also authorized under Article 2443 of the Italian Civil Code, to increase the Bank's share capital by means of rights or bonus issues in one or more tranches by and no later than 28 October 2016, in a nominal amount of up to Euro 100m, including via warrants, through the issue of up to 200 million ordinary par value Euro 0.50 shares, to be offered in option or otherwise allotted to shareholders, and also to establish the issue price of such new shares from time to time, including the share premium, the date from which they shall rank for dividends, and whether or not any of the shares shall be used for exercising warrants, and is further authorized under Article 2420-ter of the Italian Civil Code to issue bonds convertible into ordinary shares and/or shares *cum* warrants in one or more tranches by and no later than 28 October 2016, in a nominal amount of up to Euro 2bn to be offered in option to shareholders, establishing that exercise of such authorizations shall not, without prejudice to the foregoing, lead to the issue of a total number of shares in excess of 200 million.

- 5) to authorize the Chairman, the Managing Director and the General Manager in office at the time, jointly and severally, to make the necessary adjustments to the figures contained in Article 4 of the Articles of Association concerning the Bank's share capital as a result of subscription for shares thus issued;
- 6) to vest the Chairman, the Managing Director and the General Manager in office at the time, jointly and severally, with the widest powers to incorporate into this resolution any formal amendment, change or addendum that may be required or otherwise requested by the competent authorities.

Milan, 22 July 2011

The Board of Directors
