

FIRST TRANCHE OF MEDIOBANCA-UNICREDITO BOND LINKED TO ITALMOBILIARE BORROWING EXPIRED

Milan, 18 December 2001 – The first tranche of the bond issued by Mediobanca International in December 1998 and convertible into Unicredito shares expired today. A loan in favour of Italmobiliare was granted for approximately 226.13 million euros by Mediobanca in connection with the bond issue.

At maturity of bondholders' conversion rights, the Unicredito official common-share market price was lower than the conversion price (set at 5.20 euros). Consequently, bond conversions occurred for approximately 54,600 euros only.

As a result, Italmobiliare will repay to Mediobanca the related loan of approximately 226.07 million euros by drawing largely on available liquidity. At the same time, 42,805,597 Unicredito common shares (with a book value of 0.985 euro), originally made available by Italmobiliare to service the operation, will be released.

The fact that the bond expired largely unconverted does not affect the company's full-year earnings projections released on 13 November together with third-quarter performance.