

SUPPLEMENT DATED 15 NOVEMBER 2018 TO THE

BASE PROSPECTUS DATED 24 MAY 2018

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)

Issuance Programme

guaranteed in the case of Certificates and Warranties issued by Mediobanca International (Luxembourg) S.A.

by

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



*This supplement dated 15 November 2018 (the “**Supplement**”) to the base prospectus dated 24 May 2018 (the “**Base Prospectus**”) constitutes a supplement for the purposes of Article 16 of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and regulation 51 of the Prospectus Regulations 2005 of Ireland (the “**Irish Prospectus Regulations**”) and is prepared in connection with the Issuance Programme 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**”).*

Capitalised terms used in this Supplement and not otherwise defined herein, shall have the same meaning ascribed to them in the Base Prospectus.

This Supplement constitutes a supplement to the Base Prospectus, and shall be read in conjunction with the Base Prospectus.

This Supplement is for the purposes of: (i) updating the “Summary of the Programme” section “B.12” on pages 17-25 of the Base Prospectus; (ii) updating the risk factor “Risks in connection with the exposure of the Mediobanca Group to the Eurozone sovereign debt” set out in the section “Risk Factors” on page 129 of the Base Prospectus; (iii) updating the “Documents Incorporated by Reference” section on pages 219-221 of the Base Prospectus to incorporate by reference (a) the audited consolidated annual financial statements of Mediobanca as at and for the year ended on 30 June 2018; (b) the audited non-consolidated annual financial statements of Mediobanca International as at and for the year ended on 30 June 2018; (iv) updating the “Information on Mediobanca – Banca di Credito Finanziario S.p.A.” section and any other part of the Base Prospectus where such information is disclosed with the most recent information; (v) updating the “Financial Information on Mediobanca – Banca di Credito Finanziario S.p.A.” section on page 865 of the Base Prospectus; (vi) updating the “Information on Mediobanca International (Luxembourg) S.A.” section and any other part of the Base Prospectus where such information is disclosed with the most recent information; and (vii) updating the “General Information” section on pages 1031-1034 of the Base Prospectus. The audited consolidated annual

financial statements of Mediobanca as at and for the year ended on 30 June 2018 have been approved at the Board of Directors' meeting of Mediobanca held on 20 September 2018. The financial statements for the year will be adopted by shareholders of Mediobanca at a general meeting scheduled on 28 October 2018.

Each of the Issuers and, with respect to Securities issued by Mediobanca International, also the Guarantor, 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.

Investors who have already agreed to purchase or subscribe for the securities before this Supplement is published have the right, exercisable within a time limit of minimum two working days after the publication of this Supplement, to withdraw their acceptances. Accordingly, the final date for exercising the withdrawal right is 22 November 2018.

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**" or "**CBI**"), as the competent authority under the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and European law pursuant to the Prospectus Directive.

Copies of this Supplement will be available, without charge, at the principal office of the Paying Agent in Luxembourg and on the Euronext Dublin 's website (www.ise.ie), on the Mediobanca's website (www.mediobanca.com) and on the Mediobanca International's website (www.mediobancaint.lu).

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

The language of this Supplement is English. Any foreign language text that is included with or within this Supplement has been included for convenience purposes only and does not form part of this Supplement.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

“SUMMARY OF THE PROGRAMME”

The following paragraph “B.12 Selected historical key information/material adverse change/significant changes”, shall replace the paragraphs “B.12 Selected historical key information/material adverse change/significant changes” set out in the section Summary on pages 17-25 of the Base Prospectus:

B.12	Selected historical key information/no material adverse change/significant changes	<p>Mediobanca</p> <p>The audited consolidated balance sheet and profit and loss account of Mediobanca as at 30 June 2018 are shown below, along with comparative data for the year ended 30 June 2017, plus a series of key financial indicators.</p>								
		<p>Regulatory capital and solvency margins</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Indicators and own funds</th> <th style="text-align: center;">30/6/18</th> <th style="text-align: center;">30/6/17</th> <th style="text-align: right;">Minimum levels set by law**</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;">(€m) or %</td> <td></td> </tr> </tbody> </table>	Indicators and own funds	30/6/18	30/6/17	Minimum levels set by law**		(€m) or %		
Indicators and own funds	30/6/18	30/6/17	Minimum levels set by law**							
	(€m) or %									

		Common Equity Tier 1 – CET1	6,746.6	7,017.3	
		Additional Tier 1 – AT1	-	-	
		Tier 2 – T2.....	1,828.7	1,861.7	
		Own funds	8,575.3	8,879	
		RWAs*	47,362.7	52,708.2	
		Common Equity Tier 1 ratio – CET1			
		ratio.....	14.24%	13.31%	7%
		Tier 1 ratio – T1 ratio	14.24%	13.31%	8.5%
		Total capital ratio.....	18.11%	16.85%	10.5%
		Risk-weighted assets/Total assets	65.5%	74.8%	
		Leverage Ratio (temporary)***	8.8%	9.5%	
		<p>* Risk-weighted assets (RWAs) have been calculated using the standardised methodology for credit and market risks and the base methodology for operational risks.</p> <p>** Limits include the capital conservation buffer (2.5%) for the minimum levels set by regulations.</p> <p>*** The “leverage ratio” is the Group’s regulatory and tier 1 capital as a percentage of its total exposure (i.e. the sum of its assets and off-balance-sheet exposures. This indicator was introduced by the Basel Committee to keep down debt and contain excessive use of financial leverage in the banking sector.</p>			

CREDIT INDICATORS*	RISK	Banking system data as			Banking system data as at
		30/6/17	at 31/12/16**	30/6/18	31/12/17**
(%)					
Gross NPLs/gross loans		1.7%	10.9%	1.9%	9.1%
Net NPLs/net loans.....		0.8%	4.4%	1.0%	3.4%
Gross irregular items/gross loans.....		5.5%	17.6%	5.2%	14.5%
Net irregular items/ net loans.....		2.8%	9.4%	2.7%	7.3%
NPL coverage ratio.....		70.2%	63.1%	73.3%	65.3%
Irregular items coverage ratio.....		51.3%	51.7%	32.2%	53.8%
Net NPLs/net equity ...		3.5%	4.4%	4.9%	3.4%
Cost of risk***		0.9%	-	0.6%	-
<p>* Data taken from information shown in Part B and Part E of the notes to the accounts and refer to the entire prudential consolidation area.</p> <p>** Data taken from reports of financial stability no. 1 of April 2018, table 2.1, page. 26 and reports of financial stability no. 1 of April 2017, table 2.1, page 21 and refer to figures for significant banks.</p> <p>*** The cost of risk is obtained from the ratio between total net loan loss provisions for the period and average net customer loans</p>					
COMPOSITION OF THE IMPAIRED LOANS*		30/6/18	30/6/17		
		€m			
Bad Loans		423.30	291.60		

Unlikely to pay	644.56	727.69
Past due NPLs (<i>non performing loans</i>)	62.14	56.03
TOTAL NPLs (<i>non performing loans</i>)	1,130	1,075.32

* Data refer to the entire statutory area of consolidation used to prepare the Review of Operations. For purposes of completeness, please note that the same indicators calculated for the prudential consolidation area are shown in Part E “Credit risk: credit quality” of the Notes to the Accounts.

MAIN CONSOLIDATED BALANCE SHEET ITEMS	30/6/18	30/6/17	CHANGES 2018/2017 %
	€m	€m	
Assets			
Due from banks	7,553.0	7,959.9	-5.11%
Due from clients	40,977.9	38,763.1	5.71%
Financial assets*	16,748.3	17,089.1	-1.99%
Total Assets	72,300.5	70,445.6	2.63%
Liabilities			
Debt securities in issue	20,608.5	20,108.7	2.49%
Financial liabilities**	18,958.9	18,951.3	0.04%
Direct funding (from customers)***	21,320.0	20,366.0	4.68%
Net interbank position****	4,710.5	4,729.7	-0.41%
Net equity	9,732.2	9,191.7	5.88%
of which: share capital	459.9	457.2	0.59%

* Includes financial assets held for trading, AFS securities, financial assets held to maturity and the hedge derivatives.

** Includes amounts due to banks, trading liabilities and hedge derivatives.

*** Includes amounts due to clients and financial liabilities recognised at fair value.

**** Net balance between amounts due to banks and assets due from banks.

MAIN CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS	30/6/18	30/6/17	CHANGES 2018/2017
	€m	€m	(%)
Net interest income	1,366.0	1,277.5	6.93%
Net fee and commission income	456.3	377.9	20.75%
Total income	2,053.3	1,943.3	5.66%
Net profit from financial and insurance operations	1.890.0	1,687.5	12%
Operating costs	- 1,074.9	-1,035.7	3.78%
Profit before Tax	1,095.8	914.0	19.89%
Net Profit	863.9	750.2	15.16%

[Mediobanca International

The audited balance sheet and profit and loss of Mediobanca International as at and for the year ended on 30 June 2018 are shown below, along with comparative data as at and for the year ended 30 June 2017.]

MAIN STATEMENT OF FINANCIAL POSITION ITEMS	30/6/18	30/6/17	CHANGES 2018/2017 %
	€m	€m	
Assets			
Loan and advances to credit institutions	2,774.9	1,290.1	115.1%
Loan and advances to customers	4,090.4	3,299.9	24.0%
Financial assets*	34.1	582.7	-94.1%
Total Assets	7,014.3	5,191.7	35.1%
Liabilities			
Debt securities in issue	3,625.7	1,317.4	175.2%
Amounts due to credit institutions	2,180.3	2,248.9	-3.1%
Amounts due to customers	792.7	962.5	-17.6%
Trading liabilities	19.1	319.2	-94.0%
Net equity**	328.6	307.8	6.8%
of which: share capital	10.0	10.0	0.0%
Profit/Loss of the period	12.4	20.8	-40.4%
Total liabilities	7,014.3	5,191.7	35.1%

* Includes financial assets held for trading, financial assets held to maturity and hedging derivatives.

** Includes reserves and share capital.

MAIN STATEMENT OF COMPREHENSIVE INCOME ITEMS	30/6/18	30/6/17	CHANGES 2018/2017 %
	€m	€m	
Net interest income	23.3	38.6	-39.6%
Net fee and commission income	5.2	1.0	420.0%
Total income	25.8	36.2	-28.7%
Net profit from banking activities	25.7	37.0	-30.5%
Administrative expenses	-9.1	-8.5	7.1%
Profit of the ordinary activity before tax	16.8	28.5	-41.1%
Profit for the year	12.4	20.8	-40.4%

CASH FLOW FROM OPERATING ACTIVITIES	Year ended 30 June	
	2018	2017
	<i>(Euro thousands)</i>	
Operating activities	159,546	81,740
Cash generated/(absorbed) by financial assets	-2,675,616	580,864

		Cash (generated)/absorbed by financial liabilities	2,477,840	-663,951
		Net cash flow (outflow) from operating activities	-38,230	-1,347
		CASH FLOW FROM INVESTMENT ACTIVITIES		
		Net cash flow (outflow) from investment activities	50,000	-
		FUNDING ACTIVITIES		
		Net cash flow (outflow) from funding activities	-	-
		NET CASH FLOW (OUTFLOW) DURING YEAR/PERIOD	11,770	-1,347
		Mediobanca		
		<i>Material adverse change</i>		
		Since 30 June 2018 with respect to Mediobanca there have been no material adverse changes to the prospects of either Mediobanca or the Group headed up by it.		
		<i>Significant changes</i>		
		There have been no significant changes to the financial or trading position of Mediobanca or the other companies forming part of the Group since the most recent financial information available, which was disclosed in the consolidated annual financial statements for the year ended on 30 June 2018.		
		[Mediobanca International		
		<i>Material adverse change</i>		
		Since 30 June 2018 with respect to Mediobanca International there have been no material adverse changes to the prospects of Mediobanca International.		
		<i>Significant changes</i>		
		There have been no significant changes to the financial or trading position of Mediobanca International since the most recent financial information available, which was disclosed in the non-consolidated annual financial statements for the year ended on 30 June 2018.]		

“RISK FACTORS”

The following risk factor “*Risks in connection with the exposure of the Group to Eurozone sovereign debt*” shall replace the risk factor “*Risks in connection with the exposure of the Group to Eurozone sovereign debt*” set out in the section “*Risk Factors*” on page 129 of the Base Prospectus:

“*Risks in connection with the exposure of the Group to Eurozone sovereign debt*”

In carrying out its activities, the Group holds substantial volumes of public-sector bonds, including bonds issued by European countries. The Group’s total exposure in this respect as at 30 June 2018 is set out in the tables A.1.2.a and A.1.2.b of Part E of the audited consolidated annual financial statements of Mediobanca as at and for the year ended 30 June 2018 incorporated by reference into this Base Prospectus. This could give rise to operational disruptions to the Group’s business.

Furthermore, Mediobanca is affected by disruptions and volatility in the global financial markets. In particular, Mediobanca’s credit ratings are potentially exposed to the risk of reductions in the sovereign credit rating of Italy. On the basis of the methodologies used by rating agencies, further downgrades of Italy’s credit rating may have a potential knock-on effect on the credit rating of Italian issuers such as Mediobanca.

Thus, any negative developments in the Group’s sovereign exposure could adversely affect its results of operations, business and financial condition.”

“DOCUMENTS INCORPORATED BY REFERENCE”

The list of documents at page 219 of the Base Prospectus shall be amended by replacing the first four entries as follows:

- “the audited consolidated annual financial statements as at and for the years ended 30 June 2018 and 2017 of Mediobanca;
- the audited non-consolidated annual financial statements as at and for the years ended 30 June 2018 and 2017 of Mediobanca International”

The cross-reference list in respect of the Mediobanca and Mediobanca International financial statements at pages 220-221 shall be replaced in its entirety as follows:

Cross-reference list in respect of the Mediobanca and Mediobanca International financial statements

Mediobanca - Consolidated annual financial statements	2018	2017
Commission Regulation (EC) No. 809/2004, Annex XI, Paragraph 11.1		
Balance sheet	Pages 78-79	Pages 76-77
Statement of income	Pages 80-81	Pages 78-79
Statement of changes in equity	Pages 82-83	Pages 80-81
Cashflow statement	Pages 84-85	Pages 82-83
Accounting policies and explanatory notes	Pages 87-292	Pages 85-277
Auditors' reports	Pages 66-75	Pages 65-75

Mediobanca International - Non-Consolidated annual financial statements

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

2018

2017

Paragraph 11.1

Statement of financial position	Page 34	Page 32
Statement of comprehensive income	Page 35	Page 33
Cash flow statement	Page 38	Page 36
Statement of changes in equity	Pages 36-37	Pages 34-35
Accounting policies and explanatory notes	Pages 40-173	Pages 37-152
Auditors' reports	Pages 26-31	Pages 23-29

“INFORMATION ON MEDIOBANCA – BANCA DI CREDITO FINANZIARIO S.P.A.” SECTION

The first five paragraphs under sub-section headed “History and development of Mediobanca – Important events in Mediobanca’s recent history” under section headed “Information on Mediobanca – Banca di Credito Finanziario S.p.A.” on page 843 of the Base Prospectus shall be replaced in its entirety as follows:

“Important events in Mediobanca’s recent history

Since 30 June 2018 there have been no negative changes either to the financial position or prospects of either Mediobanca or the Group headed up by it.

Neither Mediobanca nor any company in the Group have carried out transactions that have materially affected or that might be reasonably expected to materially affect, Mediobanca’s ability to meet its obligations towards third parties.

As at 5 September 2018, Fitch rated Mediobanca F2 (short-term debt), BBB (long-term debt) and negative (outlook) – see www.mediobanca.com/en/investor-relations/financing-rating/rating.html.

As at 30 October 2018 S&P rated Mediobanca A-2 (short-term debt), BBB (long-term debt) and negative (outlook) – see www.mediobanca.com/en/investor-relations/financing-rating/rating.html.

As at 22 March 2018 Moody’s rated Mediobanca Baa1 (long-term debt) and stable (outlook) – see www.mediobanca.com/en/investor-relations/financing-rating/rating.html.”

The sub-section headed “*Consolidated financial information as at 30/06/17*” under section headed “Information on Mediobanca – Banca di Credito Finanziario S.p.A.” on page 849 of the Base Prospectus shall be replaced in its entirety as follows:

“Consolidated financial information as at 30/06/18*

Profit and loss account (€m)	Corporate & Investment Banking	Consumer	Wealth Management	Principal investing	Holding Functions	Total
Net interest income	266.1	868.8	255.2	(7.2)	(37.5)	1,359.4
Total income	631.0	996.2	526.0	295.0	(8.9)	2,419.3
Profit before tax	392.1	463.2	94.2	384.7	(239.0)	1,095.8

Net profit	264.5	315.3	69.2	373.8	(158.9)	863.9
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* *Source: Mediobanca audited consolidated annual financial statement as at and for the year ended on 30 June 2018*

The sub-section headed “*Auditors of the Financial Statements*” under section headed “Information on Mediobanca – Banca di Credito Finanziario S.p.A.” on page 862 of the Base Prospectus shall be replaced in its entirety as follows:

“Auditors of the Financial Statements

External auditors and auditors responsible for auditing the financial statements

At an annual general meeting held on 27 October 2012, the shareholders of Mediobanca appointed PricewaterhouseCoopers S.p.A. to audit the Bank’s separate and consolidated full-year and interim financial statements up to and including the financial year ending 30 June 2021.

PricewaterhouseCoopers S.p.A. a company with its registered offices in via Monte Rosa 91, Milan, Italy, has audited the separate and consolidated financial statements of Mediobanca as at 30 June 2018 and 2017. PricewaterhouseCoopers S.p.A is registered under No. 119644 in the Register of Accounting Auditors (*Registro dei Revisori Legali*) maintained by MEF (*Ministero dell’Economia e delle Finanze*) in compliance with the provisions of Legislative Decree No. 39 of 27 January 2010 (the “**Decree 39/2010**”).

External supervisory bodies other than the external auditors

There are no external supervisory bodies other than the external auditors.

Information regarding resignations, dismissals or failures to renew the appointment of the external auditors or the auditors responsible for auditing the financial statements

No resignations, dismissals or failures to renew the appointment of the external auditors have occurred during the period under review.”

The sub-section headed “*Significant changes in the Issuer’s financial position*” under section headed “Information on Mediobanca – Banca di Credito Finanziario S.p.A.” on page 864 of the Base Prospectus shall be replaced in its entirety as follows:

“Significant changes in the Issuer’s financial position

There have been no significant changes to financial or commercial position of Mediobanca, Mediobanca International or the other companies forming part of the Group since the most recent financial information available was disclosed in the unaudited consolidated or non-consolidated, as the case may be, financial statements as at and for the years ended 30 June 2018.”

“FINANCIAL INFORMATION ON MEDIOBANCA – BANCA DI CREDITO FINANZIARIO S.P.A.” SECTION

The following section “Financial Information on Mediobanca – Banca di Credito Finanziario S.p.A.” shall replace the section “Financial Information on Mediobanca – Banca di Credito Finanziario S.p.A.” on page 865 of the Base Prospectus:

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 2018 and 2017 were prepared in accordance with IFRS as adopted by the European Union.

All of the above consolidated financial statements, prepared in each case together with the notes thereto, are incorporated by reference in this Base Prospectus. See "*Documents Incorporated by Reference*".

The annual consolidated financial statements as at 30 June 2018 and 2017 have been audited by PricewaterhouseCoopers S.p.A., whose reports thereon are attached to such annual financial statements.

“INFORMATION ON MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.” SECTION

The items headed “Reserves” and “Approved independent auditors” under sub-paragraph “General Information” under section “Information on Mediobanca International (Luxembourg) S.A.” on pages 866 and 868 of the Base Prospectus shall be replaced in their entirety as follows:

“**Reserves:** EUR 318,552,612 as at 30 June 2018.”

“**Approved independent auditors:** PricewaterhouseCoopers, *Société coopérative*, incorporated under the laws of Luxembourg, with its registered office at 2, rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B65477 (“**PwC Luxembourg**”), was designated, during a meeting of the Board of Directors held on 11 September 2012, as Mediobanca International’s independent auditor (*réviseur d’entreprises agréé*). Its mandate was renewed by the Board of Directors on 14 December 2016 for a period ending at the shareholders’ annual general meeting which will be held in 2021.

PwC Luxembourg, has audited the non-consolidated financial statements of Mediobanca International as at and for the years ended 30 June 2018 and 30 June 2017 and will audit the non-consolidated financial statements of Mediobanca International as at and for the year ending 30 June 2019.

PwC Luxembourg is a *cabinet de révision* and is a member of the Institute of Independent Auditors (*l’Institut des Réviseurs d’Entreprises*) and is approved by the *Commission de Surveillance du Secteur Financier* (“**CSSF**”) in the context of the law dated 23 July 2016 on the audit profession.”

The sub-paragraph “Main Financial information of Mediobanca International” under section “Information on Mediobanca International (Luxembourg) S.A.” on pages 869-870 of the Base Prospectus shall be replaced in its entirety as follows:

Main financial information of Mediobanca International

Selected annual financial information. The summary audited balance sheet, profit and loss account and cash flow statement of Mediobanca International as at 30 June 2018 are shown below, along with comparative data for the year ended 30 June 2017.

MAIN CONSOLIDATED BALANCE	30/6/18	30/6/17	CHANGES
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SHEET ITEMS			2018/2017
	€m	€m	%
Assets			
	2,774.9	1,290.1	115.1%
Loans and advances to credit institutions	4,090.4	3,299.9	24.0%
Loans and advances to customers	34.1	582.7	-94.1%
Financial assets*	7,014.3	5,191.7	35.1%
Total Assets			
Liabilities	3,625.7	1,317.4	175.2%
Debt securities in issue	2,180.3	2,248.9	-3.1%
Financial liabilities**	792.7	962.5	-17.6%
Amounts due to customers	19.1	319.2	-94.0%
Net equity	328.6	307.8	6.8%
of which: share capital	10.0	10.0	0.0%
Profit for the period	12.4	20.8	-40.4%
Total Liabilities	7,014.3	5,191.7	35.1%

* Includes Financial Assets held for trading, Financial Assets held to maturity and Hedging derivatives.

** Includes reserves and share capital.

MAIN CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS	30/6/18	30/6/17	CHANGES 2018/2017 %
	€m	€m	
Net interest income	23.3	38.6	-39.6%
Net fee and commission income	5.2	1.0	420.0%
Total income	25.8	36.2	-28.7%
Net income from banking activities	25.7	37.0	-30.5%
Administrative expenses	-9.1	-8.5	7.1%
Profit before Tax	16.8	28.5	-41.1%
Profit for the year	12.4	20.8	-40.4%

CASH FLOW STATEMENT	Year ended 30 June	
	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES	<i>(€ thousands)</i>	
Operating activities	159,546	81,740
Cash generated/(absorbed) by financial assets	-2,675,616	580,864
Cash (generated)/absorbed by financial liabilities	2,477,840	-663,951
Net cash flow (outflow) from operating activities	-38,230	-1,347
CASH FLOW FROM INVESTMENT ACTIVITIES		
Net cash flow (outflow) from investment activities	50,000	-
FUNDING ACTIVITIES		
Net cash flow (outflow) from funding activities	-	-
NET CASH FLOW (OUTFLOW) DURING YEAR/PERIOD	11,770	-1,347

“GENERAL INFORMATION”

The following section “General Information” shall replace the section “General Information” on pages 1031-1034 of the Base Prospectus:

“GENERAL INFORMATION

(1) Listing and Admission to Trading

The Central Bank of Ireland has approved this Base Prospectus as a base prospectus. Application has also been made to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for Securities issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of the Euronext Dublin Euronext Dublin's regulated market is a regulated market for the purposes of the Directive 2014/65/EU as amended.

However, Securities may be issued pursuant to the Programme which will not be listed or admitted to trading on Euronext Dublin or any other stock exchange or trading venue or which will be listed or admitted to trading on such stock exchange or market or multilateral trading facility as the Issuers and the relevant Dealer(s) may agree.

The Central Bank of Ireland 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 section of this Base Prospectus headed “*Summary of the Programme*”.

(2) Each Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in Ireland and the Republic of Italy in connection with the establishment and update of the Programme and the issue and performance of the Securities and the guarantee relating to them. The update of the Programme, including the giving of the Guarantee, was authorised by a resolution adopted by the Executive Committee of Mediobanca passed on 23 November 2017 and the decision (*determina*) assumed by the General Manager (*Direttore Generale*) of Mediobanca on 16 January 2018, and a circular resolution of the Board of Directors of Mediobanca International passed on 18 December 2017.

(3) The price and amount of Securities 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 at page 862 (*Legal and arbitration proceedings*), Mediobanca International (where Mediobanca International is the relevant Issuer) is not and none of Mediobanca and its consolidated subsidiaries (where Mediobanca is the relevant 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 Mediobanca 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) 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 Securityholders.
- (6) In the case of Mediobanca since 30 June 2018 (being the last day of the financial period in respect of which the most recent audited annual financial statements of Mediobanca have been prepared) there has been no material adverse change in the prospects of Mediobanca or its subsidiaries.
- (7) In the case of Mediobanca International since 30 June 2018 (being the last day of the financial period in respect of which the most recent and available audited financial statements of Mediobanca International have been prepared) there has been no material adverse change in the prospects of Mediobanca International.
- (8) There have been no significant changes to the financial or trading position of Mediobanca or the other companies forming part of the Group since the most recent financial information available was disclosed in the financial statements as at 30 June 2018.
- (9) There have been no significant changes to the financial or trading position of Mediobanca International since the most recent financial information available was disclosed in the non-consolidated financial statements as at 30 June 2018.
- (10) For so long as the Programme remains in effect or any Securities remain outstanding, the following documents will be available in electronic form (unless the investor requests physical copies), and in the case of paragraphs (vii), (viii), (ix), (x), (xi) and (xii) 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 the Paying Agent:
 - (i) the Issue and Paying Agency Agreement;
 - (ii) the Deeds of Covenant;
 - (iii) the Deed of Guarantee;
 - (iv) 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 Securities in global and definitive form);
 - (v) the By-laws (Statuto) of Mediobanca and articles of incorporation of Mediobanca International;
 - (vi) the Mediobanca Registration Document;
 - (vii) the published annual financial statements of Mediobanca International as at and for the years ended 30 June 2018 and 2017;
 - (viii) the consolidated annual financial statements of Mediobanca as at and for the years ended 30 June 2018 and 2017;

- (ix) the unaudited consolidated interim financial report for the six months ended 31 December 2017 of Mediobanca;
 - (x) the unaudited non-consolidated interim financial report for the six months ended 31 December 2017 of Mediobanca International;
 - (xi) Final Terms for Securities which are listed on Euronext Dublin or any other stock exchange or market;
 - (xii) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus.
- (11) Physical copies of the latest annual consolidated financial statements of Mediobanca and annual financial statements of Mediobanca International may be obtained upon request at the specified office of the Paying Agent during normal business hours, so long as any of the Securities is outstanding.
- (12) The Issuers do not intend to provide any post-issuance information in relation to any assets underlying issues of Securities constituting derivative securities, except if required by any applicable laws and regulations.
- (13) The Securities 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 Securities allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Securities are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.
- (14) 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. The address of Monte Titoli S.p.A. is Piazza degli Affari 6, 20123 Milan, Italy.

(15) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, Mediobanca and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of Mediobanca or Mediobanca's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with Mediobanca routinely hedge their credit exposure to Mediobanca consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Securities issued under the Programme. Any such short positions could adversely affect future trading prices of Securities issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph the term "affiliates" includes also parent companies.

(16) With respect to Article 3 (2) of the Prospectus Directive the Issuers consent, to the extent and under the conditions, if any, indicated in the Final Terms, to the use of the Base Prospectus as long as the Base Prospectus is valid in accordance with Article 9 of the Prospectus Directive and accepts responsibility for the content of the Base Prospectus also with respect to subsequent resale or final placement of the Securities by any Dealer and/or financial intermediary which was given consent to use the prospectus.

Such consent may be given to all (general consent) or only one or more (individual consent) specified Dealers and/or financial intermediaries and/or for a limited or indefinite period, as stated in the Final Terms, and for Italy, Ireland and/or Luxembourg (as indicated in the relevant Final Terms) as member states in which the Base Prospectus has been passported and which will be indicated in the relevant Final Terms.

Such consent by the Issuers is subject to each Dealer and/or financial intermediary complying with the terms and conditions described in this Base Prospectus and the relevant Final Terms as well as any applicable selling restrictions. The distribution of this Base Prospectus, any supplement to this Base Prospectus, if any, and the relevant Final Terms as well as the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law.

Each Dealer and/or each financial intermediary, if any, and/or each person into whose possession this Base Prospectus, any supplement to this Base Prospectus, if any, and the relevant Final Terms come are required to inform themselves about and observe any such restrictions. The Issuers reserve the right to withdraw its consent to the use of this Base Prospectus in relation to certain Dealers and/or each financial intermediary.

In case of an offer being made by a Dealer or a financial intermediary, such Dealer or financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

If the Final Terms state that the consent to use the Base Prospectus is given to all Dealers or financial intermediaries (general consent), any Dealer or financial intermediary using the Base Prospectus is required to state on its website that it uses the Base Prospectus in accordance with the consent and the conditions attached thereto.

If the Final Terms state that the consent to use the prospectus is given to one or more specified Dealers or financial intermediaries (individual consent), any new information with respect to Dealers or financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms will be published on the website www.mediobanca.com.