



MEDIOBANCA INTERNATIONAL
(LUXEMBOURG) S.A.
A wholly-owned subsidiary of Mediobanca Group

TO: **the Holders of the Notes**
and
TO: **BNP Paribas Securities Services, Luxembourg branch**
60, Avenue J.F. Kennedy
L-1855 Luxembourg

ISSUER CREDIT EVENT NOTICE

Mediobanca International (Luxembourg) S.A.

Issue of Euro 3,500,000 iTraxx Europe Cross-Over Credit-Linked Notes due December 2017 Guaranteed by Mediobanca – Banca di Credito Finanziario S.p.A. under the Euro 40,000,000,000 Issuance Programme Series 161 (ISIN XS0862613089) (the “Notes”).

Reference is made to the issuance of the Notes in caption which is governed by the Final Terms dated 10 December 2012 (the “**Final Terms**”) and by the terms and conditions set forth in the Base Prospectus dated 30 November 2011 as supplemented from time to time (the “**Base Prospectus**”).

In this notice capitalised terms not otherwise defined herein shall bear the same meaning ascribed to them in the Final Terms or the Base Prospectus (as the case may be).

On 21 July 2016 Mediobanca International (Luxembourg) S.A., as Notifying Party, has sent a Credit Event Notice and Notice of Publicly Available Information to Mediobanca – Banca di Credito Finanziario S.p.A., as Calculation Agent, to inform it that, following the occurrence of the Credit Event Resolution Request Date on 21 June 2016, on 1 July 2016 ISDA announced that the Credit Derivatives Determinations Committees has resolved that on 20 June 2016 a Bankruptcy Credit Event has occurred with respect to Portugal Telecom International Finance B.V. (“**Portugal Telecom**”) which is one of the Reference Entities comprised in the Reference Portfolio of iTraxx Europe Series 18 set forth in Annex A to the Final Terms.

The occurrence of the Bankruptcy Credit Event has been confirmed, and more details are available, on the websites of ISDA (<http://dc.isda.org/cds/portugal-telecom-international-finance-b-v/>) and Portugal Telecom (http://ir.oi.com.br/oi2012/web/conteudo_en.asp?idioma=1&tipo=43097&conta=44&id=226698).



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In light of the foregoing, we inform You that a Credit Event Determination Date has occurred on the Credit Event Resolution Request Date above specified in respect of Portugal Telecom which is the Third Reference Entity in respect of which a Credit Event has occurred. Consequently:

- (i) pursuant to paragraph 17(i) of the Final Terms, the Rate of Interest in force as of the date of this notice shall, with effect from (and including) the Credit Event Determination Date, cease to apply and shall be replaced by the New Rate of Interest shown in Annex 1 hereto which has been determined by the Calculation Agent; and
- (ii) pursuant to paragraphs 25 and 38(ii) of the Final Terms, the Notes shall, with effect from (and including) the Credit Event Determination Date but only for the purposes of determining the Final Redemption Amount payable at maturity, be redeemed by the Applicable Redemption Proportion set out in Annex 2 which has been determined by the Calculation Agent.

This notice constitutes an Issuer Credit Event Notice and is served on You according to CLN Term 3 (Notices).

Luxembourg, 21 July 2016

Mediobanca International (Luxembourg) S.A.

Stefano Biondi
Chief Executive Officer

Edoardo REITANO
Chief Financial Officer



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Annex 1

New Rate of Interest

The New Rate of Interest is 6.16875 per cent. per annum. Such rate has been calculated according to the formula set forth in paragraph 17(i) of the Final Terms



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Annex 2

Final Redemption Amount

Each Note shall be redeemed by the Applicable Redemption Proportion being equal to 2,08333 per cent.. Such rate has been calculated according to the formula set forth in paragraph 38(ii) of the Final Terms. Consequently provided that no further Credit Event occurs in respect of any other Relevant Defaulted Reference Entity, the Final Redemption Amount payable at maturity shall be equal to EUR 97,916.67 per Note.