

PRESS RELEASE

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UniCredit: tender offer on bank capital security

UniCredit S.p.A (the "**Bank**") announces an invitation to eligible holders of the securities of each series described below (the "**Securities**") to submit offers ("**Offers**") to sell their Securities to the Bank for cash (each an "**Invitation**" and together the "**Invitations**").

Description of the Securities	Issued Principal Amount ¹	Principal amount outstanding	ISIN / Common Code	Purchase Price	Order of Priority	Maximum Acceptance Amount
Non-cumulative Step-Up Fixed/Floating Rate Subordinated Notes issued by UniCredit S.p.A. (the " UC T1 Notes ")	€500,000,000	€327,450,000	XS0527624059/ 052762405	109.50 per cent.	1	Up to €700,000,000 (or the FX Equivalent), of which (i) up to €325,000,000 (or the FX Equivalent) allocated between the Tier 1 Notes of each series in accordance with the Order of Priority applicable to the Tier 1 Notes and (ii) up to €375,000,000 allocated to the Tier 2 Notes.
Non-cumulative Step-Up Fixed/Floating Rate Subordinated Guaranteed Notes issued by UniCredit International Bank (Luxembourg) S.A. (the " UC ")	€750,000,000	€567,513,000	XS0470937243/ 047093724	112.50 per cent.	2	

¹ To the best of its knowledge, as at 17 May 2016, the Bank and its subsidiaries directly or indirectly beneficially owned approximately:

€172,550,000 in nominal amount of UC T1 Notes;

€182,487,000 in nominal amount of UC Lux T1 Euro Notes;

£208,193,000 in nominal amount of UC Lux T1 Sterling Notes; and

€1,100,000 in nominal amount of Tier 2 Notes.

Lux T1 Euro Notes")						
Non-cumulative Step-Up Fixed/Floating Rate Subordinated Guaranteed Notes issued by UniCredit International Bank (Luxembourg) S.A. (the "UC Lux T1 Sterling Notes" and, together with the UC T1 Notes and the UC Lux T1 Euro Notes, the "Tier 1 Notes")	£350,000,000	£141,807,000	XS0372556299/ 037255629	106.125 per cent.	3	
6.125 per cent. Fixed Rate Lower Tier II Subordinated Notes due 2021 issued by UniCredit S.p.A. under its €60,000,000,000 Euro Medium Term Note Programme. (the "Tier 2 Notes")	€750,000,000	€750,000,000	XS0618847775/ 061884777	114.75 per cent.	Not applicable	

The price to be paid for the Securities tendered and accepted for purchase by the Bank pursuant to the Invitation (such amount, in respect of each series of Securities, its respective "**Purchase Price**") is set out in the above table.

In addition to the relevant Purchase Price, holders whose Securities are tendered and accepted for purchase by the Bank will receive a cash payment representing the amount

of unpaid but accrued interest on such Securities, from and including the immediately preceding interest payment date up to, but not including, the Settlement Date (such amount, in respect of each series of Securities, its respective “**Accrued Amount**”).

The purpose of the Invitations is to support the UniCredit Group in efficiently managing the regulatory amortization profile of UniCredit Group capital instruments. Grandfathered old style Additional tier 1 instruments such as the Tier 1 Notes are being phased out in accordance with applicable regulation, while the targeted Tier 2 Notes have started to lose regulatory efficiency. At the same time the related profit generation will contribute to an increase in CET1 and interest expenditure will be reduced in future years in respect of purchased Securities.

The Invitations also provide investors with an opportunity to realise their investments at a premium to secondary market prices, and provide liquidity to the market with respect to the Securities.

In relation to any Securities it purchases, the Bank reserves the right to hold, re-issue, resell or surrender such Securities for cancellation, subject to the terms and the conditions of the respective Security.

Offers can only be submitted in a minimum principal amount of €50,000 in respect of the UC T1 Notes and the UC Lux T1 Euro Notes or £50,000 in respect of the UC Lux T1 Sterling Notes or €100,000 in respect of the Tier 2 Notes (in respect of each series of Securities and, in each case, integral multiples of €1,000 or £1,000 (as the case may be) thereafter.

The Bank may elect to purchase the Securities in a maximum aggregate principal amount of €700,000,000 or the FX Equivalent, as applicable, (the “**Maximum Acceptance Amount**”), of which:

- (i) up to €325,000,000 or the FX Equivalent, as applicable, will be allocated between the Tier 1 Notes of each series in accordance with the order of priority applicable to the Tier 1 Notes (the “**Order of Priority**”) specified in the above table (the “**Tier 1 Maximum Acceptance Amount**”); and
- (ii) up to €375,000,000 will be allocated by the Bank to the Tier 2 Notes (the “**Tier 2 Maximum Acceptance Amount**”),

although the Bank reserves the right, in its sole discretion and for any reason (subject, if relevant, to regulatory approval), to change the Maximum Acceptance Amount, the Tier 1 Maximum Acceptance Amount and/or the Tier 2 Maximum Acceptance Amount or to accept less than or (subject, if relevant, to regulatory approval) more than the Maximum Acceptance Amount, the Tier 1 Maximum Acceptance Amount and/or the Tier 2 Maximum Acceptance Amount for purchase pursuant to the Offers.

FX Equivalent means, in respect of any amount in Sterling, the Euro equivalent of such amount, determined by converting such amount into Euro using the FX Rate applicable as at the Expiration Deadline or other specified date.

The Bank will determine the allocation of the principal amount accepted for purchase pursuant to the Offers between each series of Securities (the final aggregate principal amount of a series of Securities accepted for purchase being referred to as the “**Series Acceptance Amount**” in respect of such series) in its sole discretion, provided that the Bank will set each Series Acceptance Amount at a level which will ensure that (i) the aggregate principal amount of Securities that the Bank will accept for purchase shall not exceed the Maximum Acceptance Amount, and (ii) the aggregate principal amount of the Tier 1 Notes that the Bank will accept for purchase in accordance with the Order of Priority shall not exceed the Tier 1 Maximum Acceptance Amount, and (iii) the aggregate principal amount of the Tier 2 Notes that the Bank will accept for purchase shall not exceed the Tier 2 Maximum Acceptance Amount, although the Bank reserves the right, in its sole discretion and for any reason (subject, if relevant, to regulatory approval), to change the Maximum Acceptance Amount, the Tier 1 Maximum Acceptance Amount, the Order of Priority and/or the Tier 2 Maximum Acceptance Amount or to accept less than or (subject, if relevant, to regulatory approval) more than the Maximum Acceptance Amount, the Tier 1 Maximum Acceptance Amount and/or the Tier 2 Maximum Acceptance Amount for purchase pursuant to the Offers.

Additionally, the Bank reserves the right in its sole discretion and for any reason (subject, if relevant, to regulatory approval) to accept significantly more or less (or none) of the Tier 1 Notes of any series or of the Tier 2 Notes as compared to the other series of Securities.

Subject to the terms and conditions of the Offers, if the Bank accepts valid Offers for Tier 1 Notes of any series pursuant to the relevant Invitations, it will accept valid Offers for Tier 1 Notes of any series at the relevant Purchase Price in accordance with the order of priority (the “**Order of Priority**”) specified in the above table until the Tier 1 Maximum Acceptance Amount is reached.

If the aggregate principal amount of UC T1 Notes validly offered pursuant to the relevant Invitation that the Bank elects to purchase is greater than the Tier 1 Maximum Acceptance Amount, the Bank may, in its sole discretion accept Offers for the UC T1 Notes on a pro rata basis until the Tier 1 Maximum Acceptance Amount is reached.

If the aggregate principal amount of UC T1 Notes validly offered pursuant to the Invitation is less than the Tier 1 Maximum Acceptance Amount but greater than the Tier 1 Maximum Acceptance Amount when including Offers in relation to the UCI Lux T1 Euro Notes, the Bank may, in the sole discretion of the Bank and if Offers in relation to the UC T1 Notes that have been accepted for purchase are less than the Tier 1 Maximum Acceptance Amount, accept Offers for the UC Lux T1 Euro Notes on a pro rata basis until the Tier 1 Maximum Acceptance Amount is reached.

If the aggregate principal amount of UC T1 Notes and UCI Lux T1 Euro Notes validly offered pursuant to the Invitation is less than the Tier 1 Maximum Acceptance Amount but greater than the Tier 1 Maximum Acceptance Amount when including Offers in relation to

the UCI Lux T1 Sterling Notes, the Bank may, in the sole discretion of the Bank and if Offers in relation to the UC T1 Notes and Offers in relation to the UCI Lux T1 Euro Notes that have been accepted for purchase are less than the Tier 1 Maximum Acceptance Amount, accept Offers for the UCI Lux T1 Sterling Notes on a pro rata basis until the Tier 1 Maximum Acceptance Amount is reached.

If the aggregate principal amount of Tier 2 Notes validly tendered pursuant to the relevant Invitation that the Bank elects to purchase is greater than the Tier 2 Maximum Acceptance Amount, the Bank may, in its sole discretion, accept Offers for the Tier 2 Notes on a pro rata basis until the Tier 2 Maximum Acceptance Amount is reached.

The Bank reserves the right, in its sole discretion, not to accept any Offers, or (subject, if relevant, to regulatory approval) to modify in any manner any of the terms and conditions of any Invitation, subject to applicable law.

The Bank may also, in its sole discretion, procure that Securities accepted for purchase pursuant to the Invitations be purchased by, and payment of the Purchase Price be made by or on behalf of, any other member of the Group, as principal and not as agent for the Bank. In such circumstances, all references in this announcement or in the Invitation for Offers to acceptance and/or purchase of Securities and payment of the Purchase Price shall be construed accordingly.

The Invitation is made on the terms and subject to the conditions set out in the "Invitation for Offers" dated 17 May 2016.

INDICATIVE TIMETABLE FOR THE INVITATION

<u>Time and Date</u>	<u>Event</u>
<i>Launch Date</i> 17 May 2016	Invitations announced. Invitation for Offers available from the Tender Agent. Commencement of the period during which Offers of Securities may be submitted.
<i>Expiration Deadline</i> 17:00, CET, 24 May 2016	Final deadline for receipt of valid Offers of Securities. The Invitations expire, unless the Bank extends any Invitation or terminates it earlier in its sole discretion.
<i>Announcement of Offer Results</i> 25 May 2016	<p>The Bank announces whether it will accept valid Offers and, if so, in respect of each series of Securities, the Series Acceptance Amount, the Pro-Ration Factor, if any, for the Securities, and (if the aggregate principal amount of UC T1 Notes and UCI Lux T1 Euro Notes validly offered pursuant to the Invitation is less than the Tier 1 Maximum Acceptance Amount), the applicable FX Rate as at the Expiration Deadline.</p> <p>FX Rate means, at any time, the applicable Sterling/Euro exchange rate at such time, as reported on Bloomberg screen “BFIX”, or, if the relevant screen is unavailable or manifestly erroneous, a generally recognised source for currency quotations with quotes as of a time as close as reasonably possible to the aforementioned time as determined by the Dealer Managers.</p>
<i>Settlement Date</i> Expected to be 27 May 2016, or as soon as practicable thereafter	The Bank pays (or procures payment of) the Purchase Price plus any Accrued Amount for any Securities being purchased.

The above times and dates are subject to the right of the Bank to extend, amend and/or terminate any Invitation in its sole discretion (subject to applicable law and, if relevant, regulatory approval).



Holders of Securities are advised to read carefully the Invitation for Offers for information on the procedures for submitting Offers. Custodians, direct participants and the Clearing Systems (as defined in the Invitation for Offers) might have deadlines prior to the Expiration Deadline for receiving instructions and Holders of Securities should contact any such intermediary through which they hold Securities as soon possible to ensure proper and timely delivery of instructions.



For further information:

A complete description of the terms and conditions of the Invitation is set out in the Invitation for Offers, which is available to eligible holders upon request from the Tender Agent, the details of whom are set out below. Requests for information in relation to any Invitation (other than in respect of the procedures for submitting Offers of Securities) may be directed to:

The Dealer Managers:

Morgan Stanley & Co. International plc

Attention: Liability Management Group

Tel.: +44 (0)20 7677 5040

liabilitymanagementeuropa@morganstanley.com

UBS Limited

Attention: Liability Management Group

Tel.: +44 20 7568 2133

E-mail: ol-liabilitymanagement-eu@ubs.com

UniCredit Bank AG

Attention: Liability Management

Tel.: +49 89 378 15581 / +39 02 8862 0701

Email: liability.management@unicredit.de



Requests for a copy of the Invitation for Offers and information in relation to the procedures for tendering Securities may be directed to:

Tender Agent:

Lucid Issuer Services Limited

Attention: Paul Kamminga

Tel.: +44 (0) 20 7704 0880

E-mail: unicredit@lucid-is.com

DISCLAIMERS

This announcement must be read in conjunction with the Invitation for Offers. No invitation to sell Securities is being made pursuant to this announcement. The Invitations are only being made pursuant to the Invitation for Offers and any Offers should be made solely on the basis of information contained in the Invitation for Offers.

None of UniCredit S.p.A., the Dealer Managers or the Tender Agent makes any representation or recommendation whatsoever regarding any Invitation and/or as to whether Holders of Securities should submit Offers or refrain from doing so pursuant to the Invitations, and no one has been authorised by any of them to make any such representation or recommendation. Any Holder of Securities should make its own assessment of the merits and risks of offering its Securities pursuant to the Invitation for Offers and should seek its own advice (including in respect of any tax consequences) from its stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser.

INVITATION AND DISTRIBUTION RESTRICTIONS

The Invitations and the distribution of this announcement, the Invitation for Offers and any other document or material relating to the Invitations may be restricted by law in certain jurisdictions. UniCredit S.p.A. is making the Invitations only in those jurisdictions in which, and to persons to whom, it is legal to do so. If this announcement, the Invitation for Offers and any other document or material relating to the Invitations come into your possession, you are required to inform yourself of, and to observe, all of these restrictions. Neither this announcement nor the Invitation for Offers nor any other document or material relating to the Invitations constitutes, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that any Invitation be made by a licensed broker or dealer and either Dealer Manager or any affiliate of either Dealer Manager is a licensed broker or dealer in that jurisdiction, such Invitation shall be deemed to be made by such Dealer Manager or such affiliate on behalf of UniCredit S.p.A. in that jurisdiction.

United States

The Invitation is not being made, and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, email and other forms of electronic transmission) of interstate or foreign commerce of, or any facility of a

national securities exchange of, the United States, and no offer of Securities may be made by any such use, means, instrumentality or facility from or within the United States, or by persons located or resident in the United States or to any U.S. Person. Accordingly, this announcement, the Invitation for Offers and any other document or material relating to the Invitations are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States, or to any U.S. Person or to persons located or resident in the United States. Any purported Offer of Securities resulting directly or indirectly from a violation of these restrictions will be invalid, and any purported Offers of Securities made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid.

United Kingdom

The communication of this announcement and the Invitation for Offers and any other documents or materials relating to the Offers is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such document and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. This announcement, the Invitation for Offers and any other document or material relating to the Invitations are only for circulation to persons who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”), (iii) are persons falling within Article 49(2)(a) to (d), “high net worth companies, unincorporated associations, etc.,” of the Order, or (iv) are persons to whom an invitation or inducement to engage in investment activity may lawfully be communicated or caused to be communicated under the Financial Services and Markets Act 2000, all such persons together being referred to as “**relevant persons**”. Any investment or investment activity to which this communication or the Invitation for Offers relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act on this communication or any Invitation.

Republic of Italy

None of the Invitations, this announcement, the Invitation for Offers nor any other documents or material relating to the Invitations have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”), pursuant to applicable Italian laws and regulations.

The Invitations are being carried out in Italy as exempted offers pursuant to article 101-*bis*, paragraph 3-*bis* of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Italian Financial Services Act**”) and article 35-*bis*, paragraph 4, of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Holders or beneficial owners of the Securities may tender the Securities through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Securities or this announcement, the Invitations or the Invitation for Offers.

Belgium

Neither this announcement nor the Invitation for Offers nor any other documents or materials relating to the Invitations have been submitted to or will be submitted for approval or recognition to the Financial Services and Markets Authority (*Autorité des services et marchés financiers / Autoriteit financiële diensten en markten*) and, accordingly, the Invitations may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids (the “**Belgian Takeover Law**”), as amended or replaced from time to time. Accordingly, the Invitations may not be advertised and the Invitations will not be extended, and neither this announcement nor the Invitation for Offers will be made available (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed, or made available, directly or indirectly, to any person in Belgium other than (i) to “qualified investors” in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offering of securities and the admission of securities to trading on a regulated market (as amended from time to time) (the “**Belgian Public Offer Law**”), acting for their own account or (ii) in any circumstances set out in Article 6(4) of the Belgian Takeover Law. Insofar as Belgium is concerned, this announcement and the Invitation for Offers have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Invitations. Accordingly, the information contained herein or in the Invitation for Offers may not be used for any other purpose or disclosed to any other person in Belgium.

France

The Invitation is not being made, directly or indirectly, to the public in France. Neither this announcement nor the Invitation for Offers nor any other document or material relating to the Invitations have been or shall be distributed to the public in France. and only (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals, in each case acting for their own account (all as defined in, and in accordance with, Articles L. 411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*) are eligible to participate in the Invitation. This announcement and the Invitation for Offers have not been and will not be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

General

This announcement and the Invitation for Offers do not constitute an offer to buy or a solicitation of an offer to sell Securities, and offers of Securities from holders will be invalid, in any circumstances in which such offer or solicitation is unlawful.

Each holder wishing to submit an Offer in respect of any of the Securities will be deemed to make and give certain agreements, acknowledgements, representations, warranties and undertakings in respect of the jurisdictions referred to above as set out in the Invitation for Offers.

Any tender of Securities for purchase pursuant to an Offer from a holder that is unable to make or give such agreements, acknowledgements, representations, warranties and undertakings will be invalid. Each of the Bank, the Dealer Managers and the Tender Agent reserves the right, in its sole discretion, to investigate, in relation to any tender of Securities for purchase pursuant to an Offer, whether any such representation and warranty made or given by a holder is correct and, if such investigation is undertaken and as a result the Bank

determines (for any reason) that any such representation and warranty is not correct, the Bank shall be entitled to reject such tender.

Milan, 17 May 2016

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