



NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED) OR IN OR INTO CANADA, AUSTRALIA, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH DISTRIBUTION WOULD BE PROHIBITED BY APPLICABLE LAW.

Press Release

UniCredit announces the successful completion of the placement of Pekao Equity-Linked Certificates

Completion of the placement of 1,916 Equity-Linked Certificates (having an aggregate reference amount of approximately EUR 500 million) mandatorily settled in ordinary shares of Bank Pekao S.A. on or before 15 December 2019

Milan, 8 December 2016 – UniCredit S.p.A. (“**UniCredit**” or the “**Issuer**”) announces the successful completion of an offering (the “**Offer**”) of 1,916 secured equity-linked certificates (the “**Certificates**”), having an aggregate reference amount of approximately EUR 500 million, mandatorily settled in ordinary shares (the “**Shares**”) of Bank Pekao S.A. (“**Pekao**” or the “**Company**”) on or before 15 December 2019 (the “**Expiry Date**”).

The Certificates will upon issue have as underlying 10,000 Shares each, and will be issued at an issue price of 85.85 per cent of the notional reference amount. The Certificates will not bear any coupon and will entitle the holders to receive a net cash amount equal to 81 per cent of the gross amount of any cash distribution paid in relation to the underlying Shares and received by the Issuer.

Unless previously settled at the option of the Issuer or the holders of the Certificates, or upon the occurrence of certain accelerated settlement events, and subject to the Issuer cash settlement option referred to below, each Certificate will be mandatorily settled on the Expiry Date by delivery of a number of Shares equal to the product of the *pro rata* share of the Settlement Property (as described below) and a settlement ratio to be determined on the basis of a minimum settlement price (the “**Minimum Settlement Price**”) and a maximum settlement price (the “**Maximum Settlement Price**”), all as further described in the terms and conditions of the Certificates. The Minimum Settlement Price will be equal to the volume weighted average price of the relevant Shares on 9 December 2016 converted into EUR (the “**Reference Price**”), and will be announced via a separate press release. The Maximum Settlement Price will be set at a premium of 15 per cent over the Reference Price.

The initial settlement property comprises 19,160,000 Shares (the “**Settlement Property**”). The Settlement Property will be subject to any adjustments required under the terms and conditions of the Certificates.

A Polish law governed financial pledge over the Settlement Property will be granted in favour of the trustee of the Certificates, on behalf of itself and the holders of the Certificates.

Upon settlement of any Certificates, the Issuer will have the flexibility to settle in cash, deliver the relevant Settlement Property or any combination thereof, except that there will be no cash settlement in the case of the occurrence of an automatic accelerated settlement event (as further described in the terms and conditions of the Certificates).

The proceeds of the Offer will be used for general corporate purposes of the Issuer. The disposal of the Pekao shares representing the Settlement Property is expected to generate a capital release upon the expiration of the Certificates.

The Certificates have only been offered to designated institutional investors in Italy and abroad, and have not been offered in or into the United States, Canada, Australia, Japan, South Africa or in any other jurisdiction where such offer or sale of the Certificates would have been prohibited by applicable laws.

The Offer is expected to close on or around 15 December 2016 (the “**Closing Date**”).

Application will be made to admit the Certificates to trading on an internationally recognised, regularly operating, regulated or non-regulated stock exchange or market, determined by the Issuer, by no later than 90 days following the Closing Date.

In the context of the transaction, the Issuer and its subsidiaries have agreed to a lockup period of 90 days from (and including) the date of this announcement, subject to customary exceptions (including an exception in relation to the closing of the M&A transaction for the disposal of a stake equal to 32.8 per cent of the Company's share capital to Powszechny Zakład Ubezpieczeń S.A. and Polski Fundusz Rozwoju S.A., as separately announced) and to waiver by the Joint Bookrunners.

Morgan Stanley, UBS Investment Bank and UniCredit Corporate & Investment Banking are acting as Joint Bookrunners in connection with the Offer.

This press release relates to the disclosure of information that qualified, or may have qualified, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

DISCLAIMER

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. The information in this announcement is subject to change.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States or to any U.S. person (as defined in Regulation S under the US Securities Act (as defined below)). The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes, should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement does not constitute or form part of an offer to sell securities, or the solicitation of any offer to buy or subscribe for any securities, to or from any person in the United States, Canada, Australia, Japan, South Africa (or to, or for the account or benefit of, any such person or any U.S. person) or in any other jurisdiction in which, or to or from any other person to or from whom, such offer or solicitation is unlawful. The securities referred to in this announcement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**"), and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons. Subject to certain exceptions, the securities referred to herein may not be offered or sold in Canada, Australia, Japan or to, or for the account or benefit of, any national, resident or citizen of Canada, Australia, Japan. There will be no public offer of the securities in the United States, Canada, Australia, Japan or any other jurisdiction.

In member states of the European Economic Area, the Certificates are being offered only to qualified investors within the meaning of Article 2(1)(e) of Directive 2003/71/EC, as amended, in accordance with the respective regulations of each member state in which the Certificates are being offered.

In the United Kingdom, this announcement is directed only at, and is being distributed only to, (i) qualified investors who 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, as amended (the "**Order**"), (ii) qualified investors falling within Article 49(2)(a) to (d) of the Order and (iii) those whom it may otherwise be lawfully communicated (all such persons together being referred to as "**relevant persons**"). This announcement must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons.

No permit has been obtained from the Polish Financial Supervisory Authority ("**PFSA**") in relation to the issue of the Certificates nor has the issue of the Certificates been notified to the PFSA in accordance with applicable procedures. Accordingly, the Certificates may not be publicly offered in the Republic of Poland, as defined in the Polish Act dated 29 July 2005 on Public Offerings, the

Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies, as amended, as a communication made in any form and by any means, directed at 150 or more persons in Poland and/or at an unnamed addressee containing information on the securities and the terms of their acquisition sufficient to enable an investor to decide on the securities acquisition. Consequently, in case the Certificates are to be offered in Poland, they will only be offered to less than 150 designated professional clients as defined in Article 3 point 39b) of the Polish Act dated 29 July 2005 on Trading in Financial Instruments, as amended, in Poland.

No action has been taken by Morgan Stanley & Co. International plc, UBS Limited or UniCredit Bank AG, Milan Branch (together, the **Joint Bookrunners**), the Issuer or any of their respective affiliates that would permit an offering of the securities or possession or distribution of this announcement or any offering or publicity material relating to such securities in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Issuer, the Company and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

The Joint Bookrunners are acting exclusively for the Issuer and no one else in connection with the Offer. They will not regard any other person as their respective clients in relation to the Offer and will not be responsible to any other person for providing the protections afforded to clients of each Joint Bookrunner or for providing advice in relation to the Offer, the Certificates or any other transaction, matter or arrangement referred to in this announcement.

Each of the Issuer, the Joint Bookrunners and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any statement contained in this announcement whether as a result of new information, future developments or otherwise.

This announcement is not intended as investment advice and under no circumstances is it to be used or considered as an offer to sell or a solicitation of an offer to subscribe or otherwise buy any security nor is it a recommendation to buy or sell any security. Any discussions, negotiations or other communications that may be entered into, whether in connection with the information set out herein or otherwise, shall be conducted subject to contract.

Each prospective investor should proceed on the assumption that it must bear the economic risk of an investment in the Certificates or the Shares to be issued or transferred and delivered upon settlement of the Certificates and notionally underlying the Certificates (together with the Certificates, the "**Securities**"). Neither the Issuer nor the Joint Bookrunners make any representation as to (i) the suitability of the Securities for any particular investor, (ii) the appropriate accounting treatment and potential tax consequences of investing in the Securities or (iii) the future performance of the Securities either in absolute terms or relative to competing investments.

Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Each prospective investor should proceed on the assumption that it must bear the economic risk of an investment in the securities for an indefinite period. None of the Issuer or the Joint Bookrunners makes any representation as to (i) the suitability of the securities for any particular investor, (ii) the appropriate accounting treatment and potential tax consequences of investing in the securities or (iii) the future performance of the securities either in absolute terms or relative to competing investments. Persons considering making such investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Certificates. The value of the Certificates can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the Certificates for the person concerned.

In connection with the Offer, the Joint Bookrunners and any of their affiliates, acting as investors for their own accounts, may subscribe for or purchase securities and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such securities and any other securities of the Issuer or the Company or related investments in connection with the Certificates, the Issuer or the Company or otherwise. Accordingly, references to the securities being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Joint Bookrunners and any of their respective affiliates acting as investors for their own accounts. The Joint Bookrunners do not intend to disclose

the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Enquiries:

Media Relations: Tel. +39 02 88623569; e-mail: MediaRelations@unicredit.eu

Investor Relations: Tel: +39 02 88621872; e-mail: InvestorRelations@unicredit.eu