

**REPORT ON
related party transaction**

Pursuant to article 71 bis of the Regulation implementing Legislative Decree 58 of February 24, 1998 adopted by Consob Resolution No. 11971/1999 as subsequently amended and supplemented.

SALE OF A 2.5% INTEREST IN MEDIOLANUM INTERNATIONAL FUND Ltd. (MIFL) BY MEDIOLANUM S.p.A. TO ITS INDIRECTLY CONTROLLED SUBSIDIARY BANCO DE FINANZAS E INVERSIONES S.A. (FIBANC)

Filed with the Company's Registered Office and with Borsa Italiana S.p.A. on April 4, 2008

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1. Preamble and reasons for disclosure

On March 18, 2008 the Board of Directors of Mediolanum S.p.A. resolved to sell a 2.5% interest in the Irish asset management company Mediolanum International Funds Ltd. (MIFL) to its Spanish subsidiary Banco de Finanzas e Inversiones S.A (FIBANC).

It should be noted that a similar sale between the same parties had been made in 2006 in relation to an identical 2.5% stake in the same Irish company. The transaction had been duly disclosed to the market through Borsa Italiana S.p.A. and the related report (prepared pursuant to and to the effects of art. 71 bis of the Regulation for Issuers) had been lodged at the company's registered office on December 22, 2006

Both the company in which the interest is sold and the acquirer are part of the Mediolanum Financial Conglomerate and, within it, of the Mediolanum Banking Group.

The Board believes that the transaction does not prejudice the company's assets and does not entail any actual or potential risk of conflict of interest in relation to the related party with which the transaction is made.

However, pursuant to section 71 bis of the Regulation for Issuers and the resolutions passed by the Board of Directors of the company on November 9, 2006 whereby it was reiterated that:

“.....

m.2) related party transactions are those defined and regulated by the combined provisions of article 2391 bis of the Italian Civil Code, and articles 2, paragraph 1, letter h) and 71 bis of Consob Regulation 11971/1999 as set out in the International Accounting Standard (IAS) 24;

m.3) the limit value for which a related party transaction is to be disclosed to the market is: €10,000,000.00= (ten million) for any type of purchase or sale;”

this report was drafted to provide the shareholders and the public with adequate information on the transaction. This report was approved by the Board of Directors at its Meeting of March 18, 2008.

2. Information on the transaction

2.1. Brief presentation of the features, terms and conditions of the transaction

The Irish asset management company Mediolanum International Funds Ltd. with registered office in Dublin, Block B - Iona Building, Shelbourne Road was formed on March 27, 1997 by Mediolanum S.p.A.. The company manages Irish funds created pursuant to section 18 of the Finance Act, 1989 (“Collective investment undertakings”) and provides advisory services, including financial advice. It also conducts related business, promoting a variety of investments, as it is also authorised to deal in foreign currencies and interest rates.

The company is subject to the supervision of the Irish Financial Services Regulatory Authority (IFSRA).

The 46,5% stake which at present is directly held by Mediolanum S.p.A. (the remaining 51% is held by Banca Mediolanum S.p.A.; 2.5% is held by FIBANC following said 2006 sale) is recognised at a book value of €1,261,266.00. Therefore the book value of the 2.5% interest is about €67,810.00.

An independent third-party (Professor Paolo M. Iovenitti from Milan) was mandated to assess the value of the shareholding being sold. The same independent third-party had also assessed the value of the shareholding under the past sale and his report had formed the basis for the decision of the Board of Directors. The report prepared by said third-party formed the basis for the decision of the Board of Directors also in the current sale.

The value of the 2.5% stake in Mediolanum International Funds Limited (MIFL) was estimated at €5,271,850,00=, corresponding to a price for each share being sold of €6,739.16. This amount includes the 2007 final dividend.

The Board of Directors of Mediolanum S.p.A. resolved to approve the sale of 3,750 shares corresponding to 2.5% of the share capital of Mediolanum International Funds Ltd. to the indirectly controlled company Banco de Finanzas e Inversiones S.A. for a total consideration estimated at €5,271,850.00= corresponding to a price of about €6,739.16 per share.

The transaction was approved by the Board of Directors of Banco de Finanzas e Inversiones S.A. on February 22, 2008 and by the Banking Group Parent Company Banca Mediolanum S.p.A. on March 17, 2008.

Shares were transferred on March 26, 2008.

For the sake of transparency , and confirming there is no conflict of interest, you are advised that the Directors Ennio Doris and Massimo Antonio Doris serve as Banco de Finanzas e Inversiones S.A Board Director and Chief Executive Officer, respectively. The resolutions of the Board of Directors of the respective companies were made in compliance with the laws in force on that matter.

2.2. Information on the related party with which the transaction is made

The transaction herein is made with a company which is directly and indirectly controlled by the issuer, namely:

BANCO DE FINANZAS E INVERSIONES, S.A.

Incorporated in Barcelona on February 13, 1989 (Notary Public Tomás Giménez Duart, file No. 748).

REGISTERED OFFICE

Avenida Diagonal, 668-670 08034
Barcelona, Spain

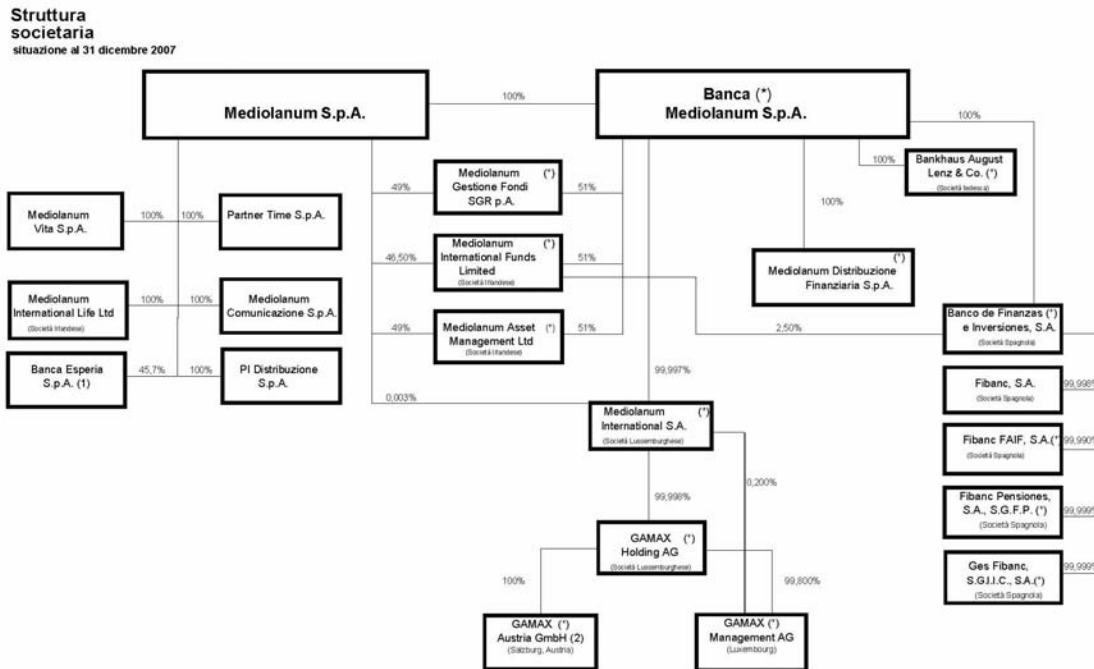
SHARE CAPITAL

€66,031,829.00

SHAREHOLDERS

BANCA MEDIOLANUM S.p.A. 100 %

For a better understanding of the relationship between the companies involved in the transaction the Mediolanum Financial Conglomerate organization chart as of December 31, 2007 is set out below:



(*) > Società facente parte del Gruppo Bancario Mediolanum

(1) A tale partecipazione si aggiunge il 2,80%, concesso al piano di Stock Option di Banca Esperia, soggetto ad un impegno irrevocabile d'acquisto.
(2) Cessione di partecipazione a terzi con effetto dal 1/1/2007 e sottoposta a condizione sospensiva verificata in data 1/02/09

2.3. Rationale of the transaction

Banco de Finanzas e Inversiones S.A.'s acquisition of the interest in MIFL substantially relates to the increasing role played by FIBANC as the entity distributing MIFL financial products and Mediolanum International Life Ltd. unit linked policies, which include also MIFL funds, in Spain.

The acquisition of the shareholding would increase the profitability of Banco de Finanzas e Inversiones S.A. and its influence over the definition of MIFL product development and operational strategies.

2.4. Determination of the price

As already mentioned above, the transaction herein relates to the sale of 3,750 shares equivalent to 2.5% of share capital of Mediolanum International Funds Ltd. by Mediolanum S.p.A. to the indirectly controlled subsidiary Banco de Finanzas e Inversiones S.A. for an estimated consideration of €25,271,850.00= corresponding to about €6,739.16 per share.

As already set out above, the sale price was determined on the basis of the valuation made by Milan-based primary expert Prof. Paolo M. Iovenitti, who in his report confirmed the price for the transfer of the shareholding to be about €6,739.16 per share.

2.5. Effects of the transaction on the balance sheet, income statement and financial position

a) Effects of the transaction on the consolidated balance sheet and income statement

The transaction will have no effect on the balance sheet or the income statement of the Mediolanum S.p.A. Group.

b) Effects of the transaction on the balance sheet and income statement of the companies

The transaction will have the effects set out below on the balance sheet and income statement of the companies involved in it:

MEDIOLANUM S.p.A. – Reduction of the shareholding in the directly controlled subsidiary International Funds Ltd from 46.5% to 44.0% and recognition of a €25,204,040.00= capital gain.

BANCO DE FINANZAS E INVERSIONES S.A. – Recognition of the shareholding in the associate Mediolanum International Funds Ltd under balance sheet assets at a purchase value of €25,271,850.00=. The transaction will have no impact on the company's income statement in the current financial year. The investment does not affect compliance with the capital requirements established by Spain's Central Bank.

c) Effect of the transaction on the financial position

The transaction entails a reduction of Mediolanum S.p.A.'s debt and the use of equity by the subsidiary Banco de Finanzas e Inversiones S.A.

2.6. Change in the compensation of the directors of the issuer and/or its subsidiaries subsequent to the transaction

No change is envisaged in the compensation of the directors of Mediolanum S.p.A. and/or its subsidiaries subsequent to the transaction.

2.7. Involvement of related parties such as directors, statutory auditors, general managers and executives of the issuer, in the transaction

No director, statutory auditor, general manager or executive of Mediolanum S.p.A. is involved in the transaction as a related party.