

MEDIOLANUM S.p.A.

**Half-Year
Financial Report
at June 30
2008**

Table of contents

2	Corporate Governance Officers
3	Company structure
4	Mediolanum Group's Financial Highlights
6	Interim Management Report <ul style="list-style-type: none">The macroeconomic environmentMediolanum Group's performanceConsolidated Inflows, Assets under Management and Assets under AdministrationThe Sales NetworksConsolidated Income StatementKey corporate events and performance of companies within the GroupIntercompany and related party transactionsPost balance sheet date eventsOutlook
23	Schedules
30	Consolidated Accounts <ul style="list-style-type: none">Balance SheetIncome StatementStatement of changes in shareholders' equityConsolidated cash flow statement
36	Notes to the financial statements <ul style="list-style-type: none">Accounting policiesKey Balance Sheet informationKey Income Statement informationSegment reportingRelated party transactionsAtypical and/or unusual transactionsNon-recurring transactionsEquity-settled share-based payment transactions
65	Schedules
82	Appendix - Analysis of significant investments under art. 125 of Consob Regulation No. 11971/1999
86	Responsibility Statements pursuant to section 154-BIS, paragraph 5, Legislative Decree 58/98
88	Auditors' review report on the interim condensed consolidated financial statements

The English version of the Half-Year Financial Report is a translation of the Italian text provided for the convenience of international readers.

MEDIOLANUM S.p.A.

**Half-Year
Financial Report
at June 30
2008**

Registered Office: Basiglio – Milano 3 - Via F. Sforza – Meucci Building
Capital Stock € 73,000,910.90 fully paid in
Tax Code, VAT No. and Reg. No. in the Milan Trade and Companies
Reg. 11667420159

Corporate Governance Officers

BOARD OF DIRECTORS

Ruozzi Roberto	Chairman of the Board
Messina Alfredo	Deputy Chairman of the Board
Lombardi Edoardo	Executive Deputy Chairman
Doris Ennio	Chief Executive Officer
Berlusconi Luigi	Director
Cannatelli Pasquale	Director
Carfagna Maurizio	Director
Doris Massimo Antonio	Director
Ermolli Bruno	Director
Molteni Mario	Director
Pellegrino Danilo	Director
Renoldi Angelo	Director
Sciumè Paolo	Director
Zunino Antonio	Director

BOARD OF STATUTORY AUDITORS

Simonelli Ezio Maria	Chairman
Dalocchio Maurizio	Standing Auditor
Perotta Riccardo	Standing Auditor
Vittadini Francesco	Alternate Auditor
Gatti Ferdinando Giuseppe	Alternate Auditor

BOARD SECRETARY

Luca Maria Rovere

INDEPENDENT AUDITORS

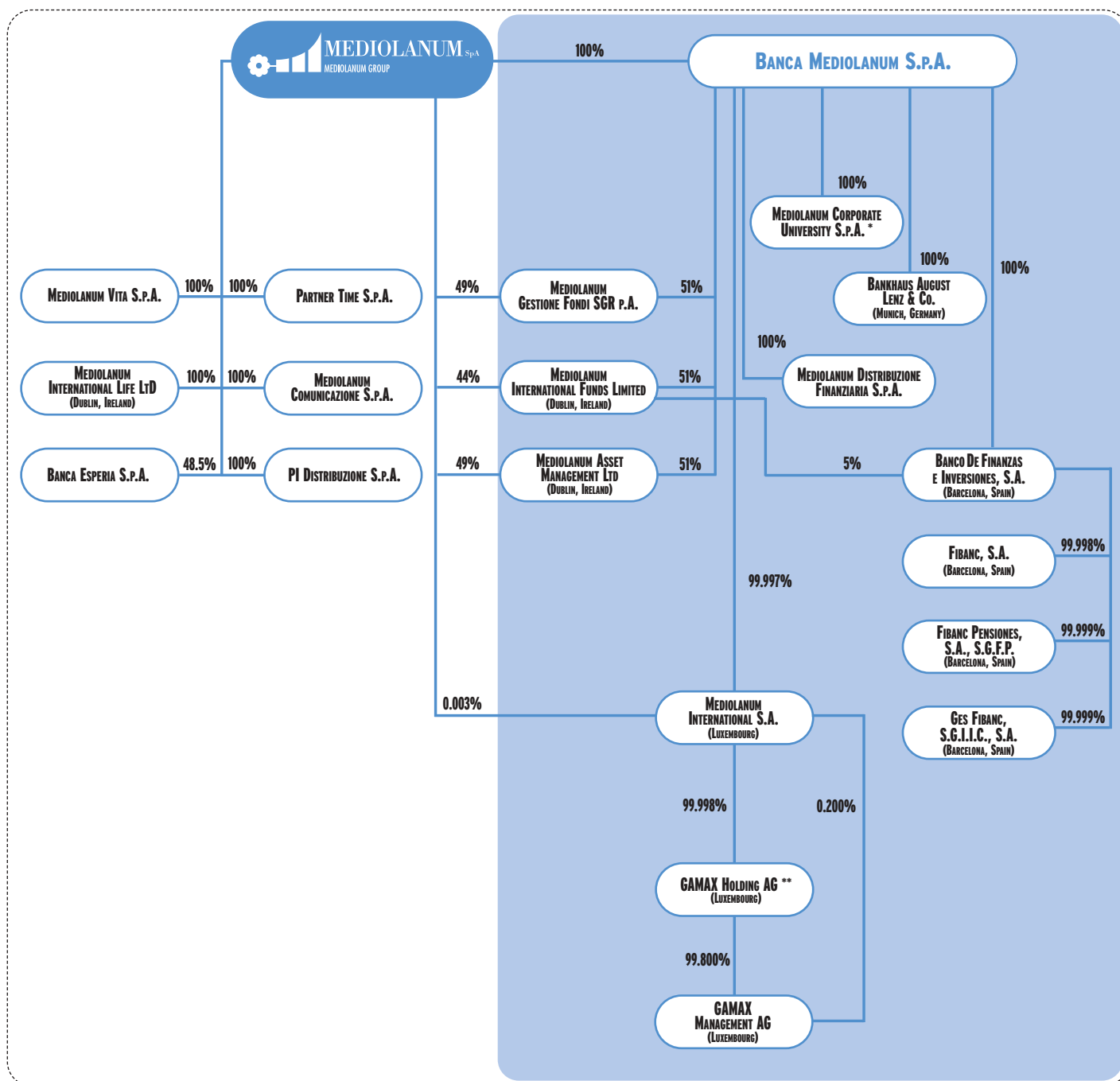
Reconta Ernst & Young S.p.A.

OFFICER RESPONSIBLE FOR PREPARING ACCOUNTING AND FINANCIAL REPORTING DOCUMENTS

Luigi Del Fabbro

Company structure

AS OF JUNE 30, 2008



 • THE MEDIOLANUM FINANCIAL CONGLOMERATE

 • THE MEDIOLANUM BANKING GROUP

* The company is being included into the Mediolanum Banking Group.

** Gamax Holding AG is being merged into Mediolanum International S.A.

Mediolanum Group's Financial Highlights

€/million	June 30, 2008	June 30, 2007	Change %
Assets under management and administration (*)	32,069.6	35,302.7	-9%
Gross Inflows	3,789.9	5,597.3	-32%
Net Inflows	688.7	1,479.5	-53%
Profit before tax	88.7	142.9	-38%
Income Tax	(18.5)	(30.0)	-38%
Net profit	70.2	112.9	-38%

€	June 30, 2008	June 30, 2007	Change %
Earnings per share (#)	0.096	0.155	-38%

(*) The figures relate to retail customers only.

(#) Net earnings attributable to holders of ordinary shares divided by the weighted average number of ordinary shares in issue.

MEDIOLANUM S.p.A.

**Interim
Management
Report
at June 30
2008**

Interim Management Report

The macroeconomic environment

The first half of 2008 was marked by the effects of the credit crunch that was induced by the subprime mortgage crisis and affected all financial sectors and the whole economy, as well as by soaring commodity prices and the ensuing flare-up in inflation on a global scale.

To ease tensions on inter-bank markets Central Banks repeatedly injected liquidity into the market and, in some cases, cut interest rates. Specifically, the Federal Reserve cut Fed Funds rates from 4.25% to 2%, the Bank of England decided on a 50 basis points rate cut, while due to the persistent inflationary pressure, in the first half of the year, the ECB left rates unchanged at 4%, in spite of the unfavourable economic cycle.

In March, the Federal Reserve had to bail out the US bank Bear Stearns which did not default only because it was acquired by JP Morgan.

In the US, the persistent housing crisis, households' reduced ability to access credit and growing unemployment worsened consumer confidence. At the same time, on the supply side, business sentiment deteriorated and investments declined. The current negative economic cycle in the US was reflected in first-half GDP growth which stood at only 1% on an annual basis.

The difficult economic cycle in the US and the strengthening of the Euro against the US dollar had different limited effects on Eurozone economies. Specifically, in Germany, first-half GDP growth was 1.5% on a quarterly basis, the best in the past twelve years, and unemployment declined to 7.8% in June, confirming the positive downward trend started in March 2005. At the other end of the spectrum, Spain and Italy were laggards with first-half GDP growth of 0.3% and 0.5%, respectively. The UK, Spain and Ireland have been affected by the housing crisis, while Italy has been struggling mainly due to delayed investments and political reforms.

Price tensions are one of the effects of the financial markets globalisation. The growing demand from emerging economies and the low elasticity of supply inflated commodity and food prices. The risk of inflation limits the ability of central banks to support the economy via easing monetary policies and may require tighter refinancing rates which are undesirable at this time of economic downturn and financial crisis.

The persistence of deteriorated macroeconomic conditions, especially in the world's largest economy, tight credit conditions and growing inflation generated increased aversion to any financial risks. Stock market performance reflected the marked increase in investors' risk premium, while the downtrend on the bond market reflected the emergence of inflation risk and expectations of tightening moves by central bankers.

In the first half of the year, the NYSE S&P 500 was down 12.8%, Europe's Dow Jones Stoxx 600 fell 20.6% and the Nikkei 225 declined 11.9%. Turning to emerging economies, equity markets in Latin America grew 7.9%, while in China and India they lost 27% and 33%, respectively, dragging down also other Asian markets. In Italy, the Mibtel index was down 22.7%, in line with the performance of the S&P/Mib index of large caps which was down 23.8%.

The banking sector was the most hit by the financial crisis. The decline in consumer confidence following the housing market and financial crises, not only in the US but also in the UK and Spain, led to progressively lower retail sales and ensuing poor performance of companies in related industries.

The best performers were commodity-related stocks which benefited from oil-driven rising commodity and energy prices, and utilities.

In the first half of 2008, corporate bond issues continued to be adversely impacted by widening spreads. Owing to the financial crisis connected with subprime mortgages, issues in the banking sector suffered the most, in spite of largely high credit ratings.

In the first half of the year, in the Eurozone, the yields on 2-year and 10-year treasury notes were 4.59% and 4.62%, respectively, while in the US, they stood at 2.61% and 3.97%, respectively.

In the first months of the year, the US dollar fell to record lows against the Euro and remained weak throughout the period. The appreciation of the Euro was largely driven by the different monetary policies adopted by Central Banks and the greater weakness of the US economy.

The insurance market

The data released by the Association of Italian Insurers (ANIA) show that new business written from January to May 2008 by Italian and non-EU companies was down 15.5% on the prior year to €17,030 million.

The analysis of sales by distribution channel shows that in the first 5 months of the year premiums written through banks and post offices declined 22.1% to €12,292 million, while premiums written through financial advisors were up 82.4% to €1,602 million.

The analysis by product type shows that premiums written for traditional products, in class I, rose 4.8%, while for products in class V declined 69.2%. New business written in class III, which account for about 53.3% of total new life business, was down 21.7%.

ANIA data show that new life business written by EU companies conducting business in Italy declined 33.4% over the prior year to €2,996 million.

Mediolanum Group's performance

At June 30, 2008, the Mediolanum Group reported net profit of €70,235 thousand, down 37.8% from €112,872 thousand in the first half of 2007.

It should be noted, however, that in the second quarter 2008, the Group recorded remarkable quarter-on-quarter net profit growth, namely 27.5% to €39,358 thousand.

In the second quarter 2008, the macroeconomic environment did not improve. In fact, at the end of June 2008, the euro-denominated *Morgan Stanley World Index* was down 25% over the prior year, back to the levels reached 3.5 years ago.

In the first half of the year, net inflows totalled €688.7 million, down from €1,479.5 million in the prior year. This was largely due to the impact of the negative net inflows of €276 million posted by Banca Esperia in the period versus the positive inflows of €858.9 million recorded in the first half of 2007.

Against this backdrop, Banca Mediolanum S.p.A. posted exceptional net inflows growth of 56.7% to 1,141.6 million (of which €574.7 million into asset management accounts) from €728.4 million (of which €376.7 million into asset management accounts) in the prior year.

According to the data released by Assoreti, the Italian Association of Sales Networks in the Financial Services Industry, in the first half of 2008, the Italian market (ex. Banca Mediolanum) recorded net outflows of €7.1 billion, while Banca Mediolanum reported net inflows of €618 million.

In the light of the debacle of Italy's asset management industry which recorded its worst result ever with net outflows of €65.9 billion (source: Assogestioni, Italy's Asset Managers Association), the results posted by Banca Mediolanum are even more remarkable especially in relation to inflows into mutual funds which totalled €434 million.

At June 30, 2008, total assets under management and administration amounted to €32,069.6 million down 9% from €35,302.7 million in the same period of the past year and down 7.3% from €34,597.9 million at December 31, 2007.

Commercial initiatives in the first half of the year

In the first half of 2008, the Group launched several significant commercial initiatives.

In March, the Mediolanum Group signed three major commercial agreements with Black Rock, JP Morgan Asset Management and Morgan Stanley Investment Management. Thanks to these agreements Mediolanum International Funds Ltd's "Top Managers" Funds family was expanded to include 3 new Global Selection products which invest in a suite of cherry-picked funds of each of the asset managers above. Thus, Mediolanum customers have now the opportunity of investing across geographies and industries. The distinctive trait of this new offering is the synergies between the Mediolanum Group and the management teams of each asset manager above that combine the quality management skills and advice of said asset managers with the Mediolanum Group's consolidated investment strategies.

In March, the Mediolanum Group also signed an agreement with Santander Consumer Bank for the distribution of personal loans and targeted loans originated by the latter through the sales network of Banca Mediolanum and Mediolanum Distribuzione Finanziaria. The agreement made with Santander Consumer Bank enabled the Mediolanum Group to expand the breadth and depth of its product offering to the bank's customers.

In June, Banca Mediolanum announced that beginning from next September it will cut spreads on customer mortgages in its portfolio. The average cut is 0.64%. The overall cost of the initiative is estimated at about €65 million over the residual life of both current and future mortgage loans. As a result of the projected increase in lending volumes, a corresponding revenue increase is envisaged. The initiative also entails the option for customers to request lower instalments against longer repayment terms pursuant to the guidelines set forth in Italy's Treasury Minister Decree (Tremonti Decree) due to enter into effect on January 1, 2009.

In July, another initiative relating to mortgage loans was announced, i.e. the decision to establish a Solidarity Fund. Thanks to the fund, Banca Mediolanum will extinguish first-home mortgage loan (up to €250 thousand) of its customers in the event they become permanently disabled following injury or disease.

● Consolidated Inflows, Assets under Management and Assets under Administration

○ Gross Inflows

€/m	June 30, 2008	June 30, 2007	Change %
ITALY			
- Life Insurance products	1,465.2	1,725.7	-15.1%
- Mutual funds and managed accounts	1,214.2	1,896.8	-36.0%
- Bank accounts and securities in custody	563.0	349.3	61.2%
- Other products	7.9	10.6	-25.8%
- Banca Esperia Group (48.5%)	432.5	1,374.0	-68.5%
SPAIN			
- Life Insurance products	39.5	83.0	-52.4%
- Mutual funds and managed accounts	136.4	235.5	-42.1%
- Bank accounts and securities in custody	(90.9)	(111.9)	-18.8%
GERMANY			
- Life Insurance products	5.0	4.3	16.3%
- Mutual funds and managed accounts	13.7	29.3	-53.2%
- Bank accounts and securities in custody	3.4	0.6	466.7%
TOTAL	3,789.9	5,597.3	-32.3%

○ Net Inflows

€/m	June 30, 2008	June 30, 2007	Change %
ITALY			
- Life Insurance products	578.4	752.9	-23.2%
- Mutual funds and managed accounts	0.1	(373.8)	-100.0%
- Bank accounts and securities in custody	563.0	349.3	61.2%
- Banca Esperia Group (48.5%)	(276.0)	858.9	-132.1%
SPAIN			
- Life Insurance products	18.8	40.2	-53.2%
- Mutual funds and managed accounts	(69.6)	21.1	-429.9%
- Bank accounts and securities in custody	(109.9)	(119.9)	-8.3%
GERMANY			
- Life Insurance products	3.2	3.0	6.0%
- Mutual funds and managed accounts	(22.8)	(53.2)	-57.1%
- Bank accounts and securities in custody	3.4	1.0	240.0%
TOTAL	688.7	1,479.5	-53.5%

○ Consolidated Assets under Management and Assets under Administration (*)

€/m	June 30, 2008	June 30, 2007	Dec. 31, 2007
Life products	13,719.1	14,886.6	14,682.8
Mutual funds and managed accounts	13,748.4	15,912.7	15,232.6
Banking Products	5,563.9	5,281.2	5,596.6
Consolidation adjustments	(7,460.7)	(8,239.0)	(8,141.4)
Banca Esperia Group (**)	4,263.6	4,428.1	4,519.2
DOMESTIC MARKET	29,834.2	32,269.6	31,889.8
Life products	365.9	370.6	399.7
Mutual funds and managed accounts	934.4	1,193.7	1,113.5
Banking Products	1,167.4	1,776.5	1,463.2
Other Products	0.9	1.3	1.3
Consolidation adjustments	(233.3)	(309.1)	(269.6)
FOREIGN MARKETS	2,235.3	3,033.1	2,708.1
MEDIOLANUM GROUP	32,069.6	35,302.7	34,597.9

(*) The figures relate to retail customers only.

(**) The figures relating to Banca Esperia are stated on a pro-rata basis according to the stake held in that entity (48.5%).

The analysis of new business as well as of assets under management and administration by business segment is set out below.

○ Life Insurance

The current financial crisis entailed the decline in the value of assets invested in life products from €15,082.5 million at year end 2007 to €14,085.0 million at the end of the first half of 2008 (H1 2007: €15,257.2 million).

The analysis of assets invested in life products, on a management basis, is set out in the table below.

€/m	June 30, 2008	June 30, 2007	Dec. 31, 2007
Unit-linked life business	7,546.4	8,369.3	8,114.9
Index-linked life business	5,253.6	5,581.5	5,615.0
Traditional products	1,285.0	1,306.4	1,352.6
Total Life Products	14,085.0	15,257.2	15,082.5

Premiums written in the first half of the year amounted to €1,504.2 million, down 17% from €1,805.0 million at June 30, 2007.

New life business stood at €915.5 million, down 26% from €1,236.3 million at June 30, 2007.

The analysis of premiums written, on a management basis, is set out in the table below.

€/000	June 30, 2008	June 30, 2007	Change
Recurring premiums	155,420	84,467	70,952
Single premiums and group policies	760,128	1,151,791	(391,662)
Total new business	915,548	1,236,258	(320,710)
Pension plans in-force	421,897	405,211	16,687
Other business in-force	172,398	171,518	880
Total in-force business	594,295	576,729	17,566
Total gross premiums written	1,509,843	1,812,987	(303,144)
Ceded premiums	(2,267)	(2,467)	200
Premiums relating to financial contracts (IFRS4)	(3,398)	(5,476)	2,078
Net Premiums Written	1,504,178	1,805,044	(300,866)

In the first half of 2008, the decline in new business written was mainly due to the decrease in "single premiums and group policies" amounting to €391.7 million, of which €287 million related to unit-linked products under Investment Plans. "Recurring premiums" rose €71 million especially thanks to business written under the new retirement product "Tax Benefit New".

The analysis of premiums written by class clearly shows that business written by Group companies was almost exclusively in class III:

€/000	June 30, 2008	June 30, 2007	Change
Insurance/reinsurance			
Class I Traditional life policies	23,344	24,200	(856)
Class III Fund-related insurance	1,481,703	1,783,430	(301,727)
Class V Investment plans	3,958	4,144	(186)
Class VI Pension funds	838	1,213	(375)
Total	1,509,843	1,812,987	(303,144)

In the first half 2008, total amounts paid and change in reserves amounted to €1,432.9 million versus €1,703.6 million in the first half of the prior year.

€/000	June 30, 2008	June 30, 2007	Change
Surrenders	419,584	696,658	(277,074)
Maturities	453,402	284,690	168,711
Claims	32,057	34,426	(2,369)
Annuities	3,507	3,367	140
Total amounts paid	908,550	1,019,142	(110,592)
Change in Technical Reserves	527,572	687,175	(159,603)
Recoveries from reinsurers	(3,208)	(2,739)	(469)
Total amounts paid and change in reserves	1,432,914	1,703,578	(270,664)

The decline in total amounts paid was primarily in connection with lower surrenders in the first half of the year under review. The higher balance on this account in the prior year was due to the positive effects of a number of sales and marketing initiatives with customers.

Asset Management

In the first half of 2008, assets under management declined from €16,346.1 million at December 31, 2007 to €14,682.8 million at the end of the first half 2008 (H1 2007: €17,106.4 million).

€/000	June 30, 2008	June 30, 2007	Dec. 31, 2007
Equity Funds	7,911,173	10,147,074	9,387,275
Bond Funds	2,059,612	2,032,581	2,016,688
Cash Funds	1,376,688	1,222,090	1,369,961
Flexible Funds	543,743	480,239	551,606
Total Mutual Funds investing in securities	11,891,216	13,881,984	13,325,530
`Elite' funds of funds	118,149	169,932	150,840
Mix	989,217	1,447,022	1,202,756
Discretionary accounts	292,284	623,117	424,754
`Portfolio' funds of funds	978,973	1,166,002	1,172,834
Funds of hedge funds	567,854	527,735	577,524
`Best of brands' funds of funds	157,187	-	-
Total managed accounts investing in funds	3,103,664	3,933,808	3,528,708
Real estate funds	375,838	347,572	361,930
Pension funds	70,580	87,954	86,013
Other	89,273	111,595	104,517
Duplications	(847,789)	(1,256,535)	(1,060,602)
Total mutual funds and managed accounts	14,682,782	17,106,378	16,346,096

The financial market crisis in the first months of 2008 entailed the decline in both assets under management and inflows of customer assets in the retail segment. Specifically, at June 30, 2008, the Group reported gross inflows of €1,364.3 million versus €2,160.6 million in the prior year, and net outflows of €92.3 million versus net outflows of €405.9 million at June 30, 2007.

However, despite the adverse market conditions, total gross inflows, including both retail and institutional customers, amounted to €2,858.1 million versus €3,071.8 million in the same period of the prior year (down 7%). Total net inflows amounted to €391.1 million versus net outflows of €65.1 million at June 30, 2007.

The analysis of inflows into asset management products, on a management basis, is set out in the table below.

Gross inflows

€/’000	June 30, 2008	June 30, 2007	Change
Equity Funds	373,874	441,061	(67,187)
Bond Funds	304,980	221,227	83,753
Cash Funds	277,654	353,849	(76,195)
Flexible Funds	10,690	134,449	(123,759)
Total Mutual Funds investing in securities	967,198	1,150,586	(183,388)
‘Best of brands’ funds of funds	175,822	-	175,822
‘Elite’ funds of funds	12,029	23,755	(11,726)
Mix	62,394	83,448	(21,054)
Discretionary accounts	33,754	93,266	(59,512)
‘Portfolio’ funds of funds	86,752	756,933	(670,181)
Other managed accounts investing in funds	168	1,195	(1,027)
Total managed accounts investing in funds	370,919	958,597	(587,678)
Real estate funds	14,214	36,234	(22,020)
Pension funds	9,721	8,117	1,604
Other	2,252	7,082	(4,830)
Total mutual funds and managed accounts	1,364,304	2,160,616	(796,312)

Net inflow

€/’000	June 30, 2008	June 30, 2007	Change
Equity Funds	(55,228)	(309,588)	254,360
Bond Funds	95,140	49,856	45,284
Cash Funds	(55,989)	42,244	(98,233)
Flexible Funds	(19,912)	126,335	(146,247)
Total Mutual Funds investing in securities	(35,989)	(91,153)	55,164
‘Best of brands’ funds of funds	174,814	-	174,814
‘Elite’ funds of funds	(10,206)	(10,235)	29
Mix	(27,106)	(82,401)	55,295
Discretionary accounts	(86,417)	(880,994)	794,577
‘Portfolio’ funds of funds	(99,968)	622,241	(722,209)
Other managed accounts investing in funds	63	1,187	(1,124)
Total managed accounts investing in funds	(48,820)	(350,202)	301,382
Real Estate Funds	7,839	35,992	(28,153)
Pension Funds	(2,108)	2,264	(4,372)
Other	(13,249)	(2,851)	(10,398)
Total mutual funds and managed accounts	(92,327)	(405,950)	313,623

Banking

In the first half of 2008, inflows into assets under administration were up 98% to €456.6 million from €230.4 million at June 30, 2007.

The analysis of assets under administration, on a management basis, is set out in the table.

€/m	June 30, 2008	June 30, 2007	Dec. 31, 2007
Customer deposits	3,779.2	3,633.3	3,870.0
Securities in custody	2,504.2	3,244.4	2,935.4
Repurchase agreements	447.9	180.0	254.3
Total Assets under Administration	6,731.3	7,057.7	7,059.7
of which:			
Banca Mediolanum	5,563.9	5,281.2	5,596.6

In the first half of 2008, Banca Mediolanum bank accounts totalled about 548,300 versus about 501,900 at June 30, 2007. Primary bank account holders amounted to 531,700 versus 484,700 in the same period of the past year.

The Sales Networks

Number	June 30, 2008	June 30, 2007	Dec. 31, 2007
Italy			
Licensed Financial Advisors	5,032	4,108	5,040
Non-licensed advisors / agents (*)	1,027	2,207	1,342
Spain	642	577	638
Germany	31	41	48
Total	6,732	6,933	7,068

(*) Banca Mediolanum S.p.A. non-licensed advisors work also as financial agents under a mandate from Mediolanum Distribuzione Finanziaria S.p.A.

At June 30, 2008, the Mediolanum Group's sales networks of tied financial advisors who apply the Mediolanum business model consisted of 6,732 financial advisors down 336 over year end 2007 largely due to the exit of non-licensed advisors (315).

Consolidated Income Statement at June 30, 2008

€/000	June 30, 2008	June 30, 2007	Change	Change %
Net premiums written	1,504.2	1,805.0	(300.9)	(17)
(Amounts paid) Net claims & benefits and change in reserves	(1,432.9)	(1,703.6)	270.7	(16)
Net Life insurance revenues (ex. commissions)	71.3	101.5	(30.2)	(30)
Entry fees	31.3	28.4	2.9	10
Management fees	150.8	168.1	(17.4)	(10)
Performance fees	32.3	40.5	(8.2)	(20)
Banking service fees	36.7	38.7	(2.0)	(5)
Other fees	20.3	25.4	(5.0)	(20)
Total commission income	271.3	301.1	(29.8)	(10)
Interest income and similar income	194.7	128.2	66.6	52
Interest expense and similar charges	(119.1)	(68.4)	(50.7)	74
Net income on investments at fair value	(25.7)	(0.6)	(25.0)	3922
Net financial income	49.9	59.1	(9.2)	(15)
Realised gains/losses on other investments	3.9	10.4	(6.5)	(63)
Net impairment on other investments	(3.2)	(1.6)	(1.7)	N.A.
Net income on other investments	0.6	8.9	(8.3)	(94)
Other revenues	10.9	13.7	(2.7)	(20)
TOTAL REVENUES	404.0	484.2	(80.2)	(17)
Commission expenses and acquisition costs	(140.2)	(162.9)	22.7	(14)
General and administrative expenses	(162.0)	(157.9)	(4.1)	3
Amortisation and depreciation	(8.0)	(12.8)	4.8	(38)
Provisions for risks and charges	(5.1)	(7.8)	2.6	(34)
TOTAL COSTS	(315.4)	(341.4)	26.0	(8)
PROFIT BEFORE TAX	88.7	142.9	(54.2)	(38)
Income tax	(18.5)	(30.0)	11.5	(38)
Minority interests	-	-	-	N.A.
NET PROFIT FOR THE PERIOD	70.2	112.9	(42.7)	(38)

Net premiums written in the period amounted to €1,504.2 million, down 17% from €1,805 million in the prior year.

Net claims and benefits and change in reserves declined 16% from €1,703.6 million at June 30, 2007 to €1,432.9 million.

Net life insurance revenues before acquisition costs amounted to €71.3 million versus €101.5 million in the prior year. The lower balance was largely due to lower sales and the different loadings applied to products sold in the first half of the year.

Commission income for the period amounted to €271.3 million versus €301.1 million in the first half of 2007. The €29.8 million decline was largely due to the negative performance of financial markets in first half of 2008, which entailed a lower level of performance fees (down €8.2 million) and management fees (down €17.4 million) as a result of lower NAV of assets under management.

The adverse financial market conditions reverberated on **net financial income** and on **realised gains on other investments**, which in the aggregate, declined €15.7 million from €69.5 million at June 30, 2007 to €53.8 million at the end of June 2008. Net losses on investments at fair value amounted to €25.7 million versus €0.6 million in the prior year, largely due to losses on fair value measurement of positions at the end of the period. Conversely, net interest income grew from €59.8 million in the first half of 2007 to €75.6 million at June 30, 2008. The €15.8 million increase was largely due to greater lending volumes and higher interest rate spreads.

Due to lower revenues **commission expenses and acquisition costs** declined to €140.2 million from €162.9 million in the prior year.

Other expenses (general and administrative expenses, amortisation, depreciation and provisions for risks and charges) were down 1.9% to €175.1 million from €178.5 million in the prior year.

Income tax for the period declined to €18.5 million (tax rate of 20.9%) from €30 million at the end of the first half of 2007.

Key corporate events and performance of companies within the Group

In January 2008, the Board of Directors of Banca Mediolanum S.p.A. resolved to increase capital from €371 million to €500 million, to assure the bank the funds it needs for growth. The Banca Mediolanum share capital increase will be effected in different occasions according to capital requirements. The Bank of Italy issued its authorisation on April 30, 2008. In May 2008, Banca Mediolanum requested the shareholder to increase capital by €29 million to €400 million.

In February 2008, the shareholding in Gamax Austria GmbH was sold to the Argon AG Group for a consideration of €400 thousand.

On March 20, 2008, Mediolanum Corporate University S.p.A. was incorporated. This €20 million share capital company is wholly owned by Banca Mediolanum and was established to provide education and training to the Mediolanum Banking Group sales network. On April 30, 2008, the company acquired the property 'Residence Milano 3' in Basiglio. The complex will accommodate trainees attending programmes at the new corporate training centre in Milano 3 City, which is currently under construction. The property above was acquired for €7.43 million. Training programmes are scheduled to begin next October.

On March 26, 2007, Mediolanum S.p.A. sold a 2.5% interest in Mediolanum International Funds Ltd to the Spanish subsidiary Banco de Finanzas e Inversiones S.A. – Fibanc for a consideration of €25.3 million. The sale entailed a €25.2 million gain. The value of the stake (€25,272 thousand) was determined by independent valuers.

On June 26, 2008, Mediolanum International S.A. and Gamax Holding A.G. approved the merger of Gamax Holding A.G. into Mediolanum International S.A.. The merger will become effective after one month of the publication of the merger plan in the Luxembourg Register of Companies.

In June, Banca Mediolanum subscribed to the share capital increase of the Spanish subsidiary, Banco de Finanzas e Inversiones S.A., in the amount of €20 million.

The Parent Company

At June 30, 2008, the Parent Company reported net profit of €131.4 million versus €111.4 million at June 30, 2007.

The increase in net profit was largely in connection with the sale of the 2.5% shareholding in the subsidiary Mediolanum International Funds Ltd to the indirect subsidiary Banco de Finanzas e Inversiones S.A which generated a €25.2 million gain.

Key information on the performance of the main companies that are part of the Mediolanum Group during the period under review is set out below.

Life Insurance Companies

Mediolanum Vita S.p.A. – For the first half of 2008, this company reported net profit of €15.8 million down from €19.4 million at June 30, 2007.

In the period under review the company reported premiums written of €1,047.2 million versus €857.8 million in the prior year (up 22%). New business increased from €279.8 million in the first half of 2007 to €454.9 million at the end of the period under review, of which €102.5 million generated by the retirement product "Tax Benefit New". In-force business premiums stood at €594.6 million, remaining on the same level as in the prior year as at June 30, 2007 they had amounted to €580.4 million.

At June 30, 2008, mathematical reserves and financial liabilities to policyholders amounted to €10,739.4 million, down 7.9% from €11,663.4 million at December 31, 2007.

Mediolanum International Life Ltd – For the first half of 2008, the Irish company reported net profit of €6.1 million versus €15 million in the prior year.

At June 30, 2008, the company reported premiums written of €460.3 million versus €952.7 million at June 30, 2007.

At June 30, 2008, mathematical reserves and financial liabilities to policyholders amounted to €3,335.9 million, slightly down from €3,408.4 million at December 31, 2007.

Mediolanum International Life Ltd policies are distributed in Italy by Banca Mediolanum, in Spain by Fibanc and in Germany through Bankhaus August Lenz.

○ Asset Management Companies

Mediolanum International Funds Ltd – For the first half of 2008, the company reported net profit of €72.2 million, down €7.7 million from €79.9 million at June 30, 2007.

For the first half of 2008, the company reported net inflows of €504.1 million versus €211.6 million at June 30, 2007.

At June 30, 2008, total assets under management amounted to €12,631.9 million down 10% from €14,050 million at December 31, 2007.

The funds managed by Mediolanum International Funds are distributed in Italy, Spain and Germany. Specifically, in the Retail segment, funds are distributed through the sales network of the Mediolanum Banking Group's banks, while, in the Institutional segment, they are distributed largely to the fellow subsidiaries Mediolanum Vita S.p.A. and Mediolanum International Life Ltd.

Mediolanum Gestione Fondi SGR p.A. – For the first half of 2008, the company reported net profit of €1.9 million down from €3.8 million at June 30, 2007.

For the first six months of 2008, the company reported net outflows of €60.3 million versus net outflows of €88.1 million in the first half of 2007.

At June 30, 2008, assets under management declined to €2,038.8 million from €2,266.5 million at December 31, 2007. Assets managed on mandates from fellow subsidiaries amounted to €11,333 million versus €12,302 million at December 31, 2007.

Gamax Management A.G. – For the first half of 2008, the Luxembourg-based company reported net profit of €0.7 million versus €1.8 million in the prior year. The decline was largely due to lower performance fees earned in the period under review (down €1.1 million).

For the first half of 2008, the company reported net outflows of €23.2 million versus net outflows of €55.1 million at June 30, 2007. At June 30, 2008 assets under management amounted to €224.9 million versus €288.1 million at the end of the first half of 2007.

○ Banking operations (including Group product distribution)

Banca Mediolanum S.p.A. – For the first half of 2008, the bank reported net profit of €8.2 million versus €19.9 million for the first half of 2007.

In the first half of 2008, Banca Mediolanum's loans to both institutional and retail customers grew €584 million to €2,107.5 million at June 30, 2008 from €1,523.2 million at December 31, 2007.

Customer deposits stood at €4,994.7 million, remaining substantially in line with the 2007 year end balance (€5,044 million). At June 30, 2008, the total number of bank accounts was 548,310 versus 533,679 at December 31, 2007 and 501,913 at June 30, 2007.

At June 30, 2008, the balance on retail customers' securities accounts amounted to €1,590.9 million versus €1,755.4 million at the end of the past year. The decline was largely in connection with the lower NAV of assets under administration due to the negative performance of financial markets in the period under review.

At the end of the period under review, net financial income was €59.9 million versus €52.2 million in the comparative period. Although adversely impacted by the write-downs resulting from the fair value measurement of the portfolio at June 30, 2008 (down €7.2 million), net financial income increased over the prior year thanks to lending growth as well as wider spreads following interest rate hikes.

For the first half of 2008, net commission income declined 24.7% to €42.3 million from €56.2 million in the prior year. The decline was largely in connection with lower commissions earned on life products and mutual funds due to the different mix of products sold in the period as well as the decline in the value of assets under management due to the financial market downturn in the period under review.

Dividends for the period stood at €26.3 million versus €31.9 million in the prior year. The decline was largely in connection with lower dividends from the subsidiary Mediolanum International Funds Ltd (down €5.2 million).

Banco de Finanzas e Inversiones S.A. (Fibanc) – For the first half of 2008, the Spanish Bank reported a net loss of €0.5 million versus net profit of €1.5 million in the first half of 2007.

The financial market crisis impacted the bank's new business. For the first half of 2008, the bank reported net outflows of €160.7 million (vs. net outflows of €58.6 million at June 30, 2007) especially from assets under administration (down €109 million).

At June 30, 2008, total assets under administration amounted to €1,930.1 million versus €2,684.2 million at June 30, 2007.

Bankhaus August Lenz & Co. – For the first half of 2008, the German bank reported a net loss of €3.9 million, essentially in line with the €4 million loss reported for the first half of 2007.

For the period under review, Bankhaus August Lenz reported net inflows of €6.9 million versus €5.8 million in the prior year. At June 30, 2008, assets under administration amounted to €80.3 million versus €60.7 million at June 30, 2007.

Associates

This account relates exclusively to the 48.5%-owned associate Banca Esperia S.p.A.

For the first half of 2008, the Banca Esperia Group reported net outflows of €569 million versus net inflows of €1,771 million at June 30, 2007.

At the end of the period under review, total assets under management and administration amounted to €8,791 million versus €9,318 million at December 31, 2007 and €9,130 million at June 30, 2007.

At June 30, 2008, there were 49 private bankers versus 54 at June 30, 2007.

At June 30, 2008, the Group reported net profit of €6.8 million versus €18 million at June 30, 2007.

Intercompany and related party transactions

There were no atypical or unusual transactions as related party transactions, including intercompany transactions, were part of the Group's ordinary business. Said transactions were made at arm's length in consideration of the features of goods and services provided.

Information on related party transactions, including disclosures required under CONSOB Communication of July 28, 2006, is set out in the Notes to these financial statements for the six month period ended June 30, 2008.

● Post balance sheet date events

After June 30, 2008, there was no event which could have a significant impact on the financial position, result of operations and cash flows of the Mediolanum Group.

● Outlook

The outlook for the second half of 2008 appears to be still characterised by uncertainties over when financial markets are actually going to rebound. The main risks may arise from potential further weakness in the macroeconomic scenario following declining consumption and the protracted credit crisis.

Against this backdrop, further increases in commodity prices and concomitantly growing inflationary pressures may further restrain the ability of central banks to step in to support growth by easing monetary policy.

The protracted weakness of the US dollar against the Euro and the slowdown of the US economy may have further adverse effects on Eurozone economies.

In the light of market conditions in the first half of 2008, assets under management may not be able to revalue in the short term and year-on-year performance of commission income may show a decline. However, the outstanding results achieved in terms of net inflows and the numerous commercial initiatives launched in the past few months justify expectations for positive developments in business performance in the second half of the year.

Basiglio, July 31, 2008

For the Board of Directors
The Chairman
(Roberto Ruozi)

MEDIOLANUM S.p.A.

**Schedules
at June 30
2008**

Note on the method applied to the income statement reclassification

The income statement set out herein was prepared by reclassifying income and expense items before tax by nature and recognising financial income/expense on policyholders' assets/liabilities relating to contracts where the investment risk is born by the policyholder under "Amounts paid and change in technical reserves".

The reclassified income statement reflects the management reporting system of the Mediolanum Group.

The reconciliation of the consolidated income statement prepared on a statutory basis to the reclassified income statement at June 30, 2008 is set out below.

Reconciliation of the consolidated Income Statement prepared on a statutory basis to the reclassified income statement at June 30, 2008

€/’000	Consolidated income statement
1.1 Premiums written, net of reinsurance	
1.1.1 Gross premiums written	1,506,445
1.1.2 Reinsurance premiums	(2,267)
Total premiums written, net of reinsurance	1,504,178
1.2 Commission income	271,326
1.3 Income on financial instruments at fair value through profit/loss	(1,567,578)
1.4 Income on investments in subsidiaries, associates and joint ventures	2,811
1.5 Income on other financial instruments and investment property	
1.5.1 Interest income	146,751
1.5.2 Other income	1,337
1.5.3 Realized gains	2,915
1.5.4 Unrealized gains	2,285
Total income on other financial instruments and investment property	153,288
1.6 Other revenues	10,928
Total revenues and income	374,953
2. Costs	
2.1 Claims incurred	
2.1.1 Claims paid and change in technical reverses	128,870
2.1.2 Reinsurers’ share	3,208
Total claims incurred, net of reinsurance	132,078
2.2 Commission expense	(97,999)
2.3 Loss on investments in subsidiaries, associates and joint ventures	-
2.4 Loss on other financial instruments and investment property	
2.4.1 Interest expense	(94,033)
2.4.2 Other expense	(109)
2.4.3 Realized losses	(3,074)
2.4.4 Unrealized losses	(5,560)
Loss on the other financial instruments and investment property	(102,776)
2.5 Operating expenses	
2.5.1 Agents’ commissions and other acquisition costs	(44,964)
2.5.2 Investment management costs	(199)
2.5.3 Other administrative expenses	(147,450)
Total operating expenses	(192,613)
2.6 Other costs	(24,930)
Total costs	(286,240)
Pre-tax profit (loss) for the year	88,713
3. Income taxes	(18,478)
4. Profit (loss) of discontinued operations	-
Consolidated profit (loss) for the year	70,235
RECLASSIFICATIONS	
Interest income and expenses on assets/liabilities pertaining to policyholders (including policies classified as financial contracts under IFRS 14)	-
Other reclassifications	-
TOTAL RECLASSIFICATIONS	-

RECLASSIFIED INCOME STATEMENT - REVENUES

Net premiums written	Amounts paid and change in reserves	Commission Income	Interest income and similar income	Interest expenses and similar charges	Net income on investments at fair value	Net income on other investments	Other revenues
1,506,445	-	-	-	-	-	-	-
(2,267)	-	-	-	-	-	-	-
1,504,178	-	-	-	-	-	-	-
-	-	271,326	-	-	-	-	-
-	-	-	144,303	(45,337)	(1,666,544)	-	-
-	-	-	-	-	-	2,811	-
-	-	-	146,751	-	-	-	-
-	-	-	1,211	-	-	126	-
-	-	-	-	-	-	2,915	-
-	-	-	-	-	-	-	-
-	-	-	147,962	-	-	3,041	-
-	-	-	-	-	-	-	10,928
1,504,178	-	271,326	292,265	(45,337)	(1,666,544)	5,852	10,928
-	129,433	-	-	-	-	-	-
-	3,208	-	-	-	-	-	-
-	132,641	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	(94,033)	-	-	-
-	-	-	-	(14)	-	(95)	-
-	-	-	-	-	-	(3,074)	-
-	-	-	-	-	-	-	-
-	-	-	-	(94,047)	-	(3,169)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	132,641	-	-	(94,047)	-	(3,169)	-
1,504,178	132,641	271,326	292,265	(139,384)	(1,666,544)	2,683	10,928
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,504,178	132,641	271,326	292,265	(139,384)	(1,666,544)	2,683	10,928
-	(1,564,814)	-	(96,339)	20,272	1,640,881	-	-
-	(741)	-	(1,209)	-	-	1,209	-
1,504,178	(1,432,914)	271,326	194,717	(119,112)	(25,663)	3,892	10,928

Reconciliation of the Income Statement at June 30, 2008 to the reclassified Income Statement for segment reporting purposes

€/’000

1.1	Premiums written, net of reinsurance
1.1.1	Gross premiums written
1.1.2	Reinsurance premiums
	Total premiums written, net of reinsurance
1.2	Commission income
1.3	Income on financial instruments at fair value through profit/loss
1.4	Income on investments in subsidiaries, associates and joint ventures
1.5	Income on other financial instruments and investment property
1.5.1	Interest income
1.5.2	Other income
1.5.3	Realized gains
1.5.4	Unrealized gains
	Total income on other financial instruments and investment property
1.6	Other revenues
	Total revenues and income
2.	Costs
2.1	Claims incurred
2.1.1	Claims paid and change in technical reverses
2.1.2	Reinsurers’ share
	Total claims incurred, net of reinsurance
2.2	Commission expense
2.3	Loss on investments in subsidiaries, associates and joint ventures
2.4	Loss on other financial instruments and investment property
2.4.1	Interest expense
2.4.2	Other expense
2.4.3	Realized losses
2.4.4	Unrealized losses
	Loss on the other financial instruments and investment property
2.5	Operating expenses
2.5.1	Agents’ commissions and other acquisition costs
2.5.2	Investment management costs
2.5.3	Other administrative expenses
	Total operating expenses
2.6	Other costs
	Total costs
	Pre-tax profit (loss) for the year
3.	Income taxes
4.	Profit (loss) of discontinued operations
	Consolidated profit (loss) for the year

RECLASSIFICATIONS

Interest income and expenses on assets/liabilities pertaining to policyholders
(including policies classified as financial contracts under IFRS 14)

Other reclassifications

TOTAL RECLASSIFICATIONS

RECLASSIFIED INCOME STATEMENT - EXPENSES AND INCOME TAX

Acquisition costs and commission expenses	Net impairment of financial assets	G&A expenses	Amortisation and depreciation	Provision for risk and charges	Income tax	Net profit
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,285	-	-	-	-	-
-	2,285	-	-	-	-	-
-	-	-	-	-	-	-
-	2,285	-	-	-	-	-
-	-	(563)	-	-	-	-
-	-	-	-	-	-	-
-	-	(563)	-	-	-	-
(97,999)	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(5,533)	-	(27)	-	-	-
-	(5,533)	-	(27)	-	-	-
(42,220)	-	(2,744)	-	-	-	-
-	-	(199)	-	-	-	-
-	-	(147,450)	-	-	-	-
(42,220)	-	(150,393)	-	-	-	-
-	(1)	(11,831)	(7,974)	(5,124)	-	-
(140,219)	(5,534)	(162,787)	(8,001)	(5,124)	-	-
(140,219)	(3,249)	(162,787)	(8,001)	(5,124)	-	-
-	-	-	-	-	(18,478)	-
-	-	-	-	-	-	-
(140,219)	(3,249)	(162,787)	(8,001)	(5,124)	(18,478)	-
-	-	-	-	-	-	-
-	-	741	-	-	-	-
(140,219)	(3,249)	(162,046)	(8,001)	(5,124)	(18,478)	70,235

MEDIOLANUM S.p.A.

**Consolidated
Accounts
at June 30
2008**

Balance sheet

Assets

€/’000	June 30, 2008	Dec. 31, 2007
1. Intangible assets		
1.1 Goodwill	161,302	161,422
1.2 Other intangible assets	14,257	13,963
Total intangible assets	175,559	175,385
2. Tangible assets		
2.1 Property	63,539	56,458
2.2 Other tangible assets	19,563	19,400
Total tangible assets	83,102	75,858
3. Reinsurers’ share of technical reserves	100,034	100,870
4. Investments		
4.1 Investment property	4,303	4,214
4.2 Investments in subsidiaries, associated and JVs	56,016	53,205
4.3 Held to maturity investments	590,999	592,324
4.4 Loans and receivables	4,688,843	4,581,998
4.5 Available for sale financial assets	1,414,945	1,338,611
4.6 Financial assets at fair value through profit and loss	15,673,043	16,185,536
Total investments	22,428,149	22,755,889
5. Receivables		
5.1 Arising out of direct insurance business	9,519	11,504
5.2 Arising out of reinsurance business	182	-
5.3 Other receivables	4,848	1,839
Total receivables	14,549	13,343
6. Other assets		
6.1 Non current assets or assets of discontinued operations, held for sale	-	1,042
6.2 Deferred acquisition costs	-	-
6.3 Defferend tax assets	52,855	38,366
6.4 Current tax assets	133,688	157,587
6.5 Other assets	241,799	220,455
Total other assets	428,342	417,449
7. Cash and cash equivalents	317,786	245,370
TOTAL ASSETS	23,547,521	23,784,163

Shareholder's equity and liabilities

€/000	June 30, 2008	Dec. 31, 2007
1. Capital and reserves		
1.1 Group shareholders' equity		
1.1.1 Share capital	73,001	72,948
1.1.2 Other equity instruments	-	-
1.1.3 Capital reserves	51,863	51,277
1.1.4 Retained earnings and other equity reserves	653,676	523,613
1.1.5 (Treasury shares)	(2,045)	(2,045)
1.1.6 Exchange difference reserves	-	-
1.1.7 Gains or losses on available for sale financial assets	(73,223)	36,997
1.1.8 Other gains or losses recognised directly in equity	-	-
1.1.9 Profit (loss) for the year attributable to the Group	70,235	212,243
Total capital and reserves attributable to the Group	773,507	895,033
1.2 Attributable to minority interests		
1.2.1 Capital and reserves attributable to minority interests	-	-
1.2.2 Gains (losses) recognised directly in equity	-	-
1.2.3 Net profit (loss) for the year attributable to minority interests	-	-
Total capital and reserves attributable to minority interests	-	-
Total capital and reserves	773,507	895,033
2. Provisions	81,875	78,875
3. Technical reserves	13,604,495	14,457,087
4. Financial liabilities		
4.1 Financial liabilities at fair value through profit and loss	1,485,886	1,350,199
4.2 Other financial liabilities	7,231,478	6,554,078
Total financial liabilities	8,717,364	7,904,277
5. Payables		
5.1 Arising out of direct insurance business	7,084	18,662
5.2 Arising out of reinsurance business	208	1,339
5.3 Other payables	165,824	234,466
Total payables	173,116	254,467
6. Other liabilities		
6.1 Liabilities of disposal groups held for sale	-	905
6.2 Deferred tax liabilities	12,103	11,602
6.3 Current tax liabilities	25,894	46,563
6.4 Other liabilities	159,167	135,354
Total other liabilities	197,164	194,424
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	23,547,521	23,784,163

Income statement

€/’000	June 30, 2008	June 30, 2007
1. Revenues		
1.1 Net premiums written		
1.1.1 Gross premium written	1,506,445	1,807,511
1.1.2 Reinsurance premiums	(2,267)	(2,467)
Net premiums written	1,504,178	1,805,044
1.2 Commission income	271,326	301,137
1.3 Net income on financial instruments at fair value through profit and loss	(1,567,578)	302,469
1.4 Income on investments in subsidiaries, associates and JVs	2,811	9,609
1.5 Income on other financial instruments and investment property		
1.5.1 Interest income	146,751	109,359
1.5.2 Other income	1,337	1,534
1.5.3 Realised gains	2,915	2,998
1.5.4 Unrealised gains	2,285	3,192
Total income on other financial instruments and investment property	153,288	117,083
1.6 Other revenues	10,928	13,354
Total revenues	374,953	2,548,696
2. Costs		
2.1 Net claims and benefits		
2.1.1 Amounts paid and change in technical reserves	128,870	(1,990,810)
2.1.2 Reinsurers’ share/recoveries from reinsurers	3,208	2,739
Net claims and benefits	132,078	(1,988,071)
2.2 Commission expense	(97,999)	(102,483)
2.3 Loss on other investments in subsidiaries, associates and JVs	-	-
2.4 Loss on other financial instruments and investment property		
2.4.1 Interest expense	(94,033)	(68,215)
2.4.2 Other expenses	(109)	(255)
2.4.3 Realised losses	(3,074)	(159)
2.4.4 Unrealised losses	(5,560)	(4,681)
Loss on other financial instruments and investment property	(102,776)	(73,310)
2.5 Operating expenses		
2.5.1 Agents’ commissions and other acquisition costs	(44,964)	(65,040)
2.5.2 Investment management costs/expenses	(199)	(109)
2.5.3 Other administrative expense	(147,450)	(140,957)
Total operating expenses	(192,613)	(206,106)
2.6 Other costs	(24,930)	(35,948)
Total costs	(286,240)	(2,405,918)
Profit (loss) before tax for the period	88,713	142,778
3. Income tax	(18,478)	(30,007)
Profit (loss) for the period	70,235	112,771
4. Profit (loss) from discontinued operations	-	101
Group net profit (loss) for the period	70,235	112,872
of which pertaining to the Group	70,235	112,872
Earning per share (in euro)	0,096	0,155

Statement of changes in shareholder's equity

€/000	Balance at Dec. 31, 2006	Adjustment to closing balance	Amount credit	Transferred to the Income Statement	Other Movements	Balance at June 30, 2007
Shareholders' equity pertaining to the Group						
Share capital	72,884	-	5	-	-	72,889
Other equity instruments	-	-	-	-	-	-
Capital reserves	52,561	(2,045)	238	-	-	50,754
Retained earnings and other equity reserves	439,761	2,045	141,706	-	-	583,512
(Treasury shares)	(2,045)	-	-	-	-	(2,045)
Exchange difference reserve	-	-	-	-	-	-
Gains (losses) on available-for-sale financial assets	117,465	-	(18,347)	(1,292)	-	97,826
Other gains (losses) recognized directly in equity						
Gains (losses) on cash flow hedges	-	-	-	-	-	-
Gains (losses) on hedges of a net investment in a foreign operation	-	-	-	-	-	-
Reserve relating to changes in the equity of investees	-	-	-	-	-	-
Intangible assets revaluation reserve	-	-	-	-	-	-
Tangible assets revaluation reserve	-	-	-	-	-	-
Gains (losses) on non-current assets or disposal groups held for sale	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-
Net profit (loss) for the year	223,678	-	(27,035)	-	(83,771)	112,872
Total shareholders' equity pertaining to the Group	904,304	-	96,567	(1,292)	(83,771)	915,808
Shareholders' equity pertaining to minority interest						
Share capital and reserves	-	-	-	-	-	-
Gains (losses) recognized directly in equity	-	-	-	-	-	-
Net profit (loss) for the year	-	-	-	-	-	-
Total shareholders' equity pertaining to minority interests	-	-	-	-	-	-
TOTAL	904,304	-	96,567	(1,292)	(83,771)	915,808

€/000	Balance at Dec. 31, 2007	Adjustment to closing balance	Amount credit	Transferred to the Income Statement	Other Movements	Balance at June 30, 2008
Shareholders' equity pertaining to the Group						
Share capital	72,948	-	53	-	-	73,001
Other equity instruments	-	-	-	-	-	-
Capital reserves	51,277	-	586	-	-	51,863
Retained earnings and other equity reserves	523,613	-	130,063	-	-	653,676
(Treasury shares)	(2,045)	-	-	-	-	(2,045)
Exchange difference reserve	-	-	-	-	-	-
Gains (losses) on available-for-sale financial assets	36,997	-	(110,379)	159	-	(73,223)
Other gains (losses) recognized directly in equity						
Gains (losses) on cash flow hedges	-	-	-	-	-	-
Gains (losses) on hedges of a net investment in a foreign operation	-	-	-	-	-	-
Reserve relating to changes in the equity of investees	-	-	-	-	-	-
Intangible assets revaluation reserve	-	-	-	-	-	-
Tangible assets revaluation reserve	-	-	-	-	-	-
Gains (losses) on non-current assets or disposal groups held for sale	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-
Net profit (loss) for the year	212,243	-	(58,163)	-	(83,845)	70,235
Total shareholders' equity pertaining to the Group	895,033	-	(37,840)	159	(83,845)	773,507
Shareholders' equity pertaining to minority interests						
Share capital and reserves	-	-	-	-	-	-
Gains (losses) recognized directly in equity	-	-	-	-	-	-
Net profit (loss) for the year	-	-	-	-	-	-
Total shareholders' equity pertaining to minority interests	-	-	-	-	-	-
TOTAL	895,033	-	(37,840)	159	(83,845)	773,507

Consolidated cash flow statement

Indirect method

€/’000	June 30, 2008	June 30, 2007
Pre-tax profit (loss) for the year	88,713	142,778
Changes in non-monetary items	(2,353,713)	1,252,218
Change in unearned premiums reserve (general business)	-	-
Change in outstanding claims reserve and other technical reserves (general business)	-	-
Change in mathematical reserves and other technical reserves (life business)	(851,756)	1,059,035
Change in deferred acquisition costs	-	-
Change in provisions	3,000	5,810
Non-monetary income (losses) on financial instruments, investment property and equity investments	(1,504,957)	187,373
Other changes	-	-
Changes in receivables and payables arising out of operating activities	(75,984)	(111,399)
Changes in receivables and payables arising out of direct insurance and reinsurance operations	(10,906)	582
Changes in other receivables and payables	(65,078)	(111,981)
Income taxes paid	(33,203)	(30,889)
Net cash from monetary items relating to investment and financial activities	588,244	1,204,081
Liabilities on financial contracts issued by insurance companies	135,687	(56,437)
Amounts due to banks and banking customers	677,400	812,681
Loans to and receivables from banks and banking customers	(106,740)	447,158
Other financial instruments at fair value through profit or loss	(118,103)	679
NET CASH FLOWS FROM OPERATING ACTIVITIES	(1,785,943)	2,456,789
Net cash from investment property	(89)	1,884
Net cash from subsidiaries, associates and <i>joint ventures</i>	(2,811)	(9,609)
Net cash from loans and receivables	(105)	773
Net cash from held-to-maturity investments	1,325	(39,721)
Net cash from available-for-sale financial assets	(76,334)	(183,298)
Net cash from tangible and intangible assets	(7,419)	7,547
Other cash flows from investment activities	2,135,553	(2,133,484)
NET CASH FLOWS FROM INVESTING ACTIVITIES	2,050,120	(2,355,908)
Net cash from equity instruments pertaining to the Group	(107,916)	(17,597)
Net cash from treasury shares	-	-
Distribution of dividends pertaining to the Group	(83,845)	(83,771)
Net cash from capital and reserves pertaining to minority interests	-	-
Net cash from subordinated liabilities and quasi-equity instruments	-	-
Net cash from miscellaneous financial liabilities	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	(191,761)	(101,368)
Effect of exchange rate changes on cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	245,370	441,012
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	72,416	(487)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	317,786	440,525

MEDIOLANUM S.p.A.

**Notes
to the financial
statements
2008**

Accounting policies

General

Legislative Decree 195 of November 6, 2007 transposed into national legislation Directive 2004/109/EC of the European Parliament and of the Council on the harmonisation of transparency requirements in relation to financial information about issuers whose securities are admitted to trading on a regulated market (so called "Transparency Directive").

Said Decree introduced into Legislative Decree 58/98 (Consolidated Finance Act) a new section, i.e. section 154 ter entitled "*Relazioni finanziarie*" (Financial Reporting), which innovates terms and procedures for financial reporting by issuers whose securities are publicly traded. In particular, paragraphs 2, 3 and 4 require that the issuers whose home Member State is Italy publish a half yearly financial report covering the first six months of the financial year not later than 60 days after the end of the relevant period and that the half yearly financial report be made up of

- a **condensed set of financial statements** which is to be a condensed set of **consolidated** financial statements if the issuer is required to prepare consolidated accounts, and is to be prepared in accordance with applicable international accounting standards adopted in the EU pursuant to Regulation (EC) No. 1606/2002;
- an **interim management report** which is to include at least an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year and also information about related parties transactions;
- a **statement made by the officer responsible for preparing corporate accounting and financial reporting documents** pursuant to section 154-bis, paragraph 5;
- the **independent auditors' report** relating to the condensed financial statements, also to be published not later than 60 days after the end of the relevant period.

The new statutory provisions apply to financial reporting beginning from the consolidated half yearly financial report for the six month period ending June 30, 2008. Therefore, the 2008 half yearly financial report is to be made public not later than August 31, 2008.

The new statutory provisions supersede article 81 of the Regulations for Issuers.

CONSOB Resolution 14990 of April 14, 2005 had already introduced amendments to said article and in particular the requirement that the Half Yearly Financial Report be prepared in compliance with IAS 34 (Interim Financial Reporting). The previous statutory provisions already contained the requirement to prepare consolidated financial statements but set forth a longer term for their publication. The new section of the Consolidated Finance Act no longer sets forth the requirement to publish parent company's accounts and related explanatory notes.

● General principles

These consolidated half yearly financial statements consist of:

- a **balance sheet** for the relevant interim period (six months ended June 30, 2008) as well as a comparative balance sheet for the prior financial year (ended December 31, 2007);
- an **income statement** for the relevant interim period (first half of 2008) and a comparative income statement for the same interim period of the prior year (first half of 2007);
- a **statement of changes in shareholders' equity** for the period ranging from the beginning of the financial year to the end of the relevant interim period as well as a comparative statement of changes in shareholders' equity for the same period of the prior year;
- a **cash flow statement** for the period ranging from the beginning of the financial year and the end of the relevant interim period as well as a comparative cash flow statement for the same period of the prior year;
- **notes**, comprising a summary of significant accounting policies and other explanatory notes.

In the interest of timeliness IAS 34 allows an entity to provide less information at interim dates as compared with its annual financial statements ("condensed set of financial statements"), which is intended to provide an update on the latest complete set of annual financial statements.

● Changes in significant accounting policies

These consolidated half year financial statements were prepared applying the international accounting and financial reporting standards (IAS/IFRS). The accounting policies applied in the preparation of these financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended December 31, 2007, except hedge accounting for which the relevant new policy began to be applied in the first half of 2008.

Hedging transactions are intended to neutralise potential losses on an item or group of items, that are attributable to a particular risk, in the event that risk materialises.

Pursuant to IAS 39 the Company adopted fair value hedging to cover exposure to changes in the fair value of a financial item, that is attributable to a particular risk. Specifically, the Company entered into fair value hedges of the interest rate exposure of a portfolio of financial assets.

Only instruments that involve a party external to the Group can be designated as hedging instruments. A hedge of an overall net position in a portfolio of financial instruments does not qualify for hedge accounting.

Hedging derivatives are measured at fair value. As they are accounted for as fair value hedges, the changes in the fair value of the hedged item are offset by the changes in the fair value of the hedging instrument.

Hedge accounting recognises the offsetting effects on profit or loss of changes in the fair values of the hedging instrument and the hedged item (in relation to changes generated by the underlying risk). Any resulting difference, which represents the partial ineffectiveness of the hedge, is the net effect on profit or loss.

Fair value is determined on the basis of quoted prices in an active market, prices quoted by market participants or internal valuation models commonly used in financial practice, which take into account all risk factors associated with the instruments and based on market information.

Derivatives are recognised as hedging derivatives if there is formal documentation of the hedging relationship between the hedging instrument and the hedged item and if, at the inception of the hedge and prospectively, the hedge is expected to be effective during the period for which the hedge is designated.

A hedge is effective if it achieves offsetting changes in the fair value of the hedged risk.

The hedging relationship is considered effective if, at the inception of the hedge and in subsequent periods, the changes in the fair value of the hedged item are offset by the changes in fair value of the hedging instrument and if the actual results of the hedge are within a range of 80% - 125%.

Hedge effectiveness is assessed at the date the entity prepares its annual or interim financial statements, using:

- prospective tests which support hedge accounting in terms of expected effectiveness;
- retrospective tests which show the degree of hedge effectiveness in the relevant past periods.

In other words, they measure how much actual results differed from perfect hedging.

If the tests do not confirm hedge effectiveness, hedge accounting is discontinued, the hedging derivative is reclassified into trading instruments while the hedged item is again recognised according to its usual classification in the balance sheet; successive changes in fair value are recognised in profit or loss.

Consolidated accounts were prepared in accordance with ISVAP regulation No. 7 of July 13, 2007.

For the measurement of certain items reasonable estimates were made to ensure the consistent application of accounting policies. Said estimates do not compromise the reliability of interim financial reporting.

Comparative information at June 30, 2007 and at December 31, 2007 is included. Certain reclassifications were made with respect to said prior reporting periods, where necessary, for the sake of consistency of financial information.

In accordance with art. 5 of Legislative Decree No. 38 of February 28, 2005 these financial statements were prepared using the euro as reporting currency. Except where otherwise stated the amounts set out herein are presented in thousands of euro.

Scope of consolidation

The Group half yearly financial statements include the accounts of Mediolanum S.p.A. and those of its directly or indirectly controlled subsidiaries.

Group companies directly owned by Mediolanum S.p.A. consolidated on a line-by-line basis are set out in the table below.

€/000 Company	Share capital	% holding	Registered Office	Business
Mediolanum Vita S.p.A.	87,720	100.000	Basiglio	Life Insurance
Partner Time S.p.A.	520	100.000	Basiglio	Life Insurance distribution
Mediolanum Comunicazione S.p.A.	775	100.000	Basiglio	Audio/film/TV production
PI Distribuzione S.p.A.	517	100.000	Basiglio	Real estate brokerage
Mediolanum International Life Ltd	1,395	100.000	Dublin	Life Insurance
Banca Mediolanum S.p.A.	400,000	100.000	Basiglio	Banking
Mediolanum Gestione Fondi SGR p.A.	5,165	49.000	Basiglio	Fund Management
Mediolanum International Funds Ltd	150	44.000	Dublin	Fund Management
Mediolanum Asset Management Ltd	150	49.000	Dublin	Asset management and advice

Group companies indirectly owned by Mediolanum S.p.A. through Banca Mediolanum S.p.A. consolidated on a line-by-line basis are set out in the table below.

€/000 Company	Share capital	% holding	Registered Office	Business
Mediolanum Distribuz. Finanz. S.p.A.	1,000	100.000	Basiglio	Financial Brokerage
Mediolanum Gestione Fondi SGR p.A.	5,165	51.000	Basiglio	Fund management
Mediolanum Corporate University S.p.A.	20,000	100.000	Basiglio	Education and Training
Mediolanum International Funds Ltd	150	53.500	Dublin	Fund management
Mediolanum Asset Management Ltd	150	51.000	Dublin	Asset management and advice
Banco de Finanzas e Inversiones S.A.	86,032	100.000	Barcelona	Banking
Ges Fibanc SGIIC S.A.	2,506	100.000	Barcelona	Fund management
Fibanc S.A.	301	100.000	Barcelona	Financial Advice
Fibanc Pensiones S.G.F.P. S.A.	902	100.000	Barcelona	Pension Fund management
Mediolanum International S.A.	71,500	99.997	Luxembourg	Sub-holding company
Gamax Holding AG	5,618	100.000	Luxembourg	Sub-holding company
Gamax Management AG	7,161	100.000	Luxembourg	Fund management
Bankhaus August Lenz & Co. AG	20,000	100.000	Munich	Banking

The company Fibanc Faif S.A. is no longer included in the consolidated accounts since it was liquidated in the first quarter of 2008.

Mediolanum S.p.A. associates accounted for using the equity method are set out in the table below.

€/000 Company	Share capital	% holding	Registered Office	Business
Banca Esperia S.p.A.	13,000	48.500%	Milan	Banking

KEY BALANCE SHEET INFORMATION

Investments, Cash and Cash Equivalents

€/000	June 30, 2008	%	Dec. 31, 2007	%
Investments property	4,303	0.0	4,214	0.0
Investments in subsidiaries, associates and JVs	56,016	0.2	53,205	0.2
Loans and receivables	4,688,843	20.5	4,581,998	19.9
Held to maturity investments	590,999	2.6	592,324	2.6
Available for sale financial assets	1,414,945	6.2	1,338,611	5.8
Financial assets at <i>fair value</i> through profit and loss	15,673,043	68.7	16,185,536	70.1
Total investments	22,428,149	98.2	22,755,888	98.6
Tangible assets: property and other tangible assets	83,102	0.4	75,858	0.3
Cash and cash equivalents	317,786	1.4	245,370	1.1
Total investments, cash and cash equivalents	22,829,037	100.0	23,077,116	100.0

“Investments in subsidiaries, associates and joint ventures” amounted to €56 million versus €53.2 million at December 31, 2007, and related exclusively to the 48.5% shareholding in Banca Esperia S.p.A. accounted for under the equity method.

The analysis of **Loans and Receivables** is set out in the table below.

€/000	June 30, 2008	Dec. 31, 2007
Banks	2,398,695	2,882,087
Time deposits	1,340,074	2,241,765
Other loans	1,047,925	612,206
Reserve requirements	10,696	28,116
Banking customers	2,279,745	1,689,613
Current accounts	301,226	267,910
Repurchase agreements	215,428	362,293
Mortgage loans	756,175	573,801
Other	1,006,916	485,609
Others	10,403	10,298
Total	4,688,843	4,581,998

Loans and Receivables increased from €4,582.0 million at December 31, 2007 to €4,688.8 million at the end of the period under review. The increase is largely in connection with greater interbank lending and loans extended to customers by the subsidiary Banca Mediolanum S.p.A.

The analysis by type of instrument of **Held-to-Maturity Investments**, **Available-for-Sale Financial Assets** and **Financial Assets at fair value through profit or loss** is set out in the tables below.

€/’000	June 30, 2008	Dec. 31, 2007
Held to maturity investments	590,999	592,324
Debt securities	322,383	298,542
Assets sold but not derecognised (debt securities)	268,616	293,782
Available-for-sale financial assets	1,414,945	1,338,611
Debt securities	635,770	582,389
Assets sold but not derecognised (debt securities)	243,893	100,816
Equities	332,567	426,447
Holdings in UCITS	202,715	228,959
€/’000	June 30, 2008	Dec. 31, 2007
Financial assets at fair value through profit and loss	15,673,043	16,185,536
Debt securities	1,958,584	1,583,865
Assets sold but not derecognised (debt securities)	1,018,947	1,023,968
Equities	45	83
Holdings in UCITS	15,349	12,524
Trading derivatives	29,241	41,960
Hedging derivatives	5,548	–
Contracts under which the investment risk is borne by the policyholder	12,645,329	13,523,136

At the end of the period under review, **financial assets at fair value through profit or loss** amounted to €15,673.0 million versus €16,185.5 million at the end of the prior year. The decline was largely in connection with the write-downs of “contracts under which the investment risk is borne by the policyholder” (investments underlying unit-linked and index linked insurance contracts) due to the financial market crisis, partly offset by the increase in debt securities held by the subsidiary Banca Mediolanum (up €319.5 million) recognised by it as financial assets held for trading.

● Net technical reserves

€/’000	June 30, 2008	Dec. 31, 2007
Mathematical reserves	1,265,337	1,268,031
Reserve for outstanding claims	62,843	130,414
Technical reserves for contracts under which the investment risk is borne by the policyholder and in connection with pension fund management	12,246,883	13,027,317
Other reserves with pension fund management	29,432	31,325
Total Life Business reserves	13,604,495	14,457,087

At the end of the first half of 2008, technical reserves net of reinsurers' share amounted to €13,604.5 million versus €14,457 million at year end 2007. The €852.6 million decline largely relates to technical reserves on contracts under which the investment risk is borne by the policyholder and in connection with pension fund management (down €780 million), and is closely connected to the write-downs of underlying investments recognised as "Financial assets at fair value through profit or loss" and "Financial liabilities at fair value through profit or loss".

Financial Liabilities

Financial liabilities at fair value through profit or loss:

€/000	June 30, 2008	Dec. 31, 2007
Financial liabilities at fair value through profit and loss - Total	1,485,886	1,350,199
Short positions on debt securities	991,923	714,771
Trading derivatives	19,639	17,378
Securities issued	2,922	2,974
Other financial liabilities	556	282
Financial liabilities on contracts under which the investment risk is borne by the policyholder and pension fund management	470,846	614,794

At the end of the period under review financial liabilities at fair value through profit or loss amounted to €1,485.9 million, up €135.7 million from €1,350.2 million at December 31, 2007. The increase was mainly due to larger short positions on debt securities held by Banca Mediolanum (up €277.1 million) offset by the increase (€319.5 million) in debt securities recognised as financial assets at fair value through profit or loss.

The decline in financial liabilities arising on contracts under which the investment risk is borne by the policyholder and pension fund management was in connection with the impact of the financial market crisis on financial instruments and related write-downs.

The analysis of Other Financial Liabilities is set out below.

€/000	June 30, 2008	Dec. 31, 2007
Banks	1,951,462	1,446,463
Central Banks	200,028	290,465
Bank accounts and demand deposits	412,882	494,826
Time deposits	744,991	99,464
Loans	375,000	375,000
Other liabilities	218,561	186,708
Banking customers	5,180,600	5,007,974
Bank accounts	3,876,572	3,897,118
Liabilities for assets that were sold but not derecognised	1,295,616	1,101,794
Other payables	8,412	9,062
Other financial liabilities	99,416	99,641
Total	7,231,478	6,554,078

At June 30, 2008, Other Financial Liabilities amounted to €7,231.5 million versus €6,554.1 million at December 31, 2007. The increase was largely in connection with Banca Mediolanum S.p.A.'s greater interbank transactions.

Shareholders' equity

€/000	June 30, 2008	Dec. 31, 2007
Share capital	73,001	72,948
Equity reserves	51,863	51,277
Retained earnings and other equity reserves	653,676	523,613
Treasury shares	(2,045)	(2,045)
Gains (losses) on available for sale financial assets	(73,223)	36,997
Net profit (loss) for the year attributable to the Group	70,235	212,243
Total capital and reserves attributable to the Group	773,507	895,033

At June 30, 2008, total capital and reserves attributable to the Group amounted to €773.5 million versus €895.0 million at December 31, 2007.

At June 30, 2008, the net balance of gains and losses on available for sale financial assets after benefit participations of life policyholders and deferred taxation was negative in the amount of €73.2 million versus a positive balance of €37.0 million at December 31, 2007. The decline was essentially due to the negative performance of financial markets and its impact on the Group's portfolio.

KEY INCOME STATEMENT INFORMATION

Technical account - Life Insurance

€/000	Gross	Reinsurance	Net June 30, 2008	Net June 30, 2007
Gross premiums written less reinsurance premiums				
- premiums written	1,506,445	(2,267)	1,504,178	1,805,044
Total premiums written	1,506,445	(2,267)	1,504,178	1,805,044
Gross amounts paid less recoveries from reinsurers				
- Amounts paid	(762,207)	4,044	(758,163)	(864,090)
- Change in reserve for outstanding claims	57,078	(605)	56,473	(7,521)
- Change in mathematical reserves	(1,123)	(231)	(1,354)	(30,104)
- Change in other technical reserves	1,642	-	1,642	2,730
- Change in technical reserves for contracts under which the investment risk is borne by the policyholder and reserves relating to pension fund management	833,480	-	833,480	(1,089,086)
	128,870	3,208	132,078	(1,988,071)
Life Insurance net income (expense)	1,635,315	941	1,636,256	(183,027)

Gross premiums written in the period under review amounted to €1,506,445 thousand (vs. €1,807,511 thousand at June 30, 2007), of which €1,479,144 thousand in class III (vs. €1,779,327 thousand at June 30, 2007).

Commission income

€/000	June 30, 2008	June 30, 2007
Management, brokerage and consulting services	242,260	265,316
Collection and payment services	12,741	13,099
Loadings on investment contracts	3,041	7,371
Other services	13,284	15,351
Total	271,326	301,137

Commission expense

€/000	June 30, 2008	June 30, 2007
Management, brokerage and consulting services	70,385	68,999
Collection and payment services	13,433	12,412
Loadings on investment contracts	950	3,099
Other services	13,231	17,973
Total	97,999	102,483

● Net income from financial instruments at fair value through profit or loss

€/000	June 30, 2008	June 30, 2007
Financial assets		
Interest income and other investment income:		
- from financial assets held for trading	64,467	57,555
- from financial assets at fair value through profit or loss	79,836	110,727
Net income from financial assets held for trading	(55,357)	(21,675)
Net income from financial assets at fair value through profit or loss	(1,623,060)	188,052
Financial liabilities		
Interest expense and similar charges:		
- on financial liabilities held for trading	(24,956)	(23,054)
- on financial liabilities at fair value through profit or loss	(20,381)	(19,334)
Net income from financial liabilities held for trading	29,694	20,987
Net loss on financial liabilities at fair value through profit or loss	(17,821)	(10,789)
Total	(1,567,578)	302,469

Analysis of net income from financial assets held for trading

€/000	Unrealised gains (A)	Realised trading profits (B)	Unrealised losses (C)	Realised losses (D)	Net income [(A+B)-(C+D)]	
Financial assets held for trading						
Debt securities	905	11,436	(53,177)	(10,815)	(51,651)	(27,858)
Equities	-	65	(8)	(31)	26	190
Holdings in UCITS	40	4	(204)	(4)	(164)	1,868
Other financial assets and liabilities:						
exchange differences	-	-	-	-	81	117
Derivatives						
Financial derivatives:						
- debt securities and interest rates	2,666	28,955	(5,287)	(26,837)	(503)	3,512
- equities and stock indices	-	-	-	-	-	7
- other	90,030	227	(93,388)	(15)	(3,146)	489
Total	93,641	40,687	(152,064)	(37,702)	(55,357)	(21,675)

● Analysis of net income from financial assets through profit or loss

€/000	Unrealised gains (A)	Realised trading profits (B)	Unrealised losses (C)	Realised losses (D)	Net income [(A+B)-(C+D)]
Financial assets at fair value	16,216	1,464	(459,693)	(17,310)	(459,323)
Holdings in UCITS	7,183	2,678	(1,068,663)	(104,935)	(1,163,737)
Total	23,399	4,142	(1,528,356)	(122,245)	(1,623,060)

Investment income and expense

€/000	June 30, 2008	June 30, 2007
Interest income and other revenues	148,088	110,893
Realised gains	2,915	2,998
Unrealised gains	2,285	3,192
Total income	153,288	117,083
Interest expense and other charges	(94,142)	(68,470)
Realised losses	(3,074)	(159)
Unrealised losses	(5,560)	(4,681)
Total expense	(102,776)	(73,310)
Total net investment income	50,512	43,773

Net investment income from:

Investment property	4	1,432
Held-to-maturity investments	11,995	11,402
Available-for-sale financial assets	15,898	11,323
Loans and receivables	116,662	87,923
Financial liabilities	(94,047)	(68,307)
Total net investment income	50,512	43,773

Net income from investment property

€/000	June 30, 2008	June 30, 2007
Realised gains	-	1,547
Other income	126	78
Other expenses	(95)	(162)
Unrealised losses	(27)	(31)
Total	4	1,432

Net income from held-to-maturity investments

€/000	June 30, 2008	June 30, 2007
Interest income and other income	11,995	11,402
Total	11,995	11,402

Net income from available-for-sale financial assets

€/000	June 30, 2008	June 30, 2007
Interest income and other income	16,057	10,031
Realised gains	2,915	1,451
Realised losses	(3,074)	(159)
Total	15,898	11,323

Net income from loans and receivables

€/000	June 30, 2008	June 30, 2007
Interest income and other income	119,910	89,381
Unrealised gains	2,285	3,192
Unrealised losses	(5,533)	(4,650)
Total	116,662	87,923

Interest income and other income

€/000	June 30, 2008	June 30, 2007
Loans to banks	67,581	50,820
Loans to customers	51,516	38,141
Other assets	813	420
Total	119,910	89,381

Financial liabilities

€/000	June 30, 2008	June 30, 2007
Interest expense and other expenses	(94,047)	(68,307)
Total	(94,047)	(68,307)

Interest expense and other expenses

€/000	June 30, 2008	June 30, 2007
Due to Banks	31,939	23,111
Due to customers	51,204	37,843
Other liabilities	10,904	7,353
Total	94,047	68,307

Operating expenses

€/000	June 30, 2008	June 30, 2007
Commissions and other expenses relating to the acquisition of insurance contracts	44,964	65,040
Investment management expenses	199	109
Other administrative expenses		
Employees	67,970	60,619
Advertising and promotions	8,866	11,803
Advisory services and collaborations	12,613	15,803
IT systems	18,667	18,111
Miscellaneous communications services	11,346	11,334
Other general expenses	27,988	23,287
Total other administrative expenses	147,450	140,957
Total	192,613	206,106

Average number of employees by category

Number	June 30, 2008	June 30, 2007
Employees:		
a) senior management	87	109
b) middle management	274	261
c) other employees	1,449	1,385
Total employees	1,810	1,755
Other personnel	30	66
Total	1,840	1,821

Other expenses

€/000	June 30, 2008	June 30, 2007
Employees	2,318	2,602
Amortisation of intangible assets	4,050	8,990
Depreciation of investment property and other assets	3,924	3,782
Provisions for risks and charges	5,124	7,770
Other miscellaneous expenses	9,514	12,804
Total	24,930	35,948

Provisions for risks and charges

€/000	June 30, 2008	June 30, 2007
Provision for sales network benefits	1,767	2,171
Provision for risks related to financial advisors' illegal actions	1,177	1,326
Other provisions for risks and charges	2,180	4,273
Total	5,124	7,770

Income tax

€/000	June 30, 2008	June 30, 2007
Current tax	(23,073)	(27,503)
Deferred tax	4,595	(2,504)
Total	(18,478)	(30,007)

SEGMENT REPORTING

This section presents consolidated financial data reported by segment.

In compliance with IAS 14, segment reporting reflects the management reporting system of the Mediolanum Group, and is consistent with the information disclosed to the market and to the various stakeholders.

Segment reporting of consolidated financial data for the period enables readers and users to assess the quality and sustainability over time of the financial results generated by the Mediolanum Group in its different business segments.

Note on the method applied to segment reporting

In compliance with IAS 14, segment reporting presents consolidated income statement data by business segment (primary format), i.e. Life Insurance, Banking, Asset Management and Other, and then by geographic segment (secondary segment) by reference to the Group markets, i.e. Domestic market and Foreign market. Financial information is reported according to the management reporting system of the Mediolanum Group and is consistent with the information disclosed to the market and to the various stakeholders.

For the purpose of segment reporting income and expense items were directly assigned to the various segments by product type. Indirect costs and other residual items were spread over the various segments applying allocation policies.

INCOME STATEMENT AT JUNE 30, 2008

Segment Reporting - consolidated accounts

Euro/migliaia	LIFE INSURANCE			ASSET MANAGEMENT		
	2008	2007	delta	2008	2007	delta
Net premiums written	1,504,178	1,805,044	(300,866)	-	-	-
Amounts paid and change in technical reserves	(1,432,914)	(1,703,578)	270,664	-	-	-
Life revenues ex-commission	71,264	101,466	(30,202)	-	-	-
Entry fees	-	-	-	31,284	28,421	2,863
Management fees	84,262	84,629	(367)	66,517	83,514	(16,997)
Performance fees	16,827	21,099	(4,272)	15,425	19,370	(3,945)
Banking service fees	-	-	-	290	1,042	(752)
Other fees	3,112	8,983	(5,871)	15,173	14,645	528
Total commission income	104,201	114,711	(10,510)	128,689	146,992	(18,303)
Interest income and similar income	14,521	13,733	788	2,195	1,955	240
Interest expense and similar charges	(2,323)	(2,469)	146	(14)	(119)	105
Net income on investments at fair value	(22,106)	(6,262)	(15,844)	(11)	51	(62)
Net financial income	(9,908)	5,002	(14,910)	2,170	1,887	283
Realized profit on other investment	(1,352)	1,436	(2,788)	-	1,110	(1,110)
Net impairment of financial investments	-	-	-	-	1	(1)
Net income on other investments	(1,352)	1,436	(2,788)	-	1,111	(1,111)
Other revenues	6,777	7,988	(1,211)	195	188	7
TOTAL REVENUES	170,982	230,603	(59,621)	131,054	150,178	(19,124)
Acquisition costs & other commission expenses	(65,845)	(83,489)	17,644	(43,363)	(50,680)	7,317
G&A expenses	(51,467)	(54,614)	3,147	(41,735)	(41,066)	(669)
Amortisation and depreciation	(2,054)	(4,566)	2,512	(1,823)	(2,328)	505
Provisions for risks and charges	(2,765)	(4,030)	1,265	(1,754)	(2,132)	378
TOTAL COST	(122,131)	(146,699)	24,568	(88,675)	(96,206)	7,531
PROFIT BEFORE TAX	48,851	83,904	(35,053)	42,379	53,972	(11,593)
Income tax	-	-	-	-	-	-
NET PROFIT	-	-	-	-	-	-

BANKING			OTHER			consolidation adjustments			TOTAL		
2008	2007	delta	2008	2007	delta	2008	2007	delta	2008	2007	delta
-	-	-	-	-	-	-	-	-	1,504,178	1,805,044	(300,866)
-	-	-	-	-	-	-	-	-	(1,432,914)	(1,703,578)	270,664
-	-	-	-	-	-	-	-	-	71,264	101,466	(30,202)
-	-	-	-	-	-	-	-	-	31,284	28,421	2,863
-	-	-	-	-	-	-	-	-	150,779	168,143	(17,364)
-	-	-	-	-	-	-	-	-	32,252	40,469	(8,217)
36,591	38,186	(1,595)	192	-	192	(373)	(483)	110	36,700	38,745	(2,045)
148	70	78	1,878	1,882	(4)	-	(221)	221	20,311	25,359	(5,048)
36,739	38,256	(1,517)	2,070	1,882	188	(373)	(704)	331	271,326	301,137	(29,811)
189,708	126,854	62,854	1,560	1,135	425	(13,267)	(15,523)	2,256	194,717	128,154	66,563
(120,952)	(74,807)	(46,145)	(9,090)	(6,547)	(2,543)	13,267	15,524	(2,257)	(119,112)	(68,418)	(50,694)
(3,538)	5,569	(9,107)	(8)	4	(12)	-	-	-	(25,663)	(638)	(25,025)
65,218	57,616	7,602	(7,538)	(5,408)	(2,130)	-	1	(1)	49,942	59,098	(9,156)
1,926	1,207	719	3,318	6,673	(3,355)	-	-	-	3,892	10,426	(6,534)
(3,241)	(1,555)	(1,686)	(8)	-	(8)	-	-	-	(3,249)	(1,554)	(1,695)
(1,315)	(348)	(967)	3,310	6,673	(3,363)	-	-	-	643	8,872	(8,229)
3,282	3,480	(198)	1,262	2,458	(1,196)	(588)	(454)	(134)	10,928	13,660	(2,732)
103,924	99,004	4,920	(896)	5,605	(6,501)	(961)	(1,157)	196	404,103	484,233	(80,130)
(29,593)	(27,302)	(2,291)	(1,420)	(1,606)	186	2	223	(221)	(140,219)	(162,854)	22,635
(68,909)	(62,233)	(6,676)	(894)	(949)	55	959	935	24	(162,046)	(157,927)	(4,119)
(4,072)	(5,839)	1,767	(52)	(70)	18	-	-	-	(8,001)	(12,803)	4,802
(543)	(1,551)	1,008	(62)	(56)	(6)	-	-	-	(5,124)	(7,769)	2,645
(103,117)	(96,925)	(6,192)	(2,428)	(2,681)	253	961	1,158	(197)	(315,390)	(341,353)	25,963
807	2,079	(1,272)	(3,324)	2,924	(6,248)	-	1	(1)	88,713	142,880	(54,167)
-	-	-	-	-	-	-	-	-	(18,478)	(30,008)	11,530
-	-	-	-	-	-	-	-	-	70,235	112,872	(42,637)

Life Insurance business segment

€/000	June 30, 2008	June 30, 2007	Change	Change %
Net premiums written	1,504,178	1,805,044	(300,866)	(17)
Reserves	(1,432,914)	(1,703,578)	270,664	(16)
Net life insurance revenues (ex. commissions)	71,264	101,466	(30,202)	(30)
Commission income	104,201	114,711	(10,510)	(9)
Net financial income	(9,908)	5,002	(14,910)	(298)
Net income on other investments	(1,352)	1,436	(2,788)	(194)
Other revenues	6,777	7,988	(1,211)	(15)
TOTAL REVENUES	170,982	230,603	(59,621)	(26)
Commission expenses & acquisition costs	(65,845)	(83,489)	17,644	(21)
General and administrative expenses	(51,467)	(54,614)	3,147	(6)
Amortisation, depreciation and provisions	(4,819)	(8,596)	3,777	(44)
TOTAL COSTS	(122,131)	(146,699)	24,568	(17)
PROFIT BEFORE TAX	48,851	83,904	(35,053)	(42)

At the end of the first half of 2008, net life insurance revenues before acquisition costs amounted to €71.3 million versus €101.5 million in the prior year. The decline reported for the period was largely due to lower loadings earned on products sold in the period under review, as a result of the different product structures.

Commission income amounted to €104.2 million, declining €10.5 million from €114.7 million in the first-half of the prior year, largely due to the lower level of performance fees earned on life business in the period under review.

For the first half of 2008, the Group reported a net financial loss of €9.9 million versus net financial income of €5 million in the prior year due to higher losses resulting from the fair value measurement of financial assets at June 30, 2008.

In the period under review, costs declined from €146.7 million in the prior year to €122.1 million at June 30, 2008. The decline was largely in connection with commission expenses decreasing from €83.5 million to €65.8 million due to lower sales volumes.

● Asset Management business segment

€/000	June 30, 2008	June 30, 2007	Change	Change %
Entry fees	31,284	28,421	2,863	10
Management fees	66,517	83,514	(16,997)	(20)
Performance fees	15,425	19,370	(3,945)	(20)
Banking service fees	290	1,042	(752)	(72)
Other fees	15,173	14,645	528	4
Total commission income	128,689	146,992	(18,303)	(12)
Net financial income	2,170	1,887	283	15
Net income on other investments	-	1,111	(1,111)	(100)
Other revenues	195	188	7	4
TOTAL REVENUES	131,054	150,178	(19,124)	(13)
Commission expenses & acquisition costs	(43,363)	(50,680)	7,317	(14)
General and administrative expenses	(41,735)	(41,066)	(669)	2
Amortisation, depreciation and provisions	(3,577)	(4,460)	883	(20)
TOTAL COSTS	(88,675)	(96,206)	7,531	(8)
PROFIT BEFORE TAX	42,379	53,972	(11,593)	(21)

In the period under review, **commission income** amounted to €128.7 million down €18.3 million from €147 million in the first half of the prior year. The decline in commission income was largely due to the negative performance of financial markets in the first half of 2008, which entailed lower management fees by €17.0 million due to the decreased NAV of assets under management and lower performance fees earned in the period (€3.9 million).

At the end of the period under review, **costs** in this business segment amounted to €88.7 million versus €96.2 million in the prior year. The decrease was largely due to lower **commission expenses** which declined from €50.7 million in the prior year to €43.4 million at June 30, 2008, in connection with lower commission income earned in the period under review. The ratio of commission expenses to commission income (ex. performance fees) was 38.3% versus 39.7% in the first half of 2007.

Banking Business Segment

€/000	June 30, 2008	June 30, 2007	Change	Change %
Commission Income	36,739	38,256	(1,517)	(4)
Net financial income	65,218	57,616	7,602	13
Net income on other investments	(1,315)	(348)	(967)	278
Other revenues	3,282	3,480	(198)	(6)
TOTAL REVENUES	103,924	99,004	4,920	5
Commission expenses & acquisition costs	(29,593)	(27,302)	(2,291)	8
General and administrative expenses	(68,909)	(62,233)	(6,676)	11
Amortisation, depreciation and provisions	(4,615)	(7,390)	2,775	(38)
TOTAL COSTS	(103,117)	(96,925)	(6,192)	6
PROFIT BEFORE TAX	807	2,079	(1,272)	(61)

At the end of the period under review, **net financial income** amounted to €65.2 million, up €7.6 million from €57.6 million at June 30, 2007. Although adversely impacted by the write-downs following the fair value measurement of securities in the period under review, net financial income rose thanks to greater loans extended to retail and institutional customers and wider spreads as a result of interest rate hikes.

Commission income amounted to €36.7 million, down €1.5 million from €38.3 million in the first half of 2007, largely due to lower commissions earned on securities trading in the period under review.

At June 30, 2008, costs amounted to €103.1 million versus €96.9 million in the prior year.

INCOME STATEMENT AT JUNE 30, 2008

Segment Reporting - Domestic Market (Italy)

€/000	LIFE INSURANCE			ASSET MANAGEMENT		
	2008	2007	delta	2008	2007	delta
Net premiums written	1,462,005	1,720,326	(258,321)	-	-	-
Amounts paid and change in technical reserves	(1,395,715)	(1,630,672)	234,957	-	-	-
Life revenues ex-commission	66,290	89,654	(23,364)	-	-	-
Entry fees	-	-	-	28,957	24,493	4,464
Management fees	84,262	84,629	(367)	59,208	74,640	(15,432)
Performance fees	16,827	21,099	(4,272)	14,891	17,605	(2,714)
Banking service fees	-	-	-	-	-	-
Other fees	2,357	5,158	(2,801)	14,547	14,645	(98)
Total commission income	103,446	110,886	(7,440)	117,603	131,383	(13,780)
Interest income and similar income	14,416	12,968	1,448	1,600	1,612	(12)
Interest expense and similar charges	(2,313)	(2,469)	156	(14)	(87)	73
Net income on investments at fair value	(20,954)	(6,262)	(14,692)	(2)	1	(3)
Net financial income	(8,851)	4,237	(13,088)	1,584	1,526	58
Realized profit on other investment	(1,352)	1,436	(2,788)	-	216	(216)
Net impairment of financial investments	-	-	-	-	-	-
Net income on other investments	(1,352)	1,436	(2,788)	-	216	(216)
Other revenues	6,776	7,988	(1,212)	104	93	11
TOTAL REVENUES	166,309	214,201	(47,892)	119,291	133,218	(13,927)
Acquisition costs & other commission expenses	(63,127)	(76,952)	13,825	(38,665)	(43,606)	4,941
G&A expenses	(48,805)	(51,260)	2,455	(35,748)	(36,160)	412
Amortisation and depreciation	(1,907)	(3,355)	1,448	(1,563)	(2,206)	643
Provisions for risks and charges	(2,765)	(4,030)	1,265	(1,754)	(2,132)	378
TOTAL COST	(116,604)	(135,597)	18,993	(77,730)	(84,104)	6,374
PROFIT BEFORE TAX	49,705	78,604	(28,899)	41,561	49,114	(7,553)

BANKING			OTHER			consolidation adjustments			TOTAL		
2008	2007	delta	2008	2007	delta	2008	2007	delta	2008	2007	delta
-	-	-	-	-	-	-	-	-	1,462,005	1,720,326	(258,321)
-	-	-	-	-	-	-	-	-	(1,395,715)	(1,630,672)	234,957
-	-	-	-	-	-	-	-	-	66,290	89,654	(23,364)
-	-	-	-	-	-	-	-	-	28,957	24,493	4,464
-	-	-	-	-	-	-	-	-	143,470	159,269	(15,799)
-	-	-	-	-	-	-	-	-	31,718	38,704	(6,986)
24,638	22,328	2,310	192	-	192	(370)	(481)	111	24,460	21,847	2,613
14	15	(1)	1,878	1,882	(4)	-	-	-	18,796	21,700	(2,904)
24,652	22,343	2,309	2,070	1,882	188	(370)	(481)	111	247,401	266,013	(18,612)
176,197	114,621	61,576	1,560	1,135	425	(9,886)	(10,401)	515	183,887	119,935	63,952
(113,554)	(68,248)	(45,306)	(9,090)	(6,547)	(2,543)	9,886	10,401	(515)	(115,085)	(66,950)	(48,135)
(3,458)	5,828	(9,286)	(8)	4	(12)	-	-	-	(24,422)	(429)	(23,993)
59,185	52,201	6,984	(7,538)	(5,408)	(2,130)	-	-	-	44,380	52,556	(8,176)
1,512	981	531	3,318	6,673	(3,355)	-	-	-	3,478	9,306	(5,828)
(3,938)	(1,961)	(1,977)	(8)	-	(8)	-	-	-	(3,946)	(1,961)	(1,985)
(2,426)	(980)	(1,446)	3,310	6,673	(3,363)	-	-	-	(468)	7,345	(7,813)
2,453	2,590	(137)	1,262	2,458	(1,196)	-	-	-	10,595	13,129	(2,534)
83,864	76,154	7,710	(896)	5,605	(6,501)	(370)	(481)	111	368,198	428,697	(60,499)
(18,826)	(13,840)	(4,986)	(1,420)	(1,606)	186	-	-	-	(122,038)	(136,004)	13,966
(56,104)	(48,200)	(7,904)	(894)	(949)	55	370	481	(111)	(141,181)	(136,088)	(5,093)
(3,352)	(4,841)	1,489	(52)	(70)	18	-	-	-	(6,874)	(10,472)	3,598
(507)	(684)	177	(62)	(56)	(6)	-	-	-	(5,088)	(6,902)	1,814
(78,789)	(67,565)	(11,224)	(2,428)	(2,681)	253	370	481	(111)	(275,181)	(289,466)	14,285
5,075	8,589	(3,514)	(3,324)	2,924	(6,248)	-	-	-	93,017	139,231	(46,214)

INCOME STATEMENT AT JUNE 30, 2008

Segment Reporting - Foreign Market

€/000	LIFE INSURANCE			ASSET MANAGEMENT		
	2008	2007	delta	2008	2007	delta
Net premiums written	42,173	84,718	(42,545)	-	-	-
Amounts paid and change in technical reserves	(23,111)	(44,794)	21,683	-	-	-
Life revenues ex-commission	4,974	11,812	(6,838)	-	-	-
Entry fees	-	-	-	2,327	3,928	(1,601)
Management fees	-	-	-	7,309	8,874	(1,565)
Performance fees	-	-	-	534	1,765	(1,231)
Banking service fees	-	-	-	290	1,042	(752)
Other fees	755	3,825	(3,070)	626	-	626
Total commission income	755	3,825	(3,070)	11,086	15,609	(4,523)
Interest income and similar income	105	765	(660)	595	343	252
Interest expense and similar charges	(10)	-	(10)	-	(32)	32
Net income on investments at fair value	(1,152)	-	(1,152)	(9)	50	(59)
Net financial income	(1,057)	765	(1,822)	586	361	225
Realized profit on other investment	-	-	-	-	894	(894)
Net impairment of financial investments	-	-	-	-	1	(1)
Net income on other investments	-	-	-	-	895	(895)
Other revenues	1	-	1	91	95	(4)
TOTAL REVENUES	2,285	9,845	(7,560)	5,646	8,301	(2,655)
Acquisition costs & other commission expenses	(2,718)	(6,537)	3,819	(4,698)	(7,074)	2,376
G&A expenses	(2,662)	(3,354)	692	(5,987)	(4,906)	(1,081)
Amortisation and depreciation	(147)	(1,211)	1,064	(260)	(122)	(138)
Provisions for risks and charges	-	-	-	-	-	-
TOTAL COST	(5,527)	(11,102)	5,575	(10,945)	(12,102)	1,157
PROFIT BEFORE TAX	(854)	5,300	(6,154)	818	4,858	(4,040)

BANKING			OTHER			consolidation adjustments			TOTAL		
2008	2007	delta	2008	2007	delta	2008	2007	delta	2008	2007	delta
-	-	-	-	-	-	-	-	-	42,173	84,718	(42,545)
-	-	-	-	-	-	-	-	-	(23,111)	(44,794)	21,683
-	-	-	-	-	-	-	-	-	4,974	11,812	(6,838)
-	-	-	-	-	-	-	-	-	2,327	3,928	(1,601)
-	-	-	-	-	-	-	-	-	7,309	8,874	(1,565)
-	-	-	-	-	-	-	-	-	534	1,765	(1,231)
11,953	15,858	(3,905)	-	-	-	-	-	-	12,243	16,900	(4,657)
134	55	79	-	-	-	-	-	-	1,515	3,880	(2,365)
12,087	15,913	(3,826)	-	-	-	-	-	-	23,928	35,347	(11,419)
13,511	12,233	1,278	-	-	-	-	-	-	14,211	13,341	870
(7,398)	(6,559)	(839)	-	-	-	-	-	-	(7,408)	(6,591)	(817)
(80)	(259)	179	-	-	-	-	-	-	(1,241)	(209)	(1,032)
6,033	5,415	618	-	-	-	-	-	-	5,562	6,541	(979)
414	226	188	-	-	-	-	-	-	414	1,120	(706)
697	406	291	-	-	-	-	-	-	697	407	290
1,111	632	479	-	-	-	-	-	-	1,111	1,527	(416)
829	890	(61)	-	-	-	(125)	(55)	(70)	796	930	(134)
9,978	12,222	(2,244)	-	-	-	(59)	-	(59)	17,850	30,368	(12,518)
(10,767)	(13,462)	2,695	-	-	-	-	-	-	(18,183)	(27,073)	8,890
(12,805)	(14,033)	1,228	-	-	-	125	56	69	(21,329)	(22,237)	908
(720)	(998)	278	-	-	-	-	-	-	(1,127)	(2,331)	1,204
(36)	(867)	831	-	-	-	-	-	-	(36)	(867)	831
(24,328)	(29,360)	5,032	-	-	-	125	55	70	(40,675)	(52,509)	11,834
(4,268)	(6,510)	2,242	-	-	-	-	-	-	(4,304)	3,648	(7,952)

RELATED PARTY TRANSACTIONS

1. Information on related party transactions

Transactions with related parties are part of the ordinary course of business of companies within the Group. These transactions are made at arm's length and in the interests of the individual entities.

Key financial information on related party transactions made with companies of the Banca Esperia Group and Mediolanum Assicurazioni S.p.A. is set out below:

€/000	Associates	Other related parties
Loans to customers	-	17,440
Loans to banks	120,924	-
Amounts due from customers	-	(16,515)
Net interest	(3,254)	(235)
Net commissions	-	1,885
Other income	-	475
Services rendered and other charges	-	(2,941)

2. Key management compensation

€/000	Directors, Statutory Auditors, Deputy/General Managers	Other key managers
Emoluments & social security contributions	3,109	739
Non-cash benefits	141	-
Severance indemnities	-	-
Share-based awards (stock options)	587	146

ATYPICAL AND/OR UNUSUAL TRANSACTIONS

In the reporting period there were no atypical and/or unusual transactions which for significance, nature of the counterparties, subject of the transaction, pricing method and timing could raise doubts as to the accuracy and completeness of the information disclosed herein, conflicts of interest, the safeguarding of corporate assets or the protection of minority shareholders (cf. Consob Communication No. DEM/6064293 of July 28, 2006).

NON-RECURRING TRANSACTIONS

In the reporting period there were no non-recurring events or transactions, i.e. events or transactions which do not occur frequently in the ordinary course of business (cf. Consob Communication No. DEM/6064293 of July 28, 2006).

EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

Stock options plans

In the first half of 2008, 533,180 new Mediolanum dividend-bearing ordinary shares were issued following the exercise of stock options by Directors and Contract Workers of companies within the Mediolanum Group.

This entailed a €53 thousand increase in Mediolanum ordinary share capital and a €586 thousand increase in the share premium account.

In addition, on May 13, 2008, the Board of Directors of Mediolanum passed a resolution to effect share capital increases pursuant to section 2443 of the Italian Civil Code to service the stock options plans for employees, contract workers and directors.

The Board of Directors resolution set forth the allotment of:

- 650,000 options to the benefit of employees of the company and of its subsidiaries. These options can be exercised from the first trading day in the month of May of the year 2011 and not later than the fifth trading day in the month of May of the year 2012, at a price of €3.909;
- 722,000 options to the benefit of directors of the company and of its subsidiaries. These options can be exercised from the first trading day in the month of May of the year 2010 and not later than the fifth trading day in the month of May of the year 2015, at a price of €1.067;
- 1,026,612 options to the benefit of contract workers of the company and of its subsidiaries. These options can be exercised from the first trading day in the month of May of the year 2011 and not later than the fifth trading day in the month of May of the year 2016, at a price of €1.067.

The overall expense in connection with the stock options plan amounted to €1,841.8 thousand for the first half of 2008 (vs. €1,688.2 thousand at June 30, 2007).

MEDIOLANUM S.p.A.

SCHEDULES

SCHEDULES

This section presents financial information pursuant to ISVAP Regulation No. 2460 of August 10, 2006 (Interim financial reporting rules. Amendments to ISVAP Regulation No. 1207-G of July 6, 1999).

In accordance with the regulations mentioned above, for segment reporting purposes, the various companies were allocated to their respective business segment. That entailed, on the one hand, the elimination of inter-company balances within the same segment and, on the other hand, the inclusion of inter-segment transaction balances.

This presentation of segment results is different from the presentation of financial information in the section "Segment Reporting" of the Notes to the consolidated financial statements at June 30, 2008 since segment reporting in that section reflects the management reporting system of the Mediolanum Group which entails, inter alia, a different classification of income and expense items.

BALANCE SHEET AS AT JUNE 30, 2008

Segment Reporting by Business sector (ISVAP)

€/’000	LIFE INSURANCE	
	June 30, 2008	June 30, 2007
1. Intangible assets	2,430	3,130
2. Tangible assets	19,351	19,654
3. Reinsurers’ share of technical reserves	100,034	100,870
4. Investments	14,712,324	15,694,854
4.1 Investment property	4,303	4,214
4.2 Investments in subsidiaries, associates and joint ventures	437,532	408,564
4.3 Held-to-maturity investments	227,641	219,300
4.4 Loans and receivables	10,414	10,309
4.5 Available-for-sale financial assets	832,473	930,284
4.6 Financial assets at fair value through profit or loss	13,199,961	14,122,183
5. Receivables	9,889	11,622
6. Other assets	249,288	213,741
6.1 Deferred acquisition costs	-	-
6.2 Other	249,288	213,741
7. Cash and cash equivalents	172,005	453,346
Total assets	15,265,321	16,497,217
1. Shareholders’ equity	-	-
2. Provisions	1,654	1,264
3. Technical reserves	13,604,495	14,457,087
4. Financial liabilities	959,138	1,120,246
4.1 Financial liabilities at fair value through profit or loss	484,638	630,527
4.2 Other financial liabilities	474,500	489,719
5. Payables	54,330	134,393
6. Other liabilities	30,596	78,888
Total liabilities and shareholders’ equity	14,650,213	15,791,878

BANKING		OTHER		INTERSEGMENT		TOTAL	
June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
148,869	147,968	88	115	24,172	24,172	175,559	175,385
61,086	53,495	1,764	1,808	901	901	83,102	75,858
-	-	-	-	-	-	100,034	100,870
8,176,960	7,576,184	40	40	(461,175)	(515,190)	22,428,149	22,755,889
-	-	-	-	-	-	4,303	4,214
-	-	-	-	(381,516)	(355,359)	56,016	53,205
363,358	373,024	-	-	-	-	590,999	592,324
4,681,396	4,590,827	-	-	(2,967)	(19,138)	4,688,843	4,581,998
582,432	408,287	40	40	-	-	1,414,945	1,338,611
2,549,774	2,204,046	-	-	(76,692)	(140,693)	15,673,043	16,185,536
3,180	322	1,480	1,399	-	-	14,549	13,343
271,924	283,765	3,543	3,247	(96,413)	(83,304)	428,342	417,449
-	-	-	-	-	-	-	-
271,924	283,765	3,543	3,247	(96,413)	(83,304)	428,342	417,449
234,986	138,826	500	1,040	(89,705)	(347,842)	317,786	245,370
8,897,005	8,200,560	7,415	7,649	(622,220)	(921,263)	23,547,521	23,784,163
-	-	-	-	-	-	773,507	895,033
80,195	77,585	26	26	-	-	81,875	78,875
-	-	-	-	-	-	13,604,495	14,457,087
7,924,824	7,289,673	-	-	(166,598)	(505,642)	8,717,364	7,904,277
1,001,248	719,672	-	-	-	-	1,485,886	1,350,199
6,923,576	6,570,001	-	-	(166,598)	(505,642)	7,231,478	6,554,078
210,252	176,673	4,135	4,706	(95,601)	(61,305)	173,116	254,467
168,810	139,195	281	434	(2,523)	(24,092)	197,164	194,424
8,384,081	7,683,126	4,442	5,166	(264,722)	(591,039)	23,547,521	23,784,163

INCOME STATEMENT AS AT JUNE 30, 2008

Segment Reporting by Business sector (ISVAP)

€/’000	LIFE INSURANCE	
	June 30, 2008	June 30, 2007
1 Revenues		
1.1 Net premiums written		
1.1.1 Gross premiums written	1,506,445	1,807,511
1.1.2 Reinsurance premiums	(2,267)	(2,467)
Total premiums written	1,504,178	1,805,044
1.2 Commission income	54,136	61,188
1.3 Net income on financial instruments at fair value through profit and loss	(1,591,446)	271,651
1.4 Income on investments in subsidiaries, associates and jvs	-	-
1.5 Income on other financial instruments and investment property		
1.5.1 Interest income	22,546	20,726
1.5.2 Other income	1,043	1,055
1.5.3 Realised gains	38	1,559
1.5.4 Unrealised gains	-	-
Total income on other financial instruments and investment property	23,627	23,340
1.6 Other revenues	7,547	8,294
Total revenues and income	(1,958)	2,169,517
2 Costs		
2.1 Net claims and benefits		
2.1.1 Amounts paid and change in technical reserves	128,320	(1,991,295)
2.1.2 Reinsurers’ share	3,208	2,739
Net claims and benefits	131,528	(1,988,556)
2.2 Commission expense	(1,513)	(4,318)
2.3 Losses on investments in subsidiaries, associates and jvs	-	-
2.4 Loss on other financial instruments and investment property		
2.4.1 Interest expense	(11,022)	(7,521)
2.4.2 Other expenses	(95)	(162)
2.4.3 Realised losses	(1,357)	(38)
2.4.4 Unrealised losses	(27)	(31)
Loss on other financial instruments and investment property	(12,501)	(7,752)
2.5 Operating expenses		
2.5.1 Agents’ commissions and other acquisition costs	(66,624)	(107,874)
2.5.2 Investment management expenses	(1,653)	(1,627)
2.5.3 Other administrative expenses	(16,307)	(16,714)
Total operating expenses	(84,584)	(126,215)
2.6 Other costs	(15,435)	(8,888)
Total costs	17,495	(2,135,729)
Profit (loss) before tax for the period	15,537	33,788
3 Income tax	(8,615)	(13,552)
Profit (loss) for the period	6,923	20,235
4 Profit (loss) from discontinued operations	-	-
Consolidated profit (loss) for the period	6,923	20,235
of which pertaining to the Group	6,923	20,235
of which pertaining to minority interests	-	-

BANKING		OTHER		INTERSEGMENT		TOTAL	
June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
-	-	-	-	-	-	1,506,445	1,807,511
-	-	-	-	-	-	(2,267)	(2,467)
-	-	-	-	-	-	1,504,178	1,805,044
321,860	371,470	-	2	(104,670)	(131,523)	271,326	301,137
28,712	34,706	-	-	(4,844)	(3,888)	(1,567,578)	302,469
-	-	2,811	9,609	-	-	2,811	9,609
131,107	95,240	21	16	(6,923)	(6,623)	146,751	109,359
849	1,020	-	-	(555)	(541)	1,337	1,534
2,877	1,439	-	-	-	-	2,915	2,998
2,285	3,192	-	-	-	-	2,285	3,192
137,118	100,891	21	16	(7,478)	(7,164)	153,288	117,083
7,804	8,158	9,127	10,143	(13,550)	(13,241)	10,928	13,354
495,494	515,225	11,959	19,770	(130,542)	(155,816)	374,953	2,548,696
-	-	-	-	550	485	128,870	(1,990,810)
-	-	-	-	-	-	3,208	2,739
-	-	-	-	550	485	132,078	(1,988,071)
(125,791)	(128,033)	-	(1)	29,305	29,869	(97,999)	(102,483)
(92,197)	(69,390)	(6)	(4)	9,192	8,700	(94,033)	(68,215)
(14)	(93)	-	-	-	-	(109)	(255)
(1,717)	(121)	-	-	-	-	(3,074)	(159)
(5,525)	(4,641)	(8)	(9)	-	-	(5,560)	(4,681)
(99,453)	(74,245)	(14)	(13)	9,192	8,700	(102,776)	(73,310)
(42,423)	(59,705)	-	-	64,083	102,539	(44,964)	(65,040)
-	-	-	-	1,454	1,518	(199)	(109)
(142,797)	(135,962)	-	-	11,654	11,719	(147,450)	(140,957)
(185,220)	(195,667)	-	-	77,191	115,776	(192,613)	(206,106)
(13,846)	(17,887)	(9,953)	(10,159)	14,304	986	(24,930)	(35,948)
(424,310)	(415,832)	(9,967)	(10,173)	130,542	155,816	(286,240)	(2,405,918)
71,184	99,393	1,992	9,597	-	-	88,713	142,778
(9,942)	(16,346)	79	(109)	-	-	(18,478)	(30,007)
61,242	83,047	2,071	9,489	-	-	70,235	112,771
-	101	-	-	-	-	-	101
61,242	83,148	2,071	9,489	-	-	70,235	112,872
61,242	83,148	2,071	9,489	-	-	70,235	112,872
-	-	-	-	-	-	-	-

Subsidiaries consolidated line by line

Number	Company	Country	Method (1)
1	Mediolanum Vita S.p.A.	086	G
2	Partner Time S.p.A.	086	G
3	Mediolanum International S.A.	092	G
4	Banca Mediolanum S.p.A.	086	G
6	Mediolanum Comunicazione S.p.A.	086	G
8	Mediolanum Gestione Fondi SGR p.A.	086	G
9	Mediolanum International Funds Ltd	040	G
12	Mediolanum Asset Management Ltd	040	G
13	P.I. Distribuzione S.p.A.	086	G
23	Banco de Finanzas e Inversiones S.A.	067	G
29	Fibanc Pensiones S.G.F.P. S.A.	067	G
31	Fibanc S.A.	067	G
32	Ges Fibanc S.G.I.I.C. S.A.	067	G
36	Mediolanum International Life Ltd	040	G
37	Bankhaus August Lenz & Co. AG	094	G
38	Gamax Holding AG	092	G
39	Gamax Management AG	092	G
49	Mediolanum Distribuzione Finanziaria S.p.A.	086	G
50	Mediolanum Corporate University S.p.A.	086	G

(1) Consolidation method: Line-by-line consolidation method = G; Proportionate consolidation method = P; Line-by-line consolidation method arising from joint management = U

(2) 1 = Italian insurance companies; 2 = EU insurance companies UE; 3 = non EU insurance companies; 4 = insurance holding companies; 5 = EU reinsurance companies; 6 = non EU reinsurance companies; 7 = banks; 8 = asset management companies; 9 = holding companies; 10 = real estate companies; 11 = other

(3) Net Group participation percentage

(4) Total shareholding % different from direct/indirect shareholding %

Activity (2)	Direct Shareholding %	Indirect Shareholding % (3)	Total (4)	Group Equity Ratio
1	100.00	100.00	100.00	100.00
11	100.00	100.00	100.00	100.00
9	0.00	100.00	100.00	100.00
7	100.00	100.00	100.00	100.00
11	100.00	100.00	100.00	100.00
8	49.00	100.00	100.00	100.00
8	44.00	100.00	100.00	100.00
11	49.00	100.00	100.00	100.00
11	100.00	100.00	100.00	100.00
7	0.00	100.00	100.00	100.00
8	0.00	100.00	100.00	100.00
11	0.00	100.00	100.00	100.00
8	0.00	100.00	100.00	100.00
2	100.00	100.00	100.00	100.00
7	0.00	100.00	100.00	100.00
9	0.00	100.00	100.00	100.00
8	0.00	100.00	100.00	100.00
11	0.00	100.00	100.00	100.00
11	0.00	100.00	100.00	100.00

Non-consolidated subsidiaries and associated companies

(Values in euro) Number	Company	Country	Method (1)
21	Banca Esperia S.p.A.	086	7

(1) Consolidation method: Line-by-line consolidation method = G; Proportionate consolidation method = P; Line-by-line consolidation method arising from joint management = U

(2) 1 = Italian insurance companies; 2 = EU insurance companies UE; 3 = non EU insurance companies; 4 = insurance holding companies; 5 = EU reinsurance companies; 6 = non EU reinsurance companies; 7 = banks; 8 = asset management companies; 9 = holding companies; 10 = real estate companies; 11 = other

(3) Net Group participation percentage

(4) Total shareholding % different from direct/indirect shareholding %

Analysis of tangible and intangible assets

€/000	At cost	Remeasured or at fair value	Book value
Investment property	4,303.00	0.00	4,303.00
Other property	63,539.00	0.00	63,539.00
Other tangible assets	19,563.00	0.00	19,563.00
Other intangible assets	14,257.00	0.00	14,257.00

Activity (2)	Direct Shareholding %	Indirect Shareholding % (3)	Total (4)	Book Value
B	48.50	48.50	48.50	56,016.00

Analysis of reinsurers' share of technical reserves

€/000	Book value	
	June 30, 2008	Dec. 31, 2007
General business reserves	-	-
Unearned premiums	-	-
Outstanding claims	-	-
Other reserves	-	-
Life business reserves	100,034	100,870
Technical reserves for contracts under which the investment risk is borne by the policyholder and for pension fund management	-	-
Mathematical reserves	100,034	100,870
Total reinsurers' share of technical reserves	100,034	100,870

Analysis of financial assets

€/000	Held-to-maturity investments		Loans and receivables	
	June 30, 2008	Dec. 31, 2007	June 30, 2008	Dec. 31, 2007
Equity instruments and derivatives at cost	-	-	-	-
Equity instruments at fair value	-	-	-	-
of which listed	-	-	-	-
Debt instruments	322,383	298,542	-	-
of which listed	322,383	298,542	-	-
Holdings in UCITS	-	-	-	-
Loans to and receivables from banking customers	-	-	2,279,745	1,689,613
Loans to and receivables from banks	-	-	2,398,695	2,882,087
Deposits with cedents	-	-	-	-
Financial assets of insurance contracts	-	-	-	-
Other loans and receivables	-	-	10,403	10,298
Trading derivatives	-	-	-	-
Hedging derivatives	-	-	-	-
Other financial investments	268,616	293,782	-	-
Total	590,999	592,324	4,688,843	4,581,998

Assets and liabilities relating to contracts issued by insurance companies under which the investment risk is borne by the policyholder and to pension fund management

€/000	Investment funds & indices		Pension funds		Total	
	June 30, 2008	Dec. 31, 2007	June 30, 2008	Dec. 31, 2007	June 30, 2008	Dec. 31, 2007
On-balance sheet assets	12,632,896	13,509,929	12,432	13,206	12,645,328	13,523,135
Intercompany assets *	76,692	120,693	-	-	76,692	120,693
Total Assets	12,709,588	13,630,622	12,432	13,206	12,722,020	13,643,828
On-balance sheet financial assets	458,413	601,588	12,432	13,206	470,845	614,794
On-Balance Sheet Technical Reserves	12,246,883	13,027,317	-	-	12,246,883	13,027,317
Intercompany liabilities *	-	-	-	-	-	-
Total Liabilities	12,705,296	13,628,905	12,432	13,206	12,717,728	13,642,111

* Asset and liabilities eliminated upon consolidation

Available-for-sale financial assets		Financial assets at fair value through profit or loss						Book value	
		Financial assets held for trading		Financial assets at fair value through profit or loss					
June 30, 2008	Dec. 31, 2007	June 30, 2008	Dec. 31, 2007	June 30, 2008	Dec. 31, 2007	June 30, 2008	Dec. 31, 2007		
-	-	-	-	-	-	-	-		
332,567	426,447	45	83	-	-	332,612	426,530		
306,067	400,247	36	73	-	-	306,103	400,320		
635,770	582,389	1,955,662	1,580,891	5,134,570	5,214,667	8,048,385	7,676,489		
631,772	578,395	1,952,840	1,575,795	5,131,648	5,211,693	8,038,643	7,664,425		
202,715	228,959	15,349	12,524	7,233,214	7,968,838	7,451,278	8,210,321		
-	-	-	-	-	-	2,279,745	1,689,613		
-	-	-	-	-	-	2,398,695	2,882,087		
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	10,403	10,298		
-	-	29,241	41,960	280,466	342,605	309,707	384,565		
-	-	5,549	-	-	-	5,549	-		
243,893	100,816	1,018,947	1,023,968	-	-	1,531,456	1,418,566		
1,414,945	1,338,611	3,024,793	2,659,426	12,648,250	13,526,110	22,367,830	22,698,469		

Analysis of technical reserves

€/000	Book value	
	June 30, 2008	Dec. 31, 2007
General business reserves	-	-
Unearned premiums	-	-
Outstanding claims	-	-
Other reserves	-	-
<i>of which amounts set aside following liability adequacy testing</i>	-	-
Life business reserves	13,604,495	14,457,087
Outstanding claims	62,843	130,414
Mathematical reserves	1,265,337	1,268,031
Technical reserves for contracts under which the investment risk is borne by the policyholder and for pension fund management	12,246,883	13,027,317
Other reserves	29,432	31,325
<i>of which amounts set aside following liability adequacy testing</i>	-	-
<i>of which deferred liabilities to policyholders</i>	-	-
Total Technical Reserves	13,604,495	14,457,087

Analysis of financial liabilities

€/000	Financial liabilities at fair value through profit or loss			
	Financial liabilities held for trading		Financial liabilities at fair value through profit or loss	
	June 30, 2008	Dec. 31, 2007	June 30, 2008	Dec. 31, 2007
Quasi-equity instruments	-	-	-	-
Subordinated liabilities	-	-	-	-
Liabilities under financial contracts issued by insurance companies of which	-	-	470,846	614,794
contracts under which the investment risk is borne by the policyholder	-	-	458,414	601,588
pension fund management	-	-	12,432	13,206
other contracts	-	-	-	-
Deposits received from reinsurers	-	-	-	-
Financial liabilities of insurance contracts	-	-	-	-
Debt securities issued	-	-	2,922	2,974
Amounts due to banking customers	-	-	-	-
Amounts due to banks	-	-	-	-
Other financing received	-	-	-	-
Trading derivatives	19,639	17,378	-	-
Hedging derivatives	-	-	-	-
Other financial liabilities	992,479	715,053	-	-
Total	1,012,118	732,431	473,768	617,768

Analysis of technical account items

€/000	June 30, 2008	June 30, 2007
General Business		
PREMIUMS WRITTEN	-	-
a Premiums written	-	-
b Change in unearned premiums reserve	-	-
CLAIMS INCURRED	-	-
a Claims paid	-	-
b Change in outstanding claims reserve	-	-
c Change in recoveries	-	-
d Change in other technical reserves	-	-
Life Business		
PREMIUMS WRITTEN	1,504,178	1,805,044
AMOUNTS PAID AND CHANGE IN TECHNICAL RESERVES	132,078	(1,988,071)
a Amounts paid	(758,163)	(864,090)
b Change in outstanding claims reserve	56,473	(7,521)
c Change in mathematical reserves	(1,354)	(30,104)
d Change in technical reserves for contracts under which the investment risk is borne by the policyholder and for pension fund management	833,480	(1,089,086)
e Change in other technical reserves	1,642	2,730

Other financial liabilities		Book value	
June 30, 2008	Dec. 31, 2007	June 30, 2008	Dec. 31, 2007
-	-	-	-
-	-	-	-
-	-	470,846	614,794
-	-	458,414	601,588
-	-	12,432	13,206
-	-	-	-
99,416	99,641	99,416	99,641
-	-	-	-
-	-	2,922	2,974
5,180,600	5,007,974	5,180,600	5,007,974
1,951,462	1,446,463	1,951,462	1,446,463
-	-	-	-
-	-	19,639	17,378
-	-	-	-
-	-	992,479	715,053
7,231,478	6,554,078	8,717,364	7,904,277

Analysis of net interest income and investment income

€/000	Interest income (expense)	Other income	Other expense
Investment income	218,136	1,378	95
a from investment property	-	126	95
b from investments in subsidiaries, associates and joint ventures	-	-	-
c from held-to-maturity investments	11,995	-	-
d from loans and receivables	47,033	-	-
e from available-for-sale financial assets	14,848	1,209	-
f from financial assets held for trading	64,467	-	-
g from financial assets at fair value through profit or loss	79,793	43	-
Income on amounts receivable	21,809	-	-
Net cash and cash equivalents	51,066	2	-
Loss on financial liabilities	(88,028)	-	-
a on financial liabilities held for trading	(24,956)	-	-
b on financial liabilities at fair value through profit or loss	(20,381)	-	-
c on other financial liabilities	(42,691)	-	-
Expense on amounts payable	(51,342)	-	14
Total	151,641	1,380	109

Insurance - Analysis of expenses

€/000	General Business		Life Business	
	June 30, 2008	Dec. 31, 2007	June 30, 2008	Dec. 31, 2007
Gross agents' commissions & other acquisition costs after commissions and profit sharing from reinsurers'	-	-	66,624	107,874
Investment management expenses	-	-	1,653	1,627
Other administrative expenses	-	-	16,307	16,714
Total	-	-	84,584	126,215

Realised gains	Realised losses	Total	Unrealised gains		Unrealised losses		Total	Net income (loss) June 30, 2008	Net income (loss) June 30, 2007
			Gains on measurement	Reversal of impairment	Losses on measurement	Impairment losses			
50,636	163,021	107,034	117,040	2,285	1,680,420	5,560	(1,566,655)	(1,459,621)	382,054
-	-	31	-	-	-	27	(27)	4	1,432
2,811	-	2,811	-	-	-	-	-	2,811	9,609
-	-	11,995	-	-	-	-	-	11,995	11,402
-	-	47,033	-	2,285	-	5,533	(3,248)	43,785	36,683
2,915	3,074	15,898	-	-	-	-	-	15,898	11,323
40,768	37,702	67,533	93,641	-	152,064	-	(58,423)	9,110	12,826
4,142	122,245	(38,267)	23,399	-	1,528,356	-	(1,504,957)	(1,543,224)	298,779
-	-	21,809	-	-	-	-	-	21,809	420
-	-	51,068	-	-	-	-	-	51,068	50,820
3,564	890	(85,354)	27,052	-	17,853	-	9,199	(76,155)	(16,396)
3,564	890	(22,282)	27,052	-	32	-	27,020	4,738	20,897
-	-	(20,381)	-	-	17,821	-	(17,821)	(38,202)	(30,123)
-	-	(42,691)	-	-	-	-	-	(42,691)	(7,260)
-	-	(51,356)	-	-	-	-	-	(51,356)	(61,047)
54,200	163,911	43,201	144,092	2,285	1,698,273	5,560	(1,557,456)	(1,514,255)	355,851

APPENDIX

**Analysis of significant
investment under art. 125 of Consob
Regulation No. 11971/1999**

AS OF JUNE 30, 2008

Company name	Country	Total holding %
Banca Esperia S.p.A. A28	Italy	48.500
Banca Mediolanum S.p.A.	Italy	100.000
Banco de Finanzas e Inversiones, S.A.	Spain	100.000
Bankhaus August Lenz & Co. AG	Germany	100.000
Fibanc Pensiones, S.A.. S.G.F.P.	Spain	99.999
Fibanc, S.A.	Spain	99.998
Gamax Holding AG (*)	Luxembourg	99.998
Gamax Management AG	Luxembourg	100.000
Ges. Fibanc, S.G.I.I.C., S.A.	Spain	99.999
Mediolanum Asset Management LTD	Ireland	100.000
Mediolanum Comunicazione S.p.A.	Italy	100.000
Mediolanum Corporate University S.p.A.	Italy	100.000
Mediolanum Distribuzione Finanziaria S.p.A.	Italy	100.000
Mediolanum Gestione Fondi SGR p.A.	Italy	100.000
Mediolanum International Funds LTD	Ireland	100.000
Mediolanum International Life LTD	Ireland	100.000
Mediolanum International S.A.	Luxembourg	100.000
Mediolanum Vita S.p.A.	Italy	100.000
Partner Time S.p.A.	Italy	100.000
PI Distribuzione S.p.A.	Italy	100.000

(*) Gamax Holding AG is being merged into Mediolanum International SA

Note: Within the Mediolanum Banking Group, the company Gamax Management AG established a Luxembourg-based investment company with variable capital named "Mediolanum Specialities Sicav - Sif".

Type of holding	Shareholder	% Holding
direct ownership	Mediolanum S.p.A.	48.500
direct ownership	Mediolanum S.p.A.	100.000
indirect ownership	Banca Mediolanum S.p.A.	100.000
indirect ownership	Banca Mediolanum S.p.A.	100.000
indirect ownership	Banco de Finanzas e Inversiones, S.A.	99.999
indirect ownership	Banco de Finanzas e Inversiones, S.A.	99.998
indirect ownership	Mediolanum International S.A.	99.998
indirect ownership	Gamax Holding AG	99.800
indirect ownership	Mediolanum International S.A.	0.200
indirect ownership	Banco de Finanzas e Inversiones, S.A.	99.999
indirect ownership	Banca Mediolanum S.p.A.	51.000
direct ownership	Mediolanum S.p.A.	49.000
direct ownership	Mediolanum S.p.A.	100.000
indirect ownership	Banca Mediolanum S.p.A.	100.000
indirect ownership	Banca Mediolanum S.p.A.	100.000
indirect ownership	Banca Mediolanum S.p.A.	51.000
direct ownership	Mediolanum S.p.A.	49.000
indirect ownership	Banca Mediolanum S.p.A.	51.000
direct ownership	Mediolanum S.p.A.	44.000
indirect ownership	Banco de Finanzas e Inversiones, S.A.	5.000
direct ownership	Mediolanum S.p.A.	100.000
indirect ownership	Banca Mediolanum S.p.A.	99.997
direct ownership	Mediolanum S.p.A.	0.003
direct ownership	Mediolanum S.p.A.	100.000
direct ownership	Mediolanum S.p.A.	100.000
direct ownership	Mediolanum S.p.A.	100.000

**Responsibility Statements
Pursuant to section 154-BIS,
paragraph 5,
Legislative Decree 58/98**

RESPONSIBILITY STATEMENTS

Pursuant to section 154-BIS, paragraph 5,
Legislative Decree 58/98

1. We, the undersigned Ennio Doris, Chief Executive Officer, and Luigi Del Fabbro, Chief Financial Officer responsible for Mediolanum S.p.A. accounting and financial reporting, also pursuant to section 154 bis, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998, hereby confirm to the best of our knowledge:
 - the adequacy in relation to the characteristics of the business and
 - the effective application of accounting and financial reporting procedures in the preparation of the condensed set of financial statements for the first half of 2008.

2. The adequacy of accounting and financial reporting procedures for the preparation of the condensed set of financial statements for the six month period ended June 30, 2008 was assessed applying a process defined by Mediolanum S.p.A. in accordance with the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, which is an internationally accepted framework.

3. We also confirm that:
 - 3.1 the condensed set of financial statements for the first half of 2008:
 - a) has been prepared in accordance with the International Accounting and Financial Reporting Standards (IAS/IFRS) as adopted by the European Commission pursuant to the European Parliament and Council Regulation (EC) 1606 of July 19, 2002;
 - b) reflects the accounting entries and records;
 - c) gives a true and fair view of the financial position, result of operations and cash flows of the issuer and companies included in the consolidated financial statements;

 - 3.2 the interim management report contains information on main events which took place in the first six months of the year and their impact on accounts, description of principal risks and uncertainties for the rest of the year and disclosure of related party transactions.

Basiglio, July 31, 2008

Chief Executive Officer
(*Ennio Doris*)

Chief Financial Officer
(*Luigi Del Fabbro*)

**Auditors' review report
on the interim
condensed consolidated
financial statements**

Auditors' review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Mediolanum S.p.A.

1. We have reviewed the interim condensed consolidated financial statements of Mediolanum S.p.A. and its subsidiaries (the "Mediolanum Group") as of June 30, 2008, comprising the balance sheet, the statements of income, changes in shareholders' equity and cash flows and the related explanatory notes. Management of Mediolanum S.p.A. is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.
2. We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. A review consists primarily of obtaining information on the accounts included in the interim condensed consolidated financial statements and the consistency of the accounting principles applied, through discussions with management and by applying analytical and other review procedures. A review does not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements as we express on the annual consolidated financial statements.

With respect to the consolidated financial statements of the prior year and the interim consolidated financial statements of the corresponding period of the prior year, presented for comparative purposes, reference should be made to our reports issued on April 4, 2008 and on September 28, 2007, respectively.

3. Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Mediolanum S.p.A. as of June 30, 2008 are not prepared, in all material respects, in conformity with IAS 34.

Milan, August 8, 2008

Reconta Ernst & Young S.p.A.
Signed by: Daniele Zamboni, partner

This report has been translated into the English language solely for the convenience of international readers

