

MEDIOLANUM S.p.A.

**Half-Year
Financial
Report
at June 30
2009**

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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
2009**

Registered Office: Basiglio – Milano 3 - Via F. Sforza – Meucci Building
Share capital €73,091,187.90 fully paid up
Tax, VAT and Milan Register of Companies Registration No. 11667420159

Corporate Governance Officers

BOARD OF DIRECTORS

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

BOARD OF STATUTORY AUDITORS

Simonelli Ezio	Chairman
Perotta Riccardo	Standing Auditor
Vittadini Francesco	Standing Auditor
Gatti Ferdinando	Alternate Auditor
Marchesi Antonio	Alternate Auditor

BOARD SECRETARY

Luca Maria Rovere

INDEPENDENT AUDITORS

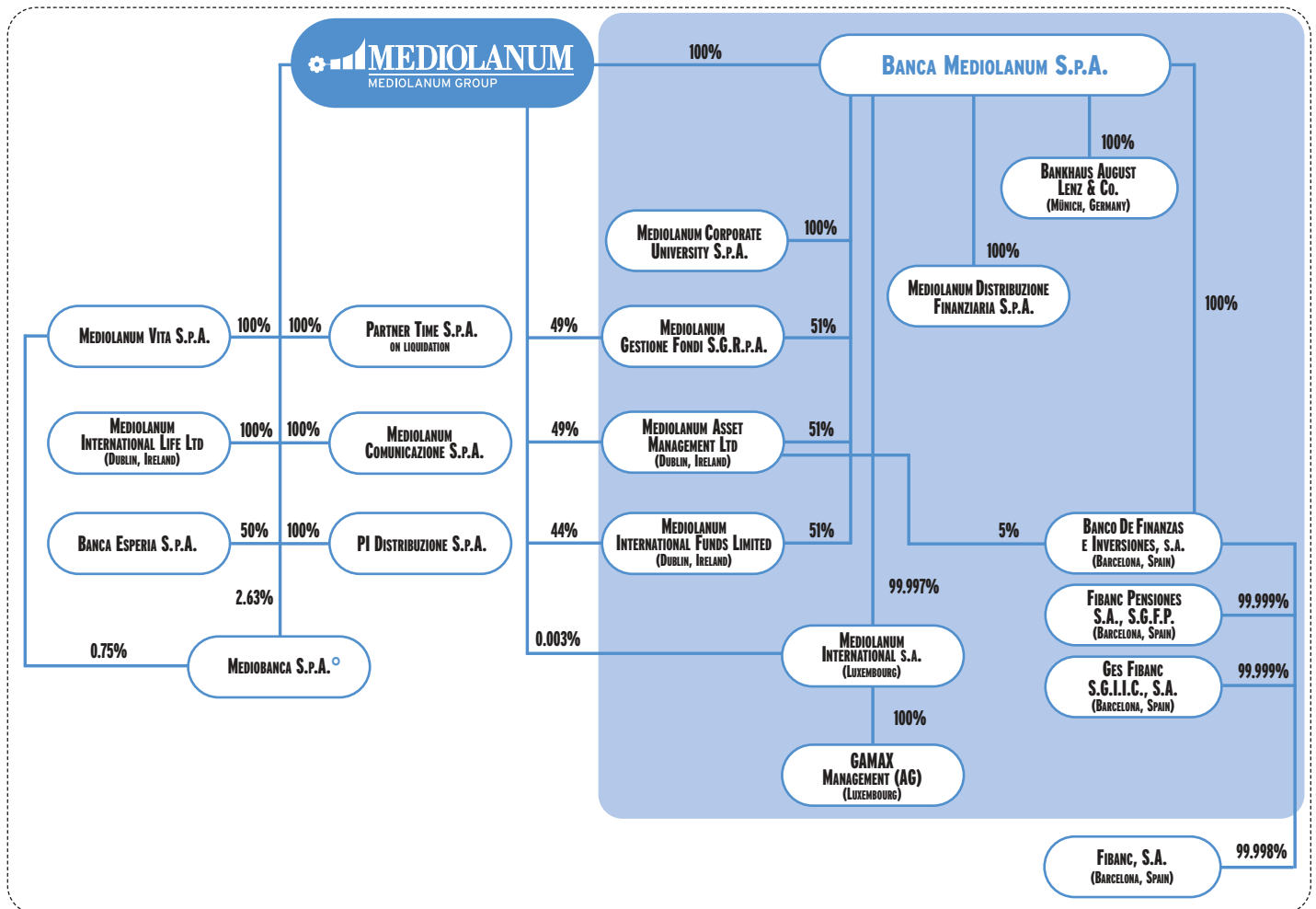
Reconta Ernst & Young S.p.A.

OFFICER RESPONSIBLE FOR PREPARING ACCOUNTING AND FINANCIAL REPORTING DOCUMENTS

Luigi Del Fabbro

Group structure

As at June 30, 2009



◌ THE MEDIOLANUM FINANCIAL CONGLOMERATE

■ THE MEDIOLANUM BANKING GROUP

◦ Due to the fact that Mediobanca holds a given amount of own shares, total shareholding is equal to 3.45% of the voting shares.

Mediolanum Group's financial highlights

€/million	June 30, 2009	June 30, 2008	Change %	Dec. 31, 2008
Assets under management and administration (*)	33,017.6	32,069.6	2.96%	29,505.9
Gross Inflows	4,559.4	3,767.0	21.04%	7,709.8
Net Inflows	2,115.8	684.7	209.01%	2,499.0
Profit before tax (°)	130.6	88.7	47.24%	165.1
Income Tax (°)	(22.9)	(18.5)	23.78%	(33.8)
Net profit (°)	107.7	70.2	53.42%	131.3

€	June 30, 2009	June 30, 2008	Change %	Dec. 31, 2008
Earnings per share (#) (°)	0.147	0.096	53%	0.180

(*) The figures relate to retail customers only.

(°) Dec. 31, 2008 comparative figures relate to ordinary activities, i.e. they do not include the operation put in place to safeguard the interests of customers after the default of Lehman Brothers. The Lehman Brothers operation was financed by the two Mediolanum S.p.A. key shareholders, Doris Group and Fininvest S.p.A., through a capital injection.

(#) 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
2009**

Interim Management Report

For the first half of 2009 the Mediolanum Group reported consolidated net profit of €107,689 thousand, up 53.3% from €70,235 thousand at June 30, 2008.

More specifically, the second quarter 2009 set an all-time record in the history of the Group with net profit coming in at €91.1 million (Q2 2008: €39.4 million), an exceptional quarter-on-quarter growth of 449%, up from €16.6 million in Q1 2009.

The macroeconomic environment

In the first half of 2009, macroeconomic data and corporate earnings indicated the world's major economies were still struggling. However, towards the end of the period, indices showed improved business and consumer confidence in the outlook for the second half of the year.

In the US, in the first quarter 2009, growth was still negative at -5.5% on a quarterly basis, yet improving from -6.3% in the last quarter of 2008. Unemployment rose from 7.2% in December 2008 to 9.5% in June 2009, yet consumer confidence improved and retail sales stabilised. On the supply side, improved business confidence prompted an increase in orders for durable goods of 1.4% in April and of 1.8% in May.

In the euro zone the first quarter 2009 marked the fourth consecutive quarter of negative growth. The increase in unemployment from 8.2% in December 2008 to 9.5% in May 2009 reflected the decline in industrial production and new orders. In spite of the negative cycle, in Europe, too, surveys showed improved business and consumer confidence in the economic outlook.

The slowdown of the economy dampened inflationary pressures. This allowed Central Banks to ease their monetary policy in an attempt to mitigate the effects of the recession and stimulate earlier recovery. The European Central Bank cut the main refinancing rate to 1% from 2.5% in December 2008.

Rate cuts and the policy responses of governments and central banks facilitated the gradual decline in interbank rates: 3-month EURIBOR rate decreased from 2.892% at the beginning of the year to 1.099% at June 30, 2009, while the US interbank rate fell from 1.425% to 0.595% in the same period.

In January and February 2009, financial market volatility rose steadily and investors' risk aversion remained at historic highs.

In the following months, improved expectations dampened fears of a deep, prolonged recession, leading to reduced volatility and lower risk premiums.

In the period under review, the world's main financial markets were in positive territory. Since the beginning of the year, in the US, the S&P500 rose 1.78% and the NASDAQ Composite climbed 16.36%, while in Europe stock markets were up 3.77%. In Italy the stock market fell 2.04%. Stock market grew over 12% in Japan and 30%, on average, in emerging countries, in local currencies.

The stock market upturn was led by financials and cyclical stocks.

Due to expectations for a quick economic and financial recovery, the long end of the yield curve discounted fears of a pickup in inflation. Yields on 10-year treasuries increased from 2.95% at December 31, 2008 to 3.39% at June 30, 2009 in the euro zone, and from 2.21% to 3.53% in the US in the same period.

In the first half of the year, the performance of the US dollar was highly correlated with that of equity markets. In the first months of 2009, the stock market correction prompted the concurrent strengthening of the dollar from 1.3971 at December 31, 2008 to 1.2530 last February, while in the following months the expectations for a rapid improvement of the economy and the stock market upturn drove the US dollar down, hovering around 1.40 against the euro.

The outlook for a quick recovery of the economy and subsequent speculative moves drove oil prices up from US\$45 at December 31, 2008 to US\$70 at June 30, 2009.

The insurance market

In the first half of 2009, new premiums written under individual life policies amounted to €27.2 billion, up 35.2% compared to the first half of 2008. New premiums written by EU companies conducting business in Italy (ANIA data) amounted to €1,986 million, down 47.9% over the prior year. Including these companies, new life premiums written in Italy increased 22% to €29.15 billion since the beginning of the year.

Growth was largely driven by premiums written under traditional, class I products that jumped 160.9% from €9.1 billion in the first half 2008 to €23.8 billion at the end of the period under review. Conversely, linked policies (class III) posted a 78.8% decline in new premiums written to €2.2 billion from €10.5 billion in the first half of 2008. The analysis of distribution channels shows that premiums written through banks and post offices rose 38.1% increasing the market share of these channels to 68% and premiums written through financial advisors climbed 98.7%, with a market share of 12.5% for this channel.

The excellent results recorded by Mediolanum Vita in terms of new business gave a notable contribution to market growth. Mediolanum Vita new business written in the period amounted to €2,750.2 million and was mainly generated by the new MEDIOLANUM PLUS policy associated with the Banca Mediolanum Freedom bank account. New premiums written under this new product in the period amounted to €2,644 million.

Mediolanum Group's performance

Mediolanum Groups' performance in the period under review reflects, on the one hand, the financial market upturn in the second quarter, and, on the other hand, the remarkable growth in net inflows into Group's products.

After collapsing in 2008, financial markets eventually bottomed out in March 2009 and turned to the upside. The financial market recovery generatets in the terms of Group's performance fees (up €40.9 million) and investments at fair value (up €46.8 million), but it also contributed to curbing the decline in management fees, which in the second quarter grew €7 million over the previous quarter.

In the first half of the year, total net inflows jumped 209% to €2,115.8 million. This compares to €684.7 million in the prior year when the €276 million net outflows posted by Banca Esperia had impacted Group's results. Already at very sound levels in the first quarter of the year, net inflows into Banca Mediolanum climbed further to

over €2 billion at June 30, 2009, up 77% from the excellent figure of €1,137.6 million posted in the first half of 2008. Specifically, net inflows into managed assets grew 37% over the prior year, largely into equities, thus boosting management fees, both in the short and the long term.

For the first half of 2009, Banca Mediolanum inflows into mutual funds amounted to €730 million versus net outflows of about €14.5 billion reported by the domestic industry (source: Assogestioni).

According to data released by Assoreti, in the January-June 09 period, excluding Banca Mediolanum, total net inflows reported by the domestic industry amounted to €2,396 million, while Banca Mediolanum alone recorded net inflows of €833 million.

As to assets under administration, including the remarkable inflows into the 'Freedom' bank account, inflows reached outstanding levels exceeding even the rosier expectations.

The great success of 'Freedom', however, in part cannibalised other bank account products and impacted margins in the banking segment.

Thus, for the first year of life of this new product, margins are projected to be slightly negative due to the inflows from existing customers' bank accounts and the incentives paid out to the sales network. The projection is based on the assumption that the 'Freedom' bank account will attract about €3.5 billion inflows in the year 2009.

For the following year we expect to achieve positive margins in the light of the product potential to attract greater assets from customers acquired through this product.

At June 30, 2009, the Mediolanum Group recorded total assets under management and administration of €33,017.6 million, up 3% from €32,069.6 million in the same period of the past year and up 12% from €29,505.9 million at December 31, 2008.

First half 2009 commercial initiatives

In conjunction with the annual national convention of the Banca Mediolanum Sales Network held in March 2009, certain new products were presented, including a new bank account, 'Mediolanum Freedom', a product which combines all traditional bank account features with the opportunity to earn good interest (at present 3% net interest) on any account balances above a set threshold - currently €12,000.

This opportunity can be seized by signing to a service called 'Mediolanum Freedom Plus' whereby any balances in excess of said threshold are invested in the new Mediolanum Vita policy named 'Mediolanum Plus'.

'Mediolanum Plus' is a 1-year endowment life insurance policy which is tacitly renewed year after year and invests in the segregated fund 'Mediolanum Freedom Fund' with revaluation according to the return established for that policy.

With the 'Mediolanum Freedom Plus' service, any bank account balances in excess of the preset threshold are automatically invested in the policy described above, while anytime the bank account balance goes below the threshold, predetermined amounts are automatically surrendered.

If customers close their 'Mediolanum Freedom' bank account or switch to another bank account contract, the 'Mediolanum Freedom Plus' service is automatically terminated and any amounts accrued on the related life policy are paid out and transferred to the customer's bank account, unless the bank account and policy holder requests otherwise.

This new product was extremely well received by customers. At the end of June 2009, inflows hit about €2.9 billion, of which about €2.2 billion into the new *Mediolanum Plus* policy.

● Consolidated Inflows, Assets under Management and Assets under Administration

○ Gross Inflows

€/m	June 30, 2009	June 30, 2008	Change %
ITALY			
Life Insurance products	3,450.3	1,465.2	135.5%
Mutual funds and managed accounts	1,216.6	1,214.2	0.2%
Bank accounts and securities in custody	(996.3)	559.0	n/a
Other products	10.1	7.9	27.8%
Banca Mediolanum Total	3,680.7	3,246.3	13.4%
Banca Esperia Group (*)	818.0	432.5	89.1%
SPAIN			
Life Insurance products	39.2	44.5	-11.9%
Mutual funds and managed accounts	61.1	131.5	-53.5%
Bank accounts and securities in custody (**)	(42.3)	(109.9)	-61.5%
Spain Total	58.0	66.1	-12.3%
GERMANY			
Life Insurance products	6.2	5.0	24.0%
Mutual funds and managed accounts	11.2	13.7	-18.2%
Bank accounts and securities in custody	(14.7)	3.4	n/a
Germany Total	2.7	22.1	-87.8%
GROSS INFLOWS TOTAL	4,559.4	3,767.0	21.0%

(*) The figures relating to the Banca Esperia Group are stated on a pro-rata basis according to the stake held by the Mediolanum Group in that entity, i.e. 50% at June 30, 2009 and 48.5% at June 30, 2008.

(**) Inflows into bank accounts and securities in custody are stated net of outflows. For the sake of consistency, prior period's comparative figures were restated accordingly.

○ Net Inflows

€/m	June 30, 2009	June 30, 2008	Change %
ITALY			
Life Insurance products	2,568.8	578.4	344.1%
Mutual funds and managed accounts	435.8	0.1	n/a
Bank accounts and securities in custody	(996.3)	559.0	n/a
Banca Mediolanum Total	2,008.3	1,137.6	76.5%
Banca Esperia Group (*)	152.7	(276.0)	n/a
SPAIN			
Life Insurance products	7.1	12.9	-45.0%
Mutual funds and managed accounts	6.6	(63.7)	n/a
Bank accounts and securities in custody	(42.3)	(109.9)	-61.5%
Total	(28.6)	(160.7)	-82.2%
GERMANY			
Life Insurance products	4.2	3.2	31.3%
Mutual funds and managed accounts	(6.1)	(22.8)	-73.2%
Bank accounts and securities in custody	(14.7)	3.4	n/a
Total	(16.6)	(16.2)	n/a
NET INFLOWS TOTAL	2,115.8	684.7	209.0%

(*) The figures relating to the Banca Esperia Group are stated on a pro-rata basis according to the stake held by the Mediolanum Group in that entity, i.e. 50% at June 30, 2009 and 48.5% at June 30, 2008.

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

€/m	June 30, 2009	June 30, 2008	Dec. 31, 2008
Life Products	15,658.2	13,719.1	12,313.4
Mutual funds and managed accounts	12,984.9	13,784.4	11,704.7
Bank Products	5,422.7	5,563.9	6,385.2
Consolidation adjustments	(7,003.8)	(7,460.7)	(6,462.2)
Banca Esperia Group (**)	4,289.4	4,263.6	3,911.5
DOMESTIC MARKET	31,351.4	29,834.3	27,852.6
Life Products	330.6	365.9	305.0
Mutual funds and managed accounts	799.9	934.4	768.8
Bank Products	764.1	1,167.4	796.8
Other Products	0.6	0.9	0.6
Consolidation adjustments (***)	(229.0)	(233.3)	(218.0)
FOREIGN MARKETS	1,666.2	2,235.3	1,653.2
MEDIOLANUM GROUP	33,017.6	32,069.6	29,505.9

(*) 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, 50.0% (H1 2008: 48.5%).

(***) Compared to the figure reported in the 2008 annual report, the balance of consolidation adjustments at December 31, 2008 reported herein shows a €50 million increase due to the cancellation of those *Mediolanum International Funds* invested in funds managed by Fibanc.

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

Life Insurance

The analysis of new business and in-force business for the first half of the year shows exceptional growth especially thanks to the new Mediolanum Vita 'Mediolanum Plus' policy. As commented earlier, new premiums written under this product in the first half of the year amounted to €2,644 million, which net of surrenders for the period amounting to €443.7 million, entailed an increase in technical reserves of about €2,211 million including revaluations for the period.

Total life products grew from €12,618.7 million at year end 2008 to €15,989.0 at the end of the period under review (H1 2008: €14,085.0 million).

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

€/m	June 30, 2009	June 30, 2008	Dec. 31, 2008
Unit-linked life products	6,991.0	7,309.0	6,307.0
Index-linked life products	5,481.0	5,491.0	4,985.5
Traditional life products	3,517.0	1,285.0	1,326.2
Total Life Products	15,989.0	14,085.0	12,618.7

New life business climbed 261% to €3,304.9 million from €915.5 million at June 30, 2008, benefitting in particular from inflows into the Mediolanum Plus policy (+€2,644 million).

Premiums written in the first half of the year rose 161% to €3,921.0 million from €1,504.2 million at June 30, 2008.

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

€/000	June 30, 2009	June 30, 2008	Change
Recurring premiums	44,882	155,420	(110,538)
Single premiums and group policies	3,260,082	760,128	2,499,954
Total new business	3,304,964	915,548	2,389,416
of which Mediolanum Plus	2,644,052	–	(2,644,052)
Pension plans in-force	470,962	421,897	49,065
Other business in-force	149,420	172,398	(22,978)
Total in-force business	620,382	594,295	26,087
Total gross premium written	3,925,346	1,509,843	2,415,503
Ceded premiums	(2,226)	(2,267)	41
Premiums relating to financial contracts (IFRS4)	(2,112)	(3,398)	1,286
Net Premiums Written	3,921,008	1,504,178	2,416,830
of which Mediolanum Plus	2,644,052	–	2,644,052

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

€/000		June 30, 2009	June 30, 2008	Change
Insurance/reinsurance				
Class I	Traditional life policies	2,665,815	23,344	2,642,471
Class III	Fund-related insurance	1,255,693	1,481,703	(226,010)
Class V	Investment plans	3,409	3,958	(549)
Class VI	Pension funds	429	838	(409)
Total		3,925,346	1,509,843	2,415,503

In the first half of 2009, total amounts paid and change in reserves amounted to €3,867.9 million versus €1,432.9 million in the first half of the prior year.

€/000		June 30, 2009	June 30, 2008	Change
Surrenders		719,963	419,584	300,379
Maturities		592,376	453,402	138,974
Claims		40,017	32,057	7,960
Annuities		3,629	3,507	122
Total amounts paid		1,355,985	908,550	447,435
Change in Technical Reserves		2,517,857	527,572	1,990,285
Recoveries from reinsurers		(2,944)	(3,208)	264
Total amounts paid and change in reserves		3,870,898	1,432,914	2,437,984

The increase in total amounts paid in the period was largely due to Mediolanum Plus policy surrenders (€443.7 million). Excluding them, surrenders for the period declined to €276.3 million from €419.6 million in the first half of 2008.

○ Asset Management

In the first half of 2009, assets under management increased from €12,473.5 million at December 31, 2008 to €13,784.8 million at the end of the first half 2009 (H1 2008: €14,683 million).

€/m	June 30, 2009	June 30, 2008	Dec. 31, 2008
'Best of brands' funds of funds	1,865.0	157.2	1,470.8
'Portfolio' funds of funds	809.1	979.0	811.8
'Elite' funds of funds	96.7	118.1	90.3
Funds of hedge funds	423.6	565.0	453.1
Total funds of funds	3,194.4	1,819.3	2,826.0
'Challenge'	8,514.0	7,926.4	7,669.8
'Top Managers'	-	2,963.4	-
Other Italy-based mutual funds	1,518.0	1,518.9	1,302.0
Other internationally-based mutual funds	817.1	714.5	789.3
Total other mutual funds	10,849.1	13,123.2	9,761.1
'Chorus' managed accounts	85.2	141.5	135.8
Real estate funds and others	456.9	475.2	400.2
Duplications	(800.8)	(876.2)	(649.6)
Total mutual funds and managed accounts	13,784.8	14,683.0	12,473.5
of which:			
Equity	60%	60%	57%
Bond	16%	15%	17%
Money market	9%	9%	11%
Other	15%	16%	15%

In the first half of 2009, total gross inflows, including both retail and institutional customers, amounted to €2,997.4 million versus €2,853.2 million in the same period of the prior year.

Total net inflows for the period amounted to €752.4 million versus €397.0 million at June 30, 2008.

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

Gross Inflows

€/m	June 30, 2009	June 30, 2008	Change
\Best of brands' funds of funds	387.4	175.8	211.6
\Portfolio' funds of funds	42.1	86.8	(44.7)
\Elite' funds of funds	7.8	12.0	(4.2)
Total funds of funds	437.3	274.6	162.7
\Challenge'	388.1	449.4	(61.3)
\Top Managers'	-	310.9	(310.9)
Other Italy-based mutual funds	402.1	223.9	178.2
Other internationally-based mutual funds	37.9	78.9	(41.0)
Total other mutual funds	828.1	1,063.1	(235.0)
\Chorus' managed accounts	0.8	2.7	(1.9)
Real estate funds and others	22.7	19.0	3.7
Total mutual funds and managed accounts	1,288.9	1,359.4	(70.5)

Net Inflows

€/m	June 30, 2009	June 30, 2008	Change
\Best of brands' funds of funds	230.9	174.8	56.1
\Portfolio' funds of funds	(33.6)	(100.0)	66.4
\Elite' funds of funds	(0.9)	(10.2)	9.3
Total funds of funds	196.4	64.6	131.8
\Challenge'	80.8	(10.7)	91.5
\Top Managers'	-	52.2	(52.2)
Other Italy-based mutual funds	173.2	(57.9)	231.1
Other internationally-based mutual funds	(14.2)	(98.4)	84.2
Total other mutual funds	239.8	(114.8)	354.6
\Chorus' managed accounts	(5.3)	(47.9)	42.6
Real estate funds and others	5.4	11.6	(6.2)
Total mutual funds and managed accounts	436.3	(86.5)	522.8

Banking

As to assets under administration, for the first half of the year the Group reported net outflows of €1,053.3 million versus net inflows of €452.5 million at June 30, 2008.

The net outflows for the period are largely due to the transfer of balances out of existing customers' accounts into the *Mediolanum Plus* policy associated with the Banca Mediolanum '*Freedom*' bank account.

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

€/m	June 30, 2009	June 30, 2008	Dec. 31, 2008
Customer deposits	3,846	3,777	4,072
Securities in custody	2,108	2,509	2,179
Repurchase agreements	233	451	931
Total Assets under Administration	6,187	6,737	7,182
of which:			
Banca Mediolanum	5,423	5,564	6,385

In the first half of 2009, Banca Mediolanum bank accounts totalled about 572,800 versus about 548,300 at June 30, 2008. Primary bank account holders amounted to 552,400 versus 531,700 in the same period of the past year.

The Sales Networks

Number	June 30, 2009	June 30, 2008	Dec. 31, 2008
Italy			
Licensed Financial Advisors	4,967	5,032	5,077
Non-licensed advisors / agents (*)	528	1,027	774
Spain	432	642	486
Germany	33	31	30
Total	5,960	6,732	6,367

(*) 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, 2009, the Mediolanum Group's sales networks of tied financial advisors who apply the Mediolanum business model consisted of 5,960 financial advisors, down 407 over year end 2008 largely due to the exit of 246 Banca Mediolanum non-licensed advisors and 110 licensed advisors.

Consolidated Income Statement at June 30, 2009

€/000	June 30, 2009	June 30, 2008	Change	Change %
Net premiums written	3,921.0	1,504.2	2,416.8	161%
Amounts paid and change in reserves	(3,870.9)	(1,432.9)	(2,438.0)	170%
Net Life insurance revenues (ex. commissions)	50.1	71.3	(21.2)	-30%
Entry fees	31.0	31.3	(0.3)	-1%
Management fees	125.3	150.8	(25.5)	-17%
Performance fees	73.2	32.3	40.9	127%
Banking service fees	42.1	36.7	5.4	15%
Other fees	14.3	20.3	(6.0)	-30%
Total commission income	285.9	271.4	14.5	5%
Interest income and similar income	161.6	194.7	(33.1)	-17%
Interest expense and similar charges	(70.5)	(119.1)	48.6	-41%
Net income on investments at fair value	21.1	(25.7)	46.8	-182%
Net financial income	112.2	49.9	62.3	125%
Realised gains/losses on other investments	9.1	3.9	5.2	133%
Net impairment on other investments	(4.7)	(3.2)	(1.5)	47%
Net income on other investments	4.4	0.7	3.7	529%
Other revenues	9.9	10.9	(1.0)	-9%
TOTAL REVENUES	462.5	404.2	58.3	14%
Commission expenses and acquisition costs	(137.6)	(140.2)	2.6	-2%
General and administrative expenses	(176.6)	(162.1)	(14.5)	9%
Amortisation and depreciation	(8.8)	(8.0)	(0.8)	10%
Provisions for risks and charges	(9.0)	(5.1)	(3.9)	76%
TOTAL COSTS	(332.0)	(315.4)	(16.6)	5%
PROFIT BEFORE TAX	130.5	88.8	41.7	47%
Income tax	(22.8)	(18.5)	(4.3)	23%
Minority interests	-	-	-	-
NET PROFIT FOR THE PERIOD	107.7	70.3	37.4	53%

Net premiums written in the period amounted to €3,921.0 million, up 161% from €1,504.2 million in the prior year, thanks to the exceptional results of the new Mediolanum Plus policy (+€2,644 million).

Amounts paid and change in reserves jumped 170% to €3,870.9 million from €1,432.9 million at June 30, 2008.

Net Life insurance revenues before acquisition costs amounted to €50.1 million versus €71.3 million in the prior year. The €21.2 million decline reflects, on the one hand, falling loadings for the period due to lower sales of index-linked policies, and on the other hand, the decrease in net income from the release of technical reserves owing to reduced surrenders for the period, net of surrenders relating to Mediolanum Plus.

Commission income for the period amounted to €285.9 million versus €271.4 million in the first half of 2008. The €14.5 million increase in commission income was largely owed to the growth in performance fees (+€40.9 million). Conversely, management fees declined from €150.8 million in H1 2008 to €125.3 million at the end of the period under

review. This was in connection with the decline in the value of assets under management during the crisis that hit financial markets in 2008 and the first months of 2009.

Net financial income and net income on other investments in the aggregate rose €66 million to €116.6 million from €50.6 million at June 30, 2008.

Specifically, net income on investments at fair value amounted to €21.1 million versus a net loss of €25.7 million in the prior year. The balance of this account benefitted from the positive performance of financial markets in the second quarter 2009.

Net interest income grew €15.5 million from €75.6 million in the first half of 2008 to €91.1 million at June 30, 2009, largely due to greater lending spreads.

Commission expenses and acquisition costs declined to €137.6 million from €140.2 million in the prior year. The decline was more moderate than the decrease in management fees, with a greater weight of commission expenses than in the first half of 2008.

Other expenses (general and administrative expenses, amortisation, depreciation and provisions for risks and charges) were up 11% to €194.4 million from €175.2 million in the prior year. The €19.2 million increase was largely in connection with growth in the retail banking business, greater advertising spending and provisions for risks and charges.

Income tax for the period increased to €22.8 million (tax rate of 18%) from €18.5 million at the end of the first half of 2008.

Key corporate events and performance of companies within the Group

On March 23, 2009, implementing the resolution carried on January 24, 2008, the Board of Directors of Banca Mediolanum effected a €20 million capital increase to improve capital levels and ratios in accordance with new regulatory capital requirements and its banking business growth.

In addition, to this end, in the second quarter 2009, Banca Mediolanum issued three subordinated notes maturing in six to ten years for a total of €61,336 thousand; these subordinated issues entail an overall increase in the Bank's Tier II capital of the same amount.

In March, the parent companies Mediolanum S.p.A. and Banca Mediolanum S.p.A. made capital contributions for a total of €3 million to Mediolanum Asset Management Ltd to strengthen the equity base of the Irish subsidiary.

In May, Mediolanum S.p.A. and Mediobanca equally increased their stake in Banca Esperia from 48.5% to 50%, each acquiring 375,000 shares for €3,5 million.

The Parent Company

At June 30, 2009, the Parent Company Mediolanum S.p.A. reported net profit of €35.4 million versus €131.4 million in the same period of the prior year.

Dividends from group companies for the period amounted to €40.5 million versus €121.4 million in the first half of 2008.

The greater net profit reported in the first half of 2008 also reflected the €25.2 million gain generated from 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.

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 2009, this company reported net profit of €19.7 million up from €15.8 million at June 30, 2008.

In the period under review the company reported premiums written of €3,340.0 million versus €1,047.2 million in the prior year (up 218.9%).

New business increased from €454.9 million in the first half of 2008 to €2,750.2 million at the end of the period under review, especially thanks to the exceptional success of the new MEDIOLANUM PLUS policy associated with the Banca Mediolanum 'Freedom' bank account. New premiums written in the period under this new product amounted to €2,644 million.

In-force business premiums stood at €592.0 million, in line with the balance of €594.6 million reported in the same period of the prior year.

At June 30, 2009, mathematical reserves and financial liabilities to policyholders amounted to €12,370.1 million, up 31% from €9,410.8 million at December 31, 2008.

Mediolanum International Life Ltd – For the first half of 2009, the Irish company reported net profit of €18.8 million versus €6.1 million in the prior year.

At June 30, 2009, the company reported premiums written of €583.1 million versus €460.3 million in H1 2008.

At June 30, 2009, mathematical reserves and financial liabilities to policyholders amounted to €3,674 million, slightly up from €3,224 million at December 31, 2008.

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 2009, the company reported net profit of €97.6 million, up €25.4 million from €72.2 million at June 30, 2008, largely benefitting from the growth in performance fees for the period (+€38 million).

In the period under review net inflows amounted to €565.3 million versus €504.1 million at June 30, 2008.

At June 30, 2009, total assets under management amounted to €11,625 million up 16% from €10,421 million at December 31, 2008.

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 2009, the company reported net profit of €2.4 million versus €1.9 million at June 30, 2008.

For the period under review, the company reported net inflows of €173.1 million versus net outflows of €60.3 million in the first half of 2008.

At June 30, 2009, assets under management increased to €2,022.8 million from €1,792.6 million at December 31, 2008.

Assets managed on mandates from fellow subsidiaries amounted to €13,003.2 million versus €9,960.6 million at December 31, 2008.

Gamax Management A.G. – For the first half of 2009, the Luxembourg-based company reported net profit of €4.2 million versus €0.7 million in the prior year.

In the retail segment, the company recorded net outflows €6.0 million versus net outflows of €23.2 million in the same period of the prior year. Assets under management amounted to €179.9 million versus €178 million at December 31, 2008.

In the institutional segment, assets under management amounted to €243 million versus €207 million at December 31, 2008.

○ Banking operations (including Group product distribution)

Banca Mediolanum S.p.A. – For the first half of 2009, the bank reported net loss of €8.4 million versus net profit of €8.2 million for the first half of 2008.

Net financial income grew €29.4 million from €59.9 million in the same period of the prior year to €89.3 million thanks to greater lending spreads and income from trading.

Net commission income declined €13.3 million (down 31.5%) from €42.3 million in the past year to €29.0 million at the end of the period under review, especially on asset management products. This was due, on the one hand, to the different structures of products sold, and on the other hand, to the lower level of management fees earned in the period as a result of the decline in the value of managed assets during the financial market downturn. The greater weight of commission expenses had an impact too.

Results of operations adversely affected also by lower dividends from subsidiaries (down €7.5 million).

In the first half of 2009, direct funding from customers amounted to €5,594 million, remaining essentially in line with the 2008 year-end balance of €5,595 million. At June 30, there were 572,831 bank accounts versus 565,476 at December 31, 2008 (H1 2008: 548,310).

At June 30, 2009, the balance on retail customers' securities accounts amounted to €1,544 million versus €1,586 million at December 31, 2008.

At the end of the period under review, loans to customers slightly declined to €3,072 million from €3,109 million at December 31, 2008. The balance reflects, on the one hand, the decrease in repurchase agreements (down €238 million), and on the other hand, the increase in residential mortgage loans, which at the end of June 2009 were up 44% to €1,747 million from €1,213 million at December 31, 2008.

Banco de Finanzas e Inversiones S.A. (Fibanc) – For the first half of 2009, the Spanish Bank reported net loss of €2.8 million versus €0.5 million in the first half of 2008.

For the first half of the year, this entity recorded net outflows of €28.6 million improving from net outflows of €160.7 million in the first half of 2008.

At June 30, 2009, total assets under administration amounted to €1,424.7 million versus €1,458 million at December 31, 2008.

At the end of the period under review, the sales force consisted of 432 people (vs. 486 at December 31, 2008), of whom 388 licensed advisors (vs. 448 at December 31, 2008).

Bankhaus August Lenz & Co. – For the first half of 2009, the German bank reported net loss of €4.1 million, essentially in line with the €3.9 million loss reported for the first half of 2008.

For the period under review, Bankhaus August Lenz reported net outflows of €10.7 million versus net inflows of €6.9 million in the prior year.

At June 30, 2009, assets under administration amounted to €61.4 million versus €80.3 million at June 30, 2008.

At June 30, 2009, the sales network consisted of 33 people (vs. 31 at June 30, 2008).

Associates and joint ventures

This account relates exclusively to the investments in Banca Esperia S.p.A. (50% stake) and in Mediobanca S.p.A. (3.38% of share capital; 3.45% of voting rights).

For the first half of 2009 the **Banca Esperia** Group reported consolidated net profit of €1.8 million versus €6.8 million at June 30, 2008.

For the period under review the Group reported net inflows of €305 million versus net outflows of €569 million in the prior year.

At the end of the period under review, total assets under management and administration amounted to €8,579 million versus €8,065 million at December 31, 2008 and €8,791 million at June 30, 2008.

At June 30, 2009, there were 50 private bankers versus 49 in H1 2008.

You are reminded that, at December 31, 2008, the investment in **Mediobanca S.p.A.**, was reclassified to 'Investments in Associates and Joint Ventures'.

At March 31, 2009, for the first nine months of the financial year, the Mediobanca Group reported net profit of €39.3 million versus €784.4 million at March 31, 2008. In the third quarter (January-March), the Group reported a net loss of €61 million versus net profit of €143.9 million in the same quarter of the previous financial year. The decline was due to the lower contribution of equity investments (€367.4 million), greater write-downs in the securities portfolio (€358.9 million) owing to the market downturn through March, and in the loan portfolio (€329.5 million).

At March 31, 2009, consolidated net equity after minority interests and net profit for the year amounted to €5,225.6 million, down €231.2 million from €5,456.8 million at December 31, 2008.

The impact on the income statement of investments accounted for by the equity method was negative for €1.2 million versus a positive impact of €2.8 million in the first half of 2008.

● **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 the condensed consolidated financial statements for the six month period ended June 30, 2009.

● **Officer responsible for preparing accounting and financial reporting documents**

In its Communication DEM/9058755 of June 23, 2009, CONSOB (Italy's stock market regulator) urged publicly traded companies to give ample information in their financial reporting about the reasons underlying the selection of the Officer responsible for preparing accounting and financial reporting documents.

In accordance therewith, we advised you that the Board of Directors of Mediolanum S.p.A. appointed the Officer responsible for preparing accounting and financial reporting documents at its meeting of May 10, 2007, after amendments to article 24 of the company's bylaws were made and approved at the Extraordinary General Meeting of April 19, 2007 to include the requirements for the appointment of said officer pursuant to section 154 bis of Legislative Decree 58/98 as amended by the Investors Protection Act.

The Mediolanum Group's Chief Financial Officer Luigi Del Fabbro was judged to be the appropriate executive to take the position of officer responsible for preparing accounting and financial reporting documents.

The Board of Directors of Mediolanum S.p.A. chose Mr. Luigi Del Fabbro for that position in consideration of his role within the Group at the time, his professional profile and his over 10 years' experience in top financial executive positions within the Group.

The Board of Directors examined the curriculum vitae and the statement made by Mr. Luigi Del Fabbro in relation to his professional qualifications and, after receiving the favourable opinion of the Board of Statutory Auditors, unanimously voted for Mr. Luigi Del Fabbro, considering that he met all professional requirements for the position pursuant to the bylaws and had served for more than three years in executive positions at listed companies and/or Groups. Thus, Mr. Luigi Del Fabbro, born in Milan on September 26, 1949, was appointed by the Board of Director to serve as 'Officer responsible for preparing accounting and financial reporting documents' of Mediolanum S.p.A. giving him all powers for the fulfilment of his duties pursuant to the current legislation and any future amendments thereof. In the fulfilment of his duties Mr. Luigi Del Fabbro acts without restrictions, making his decisions in full independence within the budget he prepares and submits to the Board of Directors for approval annually, except for any urgent matters which may arise. All this within the boundaries of existing corporate procedures which, however, cannot limit the effectiveness of his action under the authorities delegated to him.

Pursuant to article 24 of the company's bylaws, the term in office of the 'Officer responsible for preparing accounting and financial reporting documents' will expire on the date of the first meeting of the Board of Directors held after the General Meeting called to elect the members of the Board of Directors, i.e. at the General Meeting that will be convened to approve the financial statements for financial year 2010.

● Post Balance Sheet Date Events

On July 20, 2009, the Board of Directors of Mediolanum International S.A. approved the commencement of liquidation procedures which should be completed within next October.

After June 30, 2009 there was no other event which could have a significant impact on the financial position, result of operations and cash flows of the Mediolanum Group.

● Going concern

As to the entity's ability to continue as a going concern, the management of Mediolanum S.p.A. confirm they reasonably expect the company will continue in operation in the foreseeable future and therefore the condensed consolidated financial statements for the period ended June 30, 2009 were prepared based on the going concern assumption. Following their examination of the financial position, operations and cash-flows, they also confirm they did not find any evidence of uncertainties in relation to the ability of the entity to continue in operation as a going concern.

● Main risks and uncertainties

The main risks and uncertainties to which the Mediolanum Group is exposed are:

- Market and credit risk from owning financial instruments. Specifically, the Group's equity and earnings are exposed to the risk of potential market movements in the market price of instruments recognised in the 'Assets at fair value through profit or loss' and 'Available-for-sale financial assets' categories and to the risk of impairment in relation to other financial instruments carried at amortised cost and 'Available-for-sale financial assets'. Credit risk on lending is limited since loans are largely secured by real and/or personal guarantees. The

Finance officers of Group companies are responsible for the identification and management of these risks, while second-line-of-defence controls are carried out by the Financial Risk management units.

- Insurance risk on policies issued by Group companies. Since the vast majority of policies sold relates to contracts (class III) under which the investment risk is borne by the policyholder, insurance risk is represented only by the risk of death of the policyholder. No reinsurance protection is purchased for class III products since the Company judges it can cover the risk of death of the policyholder using its own equity.
- Operational risk i.e. the risk of economic loss or damage to assets resulting from any misconduct or inappropriate behaviour of personnel, inadequate or failed internal processes or controls, technical or human errors, or external events. Operational risk is inherent in the business conducted by the Mediolanum Group as it entails the use of assets, the employment of human resources and the execution of operational processes. The identification, measurement and management of operational risk is the responsibility of the Operational Risk Management unit, while line controls are the responsibility of operating units. In addition, the Group's Compliance and Legal Risk units ensure compliance with any regulatory developments which apply to the business conducted by Mediolanum Group companies.

Information about the risks related to the performance of the world's economies and financial markets is set out in this interim management report, under 'Macroeconomic Environment' and 'Outlook'.

Outlook

The policy responses of the world's main governments and central banks seem to be having the first positive effects on the current recession.

The rate cuts made by central banks have gradually reduced interbank rates, mortgage payments and the cost of borrowing for businesses. A temporarily quiescent inflation sets the optimal conditions for prolonging the current expansionary monetary policy well into the medium term.

If the economy continues to improve as it did in the second quarter, investors may increase their risk appetite.

This should bring new liquidity into financial markets and fuel the stock market upturn.

A firm reversal of trend would lead to growth in managed assets as a result of both new inflows and increased value of existing assets.

In the light of the foregoing and of the positive results recorded in the recently ended period in terms of both net inflows and net earnings, the outlook for the second part of the year is positive for our Group.

Basiglio, July 29, 2009

For the Board of Directors
The Chairman
(Roberto Ruozi)

MEDIOLANUM S.p.A.

**Schedules
at June 30
2009**

● **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, 2009 is set out below.

Reconciliation of the Income Statement at June 30, 2009 to the reclassified Income Statement

€/000	Consolidated income statement
1.1 Premiums written	
1.1.1 Gross premiums written	3,923,234
1.1.2 Reinsurance premiums	(2,227)
Total premiums written	3,921,007
1.2 Commission income	285,973
1.3 Income on financial instruments at fair value through profit/loss	898,171
1.4 Income on investments in subsidiaries, associates and joint ventures	899
1.5 Income on other financial instruments and investment property	
1.5.1 Interest income	153,880
1.5.2 Other income	3,080
1.5.3 Realized gains	11,344
1.5.4 Unrealized gains	4,527
Total income on other financial instruments and investment property	172,831
1.6 Other revenues	11,837
Total revenues and income	5,290,718
2. Costs	
2.1 Claims incurred	
2.1.1 Claims paid and change in technical reverses	(4,760,599)
2.1.2 Reinsurers' share	2,944
Total claims incurred, net of reinsurance	(4,757,655)
2.2 Commission expense	(96,809)
2.3 Loss on investments in subsidiaries, associates and joint ventures	(2,116)
2.4 Loss on other financial instruments and investment property	
2.4.1 Interest expense	(55,570)
2.4.2 Other expense	(227)
2.4.3 Realized losses	(2,970)
2.4.4 Unrealized losses	(9,551)
Loss on the other financial instruments and investment property	(68,318)
2.5 Operating expenses	
2.5.1 Agents' commissions and other acquisition costs	(43,826)
2.5.2 Investment management costs	(217)
2.5.3 Other administrative expenses	(161,795)
Total operating expenses	(205,838)
2.6 Other costs	(29,309)
Total costs	(5,160,045)
Pre-tax profit (loss) for the year	130,673
3. Income taxes	(22,899)
4. Profit (loss) of discontinued operations	(85)
Consolidated profit (loss) for the year	107,689

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
3,923,234	-	-	-	-	-	-	-
(2,227)	-	-	-	-	-	-	-
3,921,007	-	-	-	-	-	-	-
-	-	285,973	-	-	-	-	-
-	-	-	139,222	(17,125)	776,074	-	-
-	-	-	-	-	-	899	-
-	-	-	153,880	-	-	-	-
-	-	-	1,810	-	-	1,270	-
-	-	-	-	-	-	11,344	-
-	-	-	-	-	-	-	-
-	-	-	155,690	-	-	12,614	-
-	-	-	-	-	-	-	11,837
3,921,007	-	285,973	294,912	(17,125)	776,074	13,513	11,837
-	(4,760,031)	-	-	-	-	-	-
-	2,944	-	-	-	-	-	-
-	(4,757,087)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(2,116)	-
-	-	-	-	(55,570)	-	-	-
-	-	-	-	(6)	-	(221)	-
-	-	-	-	-	-	(2,970)	-
-	-	-	-	-	-	-	-
-	-	-	-	(55,576)	-	(3,191)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(4,757,087)	-	-	(55,576)	-	(5,307)	-
3,921,007	(4,757,087)	285,973	294,912	(72,701)	776,074	8,206	11,837
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(85)	-
3,921,007	(4,757,087)	285,973	294,912	(72,701)	776,074	8,121	11,837
-	887,014	-	(131,475)	2,220	(755,022)	(2,737)	-
-	(825)	-	(1,810)	-	-	3,729	(1,927)
3,921,007	(3,870,898)	285,973	161,627	(70,481)	21,052	9,113	9,910

Reconciliation of the Income Statement at June 30, 2009 to the reclassified Income Statement

€/’000

1.1	Premiums written
1.1.1	Gross premiums written
1.1.2	Reinsurance premiums
	Total premiums written
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

Commission expenses	Net impairment of financial assets	G&A expenses	Amortisation and depreciation	Provision for risk and charges	Income tax	Net profit
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	4,527	-	-	-	-	-
-	4,527	-	-	-	-	-
-	-	-	-	-	-	-
-	4,527	-	-	-	-	-
-	-	(568)	-	-	-	-
-	-	(568)	-	-	-	-
(96,809)	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(9,247)	-	(304)	-	-	-
-	(9,247)	-	(304)	-	-	-
(40,785)	-	(3,041)	-	-	-	-
-	-	(217)	-	-	-	-
-	-	(161,795)	-	-	-	-
(40,785)	-	(165,053)	-	-	-	-
-	-	(11,826)	(8,546)	(8,937)	-	-
(137,594)	(9,247)	(177,447)	(8,850)	(8,937)	-	-
(137,594)	(4,720)	(177,447)	(8,850)	(8,937)	-	-
-	-	-	-	-	(22,899)	-
-	-	-	-	-	-	-
(137,594)	(4,720)	(177,447)	(8,850)	(8,937)	(22,899)	-
-	-	-	-	-	-	-
-	-	833	-	-	-	-
(137,594)	(4,720)	(176,614)	(8,850)	(8,937)	(22,899)	107,689

MEDIOLANUM S.p.A.

**Consolidated
Accounts
at June 30
2009**

Balance sheet

Assets

€/’000	June 30, 2009	Dec. 31, 2008
1. Intangible assets		
1.1 Goodwill	161,302	161,302
1.2 Other intangible assets	15,738	16,427
Total intangible assets	177,040	177,729
2. Tangible assets		
2.1 Property	62,740	63,443
2.2 Other tangible assets	22,302	22,422
Total tangible assets	85,042	85,865
3. Reinsurers’ share of technical reserves	99,674	100,328
4. Investments		
4.1 Investment property	88,309	4,777
4.2 Investments in subsidiaries, associated and JVs	390,907	396,140
4.3 Held to maturity investments	1,588,929	1,351,960
4.4 Loans and receivables	4,928,187	5,415,734
4.5 Available for sale financial assets	2,134,844	1,524,602
4.6 Financial assets at fair value through profit and loss	14,744,021	12,884,997
Total investments	23,875,197	21,578,210
5. Receivables		
5.1 Arising out of direct insurance business	8,143	10,657
5.2 Arising out of reinsurance business	-	127
5.3 Other receivables	3,008	3,376
Total receivables	11,151	14,160
6. Other assets		
6.1 Non current assets or assets of discontinued operations, held for sale	1,560	448
6.2 Deferred acquisition costs	-	-
6.3 Defferend tax assets	91,628	80,239
6.4 Current tax assets	165,134	168,691
6.5 Other assets	304,231	258,838
Total other assets	562,553	508,216
7. Cash and cash equivalents	234,381	185,865
TOTAL ASSETS	25,045,038	22,650,372

Liabilities

€/’000	June 30, 2009	Dec. 31, 2008
1. Capital and reserves		
1.1 Group shareholders’ equity		
1.1.1 Share capital	73,091	73,010
1.1.2 Other equity instruments	-	-
1.1.3 Capital reserves	52,901	51,960
1.1.4 Retained earnings and other equity reserves	667,828	696,921
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	(16,258)	(30,004)
1.1.8 Other gains or losses recognised directly in equity	-	-
1.1.9 Profit (loss) for the year attributable to the Group	107,689	23,675
Total capital and reserves attributable to the Group	883,206	813,517
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	883,206	813,517
2. Provisions	101,017	95,833
3. Technical reserves	15,911,222	12,380,981
4. Financial liabilities		
4.1 Financial liabilities at fair value through profit and loss	666,232	1,020,288
4.2 Other financial liabilities	7,129,448	7,945,685
Total financial liabilities	7,795,680	8,965,973
5. Payables		
5.1 Arising out of direct insurance business	9,468	10,850
5.2 Arising out of reinsurance business	671	252
5.3 Other payables	154,272	234,988
Total payables	164,411	246,090
6. Other liabilities		
6.1 Liabilities of disposal groups held for sale	747	1,106
6.2 Deferred tax liabilities	22,772	11,540
6.3 Current tax liabilities	23,492	18,842
6.4 Other liabilities	142,491	116,490
Total other liabilities	189,502	147,978
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	25,045,038	22,650,372

Income statement

€/’000	June 30, 2009	June 30, 2008
1. Revenues		
1.1 Net premiums written		
1.1.1 Gross premium written	3,923,234	1,506,445
1.1.2 Reinsurance premiums	(2,227)	(2,267)
Net premiums written	3,921,007	1,504,178
1.2 Commission income	285,973	271,326
1.3 Net income on financial instruments at fair value through profit and loss	898,171	(1,567,578)
1.4 Income on investments in subsidiaries, associates and JVs	899	2,811
1.5 Income on other financial instruments and investment property		
1.5.1 Interest income	153,880	146,751
1.5.2 Other income	3,080	1,337
1.5.3 Realised gains	11,344	2,915
1.5.4 Unrealised gains	4,527	2,285
Total income on other financial instruments and investment property	172,831	153,288
1.6 Other revenues	11,837	10,928
Total revenues	5,290,718	374,953
2. Costs		
2.1 Net claims and benefits		
2.1.1 Amounts paid and change in technical reserves	(4,760,599)	128,870
2.1.2 Reinsurers’ share/recoveries from reinsurers	2,944	3,208
Net claims and benefits	(4,757,655)	132,078
2.2 Commission expense	(96,809)	(97,999)
2.3 Loss on other investments in subsidiaries, associates and JVs	(2,116)	-
2.4 Loss on other financial instruments and investment property		
2.4.1 Interest expense	(55,570)	(94,033)
2.4.2 Other expenses	(227)	(109)
2.4.3 Realised losses	(2,970)	(3,074)
2.4.4 Unrealised losses	(9,551)	(5,560)
Loss on other financial instruments and investment property	(68,318)	(102,776)
2.5 Operating expenses		
2.5.1 Agents’ commissions and other acquisition costs	(43,826)	(44,964)
2.5.2 Investment management costs/expenses	(217)	(199)
2.5.3 Other administrative expense	(161,795)	(147,450)
Total operating expenses	(205,838)	(192,613)
2.6 Other costs	(29,309)	(24,930)
Total costs	(5,160,045)	(286,240)
Profit (loss) before tax for the period	130,673	88,713
3. Income tax	(22,899)	(18,478)
Profit (loss) for the period	107,774	70,235
4. Profit (loss) from discontinued operations	(85)	-
Group net profit (loss) for the period	107,689	70,235
of which pertaining to the Group	107,689	70,235
Earning per share (in euro)	0.147	0.096

Statement of Comprehensive Income

€/000	June 30, 2009	June 30, 2008
Net profit (loss) for the period	107,689	70,235
Other comprehensive income, net of income tax		
Available-for-sale financial assets	13,746	(110,220)
Share of equity accounted associates & JVs revaluation reserve	(7,514)	-
Total other comprehensive income, net of income tax	6,232	(110,220)
Total comprehensive income for the period	113,921	(39,985)

Statement of changes in equity

€/’000	Balance at Dec. 31, 2007	Adjustment to closing balance	Amount credit	Trasferred 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 (Treasury shares)	523,613 (2,045)	-	130,063	-	-	653,676 (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 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	895,033	-	(37,840)	159	(83,845)	773,507

€/’000	Balance at Dec. 31, 2008	Adjustment to closing balance	Amount credit	Trasferred to the Income Statement	Other Movements	Balance at June 30, 2009
Shareholders’ equity pertaining to the Group						
Share capital	73,010	-	81	-	-	73,091
Other equity instruments	-	-	-	-	-	-
Capital reserves	51,960	-	941	-	-	52,901
Retained earnings and other equity reserves (Treasury shares)	696,921 (2,045)	-	(29,093)	-	-	667,828 (2,045)
Exchange difference reserve	-	-	-	-	-	-
Gains (losses) on available-for-sale financial assets	(30,004)	-	21,657	(7,911)	-	(16,258)
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	23,675	-	131,444	-	(47,430)	107,689
Total shareholders’ equity pertaining to the Group	813,517	-	125,030	(7,911)	(47,430)	883,206
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	813,517	-	125,030	(7,911)	(47,430)	883,206

Consolidated cash flow statement

Indirect method

€/000	June 30, 2009	June 30, 2008
Pre-tax profit (loss) for the year	130,673	88,713
Changes in non-monetary items	4,303,250	(2,353,713)
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)	3,530,895	(851,756)
Change in deferred acquisition costs	-	-
Change in provisions	5,184	3,000
Non-monetary income (losses) on financial instruments, investment property and equity investments	767,171	(1,504,957)
Other changes	-	-
Changes in receivables and payables arising out of operating activities	(90,453)	(75,984)
Changes in receivables and payables arising out of direct insurance and reinsurance operations	1,678	(10,906)
Changes in other receivables and payables	(92,131)	(65,078)
Income taxes paid	(24,014)	(33,203)
Net cash from monetary items relating to investment and financial activities	(703,062)	588,244
Liabilities on financial contracts issued by insurance companies	(354,056)	135,687
Amounts due to banks and banking customers	(816,237)	677,400
Loans to and receivables from banks and banking customers	491,299	(106,740)
Other financial instruments at fair value through profit or loss	(24,068)	(118,103)
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,616,394	(1,785,943)
Net cash from investment property	(83,532)	(89)
Net cash from subsidiaries, associates and <i>joint ventures</i>	5,233	(2,811)
Net cash from loans and receivables	(3,752)	(105)
Net cash from held-to-maturity investments	(236,969)	1,325
Net cash from available-for-sale financial assets	(610,242)	(76,334)
Net cash from tangible and intangible assets	1,511	(7,419)
Other cash flows from investment activities	(2,602,127)	2,135,553
NET CASH FLOWS FROM INVESTING ACTIVITIES	(3,529,877)	2,050,120
Net cash from equity instruments pertaining to the Group	9,430	(107,916)
Net cash from treasury shares	-	-
Distribution of dividends pertaining to the Group	(47,430)	(83,845)
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	(38,000)	(191,761)
Effect of exchange rate changes on cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	185,865	245,370
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	48,516	72,416
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	234,381	317,786

MEDIOLANUM S.p.A.

**Notes to
the Financial
Statements**

Notes to the financial statements

ACCOUNTING POLICIES

● General

The half-yearly financial report at June 30, 2009 was prepared in compliance with section 154-ter of Legislative Decree 58/98 (Consolidated Finance Act) entitled "Relazioni finanziarie" (Financial Reporting). Specifically, 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.

This half-yearly financial report was prepared pursuant to IAS 34 (Interim Financial Reporting).

● General principles

The complete set of financial statements consist of:

- a **balance sheet** for the relevant interim period (six months ended June 30, 2009) as well as a comparative balance sheet for the prior financial year (ended December 31, 2008);
- an **income statement** for the relevant interim period (first half of 2009) and a comparative income statement for the same interim period of the prior year (first half of 2008);
- a **statement of comprehensive income** for the relevant interim period (first half of 2009) and a comparative statement of comprehensive income for the same interim period of the prior year (first half of 2008);
- 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. Therefore this condensed set of financial statements is to be read in conjunction with the Group’s financial statements for the year ended December 31, 2008.

Accounting standards

These consolidated financial statements were prepared applying the international accounting and financial reporting standards (IAS/IFRS) and accounting policies consistent with those applied in the preparation of the consolidated financial statements for the year ended December 31, 2008.

A number of amendments were made to international accounting standards in force, new IAS/IFRS and related interpretations (IFRIC) were issued and entered into effect on January 1, 2009.

The revised version of IAS 1 ‘Presentation of Financial Statements’ introduced a new primary statement, ‘the statement of comprehensive income’, to present all valuation gains and losses arising on transactions with parties other than owners that are recognised in equity separately from income and expenses for the period.

The recently issued international accounting standards and interpretations do not have a material impact on Mediolanum Group operations.

In the preparation of the consolidated interim accounts the requirements set out in ISVAP regulation No. 7 of July 13, 2007 were also applied.

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, 2008 and at December 31, 2008 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. (in liquidation)	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.	450,000	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 International Funds Ltd	150	51.000	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
Mediolanum International S.A.	71,500	99.997	Luxembourg	Sub-holding company
Bankhaus August Lenz & Co. AG	20,000	100.000	Munich	Banking
Mediolanum Corporate University S.p.A.	20,000	100.000	Basiglio	Education and Training

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

€/000 Company	Share capital	holding %	Registered Office	Business
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 Funds Ltd	150	5.000	Dublin	Asset management and advice

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

€/000 Company	Share capital	holding %	Registered Office	Business
Gamax Management AG	7,161	100.000	Luxembourg	Fund Management

Mediolanum S.p.A. associates and joint ventures 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	50.000	Milan	Banking
Mediobanca S.p.A.	410,028	3.450	Milan	Banking

KEY BALANCE SHEET INFORMATION

Investments, Cash and Cash Equivalents

€/000	June 30, 2009	%	Dec. 31, 2008	%
Investment property	88,309	0.4	4,777	0.0
Investments in subsidiaries, associates and JVs	390,907	1.6	396,140	1.8
Held to maturity investments	1,588,929	6.6	1,351,960	6.2
Loans and receivables	4,928,187	20.4	5,415,734	24.8
Available for sale financial assets	2,134,844	8.8	1,524,602	7.0
Financial assets at fair value through profit or loss	14,744,021	60.9	12,884,997	59.0
Total investments	23,875,197	98.7	21,578,210	98.8
Tangible assets: property & other tangible assets	85,042	0.4	85,865	0.4
Cash and cash equivalents	234,381	1.0	185,865	0.9
Total investments, cash and cash equivalents	24,194,620	100.0	21,849,940	100.0

The increase in "Investment Property" is due to the purchase of an office building in Rome by the subsidiary Mediolanum Vita for a total investment of €83.5 million. This investment was included in the assets of the MEDINVEST segregated funds.

Investments in subsidiaries, associates and joint ventures

€/000	June 30, 2009	Dec. 31, 2008
Mediobanca S.p.A.	334.818	344,913
Banca Esperia S.p.A.	56.089	51,227
Total	390.907	396,140

The change in the balance of this account relates to the valuation of investments in Mediobanca and associate Banca Esperia according to the Group's share in the equity of those entities at March 31 and June 30, 2009, respectively. The impact on the income statement for the period was a negative balance of €1.2 million versus a positive balance of €2.8 million in the first half of 2008. These figures relate exclusively to Banca Esperia since the investment in Mediobanca S.p.A. was reclassified to 'Investments in Associates and Joint Ventures' at December 31, 2008.

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

€/’000	June 30, 2009	Dec. 31, 2008
Banks	1,673,455	2,011,406
Time deposits	755,663	1,426,315
Repurchase agreements	339,747	316,463
Debt securities	362,630	-
Reserve requirements	69,573	107,387
Other loans and receivables	145,842	161,241
Banking customers	3,215,295	3,368,643
Current accounts	350,526	322,653
Repurchase agreements	276,381	514,184
Mortgage loans	1,802,907	1,269,733
Other loans and receivables	785,481	1,262,073
Others	39,437	35,685
Total	4,928,187	5,415,734

Total Loans and Receivables declined from €5,415.7 million at December 31, 2008 to €4,928.2 million at the end of the first half of 2009, especially due to reduced lending to banks (down €338 million).

The analysis of loans to customers shows that mortgage lending grew €533 million, while other movements in the period (down €687 million) relate to reduced repurchase agreements and hot money transactions.

“Others” amounted to €39.4 million and largely consisted of debt securities which totalled €29.6 million (vs. €26.0 million at December 31, 2008).

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 table below.

€/’000	June 30, 2009	Dec. 31, 2008
Held to maturity investments	1,588,929	1,351,960
Debt securities	1,107,951	626,657
Assets sold but not derecognised (debt securities)	480,978	725,303
Available for sale financial assets	2,134,844	1,524,602
Debt securities	1,635,057	898,863
Assets sold but not derecognised (debt securities)	282,218	398,290
Equities	32,752	32,430
Holdings in UCITS	184,817	195,019
Financial assets at fair value through profit or loss	14,744,021	12,884,997
Debt securities	2,315,849	1,307,036
Assets sold but not derecognised (debt securities)	33,011	398,051
Equities	121	17
Holdings in UCITS	26,564	16,167
Trading derivatives	8,063	13,414
Hedging derivatives	3,636	-
Contracts under which the investment risk is borne by the policyholder	12,356,777	11,150,312

At the end of the period under review, **financial assets at fair value through profit or loss** amounted to €14,744 million versus €12,885 million at the end of the prior year. The increase largely related to 'contracts under which the investment risk is borne by the policyholder' (investments underlying unit-linked and index-linked insurance products) mostly owing to the revaluation of assets under management at the end of the period (up €1,207 million). Debt securities in the 'Financial Assets at fair value through profit or loss', 'Available-for-sale financial assets' and 'Held-to-maturity investments' increased in the aggregate by €1,500.9 million, mainly due to investments in the "MEDIOLANUM FREEDOM FUND" segregated funds associated with the new Mediolanum Plus policy.

● Net technical reserves

€/000	June 30, 2009	Dec. 31, 2008
Mathematical reserves	3,483,859	1,281,334
Reserve for outstanding claims	117,689	83,387
Technical reserves for contracts under which the investment risk is borne by the policyholder and in connection with pension fund management	12,276,762	10,991,259
Other reserves	32,912	25,001
Total Life Business reserves	15,911,222	12,380,981

At the end of the first half of 2009, **technical reserves net of reinsurers' share** amounted to €15,911 million versus €12,381 million at year end 2008. The €3,530 million increase for the period was largely due to the increase in "Mathematical Reserves" in connection with the sales of the new MEDIOLANUM PLUS policy (up €2,211 million). The increase also reflects the revaluation of 'Technical reserves for contracts under which the investment risk is borne by the policyholder and in connection with pension fund management' (up €1,285 million), closely connected to 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, 2009	Dec. 31, 2008
Financial liabilities at fair value through profit and loss – Total	666,232	1,020,288
Short positions on debt securities	486,457	730,061
Trading derivatives	32,973	15,296
Securities issued	674	2,276
Other financial liabilities	709	410
Hedging derivatives	12,567	18,428
Financial liabilities on contracts under which the investment risk is borne by the policyholder and pension fund management	132,852	253,817

At the end of the period under review **financial liabilities at fair value through profit or loss** amounted to €666.2 million, down €354 million from €1,020.2 million at December 31, 2008.

The decrease was mainly in connection with the decline in short positions on debt securities held by Banca Mediolanum at the end of the period (down €244 million).

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 policy maturities in the period.

The analysis of Other Financial Liabilities is set out below.

€/000	June 30, 2009	Dec. 31, 2008
Banks	1,818,155	2,290,780
Central Banks	280,034	400,116
Bank accounts and demand deposits	399,860	524,992
Time deposits	626,777	434,513
Loans	425,000	425,000
Liabilities for assets that were sold but not derecognised (repos)	86,484	506,159
Banking customers	5,211,913	5,555,093
Bank accounts	4,455,645	4,529,608
Interest-free financing facility	12,400	12,400
Securities issued	74,353	13,537
Liabilities for assets that were sold but not derecognised (repos)	650,616	989,720
Other liabilities	18,899	9,828
Other financial liabilities	99,380	99,812
Total	7,129,448	7,945,685

At June 30, 2008, Other Financial Liabilities were down €816.3 million to €7,129.4 million from €7,945.7 million at December 31, 2008.

The €472.6 million decline in amounts due to banks was due to reduced interbank transactions, especially repurchase agreements (down €420 million), in the period.

Amounts due to banking customers declined from €5,555.1 million at December 31, 2008 to €5,211.9 million at the end of the period, mainly in connection with the decrease in repurchase agreements (down €339.1 million).

The increase in 'securities issued' was in connection with the issue of three subordinated notes by the subsidiary Banca Mediolanum S.p.A.

Shareholders' Equity

€/000	June 30, 2009	Dec. 31, 2008
Share capital	73,091	73,010
Equity reserves	52,901	51,960
Retained earnings and other reserves	667,828	696,921
Treasury shares	(2,045)	(2,045)
Gains (losses) on available for sale financial assets	(16,258)	(30,004)
Net profit (loss) for the year attributable to the Group	107,689	23,675
Total capital and reserves attributable to the Group	883,206	813,517

At June 30, 2009, total capital and reserves attributable to the Group amounted to €883.2 million versus €813.5 million at the end of the prior year.

Losses on available-for-sale financial assets improved by €13.7 million from €30 million at year end 2008 to €16.3 million at the end of the period under review. Losses are stated net of the share of valuation gains recognised to policyholders amounting to €9,901 thousand (Shadow accounting Reserve) and the related taxation.

RECONCILIATION OF PARENT COMPANY'S SHAREHOLDER'S EQUITY TO CONSOLIDATED SHAREHOLDERS' EQUITY

€/000	Capital and reserves	Net profit	Shareholders' Equity
Parent Company accounts at June 30, 2009	544,930	35,355	580,285
Next excess over the carrying amount of companies consolidated on a line-by-line basis	148,266	135,619	283,885
Intercompany dividends	59,433	(59,433)	-
Other adjustments and reclassification upon consolidation, including the effects of investments accounted for by the equity method	22,888	(3,852)	19,036
Consolidated accounts at June 30, 2009	775,517	107,689	883,206

KEY INCOME STATEMENT INFORMATION

● Technical account - Life insurance

€/000	Gross	Reinsurance	Net June 30, 2009	Net June 30, 2008
Gross premiums written less reinsurance premiums				
– Premiums written	3,923,234	(2,227)	3,921,007	1,504,178
Total premiums written	3,923,234	(2,227)	3,921,007	1,504,178
Gross amounts paid less recoveries from reinsurers				
– Amounts paid	(1,232,784)	3,592	(1,229,192)	(758,163)
– Change in reserve for outstanding claims	(14,357)	(217)	(14,574)	56,473
– Change in mathematical reserves	(2,201,249)	(431)	(2,201,680)	(1,354)
– Change in other technical reserves	1,634	-	1,634	1,642
– Change in technical reserves for contracts under which the investment risk is borne by the policyholder and reserves relating to pension fund management	(1,313,843)	-	(1,313,843)	(833,480)
	(4,760,599)	2,944	(4,757,655)	132,078
Life Insurance net income (expense)	(837,365)	717	(836,648)	1,636,256

Gross premiums written in the period amounted to €3,923,234 thousand versus €1,506,445 thousand in the same period of the prior year. The increase was due to the success of the new Mediolanum Plus policy (+ €2,644 million).

Premiums written in class III amounted to €1,254,010 thousand versus €1,479,144 thousand at June 30, 2008. The decline was in connection with the sharp reduction in index-linked policies.

● Commission income

€/000	June 30, 2009	June 30, 2008
Management, brokerage and consulting services	254,082	242,260
Collection and payment services	14,113	12,741
Loadings on investment contracts	1,367	3,041
Other services	16,411	13,284
Total	285,973	271,326

For the period under review **commission income** amounted to €285,973 thousand versus €271,326 thousand in the first half of 2008. The €14,647 thousand increase was mainly due to the positive contribution of performance fees (up €40,977 thousand), partly offset by lower management fees for the period owing to the decline in the value of managed assets during the financial market downturn in 2008 and the first months of 2009.

Commission expense

€/000	June 30, 2009	June 30, 2008
Management, brokerage and consulting services	73,014	70,385
Collection and payment services	13,936	13,433
Loadings on investment contracts	479	950
Other services	9,380	13,231
Total	96,809	97,999

Commission expense amounted to €96,809 thousand, down €1,190 thousand over the same period of the prior year.

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

€/000	June 30, 2009	June 30, 2008
Financial assets		
Interest income and other investment income:		
– from financial assets held for trading	29,894	64,467
– from financial assets at fair value through profit or loss	109,328	79,836
Net income (loss) from financial assets held for trading	27,271	(55,357)
Net income (loss) from financial assets at fair value through profit or loss	743,103	(1,623,060)
Financial liabilities		
Interest expense and similar charges:		
– on financial liabilities held for trading	(14,907)	(24,956)
– on financial liabilities at fair value through profit or loss	(2,218)	(20,381)
Net income (loss) from financial liabilities held for trading	(3,296)	29,694
Net income (loss) on financial liabilities at fair value through profit or loss	(8,996)	(17,821)
Total	898,171	(1,567,578)

For the period under review the Group reported net income from financial instruments at fair value through profit or loss of €898,171 thousand benefitting from the positive performance of financial markets in the second quarter 2009. In the same period of the prior year the Group had recorded a net loss of €1,567,578 thousand.

Specifically, the Group reported net income from financial assets/liabilities held for trading of €23,975 thousand versus a net loss of €25,663 thousand in the first half of 2008, improving by €49,638 thousand, largely on debt securities.

For the period under review the Group recorded valuation gains of €69,618 thousand (H1 2008: €120,693 thousand) and valuation losses of €66,868 thousand (H1 2008: €152,096 thousand).

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

H1 2009

€/000	Unrealised gains (A)	Realised trading profits (B)	Unrealised losses (C)	Realised losses (D)	Net Income [(A+B)-(C+D)]
Debt securities	550,997	42,032	(118,411)	(29,840)	444,778
Holdings in UCITS	373,759	23,826	(37,376)	(60,086)	300,123
Hedging derivatives	9,497	-	(11,295)	-	(1,798)
Total	934,253	65,858	(167,082)	(89,926)	743,103

H1 2008

€/000	Unrealised gains (A)	Realised trading profits (B)	Unrealised losses (C)	Realised losses (D)	Net income [(A+B)-(C+D)]
Debt securities	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)

Thanks to the financial market upturn in the second quarter 2009, for the period under review the Group recorded net unrealised gains of €767,171 thousand versus net unrealised losses of €1,504,957 thousand at June 30, 2008. Except for hedging derivatives, that result was closely related to the revaluation of 'Technical reserves for contracts under which the investment risk is borne by the policyholder and reserves relating to pension fund management'.

● Investment income and expense

€/000	June 30, 2009	June 30, 2008
Interest income and other income	156,960	148,088
Realised gains	11,344	2,915
Unrealised gains	4,527	2,285
Total income	172,831	153,288
Interest expense and other charges	(55,797)	(94,142)
Realised losses	(2,970)	(3,074)
Unrealised losses	(9,551)	(5,560)
Total expense	(68,318)	(102,776)
Total net investment income	104,513	50,512

Net investment income

€/000	June 30, 2009	June 30, 2008
Investment property	745	4
Held-to-maturity investments	36,727	11,995
Available-for-sale financial assets	36,560	15,898
Loans and receivables	86,057	116,662
Financial liabilities	(55,576)	(94,047)
Total net investment income	104,513	50,512

Net income from investment property

€/000	June 30, 2009	June 30, 2008
Other income	1,270	126
Other expense	(221)	(95)
Unrealised losses	(304)	(27)
Total	745	4

Net income from held-to-maturity investments

€/000	June 30, 2009	June 30, 2008
Interest income and other income	36,264	11,995
Realised gains	559	-
Realised losses	(96)	-
Total	36,727	11,995

Net income from available-for-sale financial assets

€/000	June 30, 2009	June 30, 2008
Interest income and other income	28,649	16,057
Realised gains	10,785	2,915
Realised losses	(2,874)	(3,074)
Total	36,560	15,898

Net income from loans and receivables

€/000	June 30, 2009	June 30, 2008
Interest income and other income	90,777	119,910
Unrealised gains	4,527	2,285
Unrealised losses	(9,247)	(5,533)
Total	86,057	116,662

Interest income and other income

€/000	June 30, 2009	June 30, 2008
Loans to banks	28,315	67,581
Loans to customers	62,196	51,516
Other assets	266	813
Total	90,777	119,910

Net expense from financial liabilities

€/000	June 30, 2009	June 30, 2008
Interest expense and other charges	(55,576)	(94,047)
Total	(55,576)	(94,047)

Interest expense and other charges

€/000	June 30, 2009	June 30, 2008
Due to banks	13,985	31,939
Due to customers	35,405	51,204
Other liabilities	6,186	10,904
Total	55,576	94,047

 **Operating expenses**

€/000	June 30, 2009	June 30, 2008
Commissions and other expenses relating to the acquisition of insurance contracts	43,826	44,964
Investment management expenses	217	199
Other administrative expenses		
Employees	72,046	67,970
Advertising and promotions	14,126	8,866
Advisory service and collaborations	13,955	12,613
IT system	19,438	18,667
Miscellaneous communications services	12,197	11,346
Other general expenses	33,164	27,988
Total other administrative expenses	161,795	147,450
Total	205,838	192,613

Average number of employees by category

Number	June 30, 2009
Employees:	
a) senior management	95
b) middle management	151
c) other employees	1,779
Total employees	2,025
Other personnel	38
Total	2,063

In the first half of 2009 staff costs increased €4,076 thousand in connection with growth in retail banking business and related reinforcement of the organizational structure, especially in the final period of 2008. Advertising spending also increased in the period (up €5,260 thousand).

Other expenses

€/000	June 30, 2009	June 30, 2008
Employees	2,170	2,318
Amortisation of intangible assets	4,235	4,050
Deprecation of investment property and other assets	4,311	3,924
Provisions for risks and charges	8,937	5,124
Other miscellaneous expenses	9,656	9,514
Total	29,309	24,930

(Net) Provisions for risk and charges increased €3,813 thousand to €8,937 thousand from €5,124 thousand in H1 2008, mostly due to the greater provision for risks related to sales network's illegal actions (up €2,596 thousand). In addition, in the first half of the year, €1 million was set aside to provide for customers and staff hit by the earthquake in the Abruzzi. Out of that provision, an amount of €250 thousand was already paid out at the end of the period.

Income tax

€/000	June 30, 2009	June 30, 2008
Current tax	(27,522)	(23,073)
Deferred tax	4,623	4,595
Total	(22,899)	(18,478)

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.

To give readers a clearer, more appropriate view of results by segments, certain reclassifications were made in the balances at June 30, 2008. The effects of said reclassifications are commented in the relevant notes below.

The reclassifications related to: 'Commission Income' in the *Life Insurance* and *Asset Management* segments (€317 thousand), 'Net Financial Income' in the *Asset Management* and *Other* segments (€150 thousand), 'Other revenues' and 'General and Administrative Expenses' in the *Asset Management* segment (€84 thousand).

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, 2009

Segment Reporting - consolidated accounts

€/000	LIFE INSURANCE			ASSET MANAGEMENT		
	June 30, 2009	June 30, 2008	delta	June 30, 2009	June 30, 2008	delta
Net premiums written	3,921,007	1,504,178	2,416,829	-	-	-
Amounts paid and change in technical reserves	(3,870,898)	(1,432,914)	(2,437,984)	-	-	-
Life revenues ex-commission	50,109	71,264	(21,155)	-	-	-
Entry fees	-	-	-	30,914	31,284	(370)
Management fees	72,661	84,578	(11,917)	52,781	66,201	(13,420)
Performance fees	44,528	16,827	27,701	28,701	15,425	13,276
Banking service fees	-	-	-	256	290	(34)
Other fees	1,374	3,113	(1,739)	10,351	15,173	(4,822)
Total commission income	118,563	104,518	14,046	123,003	128,372	(5,369)
Interest income and similar income	13,641	14,521	(880)	760	2,044	(1,284)
Interest expense and similar charges	(2,296)	(2,323)	27	(6)	(14)	8
Net income on investments at fair value	10,138	(22,106)	32,244	28	(11)	39
Net financial income	21,483	(9,908)	31,391	782	2,019	(1,237)
Realized profit on other investment	4,915	(1,352)	6,267	-	-	-
Net impairment of financial investments	-	-	-	-	-	-
Net income on other investments	4,915	(1,352)	6,267	-	-	-
Other revenues	6,996	6,776	220	99	111	(13)
TOTAL REVENUES	202,067	171,298	30,769	123,883	130,502	(6,619)
Acquisition costs & other commission expenses	(62,164)	(65,845)	3,681	(45,995)	(43,362)	(2,633)
G&A expenses	(50,091)	(51,467)	1,376	(40,073)	(41,651)	1,579
Amortisation and depreciation	(1,929)	(2,055)	126	(1,626)	(1,823)	196
Provisions for risks and charges	(3,745)	(2,766)	(979)	(4,141)	(1,754)	(2,387)
TOTAL COSTS	(117,928)	(122,132)	4,204	(91,835)	(88,590)	(3,245)
PROFIT BEFORE TAX	84,139	49,166	34,972	32,048	41,912	(9,864)
Income tax	-	-	-	-	-	-
NET PROFIT	-	-	-	-	-	-

BANKING			OTHER			consolidation adjustments			TOTAL		
June 30, 2009	June 30, 2008	delta	June 30, 2009	June 30, 2008	delta	June 30, 2009	June 30, 2008	delta	June 30, 2009	June 30, 2008	delta
-	-	-	-	-	-	-	-	-	3,921,007	1,504,178	2,416,829
-	-	-	-	-	-	-	-	-	(3,870,898)	(1,432,914)	(2,437,984)
-	-	-	-	-	-	-	-	-	50,109	71,264	(21,155)
-	-	-	-	-	-	-	-	-	30,914	31,284	(370)
-	-	-	-	-	-	(93)	-	(93)	125,349	150,779	(25,430)
-	-	-	-	-	-	-	-	-	73,229	32,252	40,977
42,270	36,591	5,679	-	192	(192)	(342)	(373)	31	42,184	36,700	5,484
679	148	531	1,894	1,878	16	-	-	-	14,297	20,311	(6,014)
42,949	36,739	6,210	1,894	2,070	(176)	(436)	(373)	(63)	285,973	271,326	14,647
152,406	189,708	(37,302)	1,775	1,711	64	(6,955)	(13,267)	6,312	161,627	194,717	(33,090)
(71,093)	(120,952)	49,859	(4,040)	(9,090)	5,050	6,955	13,267	(6,312)	(70,481)	(119,112)	48,631
10,868	(3,538)	14,406	18	(8)	26	-	-	-	21,052	(25,663)	46,715
92,181	65,218	26,963	(2,247)	(7,387)	5,140	-	-	-	112,198	49,942	62,256
2,955	1,926	1,029	1,243	3,318	(2,074)	-	-	-	9,113	3,892	5,221
(4,720)	(3,241)	(1,479)	-	(8)	8	-	-	-	(4,720)	(3,249)	(1,471)
(1,765)	(1,315)	(450)	1,243	3,310	(2,066)	-	-	-	4,393	643	3,750
2,613	3,282	(669)	710	1,346	(636)	(508)	(588)	80	9,910	10,928	(1,018)
135,978	103,925	32,053	1,600	(661)	2,261	(945)	(961)	16	462,583	404,103	58,480
(27,725)	(29,592)	1,868	(1,806)	(1,421)	(385)	96	2	94	(137,594)	(140,219)	2,625
(86,161)	(68,909)	(17,252)	(1,137)	(978)	(160)	849	959	(111)	(176,614)	(162,046)	(14,568)
(5,234)	(4,072)	(1,163)	(61)	(52)	(9)	-	-	-	(8,850)	(8,001)	(849)
(915)	(543)	(371)	(137)	(62)	(75)	-	-	-	(8,937)	(5,124)	(3,813)
(120,035)	(103,117)	(16,918)	(3,141)	(2,512)	(629)	945	961	(16)	(331,995)	(315,390)	(16,605)
15,943	808	15,135	(1,541)	(3,174)	1,633	-	-	-	130,588	88,713	41,875
-	-	-	-	-	-	-	-	-	(22,899)	(18,478)	(4,421)
-	-	-	-	-	-	-	-	-	107,689	70,235	37,454

Life Insurance business segment

€/000	June 30, 2009	June 30, 2008	Change	Change %
Net premiums written	3,921,007	1,504,178	2,416,829	161%
Net amounts paid and change in reserves	(3,870,898)	(1,432,914)	(2,437,984)	170%
Net life insurance revenues (ex-commissions)	50,109	71,264	(21,155)	(30%)
Commission income	118,563	104,518	14,046	13%
Net financial income	21,483	(9,908)	31,391	(317%)
Net income on other investments	4,915	(1,352)	6,267	(464%)
Other revenues	6,996	6,776	220	3%
TOTAL REVENUES	202,067	171,298	30,769	18%
Commission expenses & acquisition costs	(62,164)	(65,845)	3,681	(6%)
General and administrative expenses	(50,091)	(51,467)	1,376	(3%)
Amortisation, depreciation and provisions	(5,674)	(4,821)	(853)	18%
TOTAL COSTS	(117,928)	(122,132)	4,204	(3%)
PROFIT BEFORE TAX	84,139	49,166	34,972	71%

Net life insurance revenues before acquisition costs amounted to €50.1 million versus €71.3 million in the prior year. The year-on-year decline of €21.2 million was due to different reasons. On the one hand, the drastic decline in index-linked policies issued entailed lower loadings for the period. On the other hand, the decline in maturities, net of Mediolanum Plus maturities, entailed lower net income from the release of technical reserves.

Commission income grew €14.0 million to €118.6 million from €104.5 million in the same period of the prior year. This was mostly due to the positive contribution of performance fees in the Life Insurance segment (up €27.7 million), partly offset by lower management fees (down €11.9 million) as a result of the decline in the value of managed assets during the financial market downturn in 2008 and the first months of 2009.

To give readers a clearer, more appropriate view of results by segment certain reclassifications were made. Specifically, an amount of €317 thousand in 'commission income' for the same period of the prior year was reclassified from the *Asset Management* segment to the *Life Insurance* segment.

For the period under review, net financial income amounted to €21.5 million versus a loss of €9.9 million in the prior year. The improvement was due to greater income from trading and greater net gains on financial assets at fair value at June 30, 2009.

Costs for the period were down to €118.0 million from €122.1 million in the prior year. The decline was mostly due to the decline in commission expense from €65.8 million to €62.2 million as a result of the different mix of products sold in the first half of the year.

● Asset Management business segment

€/000	June 30, 2009	June 30, 2008	Change	Change %
Entry fees	30,914	31,284	(370)	(1%)
Management fees	52,781	66,201	(13,420)	(20%)
Performance fees	28,701	15,425	13,276	86%
Banking service fees	256	290	(34)	(12%)
Other fees	10,351	15,173	(4,822)	(32%)
Total commission income	123,003	128,372	(5,369)	(4%)
Net financial income	782	2,019	(1,237)	(61%)
Net income on other investments	-	-	-	-
Other revenues	99	111	(13)	(11%)
TOTAL REVENUES	123,883	130,502	(6,619)	(5%)
Commission expenses & acquisition costs	(45,995)	(43,362)	(2,633)	6%
General and administrative expenses	(40,073)	(41,651)	1,579	(4%)
Amortisation, depreciation and provisions	(5,767)	(3,577)	(2,191)	61%
TOTAL COSTS	(91,835)	(88,590)	(3,245)	4%
PROFIT BEFORE TAX	32,048	41,912	(9,864)	(24%)

Commission income for the period amounted to €123 million, down €5.4 million from €128.3 million in the same period of the prior year. The growth in performance fees (up €13.3 million) was fully offset by lower management fees (down €13.4 million) owing to the decline in the value of managed assets under management during the financial market downturn in 2008 and the first months of 2009. In the period under review, other fees declined too, namely by €4.8 million.

To give readers a clearer, more appropriate view of results by segment certain reclassifications were made. The reclassifications relate to the balances at June 30, 2008 of 'Commission Income' and 'Net Financial Income', written down by €317 thousand and €150 thousand respectively against write-ups of the same amount in the same items of the Life Insurance and Other segments. In addition, within the Asset Management segment, an amount of €84 thousand was reclassified out of 'Other revenues' to 'General and Administrative Expenses'.

Costs for the period in this segment amounted to €91.8 million versus €88.6 million in the prior year. The €3.2 million increase was due to the greater weight of commission expense in connection with the different mix of products sold in the period.

The ratio of commission expense to commission income (ex. performance fees) was 48.8% versus 38.3% in the first half of 2008.

Banking Business Segment

€/000	June 30, 2009	June 30, 2008	Change	Change %
Banking service fees	42,270	36,591	5,679	16%
Other fees	679	148	531	359%
Commission income	42,949	36,739	6,210	17%
Interest income e similar income	152,406	189,708	(37,302)	(20%)
Interest expenses and similar charges	(71,093)	(120,952)	49,859	41%
Net income on investments at fair value	10,868	(3,538)	14,406	n.s.
Net financial income	92,181	65,218	26,963	41%
Realized profit on other investments	2,955	1,926	1,029	53%
Net impairment on other investments	(4,720)	(3,241)	(1,479)	46%
Net income on other investments	(1,765)	(1,315)	(450)	34%
Other revenues	2,613	3,282	(669)	(20%)
TOTAL Revenues	135,978	103,925	32,053	31%
Commission expenses & acquisition costs	(27,725)	(29,592)	1,868	(6%)
General and administrative expenses	(86,161)	(68,909)	(17,252)	25%
Amortisation, depreciation and provisions	(6,149)	(4,615)	(1,534)	33%
TOTAL COSTS	(120,035)	(103,117)	(16,918)	16%
PROFIT BEFORE TAX	15,943	808	15,135	1873%

In the period under review, **net financial income** increased €27.0 million to €92.2 million from €65.2 million at June 30, 2008, thanks to greater spreads earned on corporate bonds and notable gross income.

Commission income increased €6.2 million from €36.7 million in the first half of 2008 to €43.0 million at the end of the period under review, mainly owing to greater banking service fees.

Costs for the period amounted to €120.0 million versus €103.1 million in the prior year, the €16.9 million increase was in connection with greater advertising spending and staff costs largely due to growth in the retail banking business and the related reinforcement of the organisational structure, especially in the final part of 2008.

INCOME STATEMENT AT JUNE 30, 2009

Segment Reporting - Domestic Market (Italy)

€/000	LIFE INSURANCE			ASSET MANAGEMENT		
	June 30, 2009	June 30, 2008	delta	June 30, 2009	June 30, 2008	delta
Net premiums written	3,881,844	1,462,005	2,419,839	-	-	-
Amounts paid and change in technical reserves	(3,837,007)	(1,395,715)	(2,441,292)	-	-	-
Life revenues ex-commission	44,837	66,290	(21,453)	-	-	-
Entry fees	-	-	-	29,890	28,957	933
Management fees	71,900	84,262	(12,362)	47,680	59,208	(11,528)
Performance fees	44,528	16,827	27,701	27,344	14,891	12,453
Banking service fees	-	-	-	-	-	-
Other fees	942	2,358	(1,416)	9,994	14,547	(4,553)
Total commission income	117,370	103,447	13,924	114,908	117,602	(2,694)
Interest income and similar income	13,586	14,416	(830)	549	1,600	(1,051)
Interest expense and similar charges	(2,284)	(2,313)	29	(6)	(14)	8
Net income on investments at fair value	10,277	(20,954)	31,231	(7)	(2)	(5)
Net financial income	21,579	(8,851)	30,430	536	1,584	(1,048)
Realized profit on other investment	4,915	(1,352)	6,267	-	-	-
Net impairment of financial investments	-	-	-	-	-	-
Net income on other investments	4,915	(1,352)	6,267	-	-	-
Other revenues	6,996	6,775	221	97	104	(8)
TOTAL REVENUES	195,698	166,309	29,389	115,540	119,290	(3,750)
Acquisition costs & other commission expenses	(57,751)	(63,126)	5,375	(42,345)	(38,665)	(3,680)
G&A expenses	(46,977)	(48,806)	1,828	(34,967)	(35,748)	781
Amortisation and depreciation	(1,789)	(1,908)	119	(1,383)	(1,563)	179
Provisions for risks and charges	(5,330)	(2,766)	(2,564)	(4,141)	(1,754)	(2,387)
TOTAL COSTS	(111,847)	(116,606)	4,758	(82,836)	(77,729)	(5,107)
PROFIT BEFORE TAX	83,851	49,704	34,147	32,704	41,561	(8,856)
Income tax	-	-	-	-	-	-
NET PROFIT	-	-	-	-	-	-

BANKING			OTHER			consolidation adjustments			TOTAL		
June 30, 2009	June 30, 2008	delta	June 30, 2009	June 30, 2008	delta	June 30, 2009	June 30, 2008	delta	June 30, 2009	June 30, 2008	delta
-	-	-	-	-	-	-	-	-	3,881,844	1,462,005	2,419,839
-	-	-	-	-	-	-	-	-	(3,837,007)	(1,395,715)	(2,441,292)
-	-	-	-	-	-	-	-	-	44,837	66,290	(21,453)
-	-	-	-	-	-	-	-	-	29,890	28,957	933
-	-	-	-	-	-	-	-	-	119,580	143,470	(23,890)
-	-	-	-	-	-	-	-	-	71,872	31,718	40,154
30,313	24,638	5,675	-	192	(192)	(339)	(370)	31	29,974	24,460	5,514
544	14	530	1,894	1,878	16	-	-	-	13,373	18,796	(5,423)
30,857	24,652	6,205	1,894	2,070	(176)	(339)	(370)	31	264,689	247,401	17,289
145,047	176,197	(31,150)	1,733	1,560	173	(5,879)	(9,886)	4,007	155,036	183,887	(28,851)
(68,063)	(113,554)	45,491	(4,040)	(9,090)	5,050	5,879	9,886	(4,007)	(68,514)	(115,085)	46,571
10,841	(3,458)	14,299	18	(8)	26	-	-	-	21,129	(24,422)	45,551
87,825	59,185	28,640	(2,289)	(7,538)	5,249	-	-	-	107,651	44,380	63,271
2,628	1,512	1,116	1,190	3,318	(2,127)	-	-	-	8,733	3,478	5,255
(4,737)	(3,938)	(799)	-	(8)	8	-	-	-	(4,737)	(3,946)	(791)
(2,109)	(2,426)	317	1,190	3,310	(2,119)	-	-	-	3,996	(468)	4,464
2,284	2,453	(169)	680	1,262	(582)	-	-	-	10,057	10,595	(538)
118,857	83,865	34,992	1,475	(896)	2,371	(339)	(370)	31	431,231	368,198	63,033
(18,877)	(18,826)	(51)	(1,805)	(1,420)	(385)	-	-	-	(120,779)	(122,038)	1,259
(73,964)	(56,104)	(17,860)	(1,046)	(894)	(153)	339	370	(31)	(156,615)	(141,181)	(15,434)
(4,343)	(3,352)	(992)	(61)	(52)	(9)	-	-	-	(7,576)	(6,874)	(702)
(799)	(507)	(291)	(137)	(62)	(75)	-	-	-	(10,406)	(5,088)	(5,318)
(97,983)	(78,789)	(19,194)	(3,049)	(2,427)	(622)	339	370	(31)	(295,376)	(275,181)	(20,195)
20,874	5,075	15,798	(1,574)	(3,324)	1,750	-	-	-	135,855	93,017	42,838
-	-	-	-	-	-	-	-	-	(24,080)	(18,960)	(5,120)
-	-	-	-	-	-	-	-	-	111,775	74,057	37,718

INCOME STATEMENT AT JUNE 30, 2009

Segment Reporting - Foreign Markets

€/000	LIFE INSURANCE			ASSET MANAGEMENT		
	June 30, 2009	June 30, 2008	delta	June 30, 2009	June 30, 2008	delta
Net premiums written	39,163	42,173	(3,010)	-	-	-
Amounts paid and change in technical reserves	(33,891)	(37,199)	3,308	-	-	-
Life revenues ex-commission	5,272	4,974	298	-	-	-
Entry fees	-	-	-	1,024	2,327	(1,303)
Management fees	761	316	445	5,101	6,993	(1,892)
Performance fees	-	-	-	1,357	534	823
Banking service fees	-	-	-	256	290	(34)
Other fees	432	755	(323)	357	626	(269)
Total commission income	1,193	1,071	122	8,095	10,770	(2,675)
Interest income and similar income	55	105	(50)	211	444	(233)
Interest expense and similar charges	(12)	(10)	(2)	-	-	-
Net income on investments at fair value	(139)	(1,152)	1,013	35	(9)	44
Net financial income	(96)	(1,057)	961	246	435	(189)
Realized profit on other investment	-	-	-	-	-	-
Net impairment of financial investments	-	-	-	-	-	-
Net income on other investments	-	-	-	-	-	-
Other revenues	-	1	(1)	2	7	(5)
TOTAL REVENUES	6,369	4,989	1,380	8,343	11,212	(2,869)
Acquisition costs & other commission expenses	(4,412)	(2,718)	(1,694)	(3,650)	(4,697)	1,047
G&A expenses	(3,114)	(2,661)	(453)	(5,106)	(5,903)	798
Amortisation and depreciation	(140)	(147)	7	(243)	(260)	17
Provisions for risks and charges	1,585	-	1,585	-	-	-
TOTAL COSTS	(6,081)	(5,527)	(554)	(8,999)	(10,861)	1,862
PROFIT BEFORE TAX	288	(538)	826	(656)	351	(1,007)
Income tax	-	-	-	-	-	-
NET PROFIT	-	-	-	-	-	-

BANKING			OTHER			consolidation adjustments			TOTAL		
June 30, 2009	June 30, 2008	delta	June 30, 2009	June 30, 2008	delta	June 30, 2009	June 30, 2008	delta	June 30, 2009	June 30, 2008	delta
-	-	-	-	-	-	-	-	-	39,163	42,173	(3,010)
-	-	-	-	-	-	-	-	-	(33,891)	(37,199)	3,308
-	-	-	-	-	-	-	-	-	5,272	4,974	298
-	-	-	-	-	-	-	-	-	1,024	2,327	(1,303)
-	-	-	-	-	-	-	-	-	5,862	7,309	(1,447)
-	-	-	-	-	-	-	-	-	1,357	534	823
11,957	11,953	4	-	-	-	-	-	-	12,213	12,243	(30)
135	134	1	-	-	-	-	-	-	924	1,515	(591)
12,092	12,087	5	-	-	-	-	-	-	21,380	23,928	(2,548)
7,359	13,511	(6,152)	42	151	(109)	-	-	-	7,667	14,211	(6,544)
(3,030)	(7,398)	4,368	-	-	-	-	-	-	(3,042)	(7,408)	4,366
27	(80)	107	-	-	-	-	-	-	(77)	(1,241)	1,164
4,356	6,033	(1,677)	42	151	(109)	-	-	-	4,548	5,562	(1,014)
327	414	(87)	53	-	53	-	-	-	380	414	(34)
17	697	(680)	-	-	-	-	-	-	17	697	(680)
344	1,111	(767)	53	-	53	-	-	-	397	1,111	(714)
329	829	(500)	30	84	(54)	(47)	(125)	78	314	796	(482)
17,121	20,060	(2,939)	125	235	(110)	(47)	(125)	78	31,911	36,371	(4,460)
(8,847)	(10,766)	1,919	(1)	(1)	-	-	-	-	(16,911)	(18,183)	1,272
(12,197)	(12,805)	608	(91)	(84)	(7)	47	125	(78)	(20,461)	(21,329)	868
(891)	(720)	(171)	-	-	-	-	-	-	(1,274)	(1,127)	(147)
(116)	(36)	(80)	-	-	-	-	-	-	1,469	(36)	1,505
(22,052)	(24,328)	2,276	(92)	(85)	(7)	47	125	(78)	(37,177)	(40,675)	3,498
(4,931)	(4,268)	(663)	33	150	(117)	-	-	-	(5,266)	(4,304)	(962)
-	-	-	-	-	-	-	-	-	1,181	482	-
-	-	-	-	-	-	-	-	-	(4,085)	(3,822)	(962)

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. They mainly relate to transactions with associates, especially the Mediobanca Group, and other related parties, mostly Directors and companies of the Doris Group and the Fininvest Group. Key financial information on transactions with related parties other than companies consolidated on a line-by-line basis is set out below.

Key balance sheet information for the period:

€/000	Associates	Other related parties
Loans and receivables	444,149	12,396
Financial assets at fair value through profit or loss	555,113	-
Held to maturity investments	215,852	-
Available for sale financial assets	41,071	-
Gain (losses) on available for sale financial assets	776	-
Other financial liabilities	409	19,680

Key income statement information for the period

€/000	Associates	Other related parties
Net income on financial instruments at fair value through profit or loss	33,970	-
Interest income and similar income	10,231	33
Interest expense and similar charges	(132)	(102)
Net commission income	-	2,306
Other revenues	-	741
Services rendered and other charges	-	4,877

2. Key management compensation

€/000	Directors, Statutory Auditors, Deputy/General, Managers	Other key managers
Emoluments & social security contributions	2,635	704
Non-cash benefits	32	-
Share-based awards (stock options)	469	223

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 2009, 815,770 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 €81 thousand increase in Mediolanum ordinary share capital and a €941 thousand increase in the share premium account.

On April 23, 2009, the General Meeting revoked the authorities delegated to the Board of Directors on April 26, 2005 and April 19, 2007 to effect capital increases for a consideration – that were partly executed – for the purpose of issuing shares to be allotted to employees and directors of the company and its subsidiaries. On that same date, the General Meeting also resolved to amend art. 6 of the bylaws accordingly.

In addition, on May 13, 2008, the Mediolanum Board of Directors resolved to increase share capital for a consideration by €60,613.50 through the issue of shares to be allotted the contract workers of the Company and its subsidiaries. The subscription to the share capital increase is to be made on a single occasion in the first five business days of each of the 60 calendar months subsequent to the expiration of the three year term since May 13, 2009. The Board also resolved to amend art. 6 of the bylaws accordingly.

The overall expense in connection with the stock options plan for the period amounted to €2,179.8 thousand (H1 2008: €1,841.8 thousand).

SCHEDULES

ISVAP 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, 2009 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, 2009

Segment Reporting by Business sector (ISVAP)

€/’000	LIFE INSURANCE	
	June 30, 2009	Dec. 31, 2008
1. Intangible assets	1,726	1,915
2. Tangible assets	19,492	19,496
3. Reinsurers’ share of technical reserves	99,674	100,328
4. Investments	16,355,581	13,278,486
4.1 Investment property	88,309	4,777
4.2 Investments in subsidiaries, associates and joint ventures	827,320	812,445
4.3 Held-to-maturity investments	251,798	244,912
4.4 Loans and receivables	43,674	35,696
4.5 Available-for-sale financial assets	1,255,308	520,659
4.6 Financial assets at fair value through profit or loss	13,889,172	11,659,997
5. Receivables	8,294	10,948
6. Other assets	307,753	295,837
6.1 Deferred acquisition costs	-	-
6.2 Other	307,753	295,837
7. Cash and cash equivalents	690,766	361,157
Total assets	17,483,286	14,068,168
1. Shareholders’ equity	-	-
2. Provisions	2,162	3,639
3. Technical reserves	15,911,222	12,380,981
4. Financial liabilities	724,529	794,990
4.1 Financial liabilities at fair value through profit or loss	162,743	257,754
4.2 Other financial liabilities	561,786	537,236
5. Payables	83,603	145,893
6. Other liabilities	48,040	46,998
Total liabilities and shareholders’ equity	16,769,556	13,372,501

BANKING		OTHER		consolidation adjustments		TOTAL	
June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008
151,037	151,591	105	51	24,172	24,172	177,040	177,729
63,126	63,835	1,534	1,645	889	889	85,042	85,865
-	-	-	-	-	-	99,674	100,328
8,066,534	8,798,535	40	40	(546,958)	(498,851)	23,875,197	21,578,210
-	-	-	-	-	-	88,309	4,777
-	-	-	-	(436,413)	(416,305)	390,907	396,140
1,337,131	1,107,048	-	-	-	-	1,588,929	1,351,960
4,913,481	5,384,791	-	-	(28,968)	(4,753)	4,928,187	5,415,734
879,496	1,003,903	40	40	-	-	2,134,844	1,524,602
936,426	1,302,793	-	-	(81,577)	(77,793)	14,744,021	12,884,997
1,803	2,283	1,054	929	-	-	11,151	14,160
403,673	350,471	4,260	4,111	(153,133)	(142,204)	562,553	508,216
-	-	-	-	-	-	-	-
403,673	350,471	4,260	4,111	(153,133)	(142,204)	562,553	508,216
109,978	122,690	373	447	(566,736)	(298,429)	234,381	185,865
8,796,151	9,489,405	7,366	7,223	(1,241,766)	(914,423)	25,045,038	22,650,373
-	-	-	-	-	-	883,206	813,517
98,771	92,110	84	84	-	-	101,017	95,833
-	-	-	-	-	-	15,911,222	12,380,981
7,747,949	8,548,434	13	-	(676,811)	(377,451)	7,795,680	8,965,973
503,489	762,534	-	-	-	-	666,232	1,020,288
7,244,460	7,785,900	13	-	(676,811)	(377,451)	7,129,448	7,945,685
214,817	217,209	3,489	3,655	(137,498)	(120,667)	164,411	246,090
156,245	123,880	471	202	(15,254)	(23,102)	189,502	147,978
8,217,782	8,981,633	4,057	3,941	(829,563)	(521,220)	25,045,038	22,650,372

INCOME STATEMENT AS AT JUNE 30, 2008

Segment Reporting by Business sector (ISVAP)

€/000	LIFE INSURANCE	
	June 30, 2009	June 30, 2008
1. Revenues		
1.1 Net premiums written		
1.1.1 Gross premiums written	3,923,234	1,506,445
1.1.2 Reinsurance premiums	(2,227)	(2,267)
Total premiums written	3,921,007	1,504,178
1.2 Commission income	44,163	54,136
1.3 Net income on financial instruments at fair value through profit and loss	886,820	(1,591,446)
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	25,568	22,546
1.5.2 Other income	2,016	1,043
1.5.3 Realised gains	7,027	38
1.5.4 Unrealised gains	-	-
Total income on other financial instruments and investment property	34,611	23,627
1.6 Other revenues	9,131	7,547
Total revenues and income	4,895,732	(1,958)
2. Costs		
2.1 Net claims and benefits		
2.1.1 Amounts paid and change in technical reserves	(4,761,318)	128,320
2.1.2 Reinsurers' share	2,944	3,208
Net claims and benefits	(4,758,374)	131,528
2.2 Commission expense	(483)	(1,513)
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	(6,325)	(11,022)
2.4.2 Other expenses	(221)	(95)
2.4.3 Realised losses	(234)	(1,357)
2.4.4 Unrealised losses	(304)	(27)
Loss on other financial instruments and investment property	(7,084)	(12,501)
2.5 Operating expenses		
2.5.1 Agents' commissions and other acquisition costs	(54,588)	(66,624)
2.5.2 Investment management expenses	(1,555)	(1,653)
2.5.3 Other administrative expenses	(16,639)	(16,307)
Total operating expenses	(72,782)	(84,584)
2.6 Other costs	(12,763)	(15,435)
Total costs	(4,851,486)	17,495
Profit (loss) before tax for the period	44,246	15,537
3. Income tax	(13,018)	(8,615)
Profit (loss) for the period	31,228	6,923
4. Profit (loss) from discontinued operations	(85)	-
Consolidated profit (loss) for the period	31,143	6,923
of which pertaining to the Group	31,143	6,923
of which pertaining to minority interests	-	-

BANKING		OTHER		consolidation adjustments		TOTAL	
June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
-	-	-	-	-	-	3,923,234	1,506,445
-	-	-	-	-	-	(2,227)	(2,267)
-	-	-	-	-	-	3,921,007	1,504,178
329,214	321,860	-	-	(87,404)	(104,670)	285,973	271,326
14,871	28,712	-	-	(3,520)	(4,844)	898,171	(1,567,578)
-	-	899	2,811	-	-	899	2,811
133,124	131,107	6	21	(4,818)	(6,923)	153,880	146,751
1,634	849	-	-	(570)	(555)	3,080	1,337
4,317	2,877	-	-	-	-	11,344	2,915
4,527	2,285	-	-	-	-	4,527	2,285
143,602	137,118	6	21	(5,388)	(7,478)	172,831	153,288
5,795	7,804	9,624	9,127	(12,713)	(13,550)	11,837	10,928
493,482	495,494	10,529	11,959	(109,025)	(130,542)	5,290,718	374,953
-	-	-	-	719	550	(4,760,599)	128,870
-	-	-	-	-	-	2,944	3,208
-	-	-	-	719	550	(4,757,655)	132,078
(121,038)	(125,791)	-	-	24,712	29,305	(96,809)	(97,999)
-	-	(2,116)	-	-	-	(2,116)	-
(54,932)	(92,197)	(13)	(6)	5,700	9,192	(55,570)	(94,033)
(6)	(14)	-	-	-	-	(227)	(109)
(2,736)	(1,717)	-	-	-	-	(2,970)	(3,074)
(9,247)	(5,525)	-	(8)	-	-	(9,551)	(5,560)
(66,921)	(99,453)	(13)	(14)	5,700	9,192	(68,318)	(102,776)
(41,192)	(42,423)	-	-	51,954	64,083	(43,826)	(44,964)
-	-	-	-	1,338	1,454	(217)	(199)
(156,092)	(142,797)	-	-	10,936	11,654	(161,795)	(147,450)
(197,284)	(185,220)	-	-	64,228	77,191	(205,838)	(192,613)
(20,889)	(13,846)	(9,323)	(9,953)	13,666	14,304	(29,309)	(24,930)
(406,132)	(424,310)	(11,452)	(9,967)	109,025	130,542	(5,160,045)	(286,240)
87,350	71,184	(923)	1,992	-	-	130,673	88,713
(9,597)	(9,942)	(284)	79	-	-	(22,899)	(18,478)
77,753	61,242	(1,207)	2,071	-	-	107,774	70,235
-	-	-	-	-	-	(85)	-
77,753	61,242	(1,207)	2,071	-	-	107,689	70,235
77,753	61,242	(1,207)	2,071	-	-	107,689	70,235
-	-	-	-	-	-	-	-

Subsidiaries consolidated line by line

Number	Company	Country	Method (1)
1	Mediolanum Vita S.p.A.	086	G
2	Partner Time S.p.A. on liquidation	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
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) It is the product of all shareholdings in any intermediate entities between the reporting entity and the company in question. If the latter is directly owned by more subsidiaries, individual products are added up

(4) Total percentage of voting rights at ordinary general meeting if different from direct or indirect ownership interest

Activity (2)	Direct Shareholding %	Indirect Shareholding % (3)	% voting rights at ordinary general meeting (4)	consolidation %
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
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
51	Mediobanca S.p.A.	086	7

(1) 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

(2) a = subsidiaries (IAS27); b = associates (IAS28); c = joint venture (IAS 31); an asterisk (*) denotes companies classified as "held for sale" in accordance with IFRS 5

(3) It is the product of all shareholdings in any intermediate entities between the reporting entity and the company in question. If the latter is directly owned by more subsidiaries, individual products are added up

(4) Total percentage of voting rights at ordinary general meeting if different from direct or indirect ownership interest

Analysis of tangible and intangible assets

€/000	At cost	Remeasured or at fair value	Book value
Investment property	88,309	0.00	88,309
Other property	62,740	0.00	62,740
Other tangible assets	22,302	0.00	22,302
Other intangible assets	15,738	0.00	15,738

Activity (2)	Direct Shareholding %	Indirect Shareholding % (3)	% Voting rights at ordinary general meetings (4)	Book Value
B	50.00	50.00	50.00	56,089,000
B	2.63	3.38	3.45	334,818,000

Analysis of reinsurers' share of technical reserves

€/000	Book value	
	June 30, 2009	Dec. 31, 2008
General business reserves	-	-
Unearned premiums	-	-
Outstanding claims	-	-
Other reserves	-	-
Life business reserves	99,674	100,328
Technical reserves for contracts under which the investment risk is borne by the policyholder and for pension fund management	-	-
Mathematical reserves	99,674	100,328
Total reinsurers' share of technical reserves	99,674	100,328

Analysis of financial assets

€/000	Held-to-maturity investments		Loans and receivables	
	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008
Equity instruments and derivatives at cost	-	-	-	-
Equity instruments at fair value	-	-	-	-
of which listed	-	-	-	-
Debt instruments	1,107,950	626,657	-	-
of which listed	1,107,950	626,657	-	-
Holdings in UCITS	-	-	-	-
Loans to and receivables from banking customers	-	-	3,212,728	3,368,643
Loans to and receivables from banks	-	-	1,609,575	2,011,406
Deposits with cedents	-	-	-	-
Financial assets of insurance contracts	-	-	-	-
Other loans and receivables	-	-	39,437	35,685
Trading derivatives	-	-	-	-
Hedging derivatives	-	-	-	-
Other financial investments	480,978	725,303	66,447	-
Total	1,588,928	1,351,960	4,928,187	5,415,734

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, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008
On-balance sheet assets	12,345,275	11,139,218	11,502	11,094	12,356,777	11,150,312
Intercompany assets *	81,577	77,793	-	-	81,577	77,793
Total Assets	12,426,852	11,217,011	11,502	11,094	12,438,354	11,228,105
On-balance sheet financial assets	148,840	224,964	11,502	11,094	160,342	236,058
On-balance Sheet Technical Reserves	12,276,762	10,991,259	-	-	12,276,762	10,991,259
Intercompany liabilities *	-	-	-	-	-	-
Total Liabilities	12,425,602	11,216,223	11,502	11,094	12,437,104	11,227,317

* 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, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008		
-	-	-	-	-	-	-	-		
32,752	32,430	121	17	-	-	32,873	32,447		
4,384	5,303	112	7	-	-	4,496	5,310		
1,635,057	898,863	2,315,850	1,307,036	5,186,338	4,688,605	10,245,195	7,521,161		
1,620,542	894,711	2,270,246	1,303,400	5,186,338	4,688,605	10,185,076	7,513,373		
184,817	195,019	26,564	16,167	6,927,763	6,248,339	7,139,144	6,459,525		
-	-	-	-	-	-	3,212,728	3,368,643		
-	-	-	-	-	-	1,609,575	2,011,406		
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	39,437	35,685		
-	-	8,063	13,414	242,675	213,368	250,738	226,782		
-	-	-	-	3,636	-	3,636	-		
282,218	398,290	33,011	398,051	-	-	862,654	1,521,644		
2,134,844	1,524,602	2,383,609	1,734,685	12,360,412	11,150,312	23,395,980	21,177,293		

Analysis of technical reserves

€/'000	Book value	
	June 30, 2009	Dec. 31, 2008
General business reserves	-	-
Unearned premiums	-	-
Outstanding claims	-	-
Other reserves	-	-
<i>of which amounts set aside following liability adequacy testing</i>	-	-
Life business reserves	15,911,222	12,380,981
Outstanding claims	117,689	83,387
Mathematical reserves	3,483,859	1,281,334
Technical reserves for contracts under which the investment risk is borne by the policyholder and for pension fund management	12,276,762	10,991,259
Other reserves	32,912	25,001
<i>of which amounts set aside following liability adequacy testing</i>	-	-
<i>of which deferred liabilities to policyholders</i>	-	-
Total Technical Reserves	15,911,222	12,380,981

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, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008
Quasi-equity instruments	-	-	-	-
Subordinated liabilities	-	-	-	-
Liabilities under financial contracts issued by insurance companies of which	-	-	132,852	253,817
contracts under which the investment risk is borne by the policyholder	-	-	121,350	242,723
pension fund management	-	-	11,502	11,094
other contracts	-	-	-	-
Deposits received from reinsurers	-	-	-	-
Financial liabilities of insurance contracts	-	-	-	-
Debt securities issued	674	2,276	-	-
Amounts due to banking customers	-	-	-	-
Amounts due to banks	-	-	-	-
Other financing received	-	-	-	-
Trading derivatives	32,973	15,296	-	-
Hedging derivatives	-	-	12,567	18,428
Other financial liabilities	487,166	730,471	-	-
Total	520,813	748,043	145,419	272,245

Analysis of technical account items

€/000	June 30, 2009	Dec. 31, 2008
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	3,921,007	1,504,178
AMOUNTS PAID AND CHANGE IN TECHNICAL RESERVES	(4,757,655)	132,078
a Amounts paid	(1,229,192)	(758,163)
b Change in outstanding claims reserve	(14,574)	56,473
c Change in mathematical reserves	(2,201,680)	(1,354)
d Change in technical reserves for contracts under which the investment risk is borne by the policyholder and for pension fund management	(1,313,843)	833,480
e Change in other technical reserves	1,634	1,642

Other financial liabilities		Book value	
June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008
-	-	-	-
-	-	-	-
-	-	132,852	253,817
-	-	121,350	242,723
-	-	11,502	11,094
-	-	-	-
99,380	99,812	99,380	99,812
-	-	-	-
74,353	13,537	75,027	15,813
5,125,160	5,529,156	5,125,160	5,529,156
1,818,155	2,290,780	1,818,155	2,290,780
12,400	12,400	12,400	12,400
-	-	32,973	15,296
-	-	12,567	18,428
-	-	487,166	730,471
7,129,448	7,945,685	7,795,680	8,965,973

Analysis of net interest income and investment income

€/000	Interest income (expense)	Other income	Other expense
Investment income	262,638	3,411	221
a from investment property	-	1,270	221
b from investments in subsidiaries, associates and joint ventures	-	-	-
c from held-to-maturity investments	36,264	-	-
d from loans and receivables	60,644	-	-
e from available-for-sale financial assets	26,839	1,810	-
f from financial assets held for trading	29,894	-	-
g from financial assets at fair value through profit or loss	108,997	331	-
Income on amounts receivable	4,379	-	-
Net cash and cash equivalents	25,755	-	-
Loss on financial liabilities	(48,091)	-	-
a on financial liabilities held for trading	(14,907)	-	-
b on financial liabilities at fair value through profit or loss	(2,218)	-	-
c on other financial liabilities	(30,966)	-	-
Expense on amounts payable	(24,604)	-	6
Total	220,077	3,411	227

Insurance - Analysis of expenses

€/000	General Business		Life Business	
	June 30, 2009	Dec. 31, 2008	June 30, 2009	Dec. 31, 2008
Gross agents' commissions & other acquisition costs after commissions and profit sharing from reinsurers'	-	-	54,588	66,624
Investment management expenses	-	-	1,555	1,653
Other administrative expenses	-	-	16,639	16,307
Total	-	-	72,782	84,584

Realised gains	Realised losses	Total	Unrealised gains		Unrealised losses		Total	Net income (loss) June 30, 2009	Net income (loss) June 30, 2008
			Gains on measurement	Reversal of impairment	Losses on measurement	Impairment losses			
131,652	132,265	265,215	1,002,922	4,527	224,778	9,551	773,120	1,038,335	(1,459,621)
-	-	1,049	-	-	-	304	(304)	745	4
899	2,116	(1,217)	-	-	-	-	-	(1,217)	2,811
559	96	36,727	-	-	-	-	-	36,727	11,995
-	-	60,644	-	4,527	-	9,247	(4,720)	55,924	43,785
10,785	2,874	36,560	-	-	-	-	-	36,560	15,898
53,551	37,253	46,192	68,669	-	57,696	-	10,973	57,165	9,110
65,858	89,926	85,260	934,253	-	167,082	-	767,171	852,431	(1,543,224)
-	-	4,379	-	-	-	-	-	4,379	21,809
-	-	25,755	-	-	-	-	-	25,755	51,068
6,243	1,316	(43,164)	14,543	-	13,771	-	772	(42,392)	(76,155)
6,243	1,316	(9,980)	949	-	9,172	-	(8,223)	(18,203)	4,738
-	-	(2,218)	13,594	-	4,599	-	8,995	6,777	(38,202)
-	-	(30,966)	-	-	-	-	-	(30,966)	(42,691)
-	-	(24,610)	-	-	-	-	-	(24,610)	(51,356)
137,895	133,581	227,575	1,017,465	4,527	238,549	9,551	773,892	1,001,467	(1,514,255)

**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 2009.
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, 2009 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 2009:
 - 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 the 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 29, 2009

Chief Executive Officer
(*Ennio Doris*)

Chief Financial Officer
(*Luigi Del Fabbro*)

