

MEDIOLANUM S.p.A.

**Interim  
Report and  
Accounts at  
March 31,  
2013**

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The English version of the Interim Report is a translation of the Italian text provided for the convenience of international readers.

**Interim  
Report and  
Accounts at  
March 31,  
2013**

Registered Office: Meucci Building, Via F. Sforza – Basiglio – Milano Tre (Milan)  
Share capital € 73,443,150.10 – fully paid up  
Tax, VAT and Milan Register of Companies Registration No. 11667420159

# Corporate Governance Officers

## BOARD OF DIRECTORS

Carlo Secchi	Chairman of the Board
Alfredo Messina	Deputy Chairman of the Board
Massimo Antonio Doris	Executive Deputy Chairman
Ennio Doris	Chief Executive Officer
Luigi Berlusconi	Director
Pasquale Cannatelli	Director
Maurizio Carfagna	Director
Edoardo Lombardi	Director
Mario Molteni	Director
Danilo Pellegrino	Director
Angelo Renoldi	Director
Paolo Sciumè	Director
Maria Alessandra Zunino de Pignier	Director

## BOARD OF STATUTORY AUDITORS

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

## BOARD SECRETARY

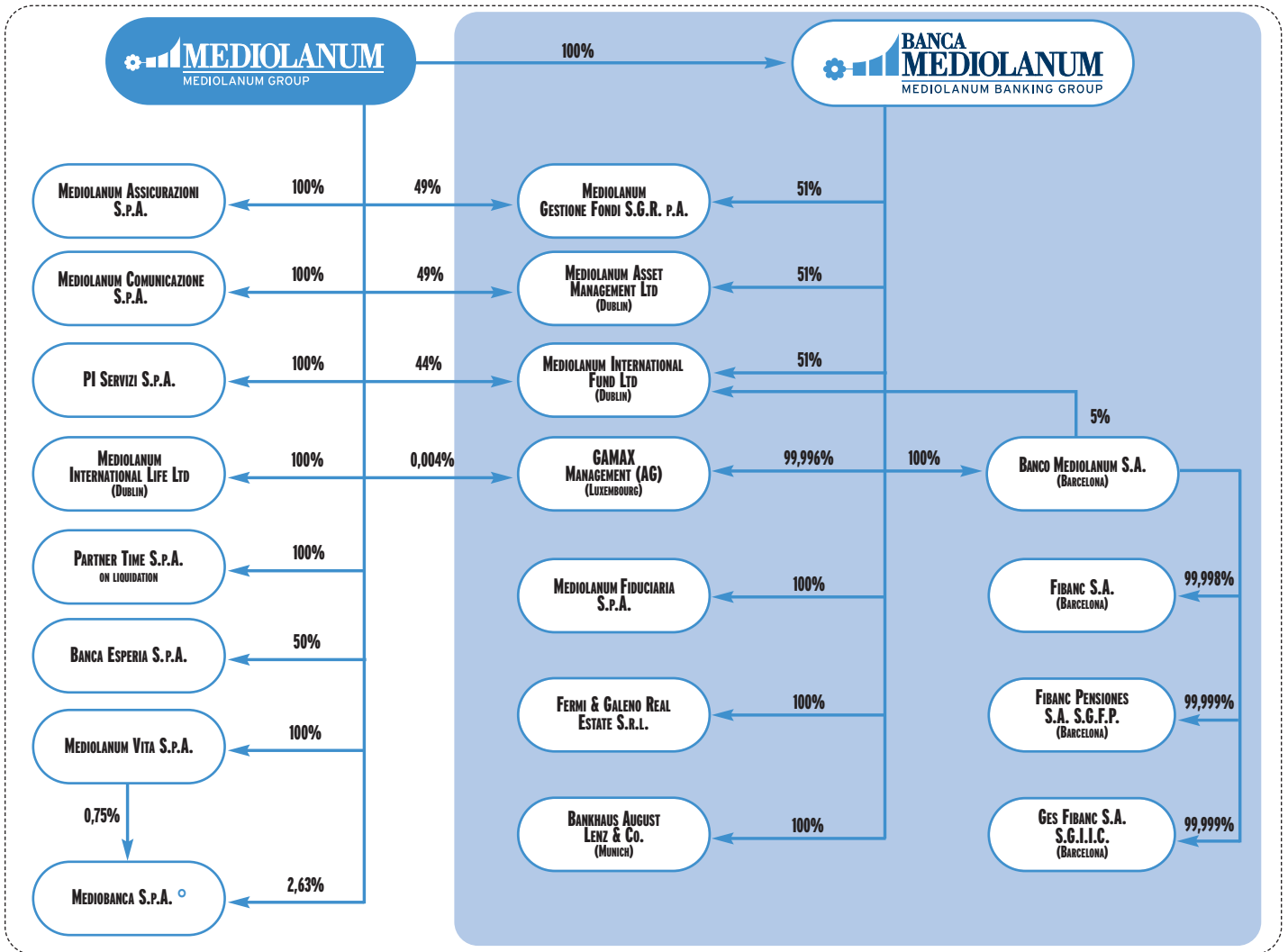
Luca Maria Rovere

## OFFICER RESPONSIBLE FOR PREPARING ACCOUNTING AND FINANCIAL REPORTING DOCUMENTS

Luigi Del Fabbro

# Group structure

As of March 31, 2013



▭ • MEDIOLANUM FINANCIAL CONGLOMERATE

■ • MEDIOLANUM BANKING GROUP

◦ Since Mediobanca holds treasury shares, total shareholding amounts to 3.447% of voting rights.

# Mediolanum Group's Financial Highlights

€/million	March 31, 2013	March 31, 2012	Change%	Dec. 31, 2012
Assets under management and administration <sup>(*)</sup>	53,612.2	49,177.5	9%	51,576.9
Total Net Inflows	691.0	728.5	-5%	1,806.6
<i>of which</i>				
Banca Mediolanum S.p.A. net inflows	716.6	915.8	-22%	2,258.3
<i>of which total managed assets</i>	578.8	135.3	5%	1,352.2
<i>of which Funds</i>	1,000.3	292.9	242%	2,343.3
Banca Esperia Group net flows	(102.1)	(221.7)	-54%	(620.5)
Profit before tax	177.1	244.4	-28%	500.6
Income Tax	(40.4)	(65.7)	-38%	(149.6)
Net profit	136.7	178.6	-23%	351.0

€	March 31, 2013	March 31, 2012	Change%	Dec. 31, 2012
Earnings per share	0.186	0.243	-23%	0.478

(\*) The figures relate to retail customers only.

A stylized graphic of an eye, composed of concentric shapes. The outermost shape is a dark blue arc. Inside it is a light blue arc. The center of the eye is a white circle, and within that is a dark blue circle. The text "Interim management report" is written in yellow inside the dark blue circle.

**Interim  
management  
report**

# Interim management report

Although down €42 million compared to the exceptional figure of €178.6 million recorded in the first quarter of the prior year, for the first quarter 2013 the Mediolanum Group delivered strong profitability with net profit coming in at €136.7 million.

Compared to the first quarter of the prior year, in the quarter under review the Group recorded lower net income on investments at fair value (down €91.7 million) offset only in part by greater net income on other investments coming from sales of treasuries (up €38.1 million).

Net interest income was down too (by €11.6 million), owing to reduced interest rate spreads.

On the other hand, managed assets net inflows harvested in 2012, and particularly in the quarter under review, boosted management fees (up €19.1 million) and entry fees (up €8.3 million). Acquisition costs & sales network commission expenses were on the upside too (up €22.0 million) owing, in part, to greater incentives paid out (up €4.5 million) for net inflows' growth generated in the quarter.

Income tax for the period amounted to €40.4 million, down €25.3 million compared to the €65.7 million tax recorded in the same quarter of the prior year.

## ● The macroeconomic environment

Stats confirm growth has been slowing down in the Eurozone and holding up in the US.

In the fourth quarter of 2012, the US grew at 0.4% (annualised rate), while the Eurozone shrank by 0.6% (non annualised rate), confirming again the lag between the two regions. Specifically, GDP shrank 0.6% in Germany, 0.3% in France, 0.9% in Italy and 0.8% in Spain. In the UK, GDP shrank too by 0.3%.

Eurozone's sluggishness has been reflected in Purchasing Managers' Indices (PMI) since August 2011. Conversely, in the US the readings of Institute for Supply Management (ISM) indices for both the manufacturing sector and services continued to signal expansion.

Unemployment continues to be a major concern as it weighs on consumer confidence and demand for goods and services. Unemployment is now at 12% in the Eurozone versus 7.7% in the US.

In the current slack economic cycle, inflation continues to be subdued.. In February 2013, production prices and consumer prices rose by 1.7% and 2.0% in the US, and by 1.3% and 1.8% in the Eurozone, respectively.

In March 2013, for the ninth consecutive month, the ECB kept the refinancing rates at 0.75% which is its lowest level on record.

## ○ Financial markets

In the quarter under review, international financial markets have been volatile reflecting concerns about developments in the Eurozone sovereign debt crisis. In February and March the difficulties in forming a government after the general elections in Italy and the implementation of the Cyprus rescue package (which was significant in terms of intervention mechanisms deployed) drove yields on Italian and Spanish treasuries to the upside, pushed yields on German government bonds downward, and caused European stock markets to underperform the main international equity markets.



In January, the improved risk propensity of investors pushed yields on Italian and Spanish treasuries to the downside and yields on German treasuries to the upside. Then, the outcome of the general elections in Italy and the financial troubles of Cyprus widened again the difference between Eurozone's core and peripheral government bond yields. In the quarter under review, yields on German government bonds increased on key maturities in January and then declined in February and March. Namely, yields on 2-yr notes moved from a negative return of 0.02% at December 31, 2012 to a positive return of 0.30% at January 28, 2013 and again down to a negative return of 0.02% at March 31. Yields on 10-yr notes moved from a positive return of 1.32% at December 31, 2012 to 1.71% at January 30, 2013 and again down to 1.29% at March 31.

The spread between Italian and German government bond yields on 10-yr notes moved from 318 bps at December 31, 2012 down to 248 bps on January 29, 2013 and up again to 347 bps at the end of the first quarter 2013. From December 31, 2012 through March 31, 2013, yields on Italian treasuries moved as follows: from 1.38% to 1.24% on 1-yr notes; from 1.99% to 1.92% on 2-yr notes; from 3.31% to 3.53% on 5-yr notes; from 4.50% to 4.76% on 10-yr notes; and from 5.07% to 5.26% on 30-yr notes. The yield gap between Spanish and German treasuries narrowed from 395 basis points at December 31, 2012 to 377 bps at March 31, 2013. The more marked convergence was in yields on 2-yr notes that moved from 300 bps to 246 bps. Yields on US treasuries increased slightly on 10-yr notes (from 1.76% to 1.85%).

In the quarter under review, emerging markets stocks had a negative performance (Total Return Merrill Lynch EM down 2.12%), while high-yield stocks fared better (Total Return Merrill Lynch HY up 2.57%).

In the first quarter of 2013, global stock markets progressed by 7.9% (MSCI World in USD). In the US, the S&P 500 was up 10%, and the NASDAQ Composite up 8.2%. In Europe stock markets were on the upside too (up 5%). The Italian and Spanish stock markets (down 5.7% and 3%, respectively) underperformed the German (up 2.4%), French (up 2.5%) and UK (up 8.7%) markets. Emerging markets were down 1.7% (MSCI EM in USD). The performance of the Euro against the US dollar mirrored the developments in the European financial crisis and investors risk propensity. Specifically, the Euro strengthened against the US dollar in January, moving from 1.32 at December 31, 2012 to 1.36 at February 1, 2013, then weakened in February and March to 1.28 at March 31, 2013. The Euro had similar movements in its foreign exchange value also against the UK sterling, strengthening from 0.81 at December 31, 2012 to 0.87 at March 11, 2013 to weaken slightly in the final days of March (0.84 at March 31, 2013). The performance of the European single currency against the Japanese yen continued to be driven by the anti-deflationary actions taken by the Bank of Japan with the Euro strengthening from 114.5 in January to 120.8 in March, 2013.

In the quarter under review, Brent oil prices remained essentially flat moving from US\$111.9 per barrel at the beginning of the year to US\$109.3 per barrel at the end of March, yet displaying high volatility with a high of US\$119.3 on February 12 and a low of US\$107.1 on March 21.

## ○ The Insurance Market

Preliminary data released by ANIA, the Association of Italian Insurers, shows that in the first three months of 2013, life insurance new business written by Italian companies and non-EU companies conducting business in Italy, including additional premium payments under single premium policies, aggregated to about €15.5 billion, up 23.6% compared to the same period of the prior year. Including also the €2.6 billion written by EU companies, life insurance new business for the period aggregated to €18.1 billion, up 27.9% over the same quarter of the prior year.

The analysis by type of product/class relating to Italian companies and non-EU companies shows persistent new business growth in class I premiums, up 21.0% on the same quarter of the prior year. Reversing the trend seen in

previous months, business written under class V products was up as much as 39.1% compared to the same period of the prior year.

Finally, new business written under unit-linked and index-linked policies (class III) was up 31.1% compared to the same period of the prior year. Growth was driven by unit-linked policies albeit somewhat dampened by sales of index-linked policies being almost non-existing.

Notable has been the contribution of individual pension plans too, up 35.9% on the prior year.

## ● Mediolanum Group's performance

For the first quarter 2013 the Mediolanum Group recorded total net inflows of €691.0 million versus €728.5 million in the same period of the prior year (down 5%).

Banca Mediolanum's total net inflows for the first quarter of the year amounted to €716.6 million versus €915.8 million in the same period of the prior year (down 22%). Banca Mediolanum's total managed assets net inflows aggregated to €578.8 million versus €135.3 million in the same period of the prior year. Specifically, net inflows into mutual funds amounted to €1,000.3 million versus €292.9 million in the first quarter 2012 (up 242%), while life insurance products recorded net outflows of €421.4 million versus net outflows of €157.5 million in the same quarter of the prior year.

Net inflows generated by third-party structured bonds totalled €31.0 million versus €46.2 million in the same period of the prior year.

The insurance policy associated with the *Freedom* bank account recorded outflows of €1,057.3 million versus inflows of €72.0 million in March of the prior year.

Net inflows into administered assets were up 76% from €662.4 million in the first quarter of 2012 to €1,164.0 million at March 31, 2013, thanks in particular to the positive contribution of *InMediolanum* and *Freedom Più* accounts.

With €730 million net inflows in the first quarter of the year, Banca Mediolanum ranks second among Italy's top sales networks as shown by the data published by the financial newspaper *Il Sole 24 ore*. The data released by Assogestioni shows the Mediolanum Group grew its market share from 4.93% to 5.15% and was in the sixth position in terms of managed assets volumes.

At March 31, 2013, Mediolanum Group's total assets under management and administration reached €53,612.2 million, up €2,035.3 million from €51,576.9 million at year end 2012, and up €4,434.7 million from €49,177.5 million at March 31, 2012.

## ● Consolidated Inflows, Assets under Management and Assets under Administration

### ○ Net Inflows

€/million	March 31, 2013	March 31, 2012	Change
<b>ITALY</b>			
<i>Life insurance products</i>	(421.4)	(157.5)	168%
<i>Asset Management Products</i>	1,000.3	292.9	242%
<b>Total managed assets inflows</b>	<b>578.8</b>	<b>135.3</b>	<b>328%</b>
<i>Third-party structured bonds</i>	31.0	46.2	(33%)
<b>Total managed assets + third-party structured bonds</b>	<b>609.8</b>	<b>181.5</b>	<b>236%</b>
<i>Administered assets</i>	1,164.0	662.4	76%
<i>Freedom Life Policies</i>	(1,057.3)	72.0	ns
<b>Total administered assets including Freedom policies</b>	<b>106.8</b>	<b>734.4</b>	<b>(85%)</b>
<b>BANCA MEDIOLANUM</b>	<b>716.6</b>	<b>915.8</b>	<b>(22%)</b>
<b>BANCA ESPERIA GROUP (*)</b>	<b>(102.1)</b>	<b>(221.7)</b>	<b>(54%)</b>
<b>Total ITALY</b>	<b>614.4</b>	<b>694.1</b>	<b>(11%)</b>
<b>SPAIN</b>	<b>96.4</b>	<b>31.7</b>	<b>204%</b>
<b>GERMANY</b>	<b>(19.8)</b>	<b>2.7</b>	<b>ns</b>
<b>TOTAL FOREIGN MARKETS</b>	<b>76.6</b>	<b>34.4</b>	<b>123%</b>
<b>TOTAL NET INFLOWS</b>	<b>691.0</b>	<b>728.5</b>	<b>(5%)</b>

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

### ○ Assets under Management and under Administration(\*)

€/million	March 31, 2013	Dec 31, 2012	March 31, 2012
<b>ITALY</b>			
<i>Life Products</i>	14,006.3	13,795.7	14,268.7
<i>Freedom Life Policies</i>	2,375.8	3,433.0	4,575.8
<i>Asset Management products</i>	25,267.8	23,384.4	21,076.2
<i>Banking products</i>	12,519.2	11,336.5	9,881.9
<i>Consolidation adjustments</i>	(10,066.8)	(9,515.3)	(9,454.9)
<b>BANCA MEDIOLANUM</b>	<b>44,102.3</b>	<b>42,434.3</b>	<b>40,347.6</b>
<b>BANCA ESPERIA GROUP (**)</b>	<b>7,138.6</b>	<b>6,900.1</b>	<b>6,781.3</b>
<b>Total ITALY</b>	<b>51,240.9</b>	<b>49,334.4</b>	<b>47,128.9</b>
<b>SPAIN</b>	<b>1,925.6</b>	<b>1,799.6</b>	<b>1,674.2</b>
<b>GERMANY</b>	<b>445.7</b>	<b>442.9</b>	<b>374.4</b>
<b>TOTAL FOREIGN MARKETS</b>	<b>2,371.3</b>	<b>2,242.5</b>	<b>2,048.6</b>
<b>TOTAL ASSETS UNDER MANAGEMENT &amp; ADMINISTRATION</b>	<b>53,612.2</b>	<b>51,576.9</b>	<b>49,177.5</b>

(\*) 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 by the Mediolanum Group in that entity, i.e. 50%.

At March 31, 2013, total assets under management and administration amounted to €53,612.2 million up more than 4% from the year end 2012 balance of €51,576.9 million and the March 31, 2012 balance of €49,177.5 million.

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

## ○ Italy - Life

Total life products amounted to €14,006.3 million versus €13,795.7 million at the end of the prior year and €14,268.7 million at the end of the first quarter 2012.

€/million	March 31, 2013	Dec 31, 2012	March 31, 2012
Traditional products	1,332.8	1,372.0	1,305.3
Index-linked products	2,304.2	2,572.7	3,289.5
Unit-linked products	10,369.3	9,851.0	9,673.9
<b>Total Life Products (ex-'Freedom')</b>	<b>14,006.3</b>	<b>13,795.7</b>	<b>14,268.7</b>
'Freedom' Life Policies	2,375.8	3,433.0	4,575.8

## ○ Gross Premiums Written

€/million	March 31, 2013	March 31, 2012	Change
Recurring premiums	13.6	16.1	-16%
Single premiums and group policies	23.8	45.9	-48%
<b>Total new business</b>	<b>37.3</b>	<b>62.0</b>	<b>-40%</b>
Pension plans in-force	124.7	133.7	-7%
Other business in-force	111.8	127.7	-12%
<b>Total in-force business</b>	<b>236.5</b>	<b>261.4</b>	<b>-10%</b>
<b>Total Premiums Written (ex-'Freedom')</b>	<b>273.8</b>	<b>323.4</b>	<b>-15%</b>
'Freedom' Premiums Written	1,027.5	1,831.4	-44%
<b>Total Gross Premiums Written</b>	<b>1,301.3</b>	<b>2,154.8</b>	<b>-40%</b>

Gross premiums written in the first three months of the year amounted to €1,301.3 million, down 40% from €2,154.8 million in the same period of the prior year, as customers shifted to other asset management products offered by Banca Mediolanum.

Excluding *Freedom*, i.e. the *Mediolanum Plus* policy, also down 44% compared to the first quarter of the prior year, gross premiums written in the period under review amounted to €273.8 million versus €323.4 million at March 31, 2012 (down 15%).

New business stood at €37.3 million, down 40% compared to €62 million at March 31, 2012.

Excluding *Mediolanum Plus*, single premiums and group policies amounted to €23.8 million versus €45.9 million at March 31, 2012 (down 48%).

Total in-force business amounted to €236.5 million down 10% over the same period of the prior year.

For the first three months of 2013, amounts paid amounted to €695.3 million versus €480.9 million at March 31, 2012.

€/million	March 31, 2013	March 31, 2012	Change
Claims	13.1	19.8	(34%)
Coupons	19.2	16.3	18%
Maturities	397.4	188.3	111%
Surrenders	265.6	256.5	4%
Amounts paid (ex-'Freedom')	695.3	480.9	45%
Amounts paid under 'Freedom' contracts	2,097.6	1,800.2	17%

In the quarter under review, amounts paid declined 45% over the same period of the prior year. Specifically, maturities were €397.4 million, of which €306.3 million relating to index-linked policies (Q1 2012: €102.2 million).

## ○ Italy - Asset management

The analysis of assets under management in the retail segment is set out below.

€/million	March 31, 2013	Dec. 31, 2012	March 31, 2012
'Best brands' funds of funds	8,719.4	7,676.9	5,975.0
'Portfolio' funds of funds	575.6	578.5	675.6
'Challenge' funds	12,474.9	11,980.7	11,880.1
Funds of hedge funds	198.1	193.8	270.2
Other Italy-based mutual funds	3,131.6	2,839.6	2,220.6
'Real estate' funds	432.1	436.6	443.0
Other internationally-based mutual funds & managed accounts	370.4	321.2	304.3
Duplication adjustments	(634.3)	(642.9)	(692.5)
<b>Total asset management products</b>	<b>25,267.8</b>	<b>23,384.4</b>	<b>21,076.2</b>
of which:			
Equity	57%	56%	61%
Bond	36%	36%	29%
Money market	2%	2%	3%
Other	5%	6%	7%

At March 31, 2013, assets under management grew to €25,267.8 million from €23,384.4 million at December 31, 2012 and €21,076.2 million at March 31, 2012.

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

## Gross inflows

€/million	March 31, 2013	March 31, 2012	Change
`Best brands' funds of funds	1,326.5	745.1	78%
`Challenge' funds	204.7	261.9	(22%)
Other Italy-based mutual funds	470.5	156.1	201%
`Real Estate' funds	-	18.2	ns
Other funds and managed accounts	6.7	6.8	(2%)
<b>Total asset management products</b>	<b>2,008.3</b>	<b>1,188.1</b>	<b>69%</b>

In the period under review, gross inflows amounted to €2,008.3 million, up 69% compared to €1,188.1 million in the same period of the prior year.

## Net inflows

€/million	March 31, 2013	March 31, 2012	Change
`Best brands' funds of funds	799.4	299.5	167%
`Challenge' funds	(102.7)	(2.5)	ns
Other Italy-based mutual funds	333.4	24.4	ns
`Real Estate' funds	-	0.6	ns
Other funds and managed accounts	(29.8)	(29.2)	2%
<b>Total asset management products</b>	<b>1,000.3</b>	<b>292.9</b>	<b>242%</b>

Net inflows for the period amounted to €1,000.3 million, up 242% compared to €292.9 million in the same quarter of the prior year.

## ○ Italy - Banking

At the end of the first quarter 2013, net inflows into administered assets amounted to €1,164.0 million versus €662.4 million at March 31, 2012.

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

€/million	March 31, 2013	Dec 31, 2012	March 31, 2012
Customer deposits	8,692.7	7,623.1	5,344.6
Repurchase agreements	241.7	12.9	1,026.5
Banca Mediolanum bonds	392.5	409.7	488.8
Third-party structured bonds	1,250.6	1,216.1	946.6
Securities in custody	1,941.7	2,074.8	2,075.5
<b>Total Assets under Administration</b>	<b>12,519.2</b>	<b>11,336.5</b>	<b>9,881.9</b>

At March 31, 2013, Banca Mediolanum bank accounts totalled 711,737 versus 707,609 at year end 2012 and 651,546 at March 31, 2012. Primary account holders were 583,837 versus 579,891 at December 31, 2012 and 559,120 at March 31, 2012.

## ○ Spain

€/million	March 31, 2013	Dec 31, 2012	March 31, 2012
<b>Assets under Management &amp; Administration</b>	<b>1,925.6</b>	<b>1,799.6</b>	<b>1,674.3</b>
<i>Assets under Management</i>	<i>1,260.3</i>	<i>1,181.2</i>	<i>1,075.6</i>
<i>Assets under Administration</i>	<i>665.3</i>	<i>618.4</i>	<i>598.6</i>
<b>Gross Inflows - AuM</b>	<b>108.2</b>	<b>285.2</b>	<b>62.7</b>
<b>Net Inflows</b>	<b>96.4</b>	<b>114.3</b>	<b>31.7</b>
<i>Assets under Management</i>	<i>52.2</i>	<i>88.2</i>	<i>19.0</i>
<i>Assets under Administration</i>	<i>44.2</i>	<i>26.2</i>	<i>12.7</i>

Assets under Management and under Administration amounted to €1,925.6 million versus €1,799.6 million at year end 2012 and €1,674.3 million at the end of the first quarter 2012.

In the first quarter 2013, net inflows amounted to €96.4 million versus €31.7 million in the same period of the prior year. Specifically, net inflows into asset management products grew to €52.2 million compared to €19 million in the same quarter of the prior year; net inflows into administered assets amounted to €44.2 million versus €12.7 million in the same period of the prior year.

At March 31, 2013, the number of customers was 79,424 versus 78,856 at year end 2012 and 76,815 at March 31, 2012.

## ○ Germany

€/million	March 31, 2013	Dec 31, 2012	March 31, 2012
Assets under Management & Administration	445.7	442.9	374.4
Assets under Management	374.4	356.4	317.9
Assets under Administration	71.3	86.5	56.5
Gross Inflows - AuM	11.1	90.8	34.4
Net Inflows	(19.8)	54.5	2.7
Assets under Management	(4.6)	26.3	4.5
Assets under Administration	(15.2)	28.2	(1.8)

Assets under Management and under Administration amounted to €445.7 million up 1% from €442.9 million at year end 2012, and up 19% from €374.4 million in the same period of the prior year.

For the period under review German operations recorded net outflows of €19.8 million versus net inflows of €2.7 million for the same period of the prior year. Specifically, managed assets recorded net outflows of €4.6 million versus net inflows of €4.5 million in the same quarter of the prior year, while administered assets net outflows of €15.2 million versus net outflows of €1.8 million in the first quarter 2012.

At March 31, 2013, the number of customers was 4,547 versus 4,533 at year end 2012 and 4,046 at March 31, 2012.

## ● The Sales Networks

Number	March 31, 2013	Dec 31, 2012	March 31, 2012
Licensed financial advisors	4,329	4,315	4,466
<b>BANCA MEDIOLANUM</b>	4,329	4,315	4,466
<b>SPAIN</b>	608	590	563
<b>GERMANY</b>	46	46	39
<b>TOTAL</b>	4,983	4,951	5,068

At March 31, 2013, Banca Mediolanum had 4,329 licensed financial advisors versus 4,315 at December 31, 2012.



## ● Reclassified Consolidated Income Statement<sup>(\*)</sup>

€/million	March 31, 2013	March 31, 2012	Change	Change %
Net premiums written	1,335.6	2,181.4	(845.8)	(39%)
Amounts paid and change in technical reserves	(1,325.7)	(2,167.9)	842.2	(39%)
<b>Net life insurance revenues (ex-commissions)</b>	9.9	13.4	(3.5)	(26%)
Entry fees	34.5	26.1	8.3	32%
Management fees	131.9	112.8	19.1	17%
Performance fees	59.3	61.8	(2.5)	(4%)
Banking services fees	25.5	22.5	3.0	13%
Other fees	9.8	8.5	1.4	16%
<b>Total commission income</b>	260.9	231.7	29.2	13%
<b>Net interest income</b>	71.9	83.5	(11.6)	(14%)
Net income (loss) on investments at fair value	3.8	95.5	(91.7)	(96%)
<b>Net financial income</b>	75.8	179.0	(103.3)	(58%)
<b>Equity contribution</b>	1.8	1.4	0.4	26%
Realised gains (losses) on other investments	39.1	1.1	38.1	ns
Reversal/Impairment of loans	(1.2)	(2.0)	0.8	(38%)
Reversal/Impairment of other investments	(0.1)	(0.0)	(0.1)	400%
<b>Net income (loss) on other investments</b>	37.8	(0.9)	38.7	ns
<b>Other revenues</b>	4.6	6.4	(1.8)	(28%)
<b>TOTAL REVENUES</b>	390.8	431.0	(40.3)	(9%)
Acquisition costs & Sales network commission expenses	(103.4)	(81.5)	(22.0)	27%
Other commission expenses	(11.9)	(10.2)	(1.7)	17%
General and Administrative expenses	(91.6)	(86.5)	(5.1)	6%
Amortisation and depreciation	(3.8)	(3.2)	(0.5)	17%
Net provisions for risks	(3.0)	(5.3)	2.3	(43%)
<b>TOTAL COSTS</b>	(213.7)	(186.7)	(27.0)	14%
<b>PROFIT (LOSS) BEFORE TAX</b>	177.1	244.4	(67.3)	(28%)
Income tax	(40.4)	(65.7)	25.3	(39%)
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	136.7	178.6	(42.0)	(23%)

(\*) This consolidated income statement presents financial information in a manner that reflects the management reporting approach of the Group and entails the reclassification of income and expense items before tax by nature and the recognition of financial income/expense on policyholders' assets/liabilities relating to contracts under which the investment risk is borne by the policyholder under "Amounts paid and change in technical reserves".

For the first three months of 2013, **net life insurance revenues** before acquisition costs came in at €9.9 million versus €13.4 million in the same quarter of the prior year.

Specifically, **net premiums written** amounted to €1,335.6 million versus €2,181.4 million in the same period of the prior year (down 39%). The decline was due to reduced business written under the life policy associated with the 'Freedom' bank account, down €804 million (down 44 %).

**Total amounts paid and change in technical reserves** declined 39% from €2,167.9 million at March 31, 2012 to €1,325.7 million, of which €2,097.6 million relating to the policies associated with the *Freedom* bank account (Q1 2012: €1,800.2 million).

**Total commission income** amounted to €260.9 million versus €231.7 million at March 31, 2012. The €29.2 million increase was largely driven by greater management fees (up €19.1 million) and entry fees (up €8.3 million).

**Net financial income** was down €103.3 million from €179 million in the first quarter 2012 to €75.8 million at the end of the quarter under review. This was owed to decreases in both net interest income (down €11.6 million) driven by reduced interest rate spreads although offset, in part, by growth in the asset base, and in net income on investments at fair value from €95.5 million at the end of March 2012 to €3.8 million at the end of the quarter under review (down 96%).

'**Equity contribution**' amounted to €1.8 million versus €1.4 million in the same quarter of the prior year. For the quarter under review this account includes only the share of profit in the Banca Esperia Group.

**Net income on other investments** amounted to €37.8 million (March 31, 2012: loss of €0.9 million) mainly owed to profits on sale of available for sale financial assets.

**Acquisition costs & sales network commission expenses** increased from €81.5 million in the first quarter 2012 to €103.4 million at the end of the quarter under review, largely reflecting greater commissions paid to the sales network on increased sales of mutual funds, greater management fees for growth in the asset base, incentives to the sales network as well as greater amounts set aside for agents severance entitlements following changes in computation rules.

Excluding acquisition costs & sales network commission expenses, **costs** aggregated to €110.3 million versus €105.2 million in the same quarter of the prior year, up €5.1 million. Specifically, in the quarter under review there were higher expenses for advertising and promotions (up €0.7 million), advisory fees (up €0.9 million) and IT systems (up €0.6 million).

**Income tax** for the period amounted to €40.4 million (tax rate: 22.78%) versus €65.7 million at March 31, 2012.

The analysis of income statement data by operating segment is set out below.

## ○ Italy - Life

€/million	March 31, 2013	March 31, 2012	Change	Change %
Net premiums written	1,297,891	2,151,603	(853,712)	(40%)
Amounts paid & change in technical reserves	(1,293,571)	(2,143,864)	850,293	(40%)
Net life insurance revenues (ex-commissions)	4,320	7,739	(3,419)	(44%)
<b>Total commission income</b>	<b>85,000</b>	<b>79,364</b>	<b>5,636</b>	<b>7%</b>
Net interest income	10,837	1,265	9,572	ns
Net income (loss) on investments at fair value	(649)	65,812	(66,461)	ns
<b>Net financial income</b>	<b>10,188</b>	<b>67,077</b>	<b>(56,889)</b>	<b>(85%)</b>
Net income (loss) on other investments	(5,872)	(54)	(5,818)	ns
Other revenues	2,499	2,784	(285)	(10%)
<b>TOTAL REVENUES</b>	<b>96,135</b>	<b>156,910</b>	<b>(60,775)</b>	<b>(39%)</b>
Acquisition costs & Sales network commission expenses	(22,644)	(23,924)	1,280	(5%)
Other commission expenses	(1,719)	(1,331)	(388)	29%
General and Administrative expenses	(20,904)	(21,196)	292	(1%)
Amortisation and depreciation	(990)	(778)	(212)	27%
Net provisions for risks	(720)	(1,184)	464	(39%)
<b>TOTAL COSTS</b>	<b>(46,977)</b>	<b>(48,413)</b>	<b>1,436</b>	<b>(3%)</b>
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>49,158</b>	<b>108,497</b>	<b>(59,339)</b>	<b>(55%)</b>

In the 'Italy – Life' segment, **profit before tax** amounted to €49.1 million, down 55% from €108.5 million reported for the first quarter of the prior year, largely owed to reduced net financial income (down €56.9 million).

**Net life insurance revenues** before acquisition costs came in at €4.3 million, down from €7.7 million recorded in the same period of the prior year, reflecting decreased premiums.

**Total commission income** grew to €85.0 million from €79.4 million in the same quarter of the prior year, driven by growth in performance fees earned in the Life segment (up €2.0 million) and management fees (up €3.3 million) reflecting increased technical reserves relating to unit-linked products.

**Net financial income** for the period amounted to €10.2 million versus €67.1 million in the first quarter 2012. The €56.9 million decline was driven by lower income on investments at fair value, which was down €66.5 million owed to poor financial market performance. Conversely, net interest income rose from €1.3 million to €10.8 million due to reduced expenses relating to income retroceded to policyholders.

**Net income on other investments** came in negative at €5.9 million owed to losses on available-for-sale financial assets.

**Acquisition costs & Sales network commission expenses** were down €1.3 million from €23.9 million in the first quarter of 2012 to €22.6 million at March 31, 2013.

**Other expenses** for the period amounted to €24.3 million versus €24.5 million at March 31, 2012.

## ○ Italy - Asset management

€/million	March 31, 2013	March 31, 2012	Change	Change %
Entry fees	32,661	24,994	7,667	31%
Management fees	69,757	54,818	14,939	27%
Performance fees	29,330	34,222	(4,892)	(14%)
Other fees	6,043	5,672	371	7%
<b>Total commission income</b>	<b>137,791</b>	<b>119,706</b>	<b>18,085</b>	<b>15%</b>
Net interest income	71	246	(175)	(71%)
Net income (loss) on investments at fair value	1	1	-	-
<b>Net financial income</b>	<b>72</b>	<b>247</b>	<b>(175)</b>	<b>(71%)</b>
Net income (loss) on other investments	(1)	154	(155)	ns
Other revenues	55	49	6	12%
<b>TOTAL REVENUES</b>	<b>137,917</b>	<b>120,156</b>	<b>17,761</b>	<b>15%</b>
Acquisition costs & Sales network commission expenses	(59,415)	(38,418)	(20,997)	55%
Other commission expenses	(3,740)	(2,888)	(852)	30%
General and Administrative expenses	(18,079)	(17,351)	(728)	4%
Amortisation and depreciation	(546)	(562)	16	(3%)
Net provisions for risks	(1,824)	(1,109)	(715)	64%
<b>TOTAL COSTS</b>	<b>(83,604)</b>	<b>(60,328)</b>	<b>(23,276)</b>	<b>39%</b>
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>54,312</b>	<b>59,828</b>	<b>(5,516)</b>	<b>(9%)</b>

In the 'Italy – Asset Management' segment, **profit before tax** amounted to €54.3 million, down 9% over the same period of the prior year (Q1 2012: €59.8 million).

**Total commission income** amounted €137.8 million versus €119.7 million in the same period of the prior year. The €18.1 million increase reflects growth in management fees (up €14.9 million) as a result of average NAV growth in the period, and in entry fees (up €7.7 million), while performance fees were down €4.9 million.

**Costs** for the first quarter of the year were up 39% from €60.3 million in the same period of the prior year to €83.6 million, largely reflecting greater commissions paid to the sales network on increased sales of mutual funds and on managed assets, as well as incentives to the sales network for their net inflows generation.

## ○ Italy - Banking

€/000	March 31, 2013	March 31, 2012	Change	Change %
Banking services fees	21,864	19,169	2,695	14%
Other fees	2,556	2,385	171	7%
<b>Total commission income</b>	<b>24,420</b>	<b>21,554</b>	<b>2,866</b>	<b>13%</b>
Net interest income	58,964	78,117	(19,153)	(25%)
Net income (loss) on investments at fair value	4,085	28,909	(24,824)	(86%)
<b>Net financial income</b>	<b>63,049</b>	<b>107,026</b>	<b>(43,977)</b>	<b>(41%)</b>
<b>Net income (loss) on other investments</b>	<b>33,842</b>	<b>(778)</b>	<b>34,620</b>	<b>ns</b>
<b>Other revenues</b>	<b>1,895</b>	<b>3,290</b>	<b>(1,395)</b>	<b>(42%)</b>
<b>TOTAL REVENUES</b>	<b>123,206</b>	<b>131,092</b>	<b>(7,886)</b>	<b>(6%)</b>
Acquisition costs & Sales network commission expenses	(15,070)	(13,922)	(1,148)	8%
Other commission expenses	(3,004)	(3,112)	108	(3%)
General and Administrative expenses	(42,921)	(38,418)	(4,503)	12%
Amortisation and depreciation	(1,744)	(1,319)	(425)	32%
Net provisions for risks	(369)	(2,929)	2,560	(87%)
<b>TOTAL COSTS</b>	<b>(63,108)</b>	<b>(59,700)</b>	<b>(3,408)</b>	<b>6%</b>
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>60,098</b>	<b>71,392</b>	<b>(11,294)</b>	<b>(16%)</b>

In the 'Italy – Banking' segment **profit before tax** came in at €60.1 million versus €71.4 million in the same period of the prior year, reflecting the €44.0 million decline in net financial income, offset, in part, by the €34.6 million increase in net income on other investments.

**Net financial income** amounted to €63.0 million versus €107.0 million in the same period of the prior year. The €44.0 million decline was driven by decreased net interest income (down 25%) as a result of reduced interest rate spreads and net income on investments at fair value (down €24.8 million).

**Total commission income** amounted to €24.4 million versus €21.6 million in the first quarter of the prior year. The 13% increase was due to greater commissions on sales of asset management products and third-party structured bonds.

**Net income on other investments** amounted to €33.8 million (vs. a loss of €0.8 in the first quarter of the prior year) benefitting from greater income on available-for-sale financial assets.

**Acquisition costs & sales network commission expenses** amounted to €15.1 million, up 8% (€1.1 million) on the same period of the prior year, driven by greater management fees paid out to the sales network for growth in the asset base and greater amounts set aside for sales network's contractual allowances.

**Other expenses** for the period amounted to €48.0 million versus €45.8 million in the same period of the prior year. The €2.3 million increase largely reflects greater staff costs, advertising spending and IT expenses.

## ○ Italy - Other

€/000	March 31, 2013	March 31, 2012	Change	Change%
Net interest income	(3,953)	(3,689)	(264)	7%
Net income (loss) on investments at fair value	-	(2)	2	ns
Net financial income	(3,953)	(3,691)	(262)	7%
Equity contribution	1,818	1,442	376	26%
Net income (loss) on other investments	(18)	-	(18)	ns
<b>TOTAL REVENUES</b>	<b>(2,153)</b>	<b>(2,249)</b>	<b>96</b>	<b>ns</b>
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>(2,153)</b>	<b>(2,249)</b>	<b>96</b>	<b>ns</b>

The 'Italy – Other' segment recorded a loss before tax of €2.2 million versus a loss of €2.2 million in the same period of the prior year.

For the first quarter of 2013, net financial income in this segment came in negative at €3.9 million, in line with the balance recorded in the same period of the prior year.

'Equity contribution' relates only to the share of profits in Banca Esperia, that amounted to €1.8 million versus €1.4 million in the same quarter of the prior year.

 Spain

€/000	March 31, 2013	March 31, 2012	Change	Change %
Net premiums written	31,366	22,159	9,207	42%
Amounts paid and change in technical reserves	(26,553)	(17,679)	(8,874)	50%
<b>Net life insurance revenues (ex-commissions)</b>	<b>4,813</b>	<b>4,480</b>	<b>333</b>	<b>7%</b>
<b>Total commission income</b>	<b>8,671</b>	<b>6,912</b>	<b>1,759</b>	<b>25%</b>
Net interest income	5,847	7,308	(1,461)	(20%)
Net income (loss) on investments at fair value	375	482	(107)	(22%)
<b>Net financial income</b>	<b>6,222</b>	<b>7,790</b>	<b>(1,568)</b>	<b>(20%)</b>
<b>Net income (loss) on other investments</b>	<b>9,808</b>	<b>(259)</b>	<b>10,067</b>	<b>ns</b>
<b>Other revenues</b>	<b>81</b>	<b>100</b>	<b>(19)</b>	<b>(19%)</b>
<b>TOTAL REVENUES</b>	<b>29,595</b>	<b>19,023</b>	<b>10,572</b>	<b>56%</b>
Acquisition costs & Sales network commission expenses	(5,361)	(4,343)	(1,018)	23%
Other commission expenses	(779)	(685)	(94)	14%
General and administrative expenses	(6,575)	(6,469)	(106)	2%
Amortisation and depreciation	(359)	(387)	28	(7%)
Net provisions for risks	(76)	(66)	(10)	15%
<b>TOTAL COSTS</b>	<b>(13,150)</b>	<b>(11,950)</b>	<b>(1,200)</b>	<b>10%</b>
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>16,445</b>	<b>7,073</b>	<b>9,372</b>	<b>ns</b>

The 'Spain' segment recorded **net life insurance revenues** before acquisition costs of €4.8 million versus €4.5 million in the same period of the prior year.

**Total commission income** increased by €1.8 million from €6.9 million for the first three months of 2012 to €8.7 million at the end of the quarter under review (up 25%).

**Net income on other investments** amounted to €9.8 million (vs. a loss of €0.3 in the first quarter of the prior year) benefitting from greater income on available-for-sale financial assets.

**Other expenses** aggregated to €13.2 million versus €12.0 million at March 31, 2012.

## Germany

€/000	March 31, 2013	March 31, 2012	Change	Change %
Net premiums written	6,341	7,608	(1,267)	(17%)
Amounts paid and change in technical reserves	(5,570)	(6,400)	830	(13%)
<b>Net life insurance revenues (ex-commissions)</b>	771	1,208	(437)	(36%)
<b>Total commission income</b>	5,374	4,306	1,068	25%
Net interest income	159	276	(117)	(42%)
Net income (loss) on investments at fair value	20	299	(279)	(93%)
<b>Net financial income</b>	179	575	(396)	(69%)
<b>Other revenues</b>	102	184	(82)	(45%)
<b>TOTAL REVENUES</b>	6,426	6,273	153	2%
Acquisition costs & Sales network commission expenses	(947)	(879)	(68)	8%
Other commission expenses	(2,646)	(2,140)	(506)	24%
General and Administrative expenses	(3,484)	(3,253)	(231)	7%
Amortisation and depreciation	(140)	(189)	49	(26%)
<b>TOTAL COSTS</b>	(7,218)	(6,461)	(757)	12%
<b>PROFIT (LOSS) BEFORE TAX</b>	(792)	(188)	(604)	321%

Total commission income were up €1.1 million (25%) from €4.3 million at March 31, 2012 to €5.4 million at the end of the period under review.

Acquisition costs & Sales network commission expenses amounted to €0.9 million in line with the balance for the same period of the prior year.



## ● Key corporate events and performance of companies within the Group

After receiving the green light from the Italian insurance regulator IVASS last March 19, on March 26, 2013, Mediolanum S.p.A. proceeded with the acquisition of the entire shareholding in Mediolanum Assicurazioni S.p.A. with effect from March 31, 2013.

As agreed by the parties, the €35.9 million consideration was subjected to adjustment based on the value of the acquiree's equity at March 31, 2013 and the value of its in-force business at that same date as determined by an independent actuary.

In connection therewith, on May 6, 2013, the Board of Directors of Mediolanum Assicurazioni S.p.A. approved the company's accounts at March 31, 2013 which showed an adjusted equity value of €33,401,463.00. On that same date the appraisal made by the independent actuary came in, showing a value of the acquiree's in-force business (after tax) at March 31, 2013 of €11,241,000.00. Subject to due diligence review by external experts, the final consideration resulting from the addition of the two values was €44,642,463.00.

As you may recall, being the sellers the majority shareholders of both Mediolanum S.p.A. (the 'acquirer') and Mediolanum Assicurazioni S.p.A. (the 'acquiree'), pursuant to article 4 of the Procedures under Consob Resolution No. 17221, the transaction qualified as a related-party transaction of lesser significance.

On first-time consolidation of the acquiree at March 31, 2013, the Group applied IFRS 3 'Business Combinations'. Under IFRS 3 on first-time consolidation of an acquiree into the accounts of the acquirer, all assets and liabilities of the acquiree are to be measured at fair value, which is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, at the date of acquisition. The acquirer is to measure and recognise all identifiable assets, including any intangible assets with indefinite life, as well as any liabilities not previously recognised in the acquiree's financial statements under national accounting standards.

As to technical reserves (insurance liabilities) under IFRS 4 (insurance contracts) the acquirer is allowed to measure their fair value under national accounting standards with separate recognition of an intangible asset (Value of In-Force Business) that represents the present value of future profitability of in-force contracts.

The financial position of the Company at March 31, 2013 determined by applying the standards above showed a value of equity under IAS/IFRS, including the value of in-force business at that same date, of €44,715,703.00, against which an IAS/IFRS first-time adoption reserve of €73,240.00 was recognised under 'retained earnings and other equity reserves'.

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 quarter of 2013 this company reported net profit of €8.8 million versus €48.6 million at March 31, 2012.

Premiums written in the first three months of 2013 amounted to €1,289.1 million versus €2,112.2 million for the same quarter of the prior year. The 39% decline reflects the decrease in premiums written under the *Mediolanum Plus* policy (down €803.9 million).

New business amounted to €1,052.2 million versus €1,852.6 million at March 31, 2012. The 43% decline reflects the decrease in premiums written under the *Mediolanum Plus* policy (down €803.9 million). In-force business premiums declined down too, down €22.7 million.

At March 31, 2013, mathematical reserves and financial liabilities to policyholders aggregated to €13,893.8 million (December 31, 2012: €14,613.4 million), of which €13,818.5 million relating to individual policies (December 31, 2012: €14,541.2 million) and €75.3 million to group policies (December 31, 2012: €72.2 million).

**Mediolanum International Life Ltd** – For the first quarter 2013 the Irish company Mediolanum International Life Ltd reported net profit of €4.9 million, down €2.0 million from €6.9 million at March 31, 2012.

For the period under review the company reported premiums written of €47.9 million versus €70.3 million at March 31, 2012.

Premiums written in foreign markets (Spain and Germany) amounted to €37.7 million versus €29.8 million at March 31, 2012.

At March 31, 2013, mathematical reserves and financial liabilities to policyholders aggregated to €3,206 million, down from €3,300 million at year end 2012.

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

## ○ Asset Management Companies

**Mediolanum International Funds Ltd** – For the first quarter 2013 this company reported net profit of €86.9 million up €3.6 million from €83.3 million at March 31, 2012.

For the first three months of 2013, the company recorded net inflows of €583.3 million versus €278.8 million in the same period of the prior year.

At March 31, 2013, total assets under management amounted to €22,565 million versus €20,952 million at December 31, 2012 (up 7.7%).

**Mediolanum Gestione Fondi SGR p.A.** – For the first quarter 2013 this company reported net profit of €6.4 million versus €5.7 million for the same period of the prior year.

At March 31, 2013, the company recorded net inflows of €334.9 million up €307 million from €27.2 million in the same period of the prior year.

At the end of the quarter under review, assets managed directly by this company amounted to €3,670.6 million versus €2,753.6 million in the same period of the prior year (up 33.3%), and €3,377.4 million at December 31, 2012 (up 8.7%).

**Gamax Management A.G.** – For the first quarter 2013 this Luxembourg-based asset management company reported net profit of €1.1 million versus €0.9 million in the same period of the prior year.

For the period under review, in the retail segment, the company recorded net outflows of €11.3 million versus net outflows of €4 million at March 31, 2012.

Assets under management amounted to €233.9 million versus €228.4 million at December 31, 2012.

At March 31, 2013, total assets under management (retail and institutional segments) amounted to €459 million versus €409 million at December 31, 2012.

## ○ Banking operations (including Group product distribution)

**Banca Mediolanum S.p.A.** – At March 31, 2013, the Bank reported net profit of €50.2 million versus €81.5 million for the first quarter of the prior year (down 38%).

Profit before tax was €66.4 million down €38.8 million from €105.2 in the same period of the prior year. Specifically, for the first quarter 2013 the Bank recorded reduced dividends from subsidiaries (down €19.1 million) owing to greater interim dividends paid out in the prior year. Net financial income was down €10.0 million, largely driven by the decline in net interest income from €78.1 million in the prior year to €59.0 million at the end of the quarter under review, as a result of reduced market spreads.

The strong net inflows in the asset management segment entailed greater incentives to the sales network which brought net commission income down by €4.4 million.

Operating expenses were up by about €5.3 million, of which €1.7 million relating to increased staff costs principally due to headcount expansion.

At March 31, 2013, direct funding from customers amounted to €10,101.2 million versus €8,897.6 million at year end 2012.

Lending to customers grew to €5,394.0 million from €4,917.8 million at December 31, 2012, largely driven by hot money transactions (up €279 million), deposits with *Cassa di Compensazione e Garanzia* (up €142.7 million), residential mortgage loans (up €95 million). Securities lending was down to €464.4 million (€495.2 million at December 31, 2012).

Securities accounts of retail customers amounted to €3,504.8 million versus €3,625 million at year end 2012 (Q1 2012: €3,435.6 million).

**Banco Mediolanum S.A.** – For the quarter under review the Spanish group reported consolidated net profit of €10.8 million versus €6 million at March 31, 2012.

Asset management recorded net inflows of €52.2 million versus €19 million in the same period of the prior year. Administered assets recorded net inflows of €44.2 million versus €12.7 million in the same period of the prior year. At March 31, 2013, assets under management and administration aggregated to €1,925.6 million versus €1,799.6 million at December 31, 2012.

At the end of March 2013, the sales network consisted of 608 people (590 at year end 2012), of whom 569 tied advisors (551 at year end 2012).

**Bankhaus August Lenz & Co.** – For the first quarter 2013 the German bank reported a net loss of €2.1 million, worsening by €0.4 million compared to the €1.7 million net loss reported for the same period of the prior year.

Asset management recorded net inflows of €6.7 million versus €8.5 million in the same quarter of the prior year. Administered assets recorded net outflows of €15.2 million versus net outflows of 1.8 million in the same period of the prior year.

At the end of the quarter under review, assets under management and administration amounted to €211.8 million versus €214.5 million at December 31, 2012.

At March 31, 2013, the sales force consisted of 46 people (46 at year end 2012).

## ○ Joint ventures

For the first quarter 2013 the **Banca Esperia** Group reported consolidated net profit of €3.6 million versus €2.7 million at March 31, 2012.

In the quarter under review the Group recorded net outflows of €204 million versus net outflows of €443 million in the same quarter of the prior year.

At the end of the quarter under review, total assets under management and administration amounted to €14,277 million versus €13,800 million at December 31, 2012.

The impact of this entity accounted for by the equity method on the Mediolanum Group's consolidated income statement at March 31, 2013 was a positive balance of €1.8 million.

## ○ Associates

Since **Mediobanca S.p.A's** Board of Directors met today for the approval of the accounts at March 31, 2013, related results will be included in the Mediolanum Group's consolidated accounts at June 30, 2013, according to the share of equity in this entity at March 31, 2013.

## ● Tax claims

For information on the tax claims readers are referred to the Annual Report and Accounts at December 31, 2012 since there has been no further development to date.

## ● Post Balance Sheet Date Events

After March 31, 2013, there was no event which could have a significant impact on the financial position, results of operations and cash flows of the Mediolanum Group.

## ● Outlook


The improvement of the overall economic scenario continues to hinge on a final solution to the Eurozone financial crisis. Governments' agreement on common fiscal and economic policies together with ECB's conventional and unconventional monetary policy measures may bring about favourable conditions for financial markets. Notably, with respect to Italian government bonds, the definition and implementation of structural reforms in our country can bring about a substantial and stable reduction in yields required by investors and markets.

In such an environment, the Mediolanum Group continues to be focused on delivering on its all-around offering of ever more sophisticated products and services to protect the savings and grow the assets of its customers. Income from treasury operations will continue to be linked to the performance of markets.

Considering the risks that are inherent in the business of the Group, barring any exceptional events or circumstances that depend on variables essentially outside the control of Directors and Senior Management – and not in the offing at present – the Group's outlook for 2013 is positive.

Basiglio, May 9, 2013

For the Board of Directors  
The Chairman  
Carlo Secchi



**Consolidated  
Accounts  
at March 31,  
2013**

# Statement of financial position

## Assets

€/’000	March 31, 2013	Dec. 31, 2012
<b>1. Intangible assets</b>		
1.1 Goodwill	129,886	129,886
1.2 Other intangible assets	38,729	23,096
<b>Total intangible assets</b>	<b>168,615</b>	<b>152,982</b>
<b>2. Tangible assets</b>		
2.1 Property	80,177	80,520
2.2 Other tangible assets	8,772	9,062
<b>Total tangible assets</b>	<b>88,949</b>	<b>89,582</b>
<b>3. Reinsurers’ share of technical reserves</b>	<b>78,475</b>	<b>76,198</b>
<b>4. Investments</b>		
4.1 Investment property	106,421	106,798
4.2 Investments in subsidiaries, associates and joint ventures	381,043	382,700
4.3 Held to maturity investments	2,103,903	1,359,408
4.4 Loans and receivables	6,984,363	6,404,352
4.5 Available for sale financial assets	14,606,042	12,319,069
4.6 Financial assets at fair value through profit or loss	14,147,187	14,191,110
<b>Total investments</b>	<b>38,328,959</b>	<b>34,763,437</b>
<b>5. Receivables</b>		
5.1 Arising out of direct insurance business	10,094	5,641
5.2 Arising out of reinsurance business	6,139	4,183
5.3 Other receivables	626	1,549
<b>Total receivables</b>	<b>16,859</b>	<b>11,373</b>
<b>6. Other assets</b>		
6.1 Non current assets or assets of disposal groups held for sale	1,099	1,094
6.2 Deferred acquisition costs	-	-
6.3 Deferred tax assets	129,816	126,259
6.4 Current tax assets	324,988	338,686
6.5 Other assets	379,972	297,954
<b>Total other assets</b>	<b>835,875</b>	<b>763,993</b>
<b>7. Cash and cash equivalents</b>	<b>393,860</b>	<b>191,264</b>
<b>TOTAL ASSETS</b>	<b>39,911,592</b>	<b>36,048,829</b>



## Liabilities

€/000	March 31, 2013	Dec. 31, 2012
<b>1. Capital and reserves</b>		
1.1 Group shareholders' equity	-	-
1.1.1 Share capital	73,443	73,434
1.1.2 Other equity instruments		
1.1.3 Capital reserves	56,800	56,497
1.1.4 Retained earnings and other equity reserves	1,172,950	821,182
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	31,648	88,984
1.1.8 Other gains or losses recognised directly in equity	27,898	31,372
1.1.9 Profit (loss) for the period attributable to the group	136,650	351,023
<b>Total capital and reserves attributable to the group</b>	<b>1,497,344</b>	<b>1,420,447</b>
1.2 Attributable to minority interest		
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) attributable to minority interests	-	-
<b>Total capital and reserves attributable to minority interest</b>	<b>-</b>	<b>-</b>
<b>Total capital and reserves</b>	<b>1,497,344</b>	<b>1,420,447</b>
<b>2. Provisions</b>	<b>191,685</b>	<b>191,022</b>
<b>3. Technical reserves</b>	<b>17,076,981</b>	<b>17,823,829</b>
<b>4. Financial liabilities</b>		
4.1 Financial liabilities at fair value through profit or loss	458,248	443,045
4.2 Other financial liabilities	19,853,256	15,491,157
<b>Total financial liabilities</b>	<b>20,311,504</b>	<b>15,934,202</b>
<b>5. Payables</b>		
5.1 Arising out of direct insurance business	7,736	5,580
5.2 Arising out of reinsurance business	547	68
5.3 Other payables	290,409	275,679
<b>Total payables</b>	<b>298,692</b>	<b>281,327</b>
<b>6. Other liabilities</b>		
6.1 Liabilities of disposal groups held for sale	948	960
6.2 Deferred tax liabilities	73,916	97,210
6.3 Current tax liabilities	168,702	122,578
6.4 Other liabilities	291,820	177,254
<b>Total other liabilities</b>	<b>535,386</b>	<b>398,002</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>39,911,592</b>	<b>36,048,829</b>

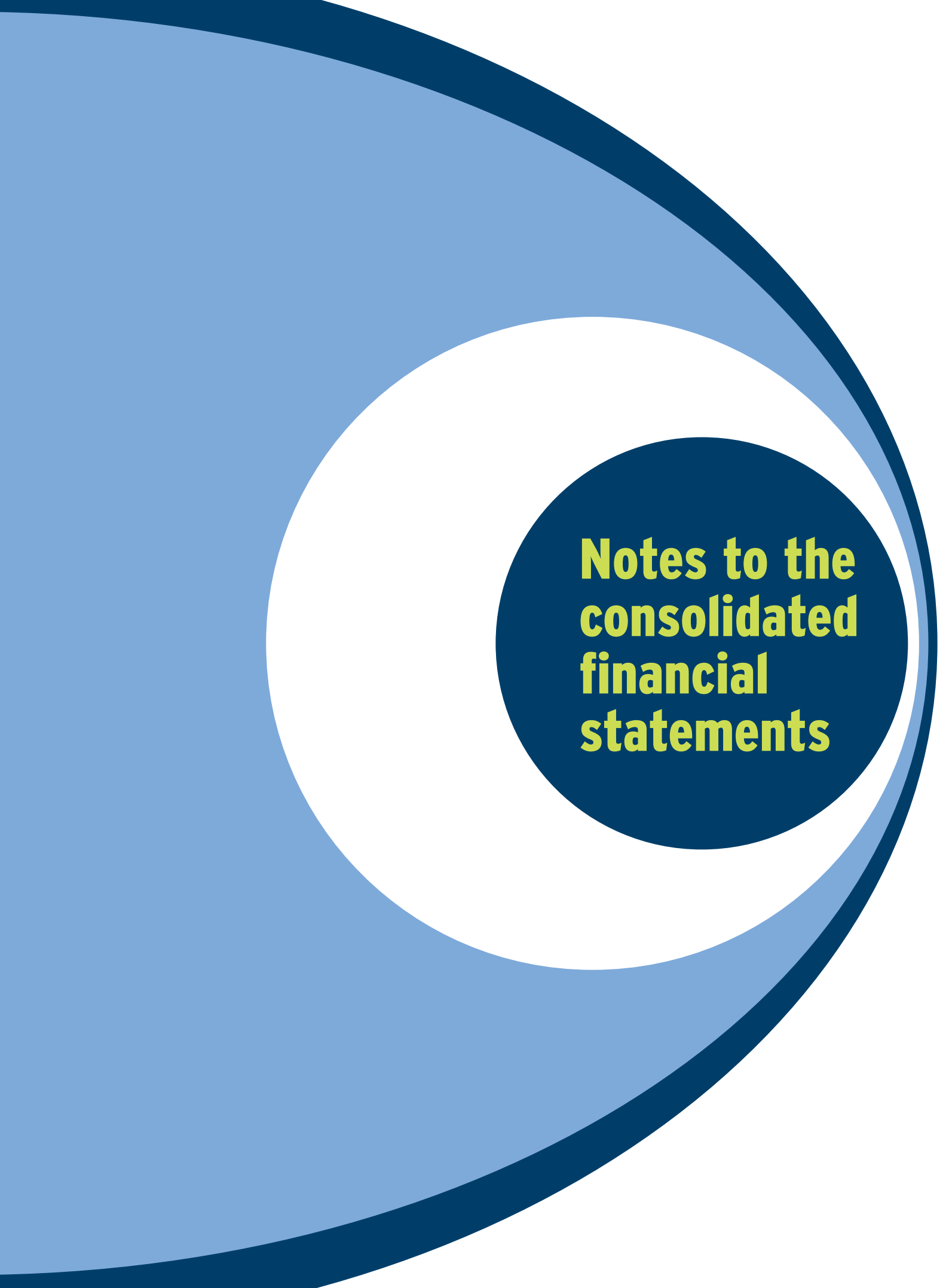
# Income Statement

€/’000	March 31, 2013	Dec, 31, 2012
<b>1. Revenues</b>		
<b>1.1 Net premiums written</b>		
1.1.1 Gross premium written	1,336,345	2,182,139
1.1.2 Reinsurance premiums	(747)	(769)
<b>Net premiums written</b>	<b>1,335,598</b>	<b>2,181,370</b>
<b>1.2 Commission income</b>	<b>260,774</b>	<b>231,536</b>
<b>1.3 Net income on financial instruments at fair value through profit or loss</b>	<b>667,581</b>	<b>930,643</b>
<b>1.4 Income on investments in subsidiaries, associates and joint ventures</b>	<b>1,818</b>	<b>1,442</b>
<b>1.5 Income on other financial instruments and investment property</b>		
1.5.1 Interest income	145,478	163,735
1.5.2 Other income	2,526	2,764
1.5.3 Realised gains	51,431	3,827
1.5.4 Unrealised gains	1,937	1,757
<b>Total income on other financial instruments and investment property</b>	<b>201,372</b>	<b>172,083</b>
<b>1.6 Other revenues</b>	<b>4,603</b>	<b>6,387</b>
<b>Total revenues</b>	<b>2,471,746</b>	<b>3,523,461</b>
<b>2. Costs</b>		
<b>2.1 Net claims and benefits</b>		
2.1.1 Amounts paid and change in technical reserves	(2,008,632)	(3,034,310)
2.1.2 Reinsurers’ share/recoveries from reinsurers	1,482	693
<b>Net claims and benefits</b>	<b>(2,007,150)</b>	<b>(3,033,617)</b>
<b>2.2 Commission expense</b>	<b>(94,028)</b>	<b>(69,788)</b>
<b>2.3 Loss on investments in subsidiaries, associates and joint ventures</b>		
<b>2.4 Loss on other financial instruments and investment property</b>		
2.4.1 Interest expense	(59,499)	(50,840)
2.4.2 Other expenses	(119)	(95)
2.4.3 Realised losses	(11,251)	(4,449)
2.4.4 Unrealised losses	(3,698)	(4,156)
<b>Loss on other financial instruments and investment property</b>	<b>(74,567)</b>	<b>(59,540)</b>
<b>2.5 Operating expenses</b>		
2.5.1 Agents’ commissions and other acquisition costs	(18,706)	(20,852)
2.5.2 Investment management expenses	(246)	(80)
2.5.3 Other administrative expenses	(88,713)	(81,918)
<b>Total operating expenses</b>	<b>(107,665)</b>	<b>(102,850)</b>
<b>2.6 Other costs</b>	<b>(11,265)</b>	<b>(13,311)</b>
<b>Total costs</b>	<b>(2,294,675)</b>	<b>(3,279,106)</b>
<b>Profit (loss) before tax for the period</b>	<b>177,071</b>	<b>244,355</b>
<b>3. Income tax</b>	<b>(40,418)</b>	<b>(65,749)</b>
<b>Net profit (loss) for the period</b>	<b>136,653</b>	<b>178,606</b>
<b>4. Profit (loss) from discontinued operations</b>	<b>(3)</b>	<b>(2)</b>
<b>Group net profit (loss) for the period</b>	<b>136,650</b>	<b>178,604</b>
of which attributable to the Group	136,650	178,604
<b>Earnings per share (in euro)</b>	<b>0,186</b>	<b>0,243</b>

## Statement of other comprehensive income

€/000	March 31, 2013	Dec. 31, 2012
<b>CONSOLIDATED NET PROFIT (LOSS) FOR THE PERIOD</b>	136,650	178,604
Changes in net exchange differences reserve	-	-
Profit (loss) on available for sale financial assets	(57,336)	316,219
Profit (loss) on cash flow hedges	-	-
Profit (loss) on hedges of investments in foreign operations	-	-
Changes in the equity of investees	(3,474)	2,074
Changes in intangible assets revaluation reserve	-	-
Changes in tangible assets revaluation reserve	-	-
Gains (losses) on non-current assets or disposal groups held for sale	-	-
Actuarial gains (losses) and adjustments on defined benefit plans	-	-
<b>TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME</b>	<b>(60,810)</b>	<b>318,293</b>
<b>TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>75,840</b>	<b>496,897</b>
of which attributable to the Group	75,840	496,897
of which attributable to minority interest	-	-





**Notes to the  
consolidated  
financial  
statements**

# Notes to the consolidated financial statements

## ACCOUNTING POLICIES

### ● General

These interim report and accounts at March 31, 2013 were prepared in compliance with section 154-ter of Legislative Decree 58/98 (Consolidated Finance Act) entitled "*Relazioni finanziarie*" (Financial Reporting), as amended by Legislative Decree 195/2007 (Transparency), and Consob Regulations for Issuers.

### ● Accounting standards

The international accounting and financial reporting standards (IAS/IFRS) applied in the preparation of the consolidated financial statements for the quarter ended March 31, 2013 with respect to the consolidation, measurement and recognition of balance sheet and income statement items are consistent with those applied in the preparation of the consolidated financial statements for the year ended December 31, 2012.

For a detailed presentation of the accounting policies applied in the preparation of these consolidated interim report and accounts, readers are referred to part B 'Notes to the consolidated annual financial statements' in the annual report and accounts 2012.

The consolidated balance sheet and the income statement were prepared also in accordance with ISVAP Regulation No. 7 of July 13, 2007, as subsequently amended by ISVAP Regulation 2784 of March 8, 2010.

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.

The report and the accounts include prior periods' comparative information (at March 31, 2012 and December 31, 2012). Certain reclassifications were made with respect to 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 interim report and accounts 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 consolidated interim financial statements include the accounts of Mediolanum S.p.A. and those of its directly or indirectly controlled subsidiaries.

## Group companies that are directly owned by Mediolanum S.p.A. and consolidated on a line-by-line basis

€/000 Company	Share capital	% holding	Registered office	Business
Mediolanum Vita S.p.A.	87,720	100.00%	Basiglio	Life Insurance
Mediolanum Comunicazione S.p.A.	775	100.00%	Basiglio	Audio/film/TV production
PI Servizi S.p.A.	517	100.00%	Basiglio	Real estate brokerage
Mediolanum International Life Ltd	1,395	100.00%	Dublin	Life Insurance
Banca Mediolanum S.p.A.	600,000	100.00%	Basiglio	Banking
Mediolanum Gestione Fondi SGR p.A.	5,165	49.00%	Basiglio	Fund management
Mediolanum International Funds Ltd	150	44.00%	Dublin	Fund management
Mediolanum Asset Management Ltd	150	49.00%	Dublin	Asset management and advice
Gamax Management (AG)	7,161	0.004%	Luxembourg	Fund management
Mediolanum Assicurazioni S.p.A.	25,800	100.00%	Basiglio	Non-life Insurance

## Group companies that are indirectly owned by Mediolanum S.p.A. through Banca Mediolanum S.p.A. and consolidated on a line-by-line basis

€/000 Company	Share capital	% holding	Registered office	Business
Mediolanum Gestione Fondi SGR p.A.	5,165	51.00%	Basiglio	Fund management
Mediolanum Fiduciaria S.p.A.	240	100.00%	Basiglio	Trust company
Mediolanum International Funds Ltd	150	51.00%	Dublin	Fund management
Mediolanum Asset Management Ltd	150	51.00%	Dublin	Asset management and advice
Gamax Management AG	7,161	99.996%	Luxembourg	Fund management
Banco Mediolanum S.A.	86,032	100.00%	Barcelona	Banking
Bankhaus August Lenz & Co. AG	20,000	100.00%	Munich	Banking
Fermi & Galeno Real Estate S.r.l.	10	100.00%	Basiglio	Management of real estate funds

## Group companies that are indirectly owned by Banca Mediolanum S.p.A. through Banco Mediolanum S.A. e Inversiones S.A. and consolidated on a line-by-line basis

€/000 Company	Share capital	% holding	Registered office	Business
Ges Fibanc SGIIC S.A.	2,506	100.00%	Barcelona	Fund management
Fibanc S.A.	301	100.00%	Barcelona	Financial Advice
Fibanc Pensiones S.G.F.P. S.A.	902	100.00%	Barcelona	Pension Fund management
Mediolanum International Funds Ltd	150	5.00%	Dublin	Fund management

## Mediolanum S.p.A. associates accounted for using the equity method:

€/000 Company	Share capital	% holding	Registered office	Business
Mediobanca S.p.A.	430,565	3.44%	Milan	Banking

### Mediolanum S.p.A. jointly owned entities accounted for using the equity method

€/000 Company	Share capital	% holding	Registered office	Business
Banca Esperia S.p.A.	63,000	50.00%	Milan	Banking

## KEY BALANCE SHEET INFORMATION

### ● Investment, Cash and Cash Equivalents

€/000	March 31, 2013	%	Dec. 31, 2012	%
Investment property	106,421	0.3	106,798	0.3
Investments in subsidiaries, associates and JVs	381,043	1.0	382,700	1.1
Held to Maturity investments	2,103,903	5.4	1,359,408	3.9
Loans and Receivables	6,984,363	18.0	6,404,352	18.3
Available for sale financial assets	14,606,042	37.6	12,319,069	35.2
Financial assets at fair value through profit or loss	14,147,187	36.5	14,191,110	40.5
<b>Total investments</b>	<b>38,328,959</b>	<b>98.8</b>	<b>34,763,437</b>	<b>99.2</b>
Tangible assets: property and other tangible assets	88,949	0.2	89,582	0.3
Cash and cash equivalents	393,860	1.0	191,264	0.5
<b>Total investments, cash and cash equivalents</b>	<b>38,811,768</b>	<b>100.0</b>	<b>35,044,283</b>	<b>100.0</b>

### ● Investments in subsidiaries, associates and joint ventures

€/000	March 31, 2013	Dec. 31, 2012
Mediobanca S.p.A.	292,406	292,406
Banca Esperia S.p.A.	88,637	90,294
<b>Total</b>	<b>381,043</b>	<b>382,700</b>

The movement in this account in the quarter under review relates to the investment in Banca Esperia accounted for by the equity method in accordance with the share of equity included in the consolidated accounts at March 31, 2013.

The impact on the income statement of the investment in Banca Esperia S.p.A. was a positive balance of €1.8 million (€1.4 million at March 31, 2012).

The impact of other gains or losses recognised directly in equity was negative for €3.5 million and related to Banca Esperia only.



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

€/000	March 31, 2013	Dec, 31, 2012
<b>Banks</b>	1,281,766	1,191,226
Time deposits	290,044	213,715
Other loans	297,400	254,368
Debt securities	637,466	651,385
Reserve requirements	56,856	71,758
<b>Banking customers</b>	5,691,525	5,204,849
Bank accounts	427,813	418,564
Repurchase agreements	27,431	53,716
Mortgage loans	3,313,209	3,221,580
Debt securities	584,251	630,446
Other	1,338,821	880,543
Others	11,072	8,277
<b>Total</b>	6,984,363	6,404,352

At March 31, 2013, Loans and Receivables amounted to €6,984.4 million, up €580 million from the year end 2012 balance of €6,404.4 million.

Growth was largely in loans to and receivables from banking customers (up €486.7 million), principally hot money transactions, deposits with *Cassa Compensazione e Garanzia* and mortgage loans.

The analysis 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	March 31, 2013	Dec, 31, 2012
<b>Held to Maturity investments</b>	2,103,903	1,359,408
Debt securities	2,103,903	1,359,408
<b>Available for sale financial assets</b>	14,606,042	12,319,069
Debt securities	14,392,608	12,111,226
Equities	34,417	34,821
Holdings in UCITS	179,017	173,022
<b>Financial assets at fair value through profit or loss</b>	14,147,187	14,191,110
Debt securities	4,007,028	4,617,304
Equities	-	-
Holdings in UCITS	10,125,341	9,565,831
Trading derivatives	12,715	6,609
Hedging derivatives	2,103	1,366
<b>Total</b>	30,857,132	27,869,587

Available-for-sale financial assets increased by €2,286.9 million mainly due to the purchase of government bonds.

 **Net technical reservers**

€/’000	March 31, 2013	Dec, 31, 2012	change
<b>General Business reserves</b>			
Unearned premiums	43,873	-	43,873
Outstanding claims	20,349	-	20,349
Other reserves	1,431	-	1,431
<b>Total General Business reserves</b>	<b>65,653</b>	<b>-</b>	<b>65,653</b>
<b>Life Business reserves</b>			
Mathematical reserves	3,589,514	4,648,989	(1,059,475)
Reserve for outstanding claims	144,406	183,262	(38,856)
Technical reserves for contracts under which the investment risk is borne by the policyholder and in connection with pension fund management	13,263,698	12,978,601	285,097
Other reserves	13,710	12,977	(3,110)
<b>Total Life Business reserves</b>	<b>17,011,328</b>	<b>17,823,829</b>	<b>(816,344)</b>
<b>Total Technical Reserves</b>	<b>17,076,981</b>	<b>17,823,829</b>	<b>(750,691)</b>

## ● Financial Liabilities

### Financial liabilities at fair value through profit or loss

€/000	March 31, 2013	Dec. 31, 2012
<b>Total financial liabilities at fair value through profit or loss</b>	458,248	443,045
Short positions on debt securities	255,388	235,672
Trading derivatives	29,485	25,443
Hedging derivatives	84,737	92,888
Liabilities under financial contracts issued by insurers: - contracts under which the investment risk is borne by the policyholder	88,638	89,042

Financial liabilities at fair value through profit or loss amounted to €458.2 million, up €15.2 million from the year end 2012 balance of €443 million. The increase almost entirely related to short positions on Banca Mediolanum debt securities (up €20 million).

The analysis of **Other Financial Liabilities** is set out below.

€/000	March 31, 2013	Dec. 31, 2012
<b>Banks</b>	3,970,110	3,813,632
Central Banks	3,111,334	3,105,719
Current accounts and demand deposits	158,025	1,688
Time deposits	371,581	403,252
Loans	304,557	302,149
Repurchase agreements	23,837	6
Other liabilities	776	818
<b>Banking customers</b>	15,214,725	10,983,468
Bank accounts	9,190,820	8,081,543
Repurchase agreements	5,986,082	2,861,406
Loans	-	-
Other liabilities	37,823	40,519
<b>Securities issued</b>	435,427	432,404
<b>Collaterals</b>	157,743	185,778
Deposits from reinsurers	75,251	75,875
<b>Total</b>	19,853,256	15,491,157

At March 31, 2013, **Other Financial Liabilities** amounted to €19,853.3 million versus €15,491.2 million at December 31, 2012. The increase was largely due to repurchase agreements with *Cassa di Compensazione e Garanzia* classified under 'banking customers' (up €2,889.9 million).

## ● Shareholders' equity

€/000	March 31, 2013	Dec. 31, 2012
Share capital	73,443	73,434
Equity reserves	56,800	56,497
Retained earnings and other reserves	1,172,950	821,182
(Treasury shares)	(2,045)	(2,045)
Gains (losses) on available for sale financial assets	31,648	88,984
Other gains (losses) recognised directly in equity	27,898	31,372
Net profit (loss) for the period attributable to the Group	136,650	351,023
<b>Total capital and reserves attributable to the Group</b>	<b>1,497,344</b>	<b>1,420,447</b>

At March 31, 2013, total capital and reserves attributable to the Group amounted to €1,497.3 million versus €1,420.4 million at year end 2012.

Gains on available-for-sale financial assets declined by €57.3 million from €88.9 million at year end 2012 to €31.6 million at March 31, 2013.

## ● Shadow Accounting

*Shadow accounting* is used to limit the effects of stock volatility on equity and earnings.

At March 31, 2013, the Group recorded income amounting to €0.9 million (€0.6 million after tax) and latent gains with a negative impact on equity of €8.1 million (€5.3 million after tax) in relation to the retrocession to policyholders of their share of valuation gains at March 31, 2013.

**KEY INCOME STATEMENT INFORMATION**

€/000	Gross	Reinsurance	March 31, 2013	Dec. 31, 2012
Gross premiums written less reinsurance premiums				
- Premiums written	1,336,345	(747)	1,335,598	2,181,370
<b>Total premiums written</b>	<b>1,336,345</b>	<b>(747)</b>	<b>1,335,598</b>	<b>2,181,370</b>
Gross amounts paid less recoveries from reinsurers				
- Amounts paid	(2,824,921)	2,334	(2,822,587)	(2,293,244)
- Change in reserve for outstanding claims	38,857	(228)	38,629	38,288
- Change in mathematical reserves	1,059,557	(624)	1,058,933	(62,221)
- Change in other technical reserves	1,455	-	1,455	(8,339)
- Change in technical reserves for contracts under which the investment risk is borne by the policyholder and reserves relating to pension fund management	(283,580)	-	(283,580)	(708,101)
<b>Total amounts paid and change in reserves</b>	<b>(2,008,632)</b>	<b>1,482</b>	<b>(2,007,150)</b>	<b>(3,033,617)</b>
<b>Life Insurance net income (expense)</b>	<b>(672,287)</b>	<b>735</b>	<b>(671,552)</b>	<b>(852,247)</b>

## ● Commission income

€/000	March 31, 2013	March 31, 2012
Management, brokerage and consulting services	245,096	216,510
Collection and payment services	4,640	4,305
Loadings on investment contracts	190	90
Other services	10,848	10,631
<b>Total</b>	<b>260,774</b>	<b>231,536</b>

The increase in commission income from €231.5 million in the first quarter 2012 to €260.8 million for the quarter under review was largely owed to growth in management fees (up €19.1 million) and entry fees on sales of mutual funds (up €8.3 million).

## ● Commission expenses

€/000	March 31, 2013	March 31, 2012
Management, brokerage and consulting services	81,360	56,844
Collection and payment services	4,956	4,633
Acquisitions of investment contracts	143	52
Other services	7,569	8,259
<b>Total</b>	<b>94,028</b>	<b>69,788</b>

The increase in commission expenses from €69.8 million in the first quarter 2012 to €94.0 million at March 31, 2013 was owed to increased sales of mutual funds, greater management fees on growth of the asset base and greater incentives to the sales network.

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

€/000	March 31, 2013	March 31, 2012
<b>Financial assets</b>		
Interest income and other investment income:		
- from financial assets held for trading	49,119	18,287
- from financial assets at fair value through profit or loss	(21,689)	18,792
Net income (loss) on financial assets held for trading	2,628	107,819
Net income (loss) on financial assets at fair value through profit or loss	636,744	785,374
<b>Financial liabilities</b>		
Interest expense and similar charges:		
- on financial liabilities held for trading	(2,339)	(2,876)
- on financial liabilities at fair value through profit or loss	(24)	(41)
Net income (loss) on financial liabilities held for trading	1,683	156
Net income (loss) on financial liabilities at fair value through profit or loss	1,459	3,132
<b>Total</b>	<b>667,581</b>	<b>930,643</b>

At March 31, 2013, these financial instruments generated net income of €667.6 million (Q1 2012: net income of €930.6 million).

Financial assets/liabilities held for trading generated net income of €4.3 million (Q1 2012: net income of €108 million), mostly on debt securities.

Financial assets/liabilities at fair value through profit or loss generated net income for the period of €638.2 million (Q1 2012: net income of €788.5 million), largely due to changes in the value of assets underlying index-linked and unit-linked policies under which the investment risk is borne by the policyholder.

#### Net income on other financial instruments and investment property

€/000	March 31, 2013	March 31, 2012
Interest income and other income	148,004	166,499
Realised gains	51,431	3,827
Unrealised gains	1,937	1,757
<b>Total income</b>	<b>201,372</b>	<b>172,083</b>
Interest expense and other charges	(59,618)	(50,935)
Realised losses	(11,251)	(4,449)
Unrealised losses	(3,698)	(4,156)
<b>Total expense</b>	<b>(74,567)</b>	<b>(59,540)</b>
<b>Total net income on investments</b>	<b>126,805</b>	<b>112,543</b>

#### Net income on

€/000	March 31, 2013	March 31, 2012
Investment property	1,569	1,565
Available-for-sale financial assets	134,797	106,495
Held-to-maturity investments	16,273	11,360
Loans and receivables	33,654	43,963
Financial liabilities	(59,488)	(50,840)
<b>Total net income on investments</b>	<b>126,805</b>	<b>112,543</b>

#### Net income from investment property

€/000	March 31, 2013	March 31, 2012
Other income	2,066	2,030
Other expenses	(119)	(95)
Unrealised losses	(378)	(370)
<b>Total</b>	<b>1,569</b>	<b>1,565</b>

### Net income from available-for-sale financial assets

€/000	March 31, 2013	March 31, 2012
Interest income and other income	94,770	107,232
Realised gains	51,413	3,712
Realised losses	(11,243)	(4,449)
Unrealised losses	(143)	-
<b>Total</b>	<b>134,797</b>	<b>106,495</b>

### Net income from loans and receivables

€/000	March 31, 2013	March 31, 2012
Interest income and other income	34,895	45,877
Realised gains	9	115
Unrealised gains	1,934	1,757
Realised losses	(7)	-
Unrealised losses	(3,177)	(3,786)
<b>Total</b>	<b>33,654</b>	<b>43,963</b>

### Net expense from financial liabilities

€/000	March 31, 2013	March 31, 2012
Interest expense and other charges	(59,499)	(50,840)
Realised gains	9	-
Unrealised gains	3	-
Realised losses	(1)	-
<b>Total</b>	<b>(59,488)</b>	<b>(50,840)</b>

### Operating expenses

€/000	March 31, 2013	March 31, 2012
Commissions and other expenses relating to the acquisition of insurance contracts	18,706	20,852
Investment management expenses	246	80
Other administrative expenses	88,713	81,918
<b>Total</b>	<b>107,665</b>	<b>102,850</b>



## INCOME STATEMENT INFORMATION BY OPERATING SEGMENT

This section presents consolidated financial information by operating segment. In compliance with IFRS 8, segment reporting reflects the management reporting approach of the Mediolanum Group, and is consistent with the information disclosed to the market and to the various stakeholders.

### ● Note on the method applied to segment reporting

Pursuant to IFRS 8, for the purpose of segment reporting of consolidated results the Mediolanum Group identified the following operating segments:

- ITALY – LIFE
- ITALY – ASSET MANAGEMENT
- ITALY – BANKING
- ITALY – OTHER
- SPAIN
- GERMANY

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.

## FINANCIAL INFORMATION BY OPERATING SEGMENT AT MARCH 31, 2013

€/000	ITALY					Consolidation adjustments	Total
	Life	Banking	Asset Management	Other			
<b>Net premiums written</b>	1,297,891	-	-	-	-	-	1,297,891
Amounts paid and change in technical reserves	(1,293,571)	-	-	-	-	-	(1,293,571)
<b>Life revenues (ex-commission)</b>	4,320	-	-	-	-	-	4,320
Entry fees	-	-	32,661	-	-	-	32,661
Management fees	56,900	-	69,757	-	-	-	126,657
Performance fees	27,567	-	29,330	-	-	-	56,897
Banking services fees	-	21,864	-	-	-	(319)	21,545
Other fees	533	2,556	6,043	-	-	-	9,132
<b>Total commission income</b>	85,000	24,420	137,791	-	-	(319)	246,892
Net interest income	10,837	58,964	71	(3,953)	-	-	65,919
Net income on investments at fair value	(649)	4,085	1	-	-	-	3,437
<b>Net financial income</b>	10,188	63,049	72	(3,953)	-	-	69,356
<b>Equity contribution</b>	-	-	-	1,818	-	-	1,818
Realised gains (losses) on other investments	(5,872)	34,965	142	-	-	-	29,235
Impairment of loans	-	(1,126)	-	(18)	-	-	(1,144)
Impairment of other investments	-	3	(143)	-	-	-	(140)
<b>Net income (loss) on other investments</b>	(5,872)	33,842	(1)	(18)	-	-	27,951
<b>Other revenues</b>	2,499	1,895	55	-	-	-	4,449
<b>TOTAL REVENUES</b>	96,135	123,206	137,917	(2,153)	(319)	(319)	354,785
Acquisition costs and sales network commission expenses	(22,644)	(15,070)	(59,415)	-	-	-	(97,129)
Other commission expenses	(1,719)	(3,004)	(3,740)	-	-	-	(8,463)
General and administrative expenses	(20,904)	(42,921)	(18,079)	-	319	-	(81,585)
Amortisation and depreciation	(990)	(1,744)	(546)	-	-	-	(3,280)
Net provisions for risks	(720)	(369)	(1,824)	-	-	-	(2,913)
<b>TOTAL COSTS</b>	(46,977)	(63,108)	(83,604)	-	319	-	(193,370)
<b>PROFIT BEFORE TAX</b>	49,158	60,098	54,312	(2,153)	-	-	161,415
Income tax	-	-	-	-	-	-	(36,163)
<b>NET PROFIT FOR THE PERIOD</b>	-	-	-	-	-	-	125,252

FOREIGN		Consolidation adjustments	Total
Spain	Germany		
31,366	6,341	-	1,335,598
(26,553)	(5,570)	-	(1,325,695)
4,813	771	-	9,903
1,718	89	-	34,468
3,741	1,468	-	131,866
1,576	816	-	59,289
1,070	2,872	(1)	25,486
566	129	-	9,827
8,671	5,374	(1)	260,936
5,847	159	-	71,925
375	20	-	3,832
6,222	179	-	75,757
-	-	-	1,818
9,907	-	-	39,142
(99)	-	-	(1,243)
-	-	-	(140)
9,808	-	-	37,759
81	102	(28)	4,604
29,595	6,426	(29)	390,777
(5,361)	(947)	2	(103,436)
(779)	(2,646)	-	(11,889)
(6,575)	(3,484)	27	(91,617)
(359)	(140)	-	(3,779)
(76)	-	-	(2,989)
(13,150)	(7,218)	29	(213,709)
16,445	(792)	-	177,068
(4,105)	(150)	-	(40,418)
12,340	(942)	-	136,650

## FINANCIAL INFORMATION BY OPERATING SEGMENT AT MARCH 31, 2012

€/000	ITALY					Total
	Life	Banking	Asset Management	Other	Consolidation adjustments	
<b>Net premiums written</b>	2,151,603	-	-	-	-	2,151,603
Amounts paid and change in technical reserves	(2,143,864)	-	-	-	-	(2,143,864)
<b>Life revenues (ex-commission)</b>	7,739	-	-	-	-	7,739
Entry fees	-	-	24,994	-	-	24,994
Management fees	53,574	-	54,818	-	-	108,392
Performance fees	25,592	-	34,222	-	-	59,814
Banking services fees	-	19,169	-	-	(147)	19,022
Other fees	198	2,385	5,672	-	-	8,255
<b>Total commission income</b>	79,364	21,554	119,706	-	(147)	220,477
Net interest income	1,265	78,117	246	(3,689)	-	75,939
Net income on investments at fair value	65,812	28,909	1	(2)	-	94,720
<b>Net financial income</b>	67,077	107,026	247	(3,691)	-	170,659
<b>Equity contribution</b>	-	-	-	1,442	-	1,442
Realised gains (losses) on other investments	(54)	1,205	154	-	-	1,305
Impairment of loans	-	(1,955)	-	-	-	(1,955)
Impairment of other investments	-	(28)	-	-	-	(28)
<b>Net income (loss) on other investments</b>	(54)	(778)	154	-	-	(678)
<b>Other revenues</b>	2,784	3,290	49	-	-	6,123
<b>TOTAL REVENUES</b>	156,910	131,092	120,156	(2,249)	(147)	405,762
Acquisition costs and sales network commission expenses	(23,924)	(13,922)	(38,418)	-	-	(76,264)
Other commission expenses	(1,331)	(3,112)	(2,888)	-	-	(7,331)
General and administrative expenses	(21,196)	(38,418)	(17,351)	-	147	(76,818)
Amortisation and depreciation	(778)	(1,319)	(562)	-	-	(2,659)
Net provisions for risks	(1,184)	(2,929)	(1,109)	-	-	(5,222)
<b>TOTAL COSTS</b>	(48,413)	(59,700)	(60,328)	-	147	(168,294)
<b>PROFIT BEFORE TAX</b>	108,497	71,392	59,828	(2,249)	-	237,468
Income tax	-	-	-	-	-	(64,305)
<b>NET PROFIT FOR THE PERIOD</b>	-	-	-	-	-	173,163

FOREIGN			
Spain	Germany	Consolidation adjustments	Total
22,159	7,608	-	2,181,370
(17,679)	(6,400)	-	(2,167,943)
4,480	1,208	-	13,427
1,073	64	-	26,131
3,081	1,329	-	112,802
1,474	495	-	61,783
1,035	2,459	(1)	22,515
249	(41)	-	8,463
6,912	4,306	(1)	231,694
7,308	276	-	83,523
482	299	-	95,501
7,790	575	-	179,024
-	-	-	1,442
(213)	-	-	1,092
(46)	-	-	(2,001)
-	-	-	(28)
(259)	-	-	(937)
100	184	(20)	6,387
19,023	6,273	(21)	431,037
(4,343)	(879)	1	(81,485)
(685)	(2,140)	-	(10,156)
(6,469)	(3,253)	20	(86,520)
(387)	(189)	-	(3,235)
(66)	-	-	(5,288)
(11,950)	(6,461)	21	(186,684)
7,073	(188)	-	244,353
(1,330)	(114)	-	(65,749)
5,743	(302)	-	178,604





**Responsibility  
Statement**

## Responsibility Statement

I, the undersigned Luigi Del Fabbro, Chief Financial Officer responsible for Mediolanum S.p.A. accounting and financial reporting, pursuant to section 154 *bis*, second paragraph, of Legislative Decree 58 of February 24, 1998 (Consolidated Finance Act)

HEREBY CONFIRM

that the financial information contained in the Consolidated Interim Report and Accounts at March 31, 2013, reflects the accounting entries, records and books.

Basiglio, May 9, 2013

The Chief Financial Officer  
(Luigi Del Fabbro)



